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Arb.O.P.(Com.Div.) No.244 of 2025



**IN THE HIGH COURT OF JUDICATURE AT MADRAS**

**DATED : 30.07.2025**

**CORAM**

**THE HON'BLE MR. JUSTICE ABDUL QUDDHOSE**

**Arb.O.P.(Com.Div.) No.244 of 2025**

M/s.Mercedes-Benz Financial Services

India Private Limited,

Represented by its Authorized Signatory

... Petitioner

**Vs.**

Kannan Rajaram

... Respondent

**PRAYER:** Petition filed under Section 11(6) of the Arbitration and Conciliation Act, 1996, to appoint a Sole Arbitrator to adjudicate upon the differences and disputes between the parties under the Loan Agreement and unattested Deed of Hypothecation dated 28.07.2023 in respect of Contract No.10157017.

For Petitioner : Mr.M.Arunachalam

For Respondent : Set ex parte

**ORDER**

Pursuant to the order passed by this Court on 02.07.2025, the petitioner has effected substituted service on the respondent by effecting Paper Publication. The Paper Publication has been filed along with Affidavit of Service. The name of the respondent is also printed in the cause



list today i.e., on 30.07.2025. The respondent remains unrepresented.

Hence, the respondent is set *ex parte* by this Court.

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2. This petition has been filed under Section 11(6) of the Arbitration and Conciliation Act, 1996, seeking for appointment of a Sole Arbitrator by this Court.

3. There seems to be a dispute between the petitioner and the respondent arising out of the Loan Agreement dated 28.07.2023. There exists an arbitration clause in the Loan Agreement dated 28.07.2023, which is extracted hereunder:-

**“76. Dispute Resolution:**

All claims and disputes arising under or relating to this loan agreement, its interpretation, performance, termination of this Agreement or otherwise in connection with this Agreement (“Dispute”) shall be referred to an Arbitration under the Arbitration and Conciliation Act, 1996, as may be amended from time to time, or any re-enactment thereof, to a Sole Arbitrator appointed by Lender. The Arbitration proceedings, any order passed thereto by the Arbitrator including Award, either interim or final, shall be binding on the parties and shall be conducted in English. It is also expressly agreed by the parties that the place of Arbitration shall be exclusively at Chennai, Tamil Nadu or any other state as may be intimated by the Lender. Any decision or award as a result of any



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such arbitration proceeding shall be in writing and shall provide an explanation for all conclusions of law and fact and shall include the assessment of costs, expenses and reasonable attorney's fees. The arbitration proceeds shall include a written record of the arbitration hearing.”

4. The petitioner has invoked arbitration in accordance with the arbitration clause by issuing notice to the respondent on 03.03.2025 to comply with the requirements of Section 21 of the Arbitration and Conciliation, 1996. No reply has been received for the same. Since there is no consensus between the parties with regard to the name of the Arbitrator, this petition has been filed, seeking for appointment of a Sole Arbitrator by this Court.

5. Since there exists an Arbitration Clause in the Loan Agreement dated 28.07.2023, which is subject matter of dispute between the parties and since the petitioner has complied with the statutory requirements under Section 21 of the Arbitration and Conciliation Act, 1996 by issuing notice to the respondent and since the respondent has been set *ex parte* by this Court, this Court has to necessarily appoint a Sole Arbitrator as prayed for in this petition.

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



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(a) **Mr.M.K.Kabir, Senior Advocate, who is having Office at No.80, Law Chambers, High Court Buildings, Chennai - 600 104 (Mobile No.9840044258)** is appointed as the Sole Arbitrator to decide the dispute between the petitioner and the respondent arising out of the Loan Agreement dated 28.07.2023;

(b) The Arbitrator shall be paid his remuneration / fees in accordance with the 4<sup>th</sup> 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;

(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.

**30.07.2025**

Neutral Citation Case : Yes / No

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**ABDUL QUDDHOSE, J.**

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