



Arb. O.P. (Com. Div.) No.191 of 2025

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 12.06.2025

CORAM

THE HON'BLE Mr. JUSTICE ABDUL QUDDHOSE

Arb. O.P. (Com. Div.) No.191 of 2025

M/s. Shriram Finance Limited.,

(Formerly Known as

M/s. Shriram Transport Finance Company Limited),

Rep. by its Authorised Signatory

Mr. M Sakthivel

...Petitioner

Vs.

Mrs. Mumtaj Begam,

W/o. Saleem Khan,

No.16/5, Syed Wahab Hussain,

Mylapore near Appu Street,

Chennai – 600 004.

2. Saleem Khan,

S/o. Basha,

No.16/5, Syed Wahab Hussain,

Mylapore near Appu Street,

Chennai – 600004.

... Respondents

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



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to appoint a Sole Arbitrator to adjudicate upon the differences and disputes between the parties under the said Loan cum Hypothecation Agreement, dated 31.07.2019.

For Petitioner : Mr.P. Sudagar

For Respondents : Ms.Sithi Fathima Samt

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.

2. There seems to be a dispute between the petitioner and the respondents arising out of the Loan cum Hypothecation Agreement, dated 31.07.2019. The Loan cum Guarantee Agreement, dated 31.07.2019 contains an arbitration clause and the same is extracted hereunder :-

ARTICLE 22 LAW, JURISDICTION, ARBITRATION

22(a) All disputes, differences, and / or claim arising out of or in connection with this Agreement whether during its subsistence or thereafter shall be settled by arbitration in accordance with the provision of the Arbitration and Conciliation Act, 1996, or any statutory amendments thereof and shall be referred to the sole arbitration of an Arbitrator nominated by the Lender. The award given by such an Arbitrator shall be final and binding on the parties to this Agreement.

In the event of incapacity or resignation or death of the sole arbitrator so appointed, the Lender shall be entitled to appoint another arbitrator in place of the earlier arbitrator, and the proceedings shall continue from the stage at



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which the predecessor had left. Such a person shall be entitled to proceed with the reference from the stage at which it was left by his predecessor. Such a person shall be entitled to proceed with the reference from the stage at which it was left by his predecessor.

(b) The venue of arbitration proceedings shall be at CHENNAI. The language of arbitration shall be English.

(c) The arbitrator so appointed herein above, shall also be entitled to pass an Award on the hypothecated asset and also on any other securities furnished by or on behalf of the Borrower.

4. The petitioner has invoked arbitration in accordance with the arbitration clause by issuing notice to the respondents on 08.01.2025 to comply with the requirements of Section 21 of the Arbitration and Conciliation Act, 1996. No reply has been received for the same from the respondents. Hence, it became necessary for the petitioner to file this petition under Section 11 of the Arbitration and Conciliation Act, 1996 seeking for appointment of an Arbitrator by this Court.

5. The learned counsel appearing for the respondents on instructions would submit that the respondents have no objection 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 petitioner and the respondents and since the petitioner has complied with the requirements of Section 21 of the Arbitration and Conciliation Act, 1996 and since



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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 as prayed for in this petition. Liberty is granted to the respondents to raise all objections before the Arbitrator either under Section 16 of the Arbitration and Conciliation Act, 1996 or by filing a counter to the arbitral claim made by the petitioner before the Arbitrator.

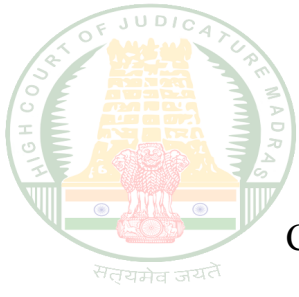
7. For the foregoing reasons, this Arbitration Original Petition is allowed as prayed for by issuing the following directions :-

a) This Court appoints Mr.Yashod Vardhan, Senior Advocate, who is having office at No.21(8), VII Main Road, Raja Annamalaipuram, Chennai – 600 028 (Mobile No.9841075397) as the sole Arbitrator to adjudicate the dispute between the parties arising out of the Loan cum Hypothecation Agreement, dated 31.07.2019.

(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



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Conciliation Act, 1996 and shall complete the arbitration within the specified time as prescribed under the said Act.

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