



Arb.O.P.(Com.Div.) No. 198 of 2025

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 19.08.2025

CORAM

THE HON'BLE Mr. JUSTICE ABDUL QUDDHOSE

Arb.O.P.(Com.Div.) No. 198 of 2025

Five Star Business Finance Limited,
Rep., by its Legal Officer,
MadhuSandan Someswaran,
Registered office at New No.27,
Old No.4, Taylor's Road, Kilpauk,
Chennai – 600 010.

... Petitioner

Vs.

1.G. Mojes Samuel
2.G. Shyam Sunder
3.Gopi Manasa
4.G. Mary Shalini

... Respondents

Prayer : Petition filed under Section 11(5) of the Arbitration and Conciliation Act, 1996, to appoint an Arbitrator to decide the disputes and differences between the petitioner and respondents in terms of Loan Agreement dated 21.12.2022.

For Petitioner : Mr. Nataraj
for Mr. P.H. Vinodh Pandian

For Respondents : Set exparte



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ORDER

As directed by this Court, the registry has printed the names of the respondents in the cause list today. On the last hearing date i.e., on 05.08.2025, this Court had recorded the fact that the petitioner has effected substituted service by effecting paper publication, as directed by this Court. Since the respondents remain unrepresented, they 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 21.12.2022 entered into between the petitioner and the respondents. There exists an Arbitration Clause in the Loan Agreement dated 21.12.2022, which is reproduced hereunder: -

“All disputes, differences, and/or claims arising out



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of this Agreement, whether during its subsistence or thereafter shall be settled by “Arbitration” in accordance with the provisions of the “Arbitration and Conciliation Act 1996” (Act 26 of 1996) or any other statutory amendments thereof and shall be referred to the Sole Arbitration of an “Arbitrator”, whose appointment shall be made mutually by the parties. It is a term of this agreement that in the event of such an Arbitrator to whom the matter has been referred to originally dies or being unable or unwilling to act for any reason, then in such event, the parties shall appoint a substitute sole arbitrator mutually. Such person, when appointed as Arbitrator, shall be entitled to proceed with the reference, from the stage at which it was left by his predecessor. The venue of the Arbitration proceedings shall be in Chennai.”

4. The petitioner has invoked arbitration in accordance with the Arbitration Clause by issuing notice to the respondents on 04.12.2024 and has complied with the requirements of Section 21 of the Arbitration and Conciliation Act, 1996. The respondents have chosen not to send any reply.



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5. Since there exists an 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 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.

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

a) **Mr. M.S. Umesh, Advocate, who is having Office at No.39, Law Chambers, High Court Buildings, Chennai – 600 104, (Mobile No.9751929779)** is appointed as the Sole Arbitrator to adjudicate the dispute between the parties arising out of the Loan Agreement dated 21.12.2022.

(b) The Arbitrator shall be paid his 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;

(c) Both the parties shall equally share the arbitrator's fees;



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(d) The Arbitrator shall conduct the arbitration in accordance with

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the provisions of the Arbitration and Conciliation Act, 1996 and shall complete the arbitration within the specified time as prescribed under the said Act. No cost.

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Index: Yes/ No

Neutral citation : Yes / No

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