



Arb.O.P.(Com.Div.) No. 361 of 2025

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 26.08.2025

CORAM

THE HON'BLE Mr. JUSTICE ABDUL QUDDHOSE

Arb.O.P.(Com.Div.) No. 361 of 2025

Tata Capital Limited,
Represented by its Authorised Representative / Power Agent,
Manoj. M ... Petitioner

Vs.

1.SC Shah and Company Private Limited,
No.518, Mount Road,
Anna Salai, Teynampet, Opp to Spencer Plaza,
Chennai – 600 018.

2.Virendra Shanthilal Shah
Director of SC Shah and Company Private Limited,
Flat No.144, Vaibhav Apartments,
No.62, EVK Sampath Road,
Vepery, Chennai – 600 007.

3.Bhavesb Virendra Shah,
Director of SC Shah and Company Private Limited,
Flat No.144, Vaibhav Apartments,
No.62, EVK Sampath Road,
Vepery, Chennai – 600 007. ... Respondents

Prayer : Petition filed under Section 11(6) of the Arbitration and Conciliation Act, 1996, to appoint a Sole Arbitrator to adjudicate upon the dispute arisen between the petitioner and the respondents.



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For Petitioner : Ms. Abitha Banu

For Respondent : Set exparte

ORDER

As directed by this Court, the registry has printed the names of the respondents in the cause list today. The petitioner had earlier effected substituted service on the respondents by effecting paper publication pursuant to the directions issued by this Court. The respondents remain unrepresented. Hence, the respondents are set ex parte by this Court.

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

3. There seems to be a dispute between the petitioner and the respondents arising out of the Agreement for Term Loan and Deed of Hypothecation dated 09.02.2023. There exists an arbitration clause in the contract and the same is reproduced hereunder: -

“13. Arbitration

*If any dispute, difference or claim arises
between any of the Obligors and the Lender in connection*



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with the Facility or as to the interpretation, validity, implementation or effect of the Facility Documents or as to the rights and liabilities of the parties under these T&Cs or alleged breach of the Facility Documents or anything done or omitted to be done pursuant to the Facility Documents, the same shall be settled by arbitration by a sole arbitration to be appointed as per the procedure below and to be held at such place as agreed by the Parties in Serial No.18 of Annexure 1 hereto of the Agreement. The Party invoking the arbitration (“Claimant”) shall address a notice to the other Party (“Respondent”) suggesting the names of not more than three arbitrators, all of whom shall be either retired judges of the District Court, High Court or the Supreme Court or a lawyer having minimum 10 years' relevant experience. The Respondent shall either:

*(i) Confirm in writing acceptance of one amongst the proposed names as the sole arbitrator to the Claimant within a period of ten (10) days from the date of notice (“**Notice Period**”); or*

(ii) Convey objection, if any, in writing to the Claimant, against the proposed names of the sole arbitrator within the said Notice Period.

However, if the Claimant does not receive any response from the Respondent within the said Notice Period, the Claimant shall be entitled to nominate any one



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person from amongst the proposed three names as the sole arbitrator and such arbitrator shall be deemed to be appointed by both the Parties.

In the event, the Respondent conveys its objection as per (ii) above then the sole arbitrator will be appointed by a Court having jurisdiction. The arbitration shall be conducted under the provisions of the Arbitration and Conciliation Act, 1996 together with its amendments, any statutory modifications or re-enactment thereof for the time being in force. The arbitration proceeding shall be conducted in English language. The award of the arbitrator shall be final and binding on all parties concerned. The cost of arbitration shall be borne by the Obligors.”

4. The petitioner has invoked arbitration in accordance with the arbitration clause by issuing notice to the respondents on 19.02.2025 and has complied 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 19.02.2025.



WEB COPY 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 the respondents have been set ex parte by this Court, necessarily this Court will have to 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.J.V.Raj, Retired District Judge, residing at No.46, Sathya Nagar, Near Reeds School, Mylampatti, Coimbatore - 641 062 (Mobile No.9445436345)** is appointed as the Sole Arbitrator to adjudicate the dispute between the parties arising out of the Agreement for Term Loan and Deed of Hypothecation dated 09.02.2023.

(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;

(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. No cost.

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Index: Yes/ No

Neutral citation : Yes / No

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