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Arbitration Original Petition (Com.Div.) No.477 of 2025

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 08.12.2025

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THE HONOURABLE MR.JUSTICE N.ANAND VENKATESH

Arbitration Original Petition (Com.Div.) No.477 of 2025

M/s.Shriram Finance Limited,
(Formerly known as M/s.Shriram Transport
Finance Company Limited),
represented by its Authorised Signatory,
Mr.S.Vinothkumar
No.26, First Floor, Sri Balaji Building,
Gundammor Street, Ammoor Road,
Walajapet, Ranipet District – 632 513.

.... Petitioner

Vs.

1.S.Soundar
2.S.Visalatchi
3.G.Venkatesan
4.N.Saravanan

.... Respondents

Arbitration Original Petition (Com.Div.) filed under Section 11(6)
of the Arbitration and Conciliation Act, 1996, praying to appoint a sole
Arbitrator to decide the disputes and difference between the parties under
the said Loan cum Hypothecation Agreement dated 24.05.2023.

For Petitioner : Mr.E.Santhanalakshmi

For Respondents : Mr.K.Munusamy



ORDER

This petition has been filed under Section 11(6) of the Arbitration and Conciliation Act, 1996 [for brevity 'the Act'] for appointment of an Arbitrator to decide the dispute and differences between the petitioner and the respondents in terms of the Loan cum Hypothecation Agreement dated 24.05.2023.

2. When the matter came up for hearing on 13.08.2025, this Court passed the following order:

“This petition has been filed under Section 11 of the Arbitration and Conciliation Act seeking for the 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 cum Hypothecation Agreement dated 24.05.2023. There exists an arbitration clause in the Loan cum Hypothecation Agreement dated 24.05.2023. The same is extracted hereunder:

‘Article 22

Law, Jurisdiction, Arbitration

'22(a) All disputes, differences and/or claim arising out of or in connection with this Agreement whether during its subsistence or thereafter shall be settled by arbitration in accordance with the provision of the Arbitration and Conciliation Act, 1996 or any statutory amendments thereof and shall be referred to the sole arbitration of an Arbitrator nominated by the Lender. The award given by such an Arbitrator shall be final and binding on the parties to this Agreement.

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 proceedings shall continue from the stage at which the predecessor had left. Such a person



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shall be entitled to proceed with the reference from the stage at which it was left by the predecessor. Such a person shall be entitled to proceed with the reference from the stage at which it was left by his predecessor.

(b) The venue of arbitration proceedings shall be at Chennai. The language of arbitration shall be English.

(c) The Arbitrator so appointed herein above, shall also be entitled to pass an Award on the hypothecated asset and also on any other securities furnished by or on behalf of the Borrower.'

3. The petitioner has invoked arbitration in accordance with the arbitration clause by issuing notice to the respondents on 21.02.2025 to comply with the requirements of Section 21 of the Arbitration and Conciliation Act. No reply has been sent by the respondent 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 there is no consensus between the parties with regard to the name of the Arbitrator and since the petitioner has complied with the requirements of Section 21 of the Arbitration and Conciliation Act, 1996, this Court is issuing notice to the respondents returnable by 12.09.2025. Private notice is also permitted."

3. After service of notice on the respondents, an attempt was made to resolve the dispute amicably between the parties. However, parties were not able to resolve the dispute and therefore, the petition was posted before the Court for passing final orders.

4. In view of the above, this Court is inclined to proceed further and appoint Sole Arbitrator and refer the dispute between the petitioner and the respondent to the Sole Arbitrator, which will be dealt with on its own merits and in accordance with law.



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N.ANAND VENKATESH, J.

gm
WEB COPY 5. In the light of the above discussion, this Court appoints

Mr.Naveen Kumar Murthi, Advocate, S2, 2nd Floor, Singapore Plaza, No.164/337, Linghi Chetty Street, Chennai – 600 001. [Mobile No.98847 40424], as the sole Arbitrator and the sole Arbitrator is requested to adjudicate the arbitral disputes that had arisen between the parties and render arbitral award by holding 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 Sole Arbitrator shall be in accordance with the Madras High Court Arbitration Centre (MHCAC) (Administrative Cost and Arbitrator's Fees) Rules 2017.

Accordingly, this petition is disposed of.

08.12.2025

NCC:yes/no
gm

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