



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 24-09-2025

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THE HONOURABLE MR JUSTICE N. ANAND VENKATESH

Arb O.P(COM.DIV.) No. 592 of 2025

1. M/s. Hinduja Leyland Finance
Limited
Having its Corporate Office at
No.27A, Developed Industrial
Estate, Guindy, Chennai 600032.
Represented by its Authorised
Signatory, Ms.Sumana B

Appellant(s)

Vs

1. Sri Mutharamman Travels and
Transports,
Rep by its Proprietor-
Mr. Sivakumar No.54,GVT
Complex, Varatharajapuram,
Nagathamman Nagar,
Poonamallee, Chennai-600123.

2.Mrs.Shunmuga Devi S
W/o. Sivakumar, No.67, 9th
Street, Kamaraja Nagar, Avadi,
Tiruvallur, Chennai 600071.

Respondent(s)

PRAYER

To appoint a Sole Arbitrator to adjudicate upon the differences and
disputes between the parties under the Loan Agreement and



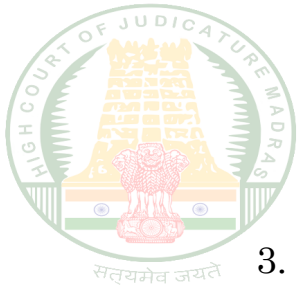
Guarantee Deed both dated 01.08.2022 bearing Contract
Nos.TNCHAN02086, TNCHAN02087, TNCHAN02088,
TNCHAN02089, TNCHAN2090 and pass further orders.

For Appellant(s): Mr.M.Arunachalam
For Respondent: Mr.Kishore
Balasubramaniam

ORDER

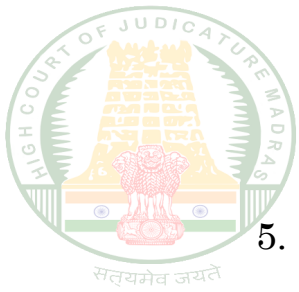
This petition has been filed under Section 11 of the Arbitration and Conciliation Act, 1996, for appointment of sole arbitrator to adjudicate upon the differences and disputes between the parties under the loan agreement and Guarantee deed, both dated 01.08.2022.

2. The case of the petitioner is that the respondents approached the petitioner for availing loan facility in respect of purchase of five vehicles. The petitioner sanctioned loan facility to a total sum of Rs.2,38,28,100/-. The 1st respondent is the borrower and the 2nd respondent is the guarantor and they entered into a loan agreement dated 01.08.2022 for a sum of Rs.47,65,620/- for each contract.



3. The respondents have to repay the loan amount of Rs.2,38,28,100/- together with interest in 48 months wherein the number of instalments payable is 45 months commencing from 07.11.2022 to 07.07.2026 in respect of all the five vehicles.

4. The further case of the petitioner is that the respondents defaulted in repayment of the loan and committed breach of terms and conditions. In view of the same, a notice dated 13.09.2024 was issued by the petitioner demanding for the outstanding dues and for referring the dispute for arbitration. Subsequently, the sole arbitrator was also appointed to adjudicate the disputes between the parties. The petitioner filed their statement of claim and application under Section 17 of the Act, for repossession of the hypothecated assets before the learned Arbitrator and the learned Arbitrator passed an interim order permitting the petitioner to repossess the hypothecated vehicles in respect of all the five contracts. Pursuant to this interim order, the petitioner also repossessed one vehicle. The respondents entered appearance before the learned Arbitrator with a direction to release the repossessed vehicle.



5. The respondents also filed a suit in OS No.6533 of 2024 before the VIII Assistant, City Civil Court, Chennai, praying for a permanent injunction restraining the petitioner from repossessing the remaining vehicles from the respondents. The petitioner filed a petition under Section 8 of the Arbitration and Conciliation Act, stating that the Arbitration proceedings were initiated and the same is pending. The suit came to be dismissed on 05.04.2025.

6. After the disposal of the suit, the petitioner repossessed the remaining vehicles and thus, all the five vehicles under the five contracts were repossessed by the petitioner.

