



Arb. O.P. (Com. Div.) No.155 of 2025

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 25.06.2025

CORAM

THE HON'BLE Mr. JUSTICE ABDUL QUDDHOSE

Arb. O.P. (Com. Div.) No. 155 of 2025

M/s. Shriram Finance Ltd.,
rep., by its authorised signatore, P. Govindharaj,
Sri Towers, Plot No.14A, South Phase, Industrial Estate,
Guindy, Chennai – 600 032. Its Zonal Office at No.151,
Maruthamalai Main Road, P.N. Pudur,
Coimbatore – 641 041. ... Petitioner

Vs.

1.H.N. Mohamed Azad
2.Roshina Parveen
3.H. Fazul Milahi
4.L. Sofia Parvin ... Respondents

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

a) Appoint an Arbitrator to adjudicate the disputes arising between the parties under the Loan Agreement RSPUATF1801190001 dated 19.01.2018.

For Petitioner : Mr. A. Swaminathan

For Respondents : Ms. J. Suganthi for R1 & R2
Ms. G.S. Janani for R3 & R4



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ORDER

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

2. There seems to be a dispute between the petitioner and the respondents arising out of the Loan Agreement, dated 19.01.2018. There exists an arbitration clause in the Loan Agreement, dated 19.01.2018, which is reflected in Clause 18 of the said Agreement. Earlier, the petitioner initiated arbitration in accordance with the arbitration clause by appointing a sole Arbitrator. The said Arbitrator also acted upon the reference and in fact had passed an Arbitral Award, dated 11.01.2020 in favour of the petitioner against the respondents. Since the Arbitrator was appointed unilaterally by the petitioner, the Award was set aside. However, on account of the fact that the seat of the arbitration is at Salem but the award was passed at the Commercial Court, Coimbatore in Arb.O.P.No.108 of 2023 by its order dated 01.08.2023 were set aside by the Arbitral Award dated 11.01.2020 and permitted the petitioner to initiate fresh arbitration. In accordance with the said direction, the



petitioner had initiated fresh arbitration.

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3. Aggrieved by the order dated 01.08.2023 passed by the Commercial Court at Coimbatore, the petitioner preferred an appeal before Division Bench of this Court. In the condone delay stage, in C.M.P. No. 16880 of 2024 in C.M.A.(CAD) SR.No.60636 of 2024, the Division Bench of this Court dismissed the petition and granted liberty for the petitioner to initiate re-arbitration through its order dated 19.09.2024.

4. According to the petitioner, only in terms of the said direction, the petitioner is re-arbitrating the matter. The petitioner has also complied with the requirements of Section 21 of the Arbitration and Conciliation Act, 1996 by issuing notice to the respondents for fresh arbitration through the notices, dated 08.01.2025 and 27.01.2025. Except for the fourth respondent, the other respondents have not sent any reply. Since there is no consensus between the parties with regard to the name of the Arbitrator, the petitioner has filed this petition under Section 11 of the Arbitration and Conciliation Act, 1996 seeking for appointment of an Arbitrator by this Court.



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6. Today, an affidavit has been filed by the respondents dated 20.06.2025. However, in the said affidavit even though the respondents have agreed for the reference of the dispute to arbitration, they have also raised objections with regard to the merits of the dispute raised by the petitioner.

7. With regard to the merits of the dispute, it cannot be decided by this Court, while deciding an application under Section 11 of the Arbitration and Conciliation Act, 1996. It can be decided only by the Arbitrator. However, since the respondents are agreeable for the appointment of an Arbitrator by this Court as prayed for by the petitioner



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in this petition, and since the contract which is the subject matter of the dispute between the parties, contains an arbitration clause and since the petitioner has complied with the requirements of Section 21 of 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.

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

a) This Court appoints Hon'ble Mr.Justice T. Ravindran (Retd) having office at New No.27, Old No.12, 3rd Avenue, Indira Nagar, Adyar, Chennai – 600 020 as the sole Arbitrator to adjudicate the dispute between the parties arising out of Loan Agreement, dated 19.01.2018.

(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.



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9. Liberty is also granted to the respondents to raise all objections before the Arbitrator either through an application under Section 16 of the Arbitration and Conciliation Act, 1996 or through their counter in the arbitral claim to be made by the petitioner in the arbitral proceedings.

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Index: Yes/ No
Neutral citation : Yes / No
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