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Arb. O.P. (Com. Div.) No.157 of 2025

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 29.04.2025

CORAM

THE HON'BLE Mr. JUSTICE ABDUL QUDDHOSE

Arb.O.P (Com.Div.) No.157 of 2025

and

Arb. Appln. No.78 of 2025

M/s.Sriman Realtors

A Partnership Firm,

Rep. By its Partner

... Petitioner

vs.

M. Subramani

... Respondent

Prayer : Arbitration Original Petition (Commercial Division) filed under Section 11(6) of the Arbitration and Conciliation Act, 1996 seeking for the following reliefs :-

a) Appoint a Sole Arbitrator to adjudicate disputes arising out of the Memorandum of Understanding, dated 19.02.2024 between the petitioner and the respondent

b) Direct the Respondent to pay the cost of the petition.

For petitioner : Ms.G. Aksharaa

For respondent : Set ex-parte

ORDER

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



WEB COPY 2. Notice to the respondent in this petition has been returned with an endorsement "refused", which amounts to deemed service. The same was also recorded by this Court on 17.04.2025. The name of the respondent is also printed in the cause list, today. However, the respondent remains unrepresented. Hence, the respondent is set ex-parte by this Court.

3. There seems to be a dispute between the petitioner and the respondent arising out of the Memorandum of Understanding, dated 19.02.2024. The Memorandum of Understanding, dated 19.02.2024 contains an arbitration clause which is extracted hereunder :-

DISPUTE RESOLUTION :

In case any claim or dispute arising out of or relating to this Agreement, the parties shall attempt in good faith to resolve any controversy, and any alleged breach or default, promptly through confidential negotiation between person who have complete authority to settle the matter in dispute. If such dispute is not settled within three (3) calendar weeks of negotiation in good faith between the parties, either party may prefer to initiate an arbitration proceedings as per the Arbitration and Conciliation Act, 1996. Such arbitration proceeding so initiated shall be conducted by a Sole Arbitrator appointed mutually by the parties. The seat of such arbitration shall be Chennai, India. The Award rendered by the



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Arbitrator appointed by the parties shall be in English language.

The parties agree and undertake that such Award made by the Arbitrator shall be final and binding on the parties.

4. The petitioner has invoked the arbitration in accordance with the arbitration clause by issuing notice to the respondent on 14.10.2024 to comply with the requirements of Section 21 of the Arbitration and Conciliation Act, 1996. No reply has been received from the respondent for the same.

5. Since there exists an arbitration clause in the Memorandum of Understanding, dated 19.02.2024, which is the subject matter of the dispute between the parties and since the petitioner has complied with the statutory requirement by issuing notice to the respondent on 14.10.2024 as per the provisions of 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 will have 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 :-



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a) This Court appoints Mr.M.K. Kabir, Senior

WEB COPY Advocate who is having office at GE, Vantage Tower, 34, 5th Avenue, Besant Nagar, Chennai - 600 090 (Mobile No.9840044258) as the sole Arbitrator to adjudicate the dispute between the parties arising out of the Memorandum of Understanding, dated 19.02.2024.

(b) The Arbitrator shall be paid his remuneration / fees in accordance with the 4th 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.

7. Till date, the respondent has not furnished the security for a sum of Rs.1,00,00,000/- as directed by this Court in this Court's order, dated 10.02.2025. In view of the same, the consequential order of attachment as prayed for in Arb. Appln. No.78 of 2025 has to be granted.



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Accordingly Arb. Appln. No.78 of 2025 is allowed by attaching the property of the respondent being land to an extent of 15 cents in Survey No.155/1A and 16 cents in Survey No.155/1B of Naduveerapattu Village, morefully described in the schedule to the Judges Summons in Arb. Appln. No.78 of 2025. The applicant is permitted to communicate this order to concerned SRO, for effecting the order of attachment.

29.04.2025

Index: Yes/ No
Speaking order / Non speaking order
Neutral citation : Yes / No
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ABDUL QUDDHOSE, J.



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