IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION

ARBITRATION PETITION NO. 490 OF 2015

Rohit Mangalal Udani …Petitioner
vs
Kotak Mahindra Investment Ltd. ...Respondent

Ms.S.P. Trivedi I/b. A. Bharat & Co. for Petitioner.
Ms.Deepak Dhane I/b. Joby Mathew & Associates for Respondent.

CORAM : S.C.GUPTE, J.

DATE : 20 FEBRUARY 2019

P.C. :

Heard learned Counsel for the parties.

2 This petition challenges an arbitral award passed by a sole arbitrator. The Petitioner before the court was respondent before the arbitrator, and the Respondent herein (a non-banking financial institution) the claimant. The claim was in respect of a loan given by the Respondent to the Petitioner. The Petitioner had executed several documents, including a master loan agreement. The Petitioner herein was also a constituent of one Kotak Securities Ltd., a group company of the Respondent, who was doing stock broking business on National Stock Exchange. The parties appear to have had some dealings under a member-client agreement between the Petitioner and Kotak Securities Ltd. What was before the learned arbitrator was a claim of the Respondent herein (Kotak Mahindra Investment Ltd.) under the loan agreement. The Respondent had produced a ledger account of the Petitioner showing an outstanding balance as of 7 January 2009 of a

sum of Rs.5,13,576.17, as also a pledge agreement and a power of attorney executed by the Petitioner for securing the loan. The arbitrator, by his impugned award, allowed the Respondent's claim with interest and costs.

3 It is submitted by learned Counsel for the Petitioner that the Petitioner had dealings with Kotak Securities Ltd., who took his signatures on blank documents and allowed the Respondent to use them to create a loan account. The Petitioner denied the loan or any outstanding owed to the Respondent.

4 The learned arbitrator has duly considered all these contentions of the Petitioner. The arbitrator has noted that the master loan agreement as well as the other documents including the pledge agreement was executed between the Petitioner and the Respondent, and Kotak Securities Ltd. was not a party thereto. The arbitrator did not accept the Petitioner's contention that he was made to sign blank documents and no copy was provided to him, noting *inter alia* that there was no complaint or protest letter in this behalf on the part of the Petitioner and there was no reason why he should have signed blank documents and handed them over to the Respondent without bothering to ask for even copies. The learned arbitrator has noted that all payments made by the Petitioner to the Respondent were reflected in the ledger account; these could not be disputed by the Petitioner. The arbitrator did not accept the Petitioner's defence that he gave cheque/s to Kotak Securities Ltd. and not to the Respondent. The leaned arbitrator observed that by his advocate's letter dated 13 April 2008, the Petitioner had agreed to pay legitimate balance in his account with the Respondent. The Petitioner has not denied the fact

that facilities were availed of by him or that he had signed the loan agreement and Power of Attorney in favour of the Respondent. The share of the Petitioner in the Demat account held with Kotak Securities Ltd. had been pledged with the Respondent to secure the payment facility offered to him. The learned arbitrator held that if the Petitioner had any grievance about his dealings with Kotak Securities Ltd., he could adopt separate proceedings against Kotak Securities Ltd. and there was no way this grievance could be heard and decided in the present arbitration reference. The arbitrator was satisfied about the documentary evidence tendered by the Respondent in support of its case on outstanding loan. The ledger account duly reflected entries related to disbursement made and payments received in the loan account. The arbitrator noted that these entries could not be seriously disputed by the Petitioner.

5 These are all possible views based on reasonable interpretation of the agreements between the parties and assessment of the evidence produced before the arbitrator. None of the arbitrator's conclusions can be described as views, which no fair or judiciously minded person was expected to take or views that would shock the conscience of the court. Accordingly, there is no warrant for interfering with the impugned award within the parametres of the law of challenge to an arbitral award under Section 34 of the Arbitration and Conciliation Act, 1996.

6 Accordingly, there is no merit in the arbitration petition. The petition is dismissed. No order as to costs.

(S.C. GUPTE, J.)