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Arb O.P(COM.DIV.) No. 440 of
2025



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 13-10-2025

CORAM

THE HONOURABLE MR JUSTICE N. ANAND VENKATESH

Arb O.P(COM.DIV.) No. 440 of 2025

1. 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.

Applicant(s)

Vs

1. Kota Ramesh
D.No.3-2-108,
Boyawada,Mettapally,
Karimnagar,Jagital,
Telangana-505325.

2.Kota Manjula
D.no.3-2-108, Boyawada,
Mettapally, Karimnagar, Jagital,
Telangana-505325.

Respondent(s)

PRAYER

To appoint an Arbitrators to decide the disputes and differences
between the Petitioner and Respondent in terms of Loan Agreement
dated 27.11.2018 and 01.03.2021.



For Applicant(s): Mr.Vinodhini Mathelene
Mr.P.H.Vinodh Pandian

For
Respondent(s):

ORDER

This petition has been filed under Section 11 of the Arbitration and Conciliation Act, 1996 [for brevity hereinafter referred to as the “Act”] for appointment of an Arbitrator.

2. When the matter 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 two loan agreements dated 27.11.2018 and 01.03.2021 respectively. In the said agreements, there exists arbitration clauses, which are 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 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 reason, then in such event, the

for Five-Star Business Finance Limited

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.

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 statutory amendments thereof and shall be referred to the Sole Arbitration of an "Arbitrator", appointed 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 reason, then in such event, 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



11.03.2025 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.

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. Notices were served on the respondents and the affidavit of service has also been filed before this Court and the names of the respondents have also been printed in the cause-list. There is no appearance either in person or through counsel.

4. Taking into consideration the materials placed before this Court and the earlier order passed by this Court on 29.07.2025, Ms.A.Arul Mary, Advocate, at 4B, Santhome High Court, Santhome,



Chennai 600 004 (Near Archbishop's house- Santhome), Mobile

No.9176588830, is appointed as sole Arbitrator and the Arbitrator is

requested to adjudicate the arbitral dispute that were arising 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 Arb. OP is disposed of in the above terms. There shall be no order as to costs.

13-10-2025

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Index:Yes/No

Speaking/Non-speaking order

Internet:Yes

Neutral Citation:Yes/No



To

1.Kota Ramesh
D.No.3-2-
108,Boyawada,Mettapally,
Karimnagar,Jagital,Telangana-
505325.

2.Kota Manjula
D.no.3-2-
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N.ANAND VENKATESH J.

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