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Arb.Appln.No.1156 of 2



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 15.10.2025

CORAM:

THE HONOURABLE MR.JUSTICE N.ANAND VENKATESH

Arbitration Application No.1156 of 2025

M/s.Cholamandalam Investment and Finance Company Limited
Chola Crest, C 54 and 55,
Super B-4, Thiru Vi Ka Industrial Estate,
Guindy, Chennai-600 032.
Represented by its Authorised Signatory

... Applicant

Vs.

Ally K.V
W/o.Joju
Paloly House, Vadakkummuri
Near Kuttankulam Anganvadi
Thrissur, Kerala - 680 570.

...Respondent

Prayer: Arbitration Application filed under Order XIV Rule 8 of O.S. Rules read with Section 9(1)(ii)(a)(b)(d) & (e) of the Arbitration Act, 1996, to appoint an Advocate Commissioner to seize and deliver the construction equipment to the applicant which is morefully described in the schedule to the judges summons which is lying in the custody of respondent or respondent's men, agents, servants from respondent premises or wherever found with police aid and break open of premises, if necessary.

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For Applicant : Mr.D.Pradeep Kumar

ORDER

This application has been filed under Section 9 of the Arbitration and Conciliation Act, 1996 for appointment of an Advocate Commissioner for seizing the construction equipment in the custody of the respondent, if necessary, with police protection and by breaking open the premises.

2. When this application came up for hearing on 20.08.2025, this Court passed the following order:-

"This application has been filed under Section 9 of the Arbitration and Conciliation Act, seeking for appointment of an advocate commissioner to repossess the equipment from the respondent or wherever available.

2. The applicant is a non banking financial institution. They lent money to the respondent under an agreement for loan dated 21.12.2022. The respondent has committed default in the repayment of the loan as per the said agreement. The applicant has also recalled the loan through their loan recall notice dated 03.04.2025. They have also filed a statement of account dated 21.07.2025. As seen from the same, Rs.26,22,838.50 is due and payable by the respondent to the applicant. The said amount includes the future installments, penal interest and other incidental charges. However, as on date, the respondent is in arrears of installments, which amounts to Rs.1,33,643/-.

3. Under the agreement for loan dated 21.12.2022, the applicant is empowered to repossess the equipment from the respondent in case they commit default in the repayment of the loan. The applicant has expressed its difficulties to repossess



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the equipment on their own. Under those circumstances, they have filed this application, seeking for appointment of an advocate commissioner to repossess the equipment. The applicant has also undertaken to initiate arbitration in accordance with clause 29 of the agreement for loan dated 21.12.2022.

4. This Court, after giving due consideration to the averments contained in the affidavit filed in support of this application and after giving due consideration to the documents filed along with this application, is of the considered view that since the respondent is a defaulter in the repayment of loan, this Court is inclined to appoint an advocate commissioner as prayed for in this application. However, in order to enable the respondent to run the equipment even after repossession by the advocate commissioner, this Court is putting the respondent on terms. According to the applicant, a sum of Rs.1,33,643/- is due and payable by the respondent to the applicant towards arrears of installments i.e., 2 installments have not been paid by the respondent to the applicant till date.

5. For the foregoing reasons, this Court issues the following directions:

a) Ha. Shri Rajalakshmi, Advocate having address at Cabin No.14, No.69, 3rd Floor, Leelavathi Complex, Armenian Street, Chennai - 600 001 (Mob. No.99403 40227) is appointed as the advocate commissioner to re-posses the equipment morefully described in the schedule to the Judges Summons from the respondent from her premises or wherever available;

b) The advocate commissioner after re-possessing the equipment, shall handover interim custody of the same to the applicant, who shall keep it in their safe custody;

c) The advocate commissioner, immediately after re-possessing the subject equipment, shall intimate the respondent either through Registered Post with Acknowledgment Due (RPAD) or by hand delivery through a written communication, that the arrears of installments works out to Rs.1,33,643/-;

d) The respondent on payment of Rs.1,33,643/- to the applicant within a period of three days from the date when the subject equipment was re-possessed, is entitled for return of



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the seized equipment, provided an undertaking is given by the respondent that the respondent shall pay the future installments on the due dates, without any default. On receipt of the sum of Rs.1,33,643/- within the stipulated time as stated supra, the applicant shall redeliver the subject equipment back to the respondent with proper acknowledgment and the advocate commissioner shall also render proper assistance for the same;

e) The applicant shall initiate arbitration in accordance with the arbitration agreement contained in the contract within a period of 90 days from today. In case, the applicant fails to initiate arbitration within the stipulated time, the order passed by this Court today shall stand automatically vacated and the re-possessed equipment shall also be redelivered back to the respondent by the applicant unconditionally;

f) In case, the advocate commissioner requires Police assistance due to any law and order problem or due to any obstruction caused by the respondent or by any third party, while re-possessing the equipment, the advocate commissioner is at liberty to seek police assistance from the concerned police station and the police department shall grant police protection accordingly. In case, break open of the premises, where the equipment is located, is required, the advocate commissioner shall break open the premises in the presence of the police and take an inventory and thereafter re-posses the equipment;

g) The advocate commissioner shall be paid an initial remuneration of Rs.25,000/- and on receipt of the same, the advocate commissioner shall proceed to execute this order. All the boarding, lodging and travelling expenses for the advocate commissioner shall be borne by the applicant.

6. Notice to the respondent, returnable by 24.09.2025. Private Notice is also permitted."

3. Today, when the matter was taken up for hearing, learned counsel for the applicant submitted that notice has been served on the respondent and affidavit of service has also been filed. However, there is no appearance for



the respondent either in person or through counsel. Hence, the apprehension raised on the side of the applicant that the respondent is trying to secret the construction equipment is *prima facie* established.

4. In view of the above, in the place of the Advocate Commissioner, Mr.Jais Clement P, Branch Legal Manager, is appointed as Receiver for seizing the subject construction equipment from the respondent or wherever it is found and by breaking open the premises, if required, with police aid.

5. This application stands disposed of in the above terms.

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Index: Yes/No
Speaking Order/Non-Speaking Order
Neutral Citation Case : Yes/No



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N.ANAND VENKATESH, J.

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