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Arb.O.P.(Com. Div.) No.378 of 2025



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 30.07.2025

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THE HON'BLE MR. JUSTICE ABDUL QUDDHOSE

Arb.O.P.(Com. Div.) No.378 of 2025

Five Star Business Finance Limited,
Represented by its Legal Officer ... Petitioner

Vs.

1.Paripelli Kaveri

2.Paripelli Vijay ... Respondents

PRAYER: Petition filed under Section 11(5) of the Arbitration and Conciliation Act, 1996 as Amended Act, 2019, to appoint an Arbitrator(s) to decide the disputes and differences between the Petitioner and Respondent in terms of Loan Agreement dated 20.03.2021.

For Petitioner : Mr.S.Nataraj

For Respondents : Set ex parte

ORDER

Notices sent to the respondents have been duly received by the respondents. Affidavit of Service enclosing delivery returns has been filed. The names of the respondents have also been printed in the cause list today



i.e., on 30.07.2025. The respondents remain unrepresented. Hence, the respondents are set *ex parte* by this Court.

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2. This petition has been filed under Section 11(5) of the Arbitration and Conciliation Act, 1996 (As amended Act, 2019), seeking for appointment of an Arbitrator(s) by this Court.

3. There seems to be a dispute between the petitioner and the respondents arising out of the Loan Agreement dated 20.03.2021. There exists an arbitration clause in the Loan Agreement dated 20.03.2021, which is extracted hereunder:-

“Article 10. Arbitration:

All disputes, differences, and/or claims arising out 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', appointed by the Managing Director of FSBF (or any other person as authorised by the Managing Director of FSBF) and such appointment shall be deemed to be the procedure, agreed upon by all the parties to this agreement. It is a term of this agreement that in the event of such Arbitrator to whom the matter has been referred to originally dies or being unable or unwilling to act for



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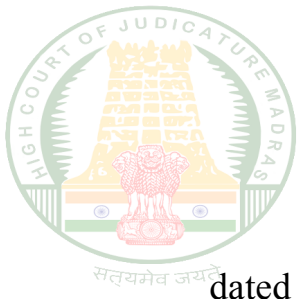


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any reason, then in such event, the Managing Director of FSBF (or any other person as authorised by the Managing Director of FSBF) shall appoint another person to act as the Arbitrator. Such person, when appointed as Arbitrator, shall be entitled to 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.

The Borrower(s) do hereby appoint FSBF, acting through any of its officers or representatives to submit for arbitration in respect of any dispute or matter relating to or in anywise touching the affairs of the property/properties or the Loan/Loans. The Borrower(s) also undertake to acknowledge that the decision of the arbitrator shall be final.”

4. The petitioner has invoked arbitration in accordance with the arbitration clause by issuing notice to the respondents on 12.02.2025 to comply with the requirements of Section 21 of the Arbitration and Conciliation, 1996. No reply has been received from the respondents to 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 an Arbitrator by this Court.



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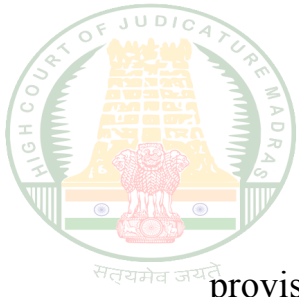
5. Since there exists an Arbitration Clause in the Loan Agreement dated 20.03.2021, which is subject matter of dispute between the parties and since the petitioner has complied with the statutory requirements under Section 21 of the Arbitration and Conciliation Act, 1996 by issuing notice to the respondents 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) Mrs.V.Tamilselvi, Advocate, Enrollment No.803/2020, who is having office at No.484, Additional Law Chamber, High Court Buildings, Chennai (Mobile No.8610672002) is appointed as the Sole Arbitrator to decide the dispute between the petitioner and the respondents arising out of the Loan Agreement dated 20.03.2021;

(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;

(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 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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Neutral Citation Case : Yes / No

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ABDUL QUDDHOSE, J.

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