



Arb.O.P.(Com.Div.) No. 414 of 2025

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 25.08.2025

CORAM

THE HON'BLE Mr. JUSTICE ABDUL QUDDHOSE

Arb.O.P.(Com.Div.) No. 414 of 2025

Five Star Business Finance Limited,
Rep., by its Legal Officer,
MadhuSandan Someswaran,
Registered office at New No.27,
Old No.4, Taylor's Road, Kilpauk,
Chennai – 600 010.

... Petitioner

Vs.

1.Narsimlu Dandugula
2.Dandugula Pedda Laxmi

... Respondents

Prayer : Petition filed under Section 11(5) of the Arbitration and Conciliation Act, 1996, to appoint an Arbitrator(s) to decide the disputes and differences between the petitioner and respondents in terms of Loan Agreement dated 29.01.2021.

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

For Respondents : Set exparte



ORDER

WEB COPY The notice sent to the respondents have been duly served. The delivery reports have been filed along with the affidavit of service. The respondents remain unrepresented. Their names are also printed in the cause list today. 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, 1996 seeking for appointment of an Arbitrator by this Court.

3. There seems to be a dispute between the petitioner and the respondents arising out of the Loan Agreement dated 29.01.2021. The Loan Agreement dated 29.01.2021 contains an arbitration clause and the same is reproduced 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



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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 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.”

4. The petitioner has complied with the requirements of Section 21 of the Arbitration and Conciliation Act, 1996 by issuing notice to the respondents on 12.03.2025. The respondents have chosen not to send any



reply to the arbitration invocation notice dated 12.03.2025.

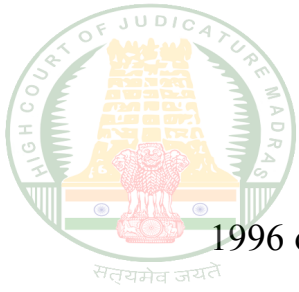
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5. Since there exists an arbitration clause in the contract which is the subject matter of the dispute between the parties and since the petitioner has complied with the requirements of Section 21 of the Arbitration and Conciliation Act, 1996 and since there is no consensus between the parties with regard to the name of the arbitrator and since the respondents have been set ex parte in this petition, necessarily an Arbitrator will have to be appointed by this Court.

6. Accordingly, this Arbitration Original Petition is allowed as prayed for by issuing the following directions:

a) **Mr. S. Vishal, Advocate who is having Office at Old No.26/3, New No.12/3, Perumal Koil Street, Aminjikarai, Chennai – 600 029, (Mobile No.8925268223)** is appointed as the Sole Arbitrator to adjudicate the dispute between the parties arising out of the Loan Agreement dated 29.01.2021.

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



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1996 or as per the mutual consent of both the parties;

WEB COPY (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 cost.

25.08.2025

Index: Yes/ No

Neutral citation : Yes / No

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