



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 13.08.2025

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THE HONOURABLE MR JUSTICE ABDUL QUDDHOSE

Arb.O.P. (Com.Div.) No.373 of 2025

Five Star Business Finance Limited

.. Petitioner

VS

1.Sridevi Maagi

2.Magi Namdev

.. Respondents

Prayer: Arbitration Original Petition (Commercial Division) filed under Section 11(5) of the Arbitration and Conciliation Act, 1996 to appoint an Arbitrator to decide the disputes and differences between the petitioner and the respondents in terms of Loan Agreement dated 26.03.2021.

For Petitioner : Mr.S.Nataraj for
Mr.P.H.Vinodh Pandian

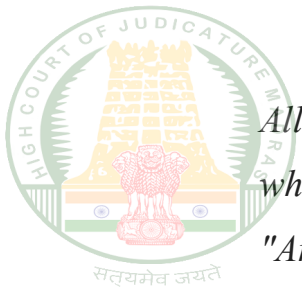
For Respondents : Set exparte

ORDER

This petition has been filed under Section 11 of the Arbitration and Conciliation Act seeking for the 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 26.03.2021. There exists an arbitration clause in the Loan Agreement dated 26.03.2021. The same is extracted hereunder:

'Article 10:Arbitration



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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 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.'

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 from the respondents to the same.

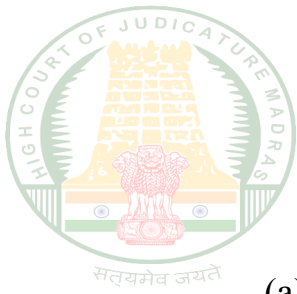


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4.As directed by this Court, the names of the respondents are printed in the cause list today. This Court, in its order dated 30.07.2025 had recorded the fact that the notice sent to the respondents was duly served on them and therefore, had directed the registry to print the names of the respondents in the cause list. The respondents remain un-represented in this petition. Hence, the respondents are set *exparte* by this Court.

5.Since there exists an arbitration clause in the contract, which is the subject matter of the dispute between the parties and since there is no consensus between the parties with regard to the name of the Arbitrator and since the petitioner has complied with the requirements of Section 21 of the Arbitration and Conciliation Act, 1996, this Court has to necessarily appoint an Arbitrator as prayed for in this petition.

6.For the foregoing reasons, this Arbitration Original Petition is allowed by issuing the following directions:



ABDUL QUDDHO

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(a) This Court appoints Mr. Abhishek P., Advocate, having address at Khaitan & Co. LLP, 8th and 9th Floor, DADHA Chambers, New No.250, Old No.268, Avvai Shanmugham Salai, Royapettah, Chennai - 600 014, Mobile No.89391 61989 as the Sole Arbitrator to adjudicate the dispute between the petitioner and the respondents, arising out of the Loan Agreement dated 26.03.2021, on merits and in accordance with law;

(b) The Arbitrator shall be paid his remuneration/fees in accordance with the 4th Schedule of the Arbitration and Conciliation Act, 1996;

(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.

No costs.

13.08.2025

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