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Arb.O.P.(Com. Div.) No.324 of 2025

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 21.08.2025

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THE HON'BLE MR. JUSTICE ABDUL QUDDHOSE

Arb.O.P.(Com. Div.) No.324 of 2025

M/s.Mercedes-Benz Financial Services India Pvt. Ltd.,
(Formerly known as M/s.Dailmer Financial Services India Pvt. Ltd.),
5th Floor, Plot 8, Baashyam Willow Square,
9 & 10, First Street, Thiru vi ka Industrial Estate,
Guindy, Chennai – 600 032, Tamil Nadu, India.
Represented by its Authorised Signatory ... Petitioner

Vs.

1.Kyasaram Praveen Kumar
2.Kyasaram Varalaxmi ... Respondents

PRAYER: Petition filed under Section 11(6) of the Arbitration and Conciliation Act, 1996 to appoint a Sole Arbitrator to adjudicate upon the differences and disputes between the parties under the Loan Agreement and Unattested Deed of Hypothecation dated 16.07.2022 in respect of Contract No.10150691.

For Petitioner : Mr.M.Arunachalam
For Respondents : Set exparte

ORDER

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



WEB COPY 2. As directed by this Court on 21.07.2025, the petitioner has effected substituted service on the respondents by effecting paper publication. The paper publication has been filed along with AOS. The names of the respondents are also printed in the cause today. However, the respondents remain unrepresented. Hence, the respondents are set exparte by this Court.

3. There seems to be a dispute between the petitioner and the respondents arising out of the Loan Agreement and Unattested Deed of Hypothecation dated 16.07.2022. There exists an arbitration clause in the Loan Agreement and Unattested Deed of Hypothecation dated 16.07.2022 and the same is reproduced hereunder:

“82. Dispute Resolution: All claims and disputes arising under or relating to this Loan Agreement, its interpretation, performance, termination of this Agreement or otherwise in connection with this Agreement (“Dispute”) shall be referred to an Arbitration under the Arbitration and Conciliation Act, 1996, as may be amended from time to time, or any re-enactment thereof, to a Sole Arbitrator



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appointed by Lender. The Arbitration proceedings, any order passed thereto by the Arbitrator including the Award, either interim or final, shall be binding on the parties and shall be conducted in English. It is also expressly agreed by the parties that the place of Arbitration shall be exclusively at Chennai, Tamil Nadu or any other state as may be intimated by the Lender. Any decision or award as a result of any such arbitration proceeding shall be in writing and shall provide an explanation for all conclusions of law and fact and shall include the assessment of costs, expenses, and reasonable attorneys' fees. The arbitration proceeds shall include a written record of the arbitration hearing."

4. The petitioner has invoked arbitration in accordance with the arbitration clause by issuing notice to the respondents on 25.04.2025 to comply with the requirements of Section 21 of the Arbitration and Conciliation Act, 1996. The respondents have chosen not to send any reply to the arbitration invocation notice dated 25.04.2025.



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5. 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 complied 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 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) Mr.Sharath Chandran, Advocate, who is having office at Gokulam, No.3, Gopala Menon Street, Vepery, Chennai – 600 007 (Mobile No.98844 45442) is appointed as the sole Arbitrator to decide the dispute between the petitioner and the respondents arising out of the Loan Agreement and Unattested Deed of Hypothecation, dated 16.07.2022;

(b) The Arbitrator shall be paid his 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;



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(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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Index : Yes/No
Speaking Order : Yes / No
Neutral Citation Case: Yes / No
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ABDUL QUDDHOSE. J.

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