



Arb. O.P. (Com. Div.) No. 158 of 2025

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 18.06.2025

CORAM

THE HON'BLE Mr. JUSTICE ABDUL QUDDHOSE

Arb.O.P (Com.Div.) No. 158 of 2025

M/s.Mercedes – Benz Financial Services India Pvt. Ltd.

5th Floor, Plot 8, Baashyam Willow Square

9 & 10, First Street, Thiru Vi. Ka. Industrial Estate

Guindy, Chennai – 600032, Tamil Nadu, India

Represented by its Authorised Signatory

...Petitioner

-VS-

1. M/s.Uni-Labs (India) Pvt. Ltd.

Rep. by Mr.Mohamed Shabeer Hussain R

No.124, Poonamallee High Road

Velappanchavadi, Chennai-600077.

2. Mr.Mohamed Shabeer Hussain R

...Respondents

Prayer : Arbitration Original Petition (Commercial Division) filed under Section 11(6) of the Arbitration and Conciliation Act, 1996, read with Section 14(1) (b) and Section 15 (2) of the Arbitration and Conciliation Act, 1996, praying to appoint /substitute a Sole Arbitrator to adjudicate upon the differences and disputes between the parties under the Loan cum Hypothecation Agreement dated 17.10.2022 in respect of Contract No.10151989 and pass such further other order or orders as this Hon'ble Court may be deem fit and proper to the circumstances and thereby render justice.



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For petitioner : Mr.M.Arunachalam

For Respondent : Mr.C.Prasanna Venkatesh

ORDER

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

2. There seems to be a dispute between the petitioner and the respondents arising out of the Loan cum Hypothecation Agreement, dated 17.10.2022. There exists an arbitration clause in the Loan cum Hypothecation Agreement, dated 17.10.2022 and the same is reproduced hereunder:-

“83. Dispute Resolution: All claims and disputes arising under or relating to this Loan Agreement, its interpretation, performance, termination of this Agreement or otherwise in connection with this Agreement ("Dispute") shall be referred to an arbitration under the Arbitration and Conciliation Act, 1996, as may be amended from time to time, or any re-settlement thereof, to a Sole Arbitrator appointed by Lender. The Arbitration proceedings, any order passed thereto by the Arbitrator including the



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Award, either interim or final shall be binding on the parties and shall be conducted in English. It is also expressly agreed by the parties and that the place of Arbitration shall be exclusively at Chennai, Tamil Nadu or any other state as may be intimated by the Lender. Any decision or award as a result of any such arbitration proceeding shall be in writing and shall provide an explanation for all conclusions of law and fact and shall include the assessment of costs, expenses, and reasonable attorneys' fees. The arbitration proceeds shall include a written record of the arbitration hearing.”

3. Earlier the petitioner has invoked arbitration in accordance with the Arbitration Clause and then the Arbitrator was also appointed by the petitioner. However, since an objection was raised by the respondents, the said arbitrator appointed unilaterally by the petitioner has recused himself from the arbitration proceeding. Only under those circumstances, 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.

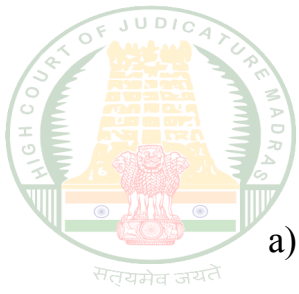


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4. The learned counsel for the respondents also does not dispute the existence of the arbitration clause in the contract, which is the subject matter of the disputes between the parties. He also does not dispute the facts that the earlier arbitrator was appointed by the petitioner unilaterally and only due to the objection raised by the respondents, the earlier arbitrator had recused himself from proceeding with the arbitration.

5. Since there exists the 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 by issuing notice to the respondents on 07.06.2024 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 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. Thriyambak Kannan, Advocate, having office at 8th Floor, Brileyone, No.30, Ethiraj Salai, Egmore, Chennai - 600008, (Mobile No.98846-24563) as the sole Arbitrator to adjudicate the dispute between the parties arising out of the Loan cum Hypothecation Agreement dated 17.10.2022.
- (b) The Arbitrator shall be paid his/her 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.

18.06.2025

Index: Yes/ No
Speaking order / Non speaking order
Neutral citation : Yes / No

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ABDUL QUDDHOSE, J.

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