

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMMERCIAL ARBITRATION PETITION NO. 274 OF 2024
WITH
INTERIM APPLICATION (L) NO. 26548 OF 2024**

Tata Motors Finance Limited	.. Petitioner
Versus	
Project Equipment & Construction Company and Anr	.. Respondents

**WITH
COMMERCIAL ARBITRATION APPEAL (L) NO. 27124 OF 2024
IN
COMMERCIAL ARBITRATION PETITION NO. 274 OF 2024**

Project Equipment & Construction Company and Anr	.. Appellant
Versus	
Tata Motors Finance Limited	.. Respondents

...

Mr. Akash Rebello with Gaurav Jangle and Akshita Jain i/b I.V.
Merchant & CO. for the petitioner.
Mr. Ashok Kumar Singh for respondents.

**CORAM: BHARATI DANGRE, J.
DATED : 14th NOVEMBER, 2025**

P.C:-

1 Petition under Section 9 of the Arbitration and Conciliation Act, 1996, is filed by the petitioner Non Banking Finance Company, which executed Master Loan Agreement/Loan-cum- Hypothecation agreements with the respondents and upon default being committed, recalled the loan facilities in each individual contract and called upon the

respondents to pay a sum along with the cost/additional/over due interest and cost charges and expenses.

In the wake of the existing arbitration clause in each individual agreements being referred to as 'contract', determining the obligations to be discharged by each of the party, with a specific clause of referring the disputes/differences and/or claims arising out of the agreement to be settled by Arbitration to be held in Mumbai in accordance with the Arbitration and Conciliation Act, 1996, the petitioner addressed a communication to the respondents on 20/6/2024 being addressed to the borrower and co-borrower.

After setting out the details of the default and calling upon them to make the payment of the amount set out therein along with the interest and other heads due and payable within a period of 7 days from the notice, the noticees were also called upon to bring the hypothecated vehicles for inspection.

2 Clause 9 of the said notice clearly stated that the notice shall be treated as 'notice invoking arbitration' in accordance with and in compliance of Section 21 of the Arbitration and Conciliation Act, 1996, and in case, there is no consensus expressed over appointment of Arbitrator, a Sole Arbitrator shall be appointed from the names that were set out in the notice.

3 During the course of hearing, it is pointed out that the agreements involved 13 vehicles and in respect of 8 of the vehicles, the Contract stand allegedly terminated, however, the

contract persist in respect of five of the vehicles. According to Mr.Rebello, there is a separate contract in form of working capital loan agreement and it is his specific contention that this contract involved all 13 vehicles being hypothecated against the amount advanced.

4 In any case, at this stage, I do not deem it appropriate to pronounce upon the legality or sustainability of the arguments advanced by either of the parties, as there is a consensus to refer the dispute arising out of the contract between the parties for arbitration.

However, as a working arrangement, till the Arbitrator is appointed and the parties seek appropriate reliefs before him, it is agreed that as far as five vehicles are concerned which are presently in possession of the borrower, they shall be permitted to be plied by him and the borrower is entitled to earn business therefrom. However, the borrower agree that he shall deposit an amount of Rs.40 lakhs in two tranches in this Court for securing the amount of claim of the Finance Company; the first tranche of Rs.20 lakhs to be deposited on or before 15/12/2025 and the balance amount of Rs.20 lakhs to be deposited on or before 15/1/2026.

Since this amount is agreed to be deposited as against the claim of the petitioner to the tune of Rs.1,98,41,437.72 as computed by the petitioner including the contract value, legal expenses, ODC charges, etc and set out as outstanding foreclosure value, the petitioner upon deposit of the agreeable

amount, is permitted to withdraw the same and the Prothonotary and Sr. Master with whom the amount shall be deposited shall permit such withdrawal.

5 With the above arrangement being worked out pending the initiation of Arbitral Proceedings, I deem it appropriate to pass the following order in the wake of a specific clause in the agreement for referring the dispute arising between the parties to the sole Arbitrator.

A] **Mr.Vyom Shah**, an Advocate of this Court is hereby appointed as the Sole Arbitrator to adjudicate upon the disputes and difference between the parties arising out of an in connection with the Agreement referred to above. The contact details of the arbitrator are as under :-

Office Address :- Janmabhoomi Marg Chambers,
4th floor, Janmabhoomi Marg,
Fort, Mumbai 400001.

Tel No. 9833062923

Email ID :- vyomdshah@gmail.com

B] A copy of this Order will be communicated to the Learned Sole Arbitrator by the Advocates for the Petitioner within a period of one week from the date on which this order is uploaded on the website of this Court. The Petitioner shall prove the contact and communication particulars of the parties to the Arbitral Tribunal along with a copy of this Order;

C] The Learned Sole Arbitrator is requested to forward the statutory Statement of Disclosure under Section 11(8) read

with Section 12(1) of the Act to the parties within a period of two weeks from receipt of a copy of this Order;

D] The parties shall appear before the Learned Sole Arbitrator on such date and at such place as indicated by him, to obtain appropriate direction with regard to conduct of the arbitration including fixing a schedule for pleadings, examination of witnesses, if any, schedule of hearings etc.

E] The sole Arbitrator shall be entitled to the fees prescribed under the Bombay High Court (Fee Payable to Arbitrators) Rules, 2018 and the arbitral costs and fees of the Arbitrator shall be borne by the parties in equal portion and shall be subject to the final Award that may be passed by the Tribunal.

6 Since the parties have agreed for appointment of Arbitrator, all rights and contentions of the parties, including the amount due and payable is left open to be contested in the arbitration proceedings.

7 However, it is made clear that if the amount as undertaken, is not deposited on or before 15/1/2026, the Court Receiver, Bombay High Court, shall take possession of the vehicles. The details of the vehicles which the Court Receiver is entitled to take possession and which are at present in possession of the borrower are as follows :-

Sr. No.	Contract No.	Contract date	Vehicle model	Registration No.	Amount financed
1	5002875712	08.11.2018	LPK2523 HD	JH10BR1781	31,00,000.00
2	5002875798	06.11.2018	LPK2523 HD	JH10BR3868	31,00,000.00
3	5002875710	20.11.2018	LPK2523 HD	JH10BR9876	31,00,000.00
4	5002875794	06.11.2018	LPK2523 HD	JH10BR6529	31,00,000.00
5	5002875796	06.11.2018	LPK2523 HD	JH10BR9362	31,00,000.00
6	5003135691	25.06.2019	SIGNA 4623 S	NL01 AD5493	859411.9

7	5002662029	14.05.2018	LPK2523 TC	JH 09 AL5752	448118.15
8	5002662031	14.05.2018	LPK2523 TC	JH 09 AL0133	448118.15
9	5002662113	16.05.2018	LPK2523 TC	JH 09 AL6282	448522.21
10	5002662115	16.05.2018	LPK2523 TC	JH 09 AL7704	448522.21
11	5002662117	14.05.2018	LPK2523 TC	JH 09 AL5292	448118.15
12	5002741836	26.07/2018	SFC 407 T	JH 09AL9190	177086.97
13	5003135695	25.05.2019	SIGNA 4623 S	NL01AD5490	859411.9

The respondents are restrained from creating any third party rights in the vehicle, which are permitted to be plied.

Commercial Arbitration Appeal (L) No. 27124/2924 is not pressed in the wake of the aforesaid order being passed.

Pending Interim Applications stand disposed of.

(BHARATI DANGRE, J)