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Arb O.P(COM.DIV.) No. 5
of 2025



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 03-11-2025

CORAM

THE HONOURABLE MR JUSTICE N. ANAND VENKATESH

Arb O.P(COM.DIV.) No. 584 of 2025

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

Petitioner

Vs

1. S Kantha Rao
H.No.1-50,VILL, Mudeli.MDL
Gandhari Kamareddy,
Telangana-503187.
2. Arkala Kavitha
H.No.1-50,VILL, Mudeli.MDL
Gandhari Kamareddy,
Telangana-503187.
3. Maddela Balayya
H.No.1-50,VILL, Mudeli.MDL



Gandhari Kamareddy,
Telangana-503187.

Respondents

PRAYER

To appoint an Arbitrator to decide the disputes and differences between the Petitioner and Respondent in terms of Loan Agreement dated 20.07.2023.

For Petitioner: Mr.P.H.Vinodh Pandian

For Respondents: 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 20.07.2023.

2. When this petition came up for hearing on 19.09.2025, this Court, considering the fact that a dispute has arisen between the petitioner and the respondents out of the loan agreement dated 20.07.2023 and there exists an arbitration clause in the loan agreement, which is reproduced below,

“GOVERNING LAW, DISPUTE RESOLUTION AND JURISDICTION: (Art 10 existing agreement)

1. This Agreement shall be governed by and construed in accordance with the laws of India

2. Any and all dispute(s), difference(s) and/or claim(s) arising out or touching upon this Agreement or in relating to this Agreement whether during its subsistence or thereafter, shall



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be referred to the Arbitration by a Sole Arbitrator to be appointed by any one the below mentioned 'arbitral Institution' in accordance with the provisions of the Arbitration and Conciliation Act 1996 or any statutory amendments thereof from time to time.

- a. Council for National and International Commercial Arbitration (CNICA) currently having its office at Unit No. 208 2nd Floor B Wing, Raheja Towers, Nos. 113-134, Anna Salai, Chennai-600002, or
- b. Southern India Chamber of Commerce and Industry (SICCI), currently having its Office at Indian Chamber Buildings. P B No.1208 Esplanade, Chennai-600108, or
- c. Kovise Foundation Conflict Resolution International (KRCRI), currently having its Office at G-2, Plot No.108, Majestic Colony Valasarawakkam, Chennai-600087, or
- d. Any arbitral institution designated under the provisions of the Arbitration and Conciliation Act, 1996 (the act) or any panel of arbitrators maintained under the provisions of the act.

The entire arbitral proceedings shall be conducted by the Arbitrator in the manner he/she considers appropriate, and the award rendered by the Arbitrator shall be final and binding on all the parties to this agreement. The arbitral institution shall provide administrative assistance to the Arbitrator to facilitate the conduct of the arbitral proceedings, if he/she chooses to avail such assistance from the institution.

3. The Arbitrator shall be entitled to, at his/her discretion conduct the proceeding in-person and/or through exchange of mail, email and/or any other mode of electronic communication including video conferencing (VC), online, virtual hearing etc, using an external application or platform, if necessary. The parties to the arbitration proceeding shall be



bound by the decision of the arbitrator in this regard.

4. The parties hereby consent to have the arbitral proceeding conducted by a written pleading, documents, written submissions and or any other electronic mode of communication-based arbitration as may be determined by the arbitrator.

5. The parties herein agree not to insist on in-person and/or oral hearing except in certain exceptional circumstances as the Arbitrator may deem fit.

6. The Parties herein agree that the venue and seat of the arbitration proceeding shall be usually at Chennai or in exceptional circumstances any other place as deemed fit by the Arbitrator.

7. The language of arbitral proceedings shall be English.

8. The parties herein agree that in the event of death of the Arbitrator to whom the matter has been originally referred or the Arbitrator being unable or unwilling to act as arbitrator for any reason whatsoever, the arbitral institution shall substitute another person as it may deem fit to act as Arbitrator, who shall proceed with the reference from the stage, at which it was let by his her predecessor.

9. The Arbitrator so appointed shall have the power to pass an award on the secured asset or any other security or interest created between the parties and also to pass interim orders/directions as may be appropriate to protect the interest of the parties pending adjudication of the claim and/or resolution of the disputes

10. Parties also consent to the following:



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- a. to send a copy of the award through post/courier or a scanned image or such an award to the parties through mail/email or any other electronic mode through such institution which shall be considered as signed copy for the purposes of the Act.
- b. if the award is not made or could not be made within 12 months from the date of completion of pleadings by the arbitrator. for any reason whatsoever, the parties hereby consent for an extension of time for another six months

11. In respect of the arbitral proceeding, all notices, processes and communications in that regard to all the parties shall be through post/courier and/or mail/email and/or any other electronic mode of communication, as may be determined by the arbitrator and if resorted to, shall be a valid service of notices, processes and communications on the parties. Any notice, processes and communications issued to the counsel or representative representing the parties to the arbitration proceeding shall be deemed and valid service on the parties.

12. The post/courier and/or mail/email and/or any other electronic mode of address provided by the Borrower(s)/Guarantor(s) to the lender under the agreement or any other document executed by the Borrower(s)/Guarantor(s) with the lender/company shall be deemed to be an active postal/mail/email and/or any other electronic mode of address and any service effectuated upon such postal/mail/email and/or any other electronic mode of address shall be deemed to be completed. Any change or other discrepancies in the postal/mail/email and/or any other electronic mode of address provided above, shall be informed to the lender/company promptly.

13. All communications shall be considered to have been



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received by the parties within seven days from the time of sending the communication, In case, if after expiry of seven days from the date of communication, there lies no response from the parties, it shall be the discretion of the Arbitrator to proceed with the arbitration proceeding and/or render the award as the case may be in their absence.

14. It shall be the responsibility of the parties to maintain sufficient space in the email account and/or in any other mode of electronic account(s) and also to have supporting applications/software in their computer/mobile/any other electronic device or accessories and infrastructure required to access the electronic documents sent to them and also to enable the arbitrator to conduct the arbitration proceeding through VC, online, virtual hearing etc..

15. Unless otherwise directed by the Arbitrator, the existence or subsistence of a dispute or the commencement of arbitral proceedings under this clause shall not in any manner prevent or postpone the performance of any obligations of any party which do not form part of the dispute”,

and that the petitioner had complied with the statutory requirements of Section 21 of the Act by issuing notice to the respondent on 12.03.2025, issued notice to the respondents through Court as well as privately returnable by 27.10.2025.

3. Pursuant to the above order, the private notice that was sent to the respondents has been served 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, Mr.C.K.Chandrasekhar, Advocate, having address for service at Chamber 279, New Addl Law Chambers, High Court Buildings Chennai, Mobile No.9444184899, email: ckclawoffices@gmail.com is appointed as the sole Arbitrator and the learned Arbitrator is requested to enter upon reference qua the loan agreement dated 20.07.2023, 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.

03-11-2025

Index:Yes/No

Speaking/Non-speaking order

Internet:Yes/No

Neutral Citation:Yes/No

SS



To

1. Mr.C.K.Chandrasekhar

Chamber 279

New Addl Law Chambers

High Court Buildings

Chennai

Mobile No.9444184899

email: ckclawoffices@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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