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Arb.O.P (Com.Div.) No.111 of 2025

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 02.04.2025

CORAM

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

**Arb.O.P (Com.Div.) No.111 of 2025**

M/s.Shriram Finance Limited,  
rep. by its Authorised Signatory  
Power of Attorney Holder V.Velu

... Petitioner

Versus

1.Sridevi

2.Muthuveeran

3.Karthikeyan

... Respondents

Prayer: Arbitration Original Petition (Commercial Division) filed under Section 11(6) of the Arbitration and Conciliation Act, 1996 to appoint a Sole Arbitrator to preside over the arbitration proceedings to be commenced with respect to the disputes that have arisen with respect to the Loan Agreement dated 08.09.2020 between the parties hereto.

For Petitioner : Ms.V.Pushpa

For Respondents : No appearance

**ORDER**



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

2. There is no representation on the side of the respondent.

3. There seems to be a dispute between the petitioner and the respondents arising out of the Hypothecation cum Loan Agreement dated 08.09.2020. There exists an arbitration clause in the Hypothecation cum Loan Agreement and the same is extracted hereunder:

*'22(a) All disputes, differences and/or claim arising out of or in connection with this Agreement whether during its subsistence or thereafter shall be settled by arbitration in accordance with the provision of the Arbitration and Conciliation Act, 1996 or any statutory amendments thereof and shall be referred to the sole arbitration of an Arbitrator nominated by the Lender. The award given by such an Arbitrator shall be final and binding on the parties to this Agreement.*

*In the event of incapacity or resignation or death of the sole*



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*arbitrator so appointed, the Lender shall be entitled to appoint another Arbitrator in place of the earlier Arbitrator and the proceedings shall continue from the stage at which the predecessor had left. Such a person shall be entitled to proceed with the reference from the stage at which it was left by the predecessor. Such a person shall be entitled to proceed with the reference from the stage at which it was left by his predecessor.*

*(b)The venue of arbitration proceedings shall be at Chennai. The language of arbitration shall be English.*

*(c)The Arbitrator so appointed herein above, shall also be entitled to pass an Award on the hypothecated asset and also on any other securities furnished by or on behalf of the Borrower.'*

4.The petitioner has invoked arbitration in accordance with the arbitration clause by issuing notice to the respondents on 07.10.2024 as per the provisions of Section 21 of the Arbitration and Conciliation Act, 1996. The respondents have also received the said notice as seen from the acknowledgment card, which has been filed as a document along with this petition. A reply has also been sent by the respondents 1 and 2 on 10.08.2024 to the earlier notice sent by the petitioner on 01.08.2024. In the



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reply dated 10.08.2024, the respondents 1 and 2 have agreed that there exists an arbitration clause. They have also consented for the appointment of an Arbitrator as requested by the petitioner through their letter dated 01.08.2024.

5.Since there is no representation on the side of the respondents, they are set exparte by this Court.

6.Since there exists an arbitration clause in the Hypothecation cum Loan Agreement dated 08.09.2020, which is the subject matter of the dispute between the parties and since the petitioner has complied with the requirement of Section 21 of the Arbitration and Conciliation Act, 1996 by issuing notice to the respondents on 07.10.2024 and since the respondents have themselves agreed for arbitration as per their reply dated 10.08.2024 and since there is no consensus between the parties with regard to the name of the Arbitrator, this Court will have to necessarily appoint an Arbitrator under Section 11 of the Arbitration and Conciliation Act

7.For the foregoing reasons, this Arbitration Original Petition is



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allowed by issuing the following directions:

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(a) This Court appoints Mr. Prashant Rajagopal, Advocate, having address at M/s. Norton and Grant, No.152/315, Thambu Chetty Street, IV Floor, Chennai - 600 001, Mobile No.98411 89678 as the Sole Arbitrator to adjudicate the dispute between the petitioner and the respondents, arising out of the Hypothecation cum Loan Agreement dated 08.09.2020, on merits and in accordance with law;

(b) The Arbitrator shall be paid his 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.

No costs.

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**ABDUL QUDDHOSE, J.**  
vga

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