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Arb. O.P. (Com. Div.) No.196 of 2025

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 12.06.2025

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THE HON'BLE Mr. JUSTICE ABDUL QUDDHOSE

Arb. O.P. (Com. Div.) No.196 of 2025

M/.FIVE STAR BUSINESS FINANCE LTD.

Rep. by its Legal Officer

Mr.MadhuSandhan Someswaran

... Petitioner

VS.

1. PATHENAGAR SIDDI RAMULU

2. PATHENAGAR SUGUNA

3. PATHENAGAR SHANTHI KUMAR

4. PATHENAGAR DAYAKAR

... Respondents

Prayer : Arbitration Original Petition (Commercial Division) has been filed under Section 11(5) of the Arbitration and Conciliation Act, 1996 to appoint an Arbitrator(s) to decide the disputes and differences between the petitioner and respondent in terms of Loan Agreement, dated 19.10.2023.

For Petitioner

: Ms. Vinodhini Mathelene
for Mr.P.H. Vinodh Pandian

For Respondents

: Set Ex-parte

ORDER

As directed by this Court, the Registry has printed the names of the respondents in the cause list today. The notices sent to the respondents



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have been duly served. The same has also been recorded by this Court through this Court's order, dated 03.06.2025. Till date, no one has entered appearance on behalf of the respondents. Hence, the respondents are set ex-parte by this Court.

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

3. There seems to be a dispute between the petitioner and the respondents arising out of the Loan Agreement, dated 19.10.2023 as well as the Memorandum of Deposit of Title Deeds, dated 25.10.2023. There exists an arbitration clause in the Loan Agreement, dated 19.10.2023 and the same is extracted hereunder :-

ARTICLE 10: ARBITRATION GOVERNING LAW, DISPUTE RESOLUTION AND JURISDICTION: (Art 10 existing agreement)

- 1. This Agreement shall be governed by and construed in accordance with the laws of India.*
- 2. Any and all dispute(s). difference(s) and or claim(s) arising out or touching upon this Agreement or in relating to this Agreement, whether during its subsistence or thereafter, shall be referred to the Arbitration by a Sole Arbitrator to be appointed by any one of the below mentioned 'arbitral institution' in accordance with the provisions of the Arbitration and Conciliation Act, 1996 or any statutory amendments thereof from time to time. a. Council for*



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National and International Commercial Arbitration (CNICA) currently having its office at Unit No. 203, 2nd Floor, Beta Wing. Raheja Towers. Nos. 113-134, Anna Salai, Chennai - 600002, or b. Southern India Chamber of Commerce and Industry (SICCI), currently having its Office at Indian Chamber Buildings, P.B.No.1208, Esplanade, Chennai - 600108, or c. Kovise Foundation Conflict Resolution International (KRCRI), currently having its Office at G-2, Plot No.108, Majestic Colony, Valasarawakkam, Chennai 600087, or d. Any arbitral institution designated under the provisions of the Arbitration and Conciliation Act, 1996 (the act) or any panel of arbitrators maintained under the provisions of the act. The entire arbitral proceedings shall be conducted by the Arbitrator in the manner he/she considers appropriate, and the award rendered by the Arbitrator shall be final and binding on all the parties to this agreement. The arbitral institution shall provide administrative assistance to the Arbitrator to facilitate the conduct of the arbitral proceedings, if he/she chooses to avail such assistance from the institution.

- 3. The Arbitrator shall be entitled to, at his/her discretion conduct the proceeding in-person and/or through exchange of mail, email and/or any other mode of electronic communication including video conferencing (VC), online, virtual hearing etc., using an external application or platform, if necessary. The parties to the arbitration proceeding shall be bound by the decision of the arbitrator in this regard.*
- 4. The parties hereby consent to have the arbitral proceeding conducted by a written pleading, documents, written submissions and/ or any other electronic mode of communication-based arbitration as may be determined by the arbitrator.*
- 5. The parties herein agree not to insist on in-person and/or oral hearing except in certain exceptional circumstances as the Arbitrator may*



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deem fit

6. *The Parties herein agree that the venue and seat of the arbitration proceeding shall be usually at Chennai or in exceptional circumstances any other place as deemed fit by the Arbitrator.*
7. *The language of arbitral proceedings shall be English.*
8. *The parties herein agree that in the event of death of the Arbitrator to whom the matter has been originally referred or the Arbitrator being unable or unwilling to act as arbitrator for any reason whatsoever, the arbitral institution shall substitute another person as it may deem fit to act as Arbitrator, who shall proceed with the reference from the stage, at which it was left by his/her predecessor.*

4. The petitioner has invoked the arbitration in accordance with the arbitration clause by issuing notice to the respondents on 04.12.2024 to comply with the requirements of Section 21 of the Arbitration and Conciliation Act. 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 seeking for appointment of an Arbitrator. Since there exists an arbitration clause and the petitioner has also complied with Section 21 of the Arbitration and Conciliation Act, 1996 and since there is no consensus between the parties with regard to the name of the Arbitrator and since the respondents have been set ex-parte by this Court, this Court has to necessarily appoint an Arbitrator as prayed for in this petition.



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5. For the foregoing reasons, this Arbitration Original Petition is

allowed as prayed for by issuing the following directions :-

a) This Court appoints Mr.N.K. Vanan, Advocate, who is having office at No.329, New Additional Law Chambers, II Floor, High Court Building, Chennai – 600 104 (Mobile No.9444050416) as the sole Arbitrator to adjudicate the dispute between the parties arising out of the Loan Agreement, dated 19.10.2023 as well as the Memorandum of Deposit of Title Deeds, dated 25.10.2023.

(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.

12.06.2025

Index: Yes/ No

Speaking order / Non speaking order

Neutral citation : Yes / No

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