7. During the pendency of the arbitration proceedings, the respondents filed a petition under Section 14(2) of the Act for termination of the mandate before this Court in Arb OP (Comm.Div) No.302 of 2025. This petition came to be allowed by this Court by an order dated 05.08.2025 by terminating the mandate of the Arbitrator and the liberty was granted to the petitioner to initiate fresh arbitration against the respondents.



8. It is also brought to the notice of this Court that the order that was passed by the Arbitrator under Section 17 of the Act, was put to challenge and the Arbitration Appeal No.33 of 2025 was filed.

The Division Bench of this Court by an order dated 10.09.2025 disposed of the case in the following terms :-

5. Learned counsel for appellants submits that pursuant to the order of AT, the vehicles have been repossessed and the appellants are under imminent threat of the same being put to sale by the respondents. We make it clear that we are not expressing any view or opinion either on the repossession or the threat of sale as that will be left to be decided either by the Section 9 Court or by the AT in a Section 17 legal drill.

6. In the event of the same prayer being made by way of Section 17 application before AT to be constituted vide Section 11 proceedings, it will be equally open to AT to consider the matter on its own merits and in accordance with law dehors the instant judicial order.

7. As the impugned order stands effaced, in the light of the trajectory the matter has taken, we deem it appropriate to write that captioned appeal is disposed of as closed with preservation of rights of both sides in the manner alluded to supra albeit with observations made supra. Consequently, the connected civil miscellaneous petitions are closed. There shall be no order as to

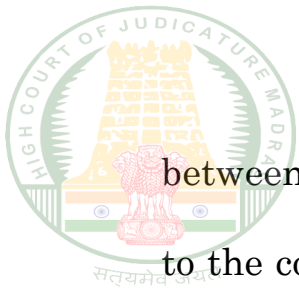


9. Pursuant to the termination of the mandate of the learned Arbitrator, the present petition has been filed before this Court for appointment of an arbitrator to adjudicate the differences between the petitioner and the respondents.

10. Heard both sides and carefully perused the materials available on record.

11. Taking into consideration the above developments, the only scrutiny that has to be made by this Court pertains to the fact as to whether there is a valid agreement under Section 7 of the Act and it shows an arbitration clause. Both the requirements are satisfied. Hence, this Court is inclined to appoint an arbitrator.

12. In view of the above, Mr.Srinath Sridevan, Senior Advocate (residing at No.24, Judge Jambulingam Road, Jagadambal Colony, Durgapuram, Mylapore, Chennai), Mobile No.99400 45709, is appointed as the sole Arbitrator and the Arbitrator is requested to enter upon reference qua the Employment Agreement dated 01.02.2019, 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.

13.This Arb. OP is disposed of in the above terms. There shall be no order as to costs.

24-09-2025

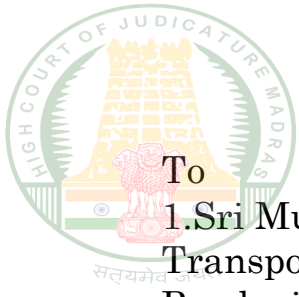
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Index:Yes/No

Speaking/Non-speaking order

Internet:Yes

Neutral Citation:Yes/No



To

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Transports,
Rep by its Proprietor- Mr.
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N.ANAND VENKATESH J.
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24-09-2025



Arb.O.P.(Com. Div.) No.592 of 2025

N. ANAND VENKATESH, J.

Today, this matter is listed under the caption “for being mentioned”, at the instance of the learned counsel on either side.

2. The learned counsel on either side submitted that the word “pursuant” appearing in the penultimate sentence of paragraph 4 and the words “employment agreement dated 01.02.2019” appearing in the first sentence of paragraph 12 of the order dated 24.09.2025, may kindly be changed as “prior” and “Loan Agreement and Guarantee Deed dated 01.08.2022”, respectively.

3. The aforesaid request of the learned counsel on either side is acceded to.

4. Registry is directed to carry out the aforesaid corrections and issue fresh order copy.

08.10.2025

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