

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 03.02.2021

CORAM :

THE HONOURABLE MR.JUSTICE P.T.ASHA

Original Petition No.593 of 2020

M/s.KGS Developers Limited,
Represented by its Director Mr.A.Srinivasan
No.10, 2nd Cross Street, Raja Annamalaipuram,
Chennai - 600 028.

...

Petitioner

Versus

Inder Chand Kochar

...

Respondent

Prayer: Original Petition filed under Section 11(6) of the Arbitration and Conciliation Act, 1996, to appoint an Arbitrator to resolve the disputes between the petitioner and respondent.

For Petitioner : M/s.Nithyaesh & Vaibhav

For Respondent : Mr.R.Palaniandavan

ORDER

This Application has been filed under Section 11(6) of the Arbitration and Conciliation Act, 1996 seeking to appoint an Arbitrator to resolve the dispute between the parties.

2. The respondent who is engaged in the real estate business was approached by the applicant with a request for financial assistance through its Managing Director. Since the respondent was acquainted with the Managing Director of the applicant, he had agreed to give the necessary financial assistance subject to the loan being approved by the Board of Directors of the applicant.

3. The record would show that, pursuant to the resolution of the Board of Directors, a loan agreement dated 05.03.2014 was executed between the applicant and the respondent under which a sum of Rs.50,00,000/- was given to the applicant. The petitioner has filed the petition for appointing an Arbitrator *inter-alia* contending that their Managing Director was acting only in his individual capacity and that he had not been authorized to borrow on behalf of the petitioner. In short they had denied the borrowal and the acknowledgment letter issued on 07.03.2019.

4. The petitioner would submit that there was a serious dispute that the alleged agreement dated 05.03.2019 was not entered into by them and they had not authorized Mr.Gigi George to enter into such an agreement. The agreement deserve to be declared as null and void. Though the petitioner had

denied execution of the agreement, however they had agreed to subject themselves to Arbitration on the strength of the notice issued by the respondent invoking the Arbitration Clause dated 10.03.2020.

5. The respondent had filed a counter denying the various claims made by the applicant regarding the execution of the loan agreement and the disbursal of the money. They had also consented for an Arbitration. Today when the matter came before this court, the parties expressed their consent for appointing sole Arbitrator to resolve the dispute between the parties.

6. Considering the fact that disputes have arisen between the parties and parties have agreed to dispute resolution mechanism, it is ordered as follows:

i) Mr.Arun Anbumani, residing at Old No.59, New No.17, Ayyavoo Street, Shenoy Nagar, Chennai - 600 030, Contact No.98410 56005, is appointed as the Arbitrator to enter upon reference and adjudicate the disputes *inter se* the parties.

ii) The learned Arbitrator may, after issuing notice to the parties and upon hearing them, pass an award as expeditiously as possible, preferably within a period of six months from the date of receipt of the order. It is open

to the respondent to raise all legal objections as to the validity of contract.

iii) The learned Arbitrator is at liberty to fix his remuneration and other incidental expenses as per law.

iv) The proceedings may be conducted under the aegis of the Madras High Court Arbitration Centre and in accordance with the Madras High Court Arbitration Rules.

7. The Original Petition is, accordingly, allowed, leaving the parties to bear their own costs.

03.02.2021

Speaking Order / Non-speaking Order

Index : Yes / No

Internet : Yes

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To

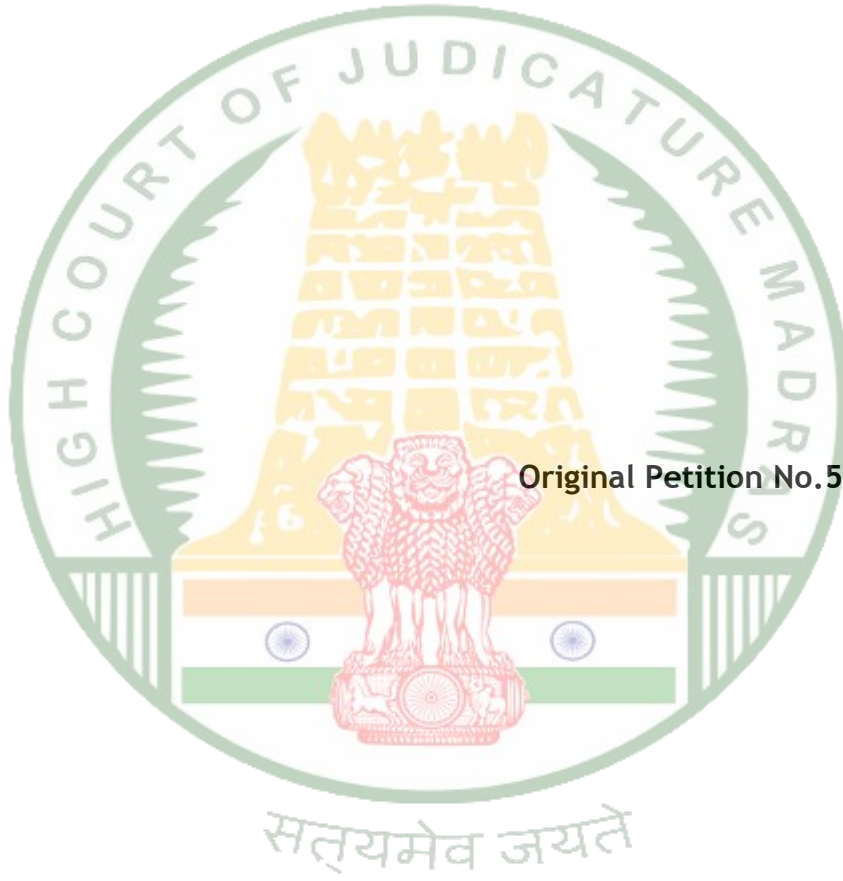
Mr.Arun Anbumani,
Old No.59, New No.17, Ayyavoo Street,
Shenoy Nagar, Chennai - 600 030.

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O.P.No.593 of 2020

P.T.ASHA,J.

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