



Arb.O.P.(Com. Div.) No.96 of 2025

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 24.04.2025

CORAM

THE HON'BLE MR. JUSTICE ABDUL QUDDHOSE

Arb.O.P.(Com. Div.) No.96 of 2025

M/s. Cholanmandalam Investment and
Finance Co. Ltd.

... Petitioner

Vs.

1. M/s.RIDER'S,
Rep. by its Partner,
Mr. Bhaskar Kashyap,
Tekela, Chiringgaon,
Laluka Amollapatty, Dibrugarh,
Assam - 786 008.

2. Bhaskar Kashyap
3. Baidullah Khan

... Respondents

PRAYER: Petition filed under Section 11 of the Arbitration and Conciliation Act, 1996 to appoint a sole arbitrator to adjudicate the dispute between the petitioner and the respondents in terms of the Agreement for Trade Advance and Deed of Guarantee both dated 25.09.2022.

For Petitioner : Mr.D. Pradeep Kumar

For Respondents : Set *ex-parte*



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ORDER

As directed by this Court, the petitioner has effected substituted service on R1 and R3 by effecting paper publication. The affidavit of service, enclosing the paper publication has been filed. Despite effecting paper publication, R1 and R3 remain unrepresented. Hence, R1 and R3 are set *ex-parte* by this Court. Similarly, the notice sent to R2 has been duly served. The affidavit of service, enclosing the acknowledgment card, has also been filed. Despite due service, R2 also remains unrepresented. Hence, R2 is also set *ex-parte* by this Court. The names of the respondents are also printed in the cause list today.

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

3. There seems to be a dispute between the petitioner and the respondents arising out of the Agreement for Trade Advance and Deed of Guarantee both dated 25.09.2022. There exists an arbitration clause in the Agreement for Trade Advance and Deed of Guarantee both dated



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25.09.2022, which is extracted hereunder:

"24. Arbitration:

It is mutually agreed that in the event of any dispute or misunderstanding that might be arising between the parties herein, whether as to the interpretation of the terms and conditions of this agreement or as to the identification of the specific rights and obligations of the parties herein, or otherwise the parties undertake to settle the same by way of referring such dispute to the arbitration of the sole arbitrator to be appointed at the exclusive option of the LENDER. The procedure prescribed under the Arbitration and Conciliation Act of 1996 shall be adopted by the parties in this regard and the law applicable shall be Indian law. The venue of the arbitration proceedings shall be Chennai and the award passed by the arbitrator shall be conclusive and final and be binding on the parties herein. Courts in Chennai alone shall have exclusive jurisdiction to try any consequential proceedings arising from the said



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award."

4. In accordance with the arbitration clause, the petitioner has invoked arbitration by referring the dispute to an arbitral institution. The arbitral institution has also appointed an arbitrator. However, by proceedings dated 06.12.2024, the sole arbitrator appointed by the arbitral institution has recused himself from acting as an arbitrator in view of the objections raised by the respondents. Under the aforementioned circumstances, this petition has been filed seeking for appointment of an arbitrator by this Court. Earlier, the petitioner had invoked arbitration by issuing notice to the respondents on 08.03.2024 to comply with the requirements of Section 21 of the Arbitration and Conciliation Act.

5. Since the Agreement for Trade Advance and Deed of Guarantee both dated 25.09.2022 contains an arbitration clause, 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 as prayed for in this petition.



6. Accordingly, this Arbitration Original Petition is allowed as prayed for by issuing the following directions:

(a) Mrs. S. Suba Shiny, Advocate, who is having office at Flat No.2A, Sara Apartments, No.11, 4th cross street, C.I.T. Colony, Mylapore, Chennai - 600 004 (Mobile No.98414 34304) is appointed as the sole Arbitrator to decide the dispute between the petitioner and the respondents arising out of the Agreement for Trade Advance and Deed of Guarantee both dated 25.09.2022;

(b) The Arbitrator shall be paid his remuneration / fees in accordance with the 4th schedule of the Arbitration and Conciliation Act, 1996 or as per the mutual consent of both the parties;

(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.

24.04.2025

Index : Yes/No
Speaking Order : Yes / No
Neutral Citation Case: Yes / No
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ABDUL QUDDHOSE. J.,

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