

ARB.O.P(COM.DIV).No.253 of 2025

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IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 15.09.2025

CORAM

THE HONOURABLE MR.JUSTICE N.ANAND VENKATESH

ARB.O.P(COM.DIV).No.253 of 2025

M/s.Shriram Finance Limited,
Formerly Known as
M/s.Shriram Transport Finance Company
Limited,
Rep.by its Power of Attorney/Authorized
Officer,
Mr.V.Saravanan,
Having registered office at
No.14A, South Phase,
Industrial Estate, Guindy, Chennai.
Branch Office at
No.26, Sri Lakshmi Building,
1st Floor, Karthikeyan Salai,
Periyar Nagar,
Chennai-1.

Petitioner

Vs.

1.J.Ganesh Ram
2.J.Giriram

Respondents

Prayer: Arbitration Original Petition filed under Sections 11(4) and (5) of the Arbitration and Conciliation Act, 1996, to appoint a Sole Arbitrator.



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For Petitioner : Mr.B.Vignesh
For Respondents : Ms.R.Kanishca
for M/s.Nathan and Associates
ORDER

This Arbitration Original Petition has been filed under Section 11(5) of the Arbitration and Conciliation Act, 1996 [hereinafter referred to as 'the Act'] for appointment of an Arbitrator for resolving the disputes between the petitioner and the respondents.

2. Heard Mr.B.Vignesh, learned counsel appearing for the petitioner and Ms.R.Kanishca, learned counsel appearing for the respondents.

3. The first respondent approached the petitioner Company and requested for loan for purchase of a vehicle. The petitioner extended the financial facilities of a sum of Rs.11,25,000/- and the parties entered into a hypothecation cum loan agreement dated 03.03.2018. The amount had to be repaid back along with interest in 36 installments commencing from 20.03.2018 and ending with 20.02.2021. The second respondent is the brother of the first respondent and he stood as a guarantor.



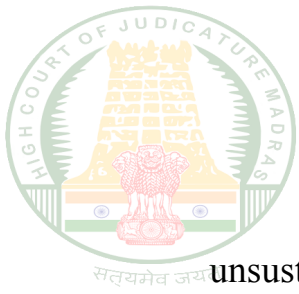
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4. The first respondent was irregular in payment of the installments and there was an outstanding arrears of Rs.24,95,348/- from the respondents as on 11.12.2024.

5. Under these circumstances, the trigger notice under Section 21 of the Act came to be issued on 05.02.2022. The petitioner unilaterally appointed an Arbitrator. On 24.08.2022, by virtue of the judgment of the Apex Court, the petitioner filed a memorandum for withdrawing the reference with liberty to move the High Court for appointment of an Arbitrator. Accordingly, the reference was closed by granting liberty.

6. Pursuant to the above order, the petitioner issued the notice under Section 21 of the Act on 12.11.2024. Thereafter, the present petition has been filed for the appointment of Arbitrator to resolve the disputes.

7. The respondents have filed a counter. The respondents have taken a stand that the amount that has been claimed by the petitioner is



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unsustainable and that the very claim made by the petitioner is barred by limitation and therefore, for the time barred claim, an Arbitrator cannot be appointed and this petition is unsustainable. The learned counsel appearing for the respondents submits that the claimant apart from claiming the vehicle loan has also included working capital which is not covered under the agreement. Accordingly, the respondents have sought for dismissal of this petition.

8. In the considered view of this Court, the parties are governed by a hypothecation cum loan agreement dated 03.03.2018. Obviously, a dispute has arisen between the parties and as per Clause 22, all the disputes and differences will have to be referred to the Arbitrator. Earlier, the petitioner had unilaterally appointed an Arbitrator and later, the reference was withdrawn and the present petition has been filed before this Court.

9. The main ground that was urged by the learned counsel appearing for the respondent is that the claim made by the petitioner to the tune of Rs.24,95,348/- is unsustainable. That apart, the claim made by



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the petitioner is also barred by limitation.

10. When this Court decides the petition under Section 11 of the Act, this Court does not go into the factual disputes. The Court must only see if there is an existence of arbitration clause in the agreement. If that is available, the parties will have to be referred to the Arbitrator. Ultimately, whether the claim made by the petitioner for a sum of Rs.24,95,348/- is sustainable, it is a matter that has to be decided by the Arbitrator based on the defence taken by the respondents. Even insofar as the ground of limitation is concerned, the Arbitrator has sufficient powers to deal with the same. Hence, this Court leaves open all the grounds that can be taken by both sides which will be considered by the Arbitrator on its own merits and in accordance with law.

11. Therefore, this Court is inclined to appoint a sole Arbitrator. Accordingly, Mrs.V.Usha Rani, Advocate, residing at No.21, Lakshmi Nagar 2nd Main Road, Chembakkam, Chennai-600 073, Mobile No.9840096812, E-mail: ushy22573@yahoo.com is appointed as the sole Arbitrator. The learned Arbitrator is requested to enter upon a reference qua hypothecation cum loan agreement dated 03.03.2018 to



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adjudicate the arbitral disputes that were arising between the parties by holding the sittings in any venue at Chennai to the convenience of all concerned and render an award. The fees of the learned Arbitrator shall be in accordance with the Madras High Court Arbitration Centre (MHCAC)(Administrative Cost and Arbitrator's Fees) Rules 2017.

12. Accordingly, this Arbitration Original Petition is disposed of.

There shall be no order as to costs.

15-09-2025

ssb

Index:Yes/No

Speaking order/Non-speaking order

NCC:Yes/No

To

1.Mrs.V.Usha Rani, Advocate,
residing at No.21, Lakshmi Nagar 2nd Main Road,
Chembakkam, Chennai-600 073.



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2.The Arbitration and Conciliation Centre,
High Court of Madras,
Chennai.



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