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Arb O.P(COM.DIV.) No. 3
of 2025



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 13-10-2025

CORAM

THE HONOURABLE MR JUSTICE N. ANAND VENKATESH

Arb O.P(COM.DIV.) No. 372 of 2025

1. Five Star Business Finance
Limited
Rep by its Legal Officer
Mr.MadhuSandanSomeswaran,
Registered Office at New no.27,
Old no.4,Taylores Road, Kilpauk,
Chennai-600010.

Appellant(s)

Vs

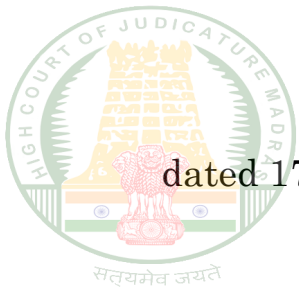
1. Mahendra Kumar Patel
No.1514, Jhinya Mohalla Anand
Bhawan Purana Kanchapur
Jabalpur, Madhya Pradesh-
482004.

2.RASHMI
No.1514, Jhinya Mohalla Anand
Bhawan Purana Kanchapur
Jabalpur, Madhya Pradesh-
482004.

Respondent(s)

PRAYER

To appoint an Arbitrators to decide the disputes and differences
between the Petitioner and Respondent in terms of Loan Agreement



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dated 17.09.2020.

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For Appellant(s): M/s.P.H.Vinodh Pandian
For Respondent(s): -

ORDER

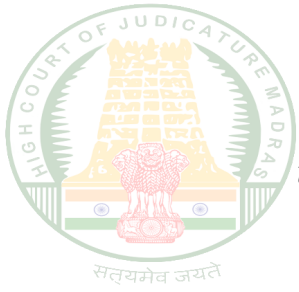
This petition has been filed under Section 11 of the Arbitration and Conciliation Act, 1996, [hereinafter referred to as the Act] for appointment of an arbitrator.

2. When the matter came up for hearing on 14.07.2025, this Court passed the following order:-

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

2. There seems to be a dispute between the petitioner and the respondents arising out of the Loan Agreement, dated 17.09.2020. There exists an arbitration clause in the Loan Agreement, dated 17.09.2020 and the same is extracted hereunder :-

“10. Arbitration All disputes, differences, and /or claims arising out of this Agreement, whether during

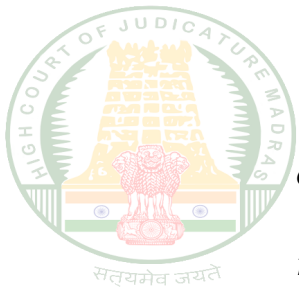


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its subsistence or thereafter shall be settled by 'Arbitration' in accordance with the provisions of the Arbitration and Conciliation Act, 1996' (Act 26 of 1996) or any other statutory amendments thereof and shall be referred to the sole arbitration of an 'Arbitrator', appointed by the Managing Director of FSBF (or any other person as authorized 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 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 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



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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 affair of the property /properties or the loan /loans. The borrower(s) also undertake to acknowledge that the decision of the arbitrator shall be final.”

3. The petitioner has already invoked arbitration in accordance with the arbitration clause by issuing notice to the respondent on 12.02.2025 to comply with the requirements of Section 21 of the Arbitration and Conciliation Act, 1996. No reply has been received for the same by the petitioner. Since there is no consensus between the parties with regard to the name of the Arbitrator, this petition has been filed under Section 11 of the Arbitration and Conciliation Act, 1996 seeking for appointment of an Arbitrator.

4. Since there exists an arbitration clause in the Loan Agreement, which is the subject matter of the contract between the parties and since there is no consensus between the parties with regard to the name of the

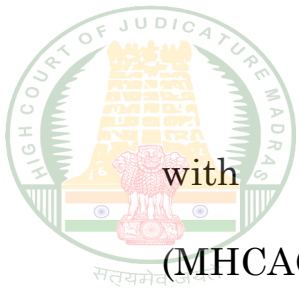


*Arbitrator, this Court is issuing notice to the respondents,
through Court as well as privately returnable by
07.08.2025.*

5. Post the matter on 07.08.2025.

3. Steps were taken to serve the notice on the respondents. But, however, notice was not able to be served. Therefore, this Court ordered substituted service on 07.08.2025. Pursuant to the same, the substituted service has been effected and affidavit of service was also filed. The name of the respondents have also been printed in the cause list.

4. Considering the earlier order passed by this Court on 14.07.2025 and also considering the fact that the respondents have chosen not to contest this petition, this Court is inclined to appoint Ms.U.Parvatha Varthini, Advocate, F6B, Nav Yug Chamber, Thambu Chetty Street, Chennai 600 095, Mobile No.9791700211, as sole Arbitrator and the Arbitrator is requested to adjudicate the arbitral dispute that were arising between the parties by holding the sittings in any venue in Chennai to the convenience of all concerned and render an award. Fees of the sole Arbitrator shall be in accordance



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with the Madras High Court Arbitration Centre

(MHCAC)(Administrative Cost and Arbitrator's Fees) Rules 2017.

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5. This Arb. OP is disposed of in the above terms. There shall be no order as to costs.

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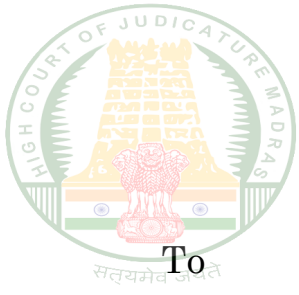
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Index:Yes/No

Speaking/Non-speaking order

Internet:Yes

Neutral Citation:Yes/No



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To

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N.ANAND VENKATESH J.
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