

Application No.3472 of 2016

RAJIV SHAKDHER, J.

1. This application is filed under Section 9 of the Arbitration and Conciliation Act, 1996, seeking a direction qua the respondents to furnish security for a sum of Rs.2,91,868/-, failing which, to order attachment of the property morefully described in the schedule appended to the judges summons.

2. To be noted, service was effected on the respondent. By order dated 24.08.2016, the respondent was directed to furnish security within a period of four weeks.

2.1. This Court directed the Registry to communicate the said order, i.e., order dated 24.08.2016, to the respondent. That apart, the applicant was also permitted to communicate the said order privately.

2.2. I am informed by the Registry that the service of the said order, i.e., order dated 24.08.2016, has been communicated to the respondent. Likewise, learned counsel for the applicant has filed an Affidavit of Service.

2.3. It appears that the postal cover containing the notice and the order was returned with the endorsement "refused, returned to sender". An Affidavit of Service has been placed on record for this purpose. Despite service, there is no appearance on behalf of the respondent.

3. In this circumstance, learned counsel for the applicant prays for the relief of attachment of the immovable property described in the schedule appended to the judges summons.

4. On merits, the applicant averred that the respondent has approached the applicant for loan qua purchase of a vehicle described as : Tata Ace bearing Registration No.TN-46-M-5004. It is stated that the respondent was given loan facility amounting to Rs.2,07,000/- under the Loan-cum-Hypothecation Agreement dated 26.08.2014. The said amount was to be paid in 34 Equated Monthly Instalments (EMIs). The first instalment was payable on 01.10.2014, while the last instalment was payable on 01.07.2017.

5. Learned counsel for the applicant says that the respondent has not adhered to the obligations undertaken under the aforementioned loan agreement. It is the case of the applicant that the vehicle was repossessed and sold on 30.11.2015, and that, after adjusting sale proceeds, as on 17.06.2016, the respondent is liable to pay a total sum of Rs.2,91,868/-.

6. Learned counsel for the applicant further states that arbitration proceedings have been initiated, and, the same are pending adjudication.

7. It is clear that the respondent is moving towards a situation where the award shall become a paper decree, if and when obtained. In this circumstance, there shall be an order of attachment qua the property described in the schedule appended to the Judges Summons to the extent of the claimed amount, i.e., Rs.. For the sake of convenience, the particulars of the said property are noted hereunder :

SCHEDULE OF PROPERTY

"Vacant Plot bearing NO.350 measuring East-West 30 Feet, South-North 40 Feet admeasuring 1200 Square Feet (111.52 Sq. Meter) in M.G.R.Nagar Plot Layout Government Approved, situated in Poiyarasur Village, Villupuram District, bearing Ayan Punjai Survey No.50/1, (hectare 0.95.5 Ares) Acre 2.36 bounded on the

North by an in 17th Cross Street, 20 feet wide going East - West formed for the use of layout ;

East by and in 4th Main Road, 20 feet wide going South-North ;

South by vacant plot No.351 purchased by Banupriya ;

West by vacant plot No.349 ;

Within the SRO, Thiruvannainallur, Villupuram Registration District.

Estimated value of property Rs.1,25,000/-"

8. Since the arbitration proceedings have been initiated and the same is pending, the parties will have liberty to take necessary steps hereafter, albeit, in accordance with law.

RAJIV SHAKDHER,J.

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9. Accordingly, the captioned application is disposed of in the aforesaid terms.

08.11.2016

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