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Arb.O.P.(Com. Div.) No.178 of 2025



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 02.06.2025

CORAM

THE HON'BLE MR. JUSTICE ABDUL QUDDHOSE

Arb.O.P.(Com. Div.) No.178 of 2025

M/s.Tata Capital Limited,
Having its Registered Office at 11th Floor, Tower - A,
Peninsula Business Park, Ganpatrao Kadam Marg,
Rep. by its Power of Attorney
Mr.Manoj M.
Having one of its branch offices at:
1st Floor, Centennial Square, No.6A,
Dr Ambedkar Salai, Kodambakkam,
Chennai - 600 024.

... Petitioner

Vs.

1. Jayasree Enterprises,
Represented by its Partners,
Mr. Narayana Ravi Kumar and Mr. N. Murali Mohan
Door NO.2/405/220 B, Survey No.760/3,
Sreenivasa Nagar, Nandyal Kurnool,
Andhra Pradesh - 518 501.

2. N. Murali Mohan
3. Narayana Ravi Kumar

... Respondents

PRAYER: Petition filed under Section 11 of the Arbitration and Conciliation Act, 1996 to appoint a sole arbitrator to adjudicate the dispute between the petitioner and the respondents arising out of the loan cum guarantee (Channel Finance) Agreement dated 13.06.2023 and to direct the



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respondents to pay the cost.

For Petitioner : Ms. B. Narmadha

For Respondents : Set *Ex-parte*

ORDER

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

2. Notices sent to the respondent Nos.1 and 3 have been duly served. The notice sent to the respondent No.2 has been returned with an endorsement 'refused'. The acknowledgment cards and the return cover have been filed along with the affidavit of service. The endorsement 'refused' amounts to deemed service. Despite service of notice, the respondents have chosen not to enter appearance in this petition. Hence, the respondents are set *ex-parte* by this Court. The names of the respondents are also printed in the cause list today.

3. There seems to be a dispute between the petitioner and the respondents arising out of a Loan cum Guarantee Agreement dated



13.06.2023. There exists an arbitration clause in the Loan cum Guarantee

Agreement dated 13.06.2023, which is extracted hereunder:

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"If any dispute, difference or claim arises between any of the Obligators and the Lender in connection with the facility or as to the rights and liabilities of the parties under these T&Cs or alleged breach of the facility Documents or anything done or omitted to be done pursuant to the Facility Documents, the same shall be settled by arbitration by a sole arbitration or be appointed as per the procedure below and to be held at such place as agreed by the Parties in Serial No.17 of the Agreement. The Party invoking the arbitration ("Claimant") shall address a notice to the other party ("Respondent") suggesting the names of not more than three arbitrators, all of whom shall be either retired judges of the District Court, High Court or the Supreme Court or a lawyer having minimum 10 years relevant experience. The respondent shall either; (i) confirm in writing acceptance of one amongst the proposed names as the sole arbitrator to the Claimant within a period of ten (10) days from the date of notice ('Notice Period'); or (ii) Convey objection, if any in writing to the Claimant, against the proposed names of the sole arbitrator within the said Notice Period. However, if the claimant does not receive any response



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from the Respondent within the said Notice Period, the claimant shall be entitled to nominate any one person from amongst the proposed three names as the sole arbitrator and such arbitrator shall be deemed to be appointed by both the Parties. In the event, the Respondent conveys its objection as per (ii) above then the sole arbitrator will be appointed by a Court having jurisdiction. The arbitration shall be conducted under the provisions of the Arbitration and conciliation Act, 1996, together with its amendments, any statutory modifications or reenactment thereof for the time being in force. The arbitration proceeding shall be conducted in English language. The award of the arbitrator shall be final and binding on all parties concerned. The cost of arbitration shall be borne by the Obligor/s."

4. The petitioner has invoked arbitration in accordance with the arbitration clause by issuing notice to the respondent on 21.01.2025 in compliance with the requirements of Section 21 of the Arbitration and Conciliation Act. Despite receiving the notice, the respondents have not sent any reply or they have agreed for arbitration. Since there is no consensus between the parties with regard to the name of the Arbitrator, the petitioner has filed this petition seeking for appointment of an Arbitrator by this



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5. Since there exists an arbitration clause in the agreement, which is the subject matter of 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 and since the respondents have been set *ex-parte* by this Court in this petition, 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 as prayed for in this petition.

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

(a) Ms. Simran Srinivasan, Advocate, who is having office at No.49/573, Kamaraj Bhavan, 2nd Floor, Anna Salai, Teynampet, Chennai - 600 006 (Mobile No.89399 04257) is appointed as the sole Arbitrator to decide the dispute between the petitioner and the respondents arising out of the loan cum guarantee (Channel Finance) Agreement dated 13.06.2023;

(b) The Arbitrator shall be paid her 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;

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(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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Index : Yes/No
Speaking Order : Yes / No
Neutral Citation Case: Yes / No
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