

Application No.7116 of 2015

RAJIV SHAKDHER,J.

This application is filed under Section 9 of the Arbitration and Conciliation Act 1996 seeking a direction to the respondents to furnish security for a sum of Rs.6,19,325/-, failing which, to order attachment of the property morefully described in the schedule to the judges summons.

2. In this application, notice was issued to the respondents, despite which, the respondents have not entered appearance. Learned counsel for the applicant says that already respondent No.2 has been given up as party to the proceedings. Further more, by order dated 04.04.2016, the respondent No.1 was directed to furnish security within a period of four weeks from the date of receipt of a copy of the order.

2.1. This Court directed the Registry to communicate the said order, i.e. order dated 04.04.2016, to the respondent No.1. That apart, the applicant was also permitted to communicate the said order privately.

2.2. I am informed by the Registry that the communication of the order, i.e. order dated 04.04.2016 was sent to the respondent No.1. Despite service, the respondent No.1 has not chosen to

appear.

3. Learned counsel for the applicant prays for attachment of the immovable property described in the schedule appended to the judges summons.

4. It may be noted that it is the case of the applicant that the respondents have availed loan in the sum of Rs.9,99,200/- under the Loan Agreement dated 17.02.2012 qua the purchase of the vehicle Leyland 2214 bearing Registration No.TN-47S-6822. The said amount was to be paid in 35 Equated Monthly Instalments (EMIs). The first instalment was to commence from 17.03.2012, while the last instalment was payable on 17.01.2015. The applicant submits that under the aforementioned Loan Agreement, the respondents have undertaken to repay the total loan amount of Rs.9,99,200/- along with finance charges.

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 the respondents are liable to pay a total sum of Rs.6,19,325/-as on 11.08.2015.

6. Learned counsel for the applicant further states that arbitration proceeding has been initiated and, consequent thereto, an award has been passed in the matter concerning the parties.

7. It is clear that the respondent No.1 is moving towards a situation where the award shall become a paper decree. In this circumstance, there shall be an order of attachment qua the property described in the judges summons to the extent of the claimed amount, i.e., Rs.6,19,325/-. For the sake of convenience, the particulars of the said property are noted hereunder:

SCHEDULE

In the District of Villupuram & Sub Registrar Office of Kallakurichi, Alathur Village, S.No.129/3, 1.080.0 ares, i.e 2 acres and 67 cents of lands along with well, the entire extent, Estimated Value Rs.3,50,000/-

8. Since the award has already been passed, the parties are given liberty to take necessary steps hereafter, albeit, in accordance with law.

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

17.08.2016

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