



WEB COPY



Arb.OP.(comdiv) No.331 of 2024

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 17.10.2024

CORAM

THE HONOURABLE **MR.JUSTICE G.K.ILANTHIRAIYAN**

Arb.O.P.(Comm.Div.) No.331 of 2024

M/s.Mercedes-Benz Financial Services India Pvt.Ltd.,
(Formerly known as Daimler Financial Services Pvt.Ltd),
Rep. By its authorized signatory
Mr.Ra.Sivadhara Adiyaman,
Guindy, Chennai – 32. .. Petitioner

-VS-

1. PR Rajendran
2. PR Shelve .. Respondents

Petition under Section 11 of the Arbitration and Conciliation Act, 1996, has been filed seeking to appoint a sole arbitrator to adjudicate the dispute between the petitioner and the respondents under the loan agreement dated 30.07.2020.

For Petitioner : Ms.Sihana Fatima

For Respondents : Mr.A.Ganesan



Arb.OP.(comdiv) No.331 of 2024

ORDER

WEB COPY This petition has been filed under Section 11 of the Arbitration and Conciliation Act, 1996, seeking for appointment of an Arbitrator.

2. According to the petitioner, the respondents had approached the petitioner to avail financial assistance and accordingly, a loan agreement dated 30.07.2020 was entered into between the petitioner and the respondents for purchase of a commercial vehicle.

3. There seems to be a dispute between the petitioner and the respondents arising out of the loan agreement dated 30.07.2020. There is an arbitration clause available in the loan agreement dated 30.07.2020, which is extracted hereunder:-

“85. Dispute Resolution --

All claims and disputes arising under or relating to this loan agreement are to be settled by binding arbitration in the State of Tamil Nadu, specifically Chennai or another location desired by the lender. The arbitration shall be conducted on a confidential basis and shall be subject to the Arbitration and Conciliation Act,



Arb.OP.(comdiv) No.331 of 2024

1996, of India. Any decision or award as a result of any such arbitration proceeding shall be in writing and shall provide an explanation for all conclusions of law and fact and shall include the assessment of costs, expenses, and reasonable attorneys' fees. Any such arbitration shall be conducted by single arbitrator appointed by the Lender. The arbitration proceeds shall include a written record of the arbitration hearing. The parties reserve the right to object to any individual who shall be employed by or affiliated with a competing organization or entity. An award of arbitration may be confirmed in a court of competent jurisdiction.”

4. The petitioner had invoked the arbitration in accordance with the arbitration clause found in the loan agreement dated 30.07.2020 by sending a notice to the respondents on 03.02.2023. Although the petitioner suggested name of the arbitrator, the respondents have not agreed with the same. Since there is a valid arbitral agreement between the parties and that there has been no consensus between the parties for appointment of an arbitrator, this Court will have to necessarily appoint



Arb.OP.(comdiv) No.331 of 2024

an arbitrator. Accordingly, this petition is allowed with the following directions:-

(a) This Court hereby appoints Mr.S.Muthuchharan, Advocate, (Mobile No.7397261623), Enrol.No.2892/2018, residing at No.7, New No.13, 4th cross street, Sasthri Nagar, Adyar, Chennai, as the sole arbitrator to adjudicate the dispute between the petitioner and the respondents arising out of the loan agreement dated 30.07.2020.

(b) The Sole Arbitrator appointed by this Court shall be paid remuneration as per the Fourth Schedule of the Arbitration and Conciliation Act, 1996.

(c) The Arbitrator shall adhere to the provisions of Arbitration and Conciliation Act, 1996.

(d) The Arbitrator shall also pass the arbitral award within the stipulated period as prescribed under the Arbitration and Conciliation Act, 1996.

(e) Both the parties shall share equally the fees payable to the Arbitrator.

17.10.2024

rkm



WEB COPY



Arb.OP.(comdiv) No.331 of 2024

G.K.ILANTHIRAIYAN, J.

rkm

Arb.O.P.(Comm.Div.) No.331 of 2024

17.10.2024