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Arb.O.P (Com.Div.) No. 100 of 2025

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 19.06.2025

CORAM

**THE HON'BLE Mr. JUSTICE ABDUL QUDDHOSE**

**Arb.O.P (Com.Div.) No. 100 of 2025**

Five Star Business Finance Limited  
Rep. by its Legal Officer  
Madhu Sandhan Someswaran  
Registered Office at New No.27, Old No.4  
Taylor's Road, Kilpauk, Chennai-600010.

...Petitioner

vs.

1.Shanthavva  
2.N.Santosh Nadavinamani

... Respondents

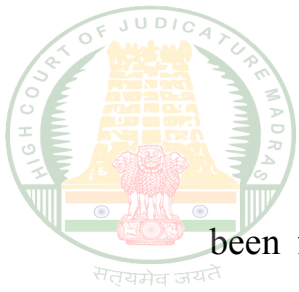
**Prayer :** Arbitration Original Petition (Commercial Division) filed under Section 11(5) of the Arbitration and Conciliation Act, 1996, praying to decide the disputes and differences between the petitioner and the respondent in terms of Loan Agreement dated 25.06.2019 and pass such further or other orders as this Hon'ble Court may deem fit and proper.

For petitioner : Ms.M.Vinothini Mathelene

For Respondents : Set ex-parte

**ORDER**

As directed by this Court, the petitioner has effected substituted service by effecting paper publication. The paper publication has also



been filed along with the affidavit of service. Despite effecting paper publication and printing the name of the respondents in the cause-list today, the respondents remain unrepresented. Hence, the respondents are set exparte.

2. This petition has been filed under Section 11 of the Arbitration and Conciliation Act, 1996, seeking for appointment of a sole Arbitrator by this Court.

3. There seems to be a dispute between the petitioner and the respondents arising out of the Loan Agreement dated 25.06.2019 to secure the loan, the respondents have also deposited the title deeds in favour of the petitioner on 25.06.2019. There is an arbitration clause in the Loan Agreement dated 25.06.2019, which is extracted hereunder:

*"All disputes, differences, and/or claims arising out of this Agreement, whether during its subsistence or thereafter shall be settled by "Arbitration" in accordance with the provisions of the "Arbitration and Conciliation Act 1996" (Act 26 of 1996) or any other statutory amendments thereof and shall be referred to the Sole Arbitration of an*



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*"Arbitrator", nominated by the Managing Director of FSBF and such appointment shall be deemed to be the procedure, agreed upon by all the parties to this agreement. It is a term of this agreement that in the event of such an Arbitrator to whom the matter has been referred to originally dies or being unable or unwilling to act for any reason, then in such event, the Managing Director of FSBF shall appoint another person to act as the Arbitrator. Such person, when appointed as Arbitrator, shall be entitled to proceed with the reference, from the stage at which it was left by his predecessor. The venue of the Arbitration proceedings shall be in Chennai.*

*The Borrower(s) do hereby appoint FSBF, acting through any of its officers or representatives to submit for arbitration in respect of any dispute or matter relating to or in anywise touching the affairs of the Property/Properties or the Loan/Loans. The Borrower(s) also undertake to acknowledge that the decision of the Arbitrator shall be final."*



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4. The petitioner has invoked arbitration by issuing a notice to the respondents on 04.12.2024 in compliance with Section 21 of the Arbitration and Conciliation Act. Since there is no consensus between the parties with regard to arbitration, the petitioner has been constrained to file this petition under Section 11 of the Arbitration and Conciliation Act seeking for appointment of an Arbitrator by this Court.

5. The respondents have also been set *ex parte* by this Court in this petition. Since there exists an arbitration clause in the agreement dated 25.06.2019, which is the subject matter of the dispute between the parties and since the petitioner has complied with the statutory requirement under Section 21 of the Arbitration and Conciliation Act and since there is no consensus between the parties with regard to the name of the Arbitrator, this Court has to necessarily appoint an Arbitrator under Section 11 of the Arbitration and Conciliation Act, 1996.

6. For the foregoing reasons, this Arbitration Original Petition is allowed as prayed for by issuing the following directions :-

- a) This Court appoints Ms.P.Cathrine, Advocate (MS 1223/2025) having office at No.9, R.A. Complex, 3<sup>rd</sup> Floor, Sunkurama Chetty



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Street, Opp. To Bar Council of Tamil Nadu, Chennai as the sole Arbitrator to adjudicate the dispute between the parties arising out of the Loan Agreement dated 25.06.2019.

- (b) The Arbitrator shall be paid his/her remuneration / fees in accordance with the 4<sup>th</sup> schedule of the Arbitration and Conciliation Act, 1996.
- (c) Both the parties shall equally share the arbitrator's fees.
- (d) The Arbitrator shall conduct the arbitration in accordance with the provisions of the Arbitration and Conciliation Act, 1996 and shall complete the arbitration within the specified time as prescribed under the said Act.

19.06.2025

Index: Yes/ No  
Speaking order / Non speaking order  
Neutral citation : Yes / No

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**ABDUL QUDDHOSE, J.**

*Maya*

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**Dated : 19.06.2025**