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Arb O.P(COM.DIV.) No. 438 of
2025



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 13-11-2025

CORAM

THE HONOURABLE MR JUSTICE N. ANAND VENKATESH

Arb O.P(COM.DIV.) No. 438 of 2025

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

Petitioner(s)

Vs

1. Madavedi Rajeshwar
H.No.8-35/12 Vannel Balkonda,
Nizamabad, Telangana-503217.
- 2.Madavedi Linganna
H.No.8-35/12 Vannel Balkonda,
Nizamabad, Telangana-503217.
- 3.Madavedi Raju Bai
H.No.8-35/12 Vannel Balkonda,
Nizamabad, Telangana-503217.
- 4.Madavedi Laxmi
H.No.8-35/12 Vannel Balkonda,
Nizamabad, Telangana-503217.

Respondent(s)



PRAYER

To appoint an Arbitrator(s) to decide the disputes and differences between the
Petitioner and Respondents in terms of Loan Agreement dated 16.11.2021

For Petitioner(s): Mr.P.H.Vinodh Pandian

For Respondent(s): No appearance

ORDER

This original petition has been filed under Section 11(5) of the Arbitration and Conciliation Act, 1996 to appoint an Arbitrator to adjudicate and decide the disputes between the petitioner and the respondents arising out of the loan agreement dated 16.11.2021.

2. When this petition came up for hearing on 29.07.2025, this Court passed the following order:-

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

2. There seems to be a dispute between the petitioner and the respondents, arising out of the loan agreement dated 16.11.2021. In the said agreement, there exists an arbitration clause, 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



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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 an Arbitrator to whom the matter has been referred to originally dies or being unable or unwilling to act for any person, 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 appont 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.”

3. 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 Act, 1996. No reply has been received for the same. Since the respondents have not agreed for arbitration, the petitioner has filed this petition under Section 11 of the Arbitration and Conciliation Act, 1996, seeking for appointment of an arbitrator by this Court.



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4. 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 invoked arbitration in accordance with the arbitration clause by complying 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, this Court is issuing notice to the respondents, returnable by 21.08.2025. Private notice is also permitted.”

3. Pursuant to the above order, the private notice that was sent to the respondents came to be returned with an endorsement “insufficient address”. Therefore, this Court directed the learned counsel for petitioner to effect substituted service on the respondents and accordingly, substituted service has been taken on the respondents and affidavit of service has also been filed. Even though the names of the respondents are printed in the cause list, there is no appearance either in person or through counsel.

4. It is seen that there is a valid agreement between the parties in line with Section 7 of the Arbitration and Conciliation Act, 1996, which contains an arbitration clause. Hence, Mrs.K.V.Subha, Advocate, having address for service at 'Prashanthi' #1C, 'Sowram Royal Enclave', #10/11&12, Fifth Street, Gopalapuram, Chennai 600 086 Mobile No.99405 62281, email: subhaadvocate@gmail.com is appointed as the sole Arbitrator and the learned Arbitrator is requested to enter upon reference qua the loan agreement dated 16.11.2021, adjudicate the arbitral disputes that have arisen 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 with the Madras High Court Arbitration Centre (MHCAC)(Administrative Cost and Arbitrator's Fees) Rules 2017.

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

13-11-2025

Index: Yes/No

Speaking/Non-speaking order

Internet: Yes/No

Neutral Citation: Yes/No

ss

To

1. Mrs.K.V.Subha

'Prashanthi' #1C, 'Sowram Royal Enclave'

#10/11&12, Fifth Street

Gopalapuram

Chennai 600 086

Mobile No.99405 62281

email: subhaadvocate@gmail.com

2. The Director

Tamil Nadu Mediation and Conciliation

Centre-cum-Ex-Officio Member

Madras High Court Arbitration Centre

Chennai 600 104



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