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IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 13-10-2025

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THE HONOURABLE MR JUSTICE N. ANAND VENKATESH

Arb O.P(COM.DIV.) No. 517 of 2025

M/s Shriram Finance Limited
(Formerly M/s. Shriram City Union Finance Ltd)
Having its office at
No.145, Santhome High Road
Mylapore, Chennai 600 004
Rep.by its authorised Signatory Mrs. C.Gracy

Petitioner(s)

Vs

1. M/s Sara Bio Resources India Ltd.,
Rep.by its Director,
51/1, 2nd Main Road, Gandhi Nagar,
Adyar, Chennai 600 020

2.K Raman

3.Mrs.H.K.Sowmya

Respondent(s)

PRAYER Petition filed under Section 11 of the Arbitration and Conciliation Act, 1996, praying to appoint any fit and competent person as an arbitrator as



per the provisions of the Arbitration and conciliation act, 1996, so as to adjudicate the claim and the dispute between the petitioner and the respondents under the Loan Agreement dated 29.12.2020; b) direct the respondents to pay the cost of the petition.

For Appellant(s): Mr.R.Uma Shankar

ORDER

This petition has been filed under Section 11 of the Arbitration and Conciliation Act, 1996 (for the sake of brevity, hereinafter referred to as ' the Act') seeking for the appointment of an Arbitrator by this Court.

2. When the matter came up for hearing on 28.08.2025, 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 the loan agreement dated 29.12.2020.



In the said agreement, there exists an arbitration clause, which is extracted hereunder:

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Clause 18

- a) Without prejudice to the lender's right available to it under the SARFAESI Act, 2002, 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, or any other statutory modification or re-enactments for the time being in force and shall be conducted by a sole arbitrator to be appointed by the Lender. The applicable Laws shall be Indian Laws. In the event of incapacity or resignation or death of the sole arbitrator so appointed, the lender shall be entitled to appoint another arbitrator in place of the earlier arbitrator and the proceeding shall continue from the stage at which the predecessor had left.
- b) The award given by the arbitrator shall be final and binding on the parties to this agreement. The cost of the arbitration shall be borne with by the parties in accordance with the award passed by the arbitrator.
- c) The venue of arbitration shall be as specified in Schedule - 1 hereto and the proceedings shall be conducted in English language.
- d) The Borrower and the Guarantor hereby agree and confirm that the Lender shall be permitted to invoke the Provisions of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and any amendments thereto in order to recover its dues under this Agreement from the borrower/Guarantor and nothing in clause shall preclude the right of the Lender available at Law.

3. The petitioner has invoked arbitration in accordance with the arbitration clause by issuing notice to the respondents on 11.06.2025 to comply with the requirements of Section 21 of the Arbitration and Conciliation Act, 1996. No reply has been received for the same.

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 25.09.2025. Private notice is also permitted.

3. Notice has been served on the respondents and their names have also been printed in the cause list. However, there is no representation either in person or through counsel.

4. It is seen that there is an existence of a valid agreement under Section 7 of the Act and it contains an arbitration clause. Therefore, all the other issues can be raised before the learned Arbitrator who shall deal with the same on its own merits and in accordance with law.

5. In view of the above, this Court is inclined to appoint a sole Arbitrator. **M.Mohamed Riyaz, Advocate, 1st Floor, SM Plaza, 45, Armenian Street, Chennai 600 001. [Mobile: 9444386515]**



email:mmriyazbabl@yahoo.co.in is appointed as sole Arbitrator. The sole

Arbitrator is requested to enter upon reference, adjudicate upon arbitrable disputes that have arisen between the parties. The Arbitrator shall hold sittings in the 'Madras High Court Arbitration Centre under the aegis of this Court' (MHCAC) as per Madras High Court Arbitration Proceedings Rules 2017 and fee of Hon'ble sole Arbitrator shall be in accordance with the Madras High Court Arbitration Centre (MHCAC) (Administrative Cost and Arbitrator's Fees) Rules 2017.

6.This petition is disposed of in the above terms. No Costs.

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Index: Yes/No

Speaking/Non-speaking order

Internet: Yes

Neutral Citation: Yes/No

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2.The Director
Tamil Nadu Mediation and Conciliation
Centre-cum-Ex-Officio Member
Madras High Court Arbitration Centre
Chennai - 104.



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