

Application No.3888 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.11,50,340.69p., failing which, to order attachment of the property morefully described in the schedule appended to the judges summons.

2. The record shows that the postal covers containing the notice, sent to the respondents have been returned with the endorsement "refused". An Affidavit of Service has been filed in this behalf. In these circumstances, in my view, the respondents had deemed as having been served in the matter.

2.1. To be noted, vide order dated 09.09.2016, the respondents were directed to furnish security in the sum equivalent to Rs.11,50,340.69p. within a period of four weeks.

2.2. This Court directed the Registry to communicate the said order, i.e., 09.09.2016, to the respondents. 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., 09.09.2016, has been effected on the respondents. The needful has not been done. Despite the aforesaid, there is no appearance on behalf of the respondents. Since, the respondents

are not represented, the averments made in the application have gone untraversed.

3. Learned counsel for the applicant prays for the relief.

4. On merits, the applicant avers as follows : The respondents have approached the applicant for loan qua purchase of a vehicle described as : Eicher Pro 11.10. It is stated that vide agreement No.XVFPBGV000001385071, dated 27.03.2015, respondents were given loan facility amounting to Rs.11,24,000/-. The said amount was to be paid in 48 Equated Monthly Instalments (EMIs). The first instalment was payable on 01.05.2015, while the last instalment was payable on 01.04.2019.

5. Learned counsel for the applicant says that the respondents have not adhered to the obligations undertaken under the aforementioned loan agreement. It is the case of the applicant that as on 25.07.2016, the respondents are liable to pay a total sum of Rs.11,50,340.69p.

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 respondents are 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.11,50,340.69p. For the sake of convenience, the particulars of the said property are noted hereunder :

SCHEDULE OF PROPERTY

"Lands-properties situated in Survey No.163/1 and 163/2 of Kasaghatta Village, Dodda Belavangala Hobali, Doddaballapuram Taluk measuring 1-11 Guntas and 1.09 gutas respectively within the Sub Registration of Doddaballapura bounded by :-

EAST : Property of Ramanjinappa

WEST: Property of Putta Basamma

SOUTH:Property of Basappa

NORTH:Property of Nanjamma

Estimated value of the property Rs.5,00,000/-."

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.

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

25.11.2016

RAJIV SHAKDHER,J.

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Application No.3888 of 2015

25.11.2016

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