

IN THE HIGH COURT OF JUDICATURE AT MADRAS

(ORDINARY ORIGINAL CIVIL JURISDICTION)

WEDNESDAY, THE 30TH DAY OF MARCH 2016

THE HON'BLE MR. JUSTICE K. RAVICHANDRABAABU

A. No.5507 of 2013

In the matter of Arbitration
& Conciliation Act, 1996

And

In the matter of disputes
between M/s. Indo Asia
Finance Ltd and G.Ravi and
another arising under Loan
Agreement No.HP05769 dated
20.03.2011.

M/s.Indo Asia Finance Ltd.,
Formerly known as Indo Asian finance Ltd.,
Rep.by its Manager - Legal, Mr.Guruthalingam,
having office at No.15, New Giri Road,
G.No.Chetty Road, T.Nagar,
Chennai 600 017

: Applicant

Vs.

Mr.G.Ravi,
S/o.Ganeshan U,
3rd Block, Ground Floor C,
Rani Maiyammal Tower,
Raja Anna Malaipuram,
Chennai-600 028.

...Respondent

Application praying that this Hon'ble Court be pleased
to pass an order directing the Respondent to furnish
security for a sum of Rs.69,66,200/- being the Claim of the

Applicant arising under the Loan Agreement No.HP05769 dated 20.03.201, against the Respondent, within such time as this Hon'ble Court may stipulate and in case of default to order attachment before Judgement of the immovable Property of the Respondent more fully described in the Schedule A and Schedule B to the Judge's summons and the copy of the order to be sent to the Hon'ble District court Vellore, Tamil Nadu.

This application coming on this day before this court for hearing, court made the following order:

This Application is filed under Section 9 of the Arbitration and Conciliation Act, 1996, seeking for a direction to the respondent to furnish security for a sum of Rs.69,66,200/-, being the claim of the applicant arising under the Loan Agreement No.HP05769 dated 20.03.2011, against the respondent within such time as this Court may stipulate and in case of default to order attachment before judgment of the immovable property of the respondent morefully described in the Schedule-A and Schedule-B to the judges summons.

2. Heard both sides.

3. According to the applicant, the first respondent

availed loan for purchase of used vehicles from the applicant and the 2nd respondent stood as a guarantor. It is the grievance of the applicant that the respondents defaulted in making payments towards instalments due and liable to be paid to the applicant. Thus, it is stated that as on 23.10.2013, a sum of Rs.69,66,200/- is due and payable by the respondents. Hence, this application is filed under Section 9 of the Arbitration and Conciliation Act seeking for an interim protection pending disposal of the arbitral proceedings.

4. The first respondent, who is the borrower, filed an affidavit dated 23.03.2016 before this Court stating that the Schedule 'A' of the property shown in the judges summons itself would fetch the market value of Rs.2 crores which is more than sufficient to meet the claim and that the first respondent undertakes that he will not deal or alienate the schedule 'A' property until the arbitration proceedings are over. Paragraph No.2 of the affidavit reads as follows:

1. I submit that now the applicant is sought to attach my two properties in the present application. The schedule "A" of the property alone

would fetch a market value of more than Rs.2.00 crores which is more than sufficient to meet the claim amount. Considering the above facts, I undertake that I will not deal or alienate with the schedule "A" of the property until the arbitration proceedings are over.

5. It is not in dispute that already arbitration proceedings have commenced by appointing a sole arbitrator and the same is pending. When that being the factual position and considering the fact that the first respondent who has come forward to give an undertaking that he will not deal with "A" schedule property shown in the judges summons until the arbitral proceedings are over, which according to the first respondent would fetch more than Rs.2.00 crores, admittedly, in excess of the claim made by the applicant, this Court is of the view that interest of both parties would be protected, if such an undertaking by the first respondent is recorded and the arbitral proceedings is directed to be completed without loss of further time. Accordingly, the above undertaking given by the first respondent is recorded and the application is

closed with a direction to the Arbitral Tribunal to complete the arbitral proceedings as expeditiously as possible.

sd/.K.K.S.J

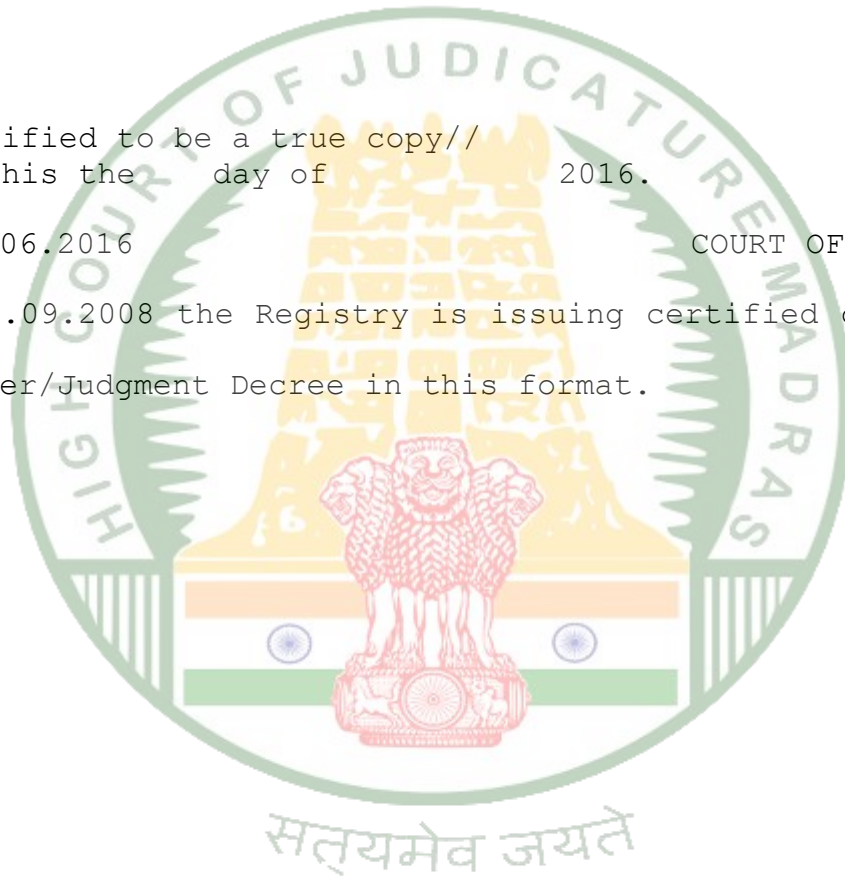
30.03.2016

//Certified to be a true copy//
Dated this the day of 2016.

S.s/16.06.2016

COURT OFFICER

From 25.09.2008 the Registry is issuing certified copies of the Order/Judgment Decree in this format.



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