



A.No.2341 of 2023

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M/s.TVS Credit Services Ltd.,
Rep.by its Authorised signatory

..... Applicant

Vs

M.Rajasekaran

..... Respondent

ABDUL QUDDHOSE, J.,

This application has been filed under Section 29-A(4) of the Arbitration and Conciliation Act, 1996 [hereinafter referred to as 'the Act'] seeking for extension of time for pronouncement of an Arbitral Award by the Arbitral Tribunal.

2. The period of one year for the Arbitral Tribunal to pass an Arbitral Award has got expired. In such circumstances, this application has been filed by the applicant, who is the claimant in the arbitration. The respondent is the borrower, who is alleged to have committed default in repayment of loan to the applicant, which necessitated the applicant to initiate arbitration in accordance with the arbitration agreement contained in the loan contract. Since the period of one year has got over, this application has been filed seeking for extension of time for the Arbitrator



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to pass an Arbitral Award.

3. As seen from the affidavit filed in support of this application, the applicant had re-possessed the vehicle from the respondent as per the terms and conditions of the loan agreement and after the said re-possession, the respondent had approached the applicant for settlement. According to the applicant, only due to the settlement talks between the parties, the arbitration proceedings were kept in abeyance. Now, it is stated that the settlement talks have failed as the offer given by the respondent to the applicant is not acceptable to the applicant. Under those circumstances, the applicant seeks for extension of time for the Arbitral Tribunal to pass an Arbitral Award by another period of six months.

4. Counter has also been filed by the respondent in this application denying the contentions of the applicant. He would submit that the Arbitrator has been unilaterally appointed and he is a biased person. According to the respondent, even though, the respondent has raised several objections before the Arbitrator, the Arbitrator has ignored the



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same. Under the aforementioned circumstances, the respondent seeks for dismissal of this application.

5. Admittedly, this application has been filed only to seek extension of time for the Arbitral Tribunal to pass Arbitral Award. Admittedly, the time for passing Arbitral Award as per the statute has already got over. The applicant has contended that only due to settlement talks between the parties, the arbitration was getting adjourned on a regular basis. The applicant has also stated that the settlement offer given by the respondent is not agreeable to the applicant and therefore, as on the date, the settlement talks have failed. However, the same is disputed by the respondent as seen from the counter affidavit filed by him before this Court. He would state that Arbitrator has been unilaterally appointed and the Arbitrator is a biased person. He would also state that he has raised several objections before the Arbitrator, which have been ignored by him.

6. All the above mentioned contentions cannot be adjudicated by this Court while deciding an application under Section 29-A(4) of the Act, which has been filed for the limited purpose of seeking extension of



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time for the Arbitral Tribunal to pronounce the Arbitral Award. The contentions raised by the respondent can be adjudicated only by the Arbitrator and not by this Court at this stage.

7. Pleadings are already complete before the arbitration. The arbitration is in the trial stage. No prejudice will be caused to any of the parties, if extension of time is granted as sought for in this application filed under Section 29-A(4) of the Act. However, the contentions of the respondent regarding the merits of the claim will have to be necessarily considered by the Arbitrator while passing the Arbitral Award.

8. For the foregoing reasons, this application is allowed as prayed for by extending the time for pronouncement of the Arbitral Award by the Arbitrator by another period of six months from the date of receipt of a copy of this order.

ms

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