



Arb.O.P.(Comm.Div.) No.489 of 2022

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 14.11.2022

CORAM

THE HONOURABLE **MR.JUSTICE SENTHILKUMAR RAMAMOORTHY**

Arb.O.P.(Comm.Div.) No.489 of 2022

M/s.Shriram City Union Finance Limited,
No.12, Ramaswamy Street, T.Nagar,
Chennai - 600 017, rep. by its Authorized
Signatory, Ms.Navinaa P.N

... Petitioner

vs.

1.M.Gopalsamy,
Proprietor,
M/s.Sri Kariyakaliamman Textiles
2.G.Thenmozhi
3.M.Shanmugasundaram
4.S.Balamani

... Respondents

PRAYER: Arbitration Original Petition filed under Section 15(2) of the Arbitration and Conciliation Act, 1996, pleased to substitute the arbitrator appointed by the petitioner by appointing any fit and competent person as an Arbitrator as per the provisions of the Arbitration and Conciliation Act, 1996, so as to adjudicate the claim and the dispute between the petitioner and the respondents under the Loan Agreement dated 22.06.2018.



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For Petitioner : Ms.N.Swathy for Mr.R.Umashankar
For Respondents : Ms.S.Archana for Mr.M.Velmurugan

ORDER

The petitioner seeks the substitution of the arbitrator pursuant to his recusal.

2. The petitioner asserts that credit facilities were extended to the respondents under loan agreement dated 22.06.2018. Upon default in servicing obligations thereunder, a notice dated 24.11.2021 was issued demanding payment of a sum of Rs.12,87,376/-. This was followed by a notice dated 24.12.2021 under Section 21 of the Arbitration and Conciliation Act, 1996 (the Arbitration Act). The arbitral tribunal was constituted pursuant thereto. In view of objections raised by the respondents herein to the unilateral appointment, the arbitrator recused under communication dated 21.03.2022.

3. The respondents are represented by counsel. Learned counsel submits, on instructions, that the respondents have no objections to the substitution of the arbitrator by this Court.



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4. By taking into account the nature of the dispute and the nature of the claim, it is appropriate that an advocate be appointed as the arbitrator.

5. Accordingly, Arb.O.P.(Comm.Div.) No.489 of 2022 is allowed by appointing Mr.R.Palaniandavan, Advocate, No.770-A Lower Ground Floor, Dewa Towers, Anna Salai, Chennai - 600 002, Mobile No.9884110509 as the sole arbitrator in place of the former arbitrator. The arbitral proceedings shall be proceeded with from the stage it was at when the former arbitrator recused. The former arbitrator is directed to handover the records of the arbitral proceedings to the arbitrator appointed under this order. The substitute arbitrator is directed to enter upon reference to adjudicate the dispute. The fees and expenses of the arbitral tribunal shall be fixed in consultation with the parties.

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Index : Yes / No

Internet : Yes / No

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