



Arb.O.P.(Com.Div.) No. 313 of 2025

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 26.08.2025

CORAM

THE HON'BLE Mr. JUSTICE ABDUL QUDDHOSE

Arb.O.P.(Com.Div.) No. 313 of 2025

M/s. Shriram Finance Ltd.

Represented by its Authorised Signatory,

Mr.UlavaLakshmana Naidu

... Petitioner

Vs.

1.M/s. Sri Lakshmi Sai Auto Finance,

Represented by its Managing Partnes,

Mr. PallalaVenkataSubbareddy

2.PallaVenkataSubba Reddy

3.PallalaSrinivasulu Reddy

... Respondents

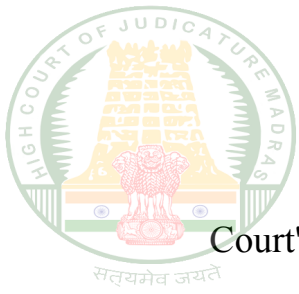
Prayer : Petition filed under Section 11(4) & (5) of the Arbitration and Conciliation Act, 1996, to appoint a Sole Arbitrator and pass such further or other orders as this Court may be deem fit.

For Petitioner : Ms. N. Jayabharathi

For Respondents : Set exparte

ORDER

As directed by this Court, the registry has printed the names of the respondents in the cause list today. The respondents have been duly served with the notice in this petition, the same was also recorded in this



Court's earlier order dated 19.08.2025. The respondents remain unrepresented. Hence, the respondents are set ex parte by this Court.

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 respondent arising out of the Revenue Sharing Agreement dated 20.10.2011. There exists an arbitration clause in the revenue sharing agreement dated 20.10.2011 and the same is reproduced hereunder:-

“13.ARBITRATION

3.1 All disputes, differences, claims and questions whatsoever which shall either during the continuance of the agreement or afterwards either between the parties hereto or their representatives touching these presents or the construction or application thereof, or any clause or thing therein contained, or any account or liability between the parties hereto, or as to any act, deed or omission of any hereto in any way relating to these presents, shall be referred to the sole arbitrator to be nominated and appointed by FRSP. During the course of arbitration the



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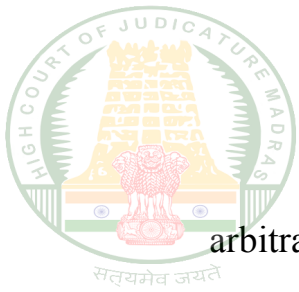
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sole arbitrator so appointed for any reason becomes incapacitated or not willing to continue with the arbitration, FRSP shall nominate and appoint another arbitrator and the Arbitrator newly appointed shall continue the Arbitration proceedings from the stage where it was left by his predecessor. Such arbitration shall be in accordance with and subject to the provisions of the Arbitration and Conciliation Act, 1996, or any statutory modification or re-enactment thereof for the time being in force.

13.2. All such arbitration proceeding shall be held and conducted in Chennai and the proceedings of arbitration shall be in English.

13.3. In the case of any matter requiring to be or permitted to be referred to the court under the provisions of the Arbitration and Conciliation Act, 1996, the courts at Chennai shall have exclusive jurisdiction in the matter.”

4. The petitioner had earlier invoked arbitration in accordance with the arbitration clause by unilaterally appointing an arbitrator to adjudicate the dispute between the parties and the said arbitrator also acted upon the reference. However, the respondents objected to the appointment of the sole arbitrator by the petitioner on the ground that the



arbitrator was appointed unilaterally by the petitioner. Since objections were raised, the earlier arbitrator has recused himself from acting as an arbitrator, as seen from the order passed by him on 18.03.2023.

5. Since the earlier arbitrator who was appointed unilaterally by the petitioner has recused himself from acting as an arbitrator, 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.

6. Since there exists an arbitration clause in the contract which is the subject matter of the dispute between the parties and since the petitioner has complied with the requirements of Section 21 of the Arbitration and Conciliation Act, 1996 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, as prayed for in this petition.

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



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a) Hon'ble Mr. Justice K.N. Basha, Former Judge, having address at

No.25/1, "STAR", F1, Dr. Ambedkar Road, (Old ICF Link Road), North Thirumalai Nagar, Villivakkam, Chennai - 600 049, Mobile No.94444 54545 is appointed as the Sole Arbitrator to adjudicate the dispute between the parties arising out of the Revenue Sharing Agreement dated 20.10.2011;

(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. No cost.

26.08.2025

Index: Yes/ No

Neutral citation : Yes / No

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