



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 08-12-2025

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THE HONOURABLE MR JUSTICE N. ANAND VENKATESH

Arb O.P(COM.DIV.) No. 628 of 2025

1. M s FIVE STAR BUSINESS
FINANCE LIMITED Represented
by its Authorized Signatory
Madhusandan Someswara
New No27 (Old No 4) Taylors
Road Kilpauk Chennai 600 010

Applicant(s)

Vs

1. Mr Valabojula Thirumala
Chary
S/o.Mr.Narasimha, H.No.8-17/1,
Huzurabad, Dist-Karim Nagar,
Telangana 505 468.

2.Mrs.Challuri Mamatha
W/o.Mr.thirumala Chary
H.No.8-17/1, Huzurabad, Dist-
Karim Nagar, Telangana 505 468.

Respondent(s)

PRAYER

Petition filed under Section 11(6) of the Arbitration and Conciliation Act, 1996, praying to appoint a Sole Arbitrator to adjudicate the differences and disputes between the petitioner and the respondents under the Loan Agreement dated 28.10.2023 Bearing Reference Number FSTSLALONS000005474262

For Applicant(s): Mr.P Suresh



ORDER

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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 adjudicate the differences and disputes between the petitioner and the respondents under the Loan Agreement dated 28.10.2023 bearing reference number FSTSLALONS000005474262 .

2. When the matter came up for hearing on 16.10.2025, this Court passed the following order:

This petition has been filed under Section 11 (6) of the Arbitration and Conciliation Act, 1996 [hereinafter referred to as 'the Act'] to appoint an arbitrator to resolve the dispute arising out of the Loan Agreement dated 20.06.2019.

2. The agreement provides for referring the dispute for Arbitration under Article 10 and the same is extracted hereunder:-

“ARTICLE 10: ARBITRATION GOVERNING LAW, DISPUTE RESOLUTION AND JURISDICTION : (Art 10 existing agreement)

1. This Agreement shall be governed by and construed in accordance with the laws of India.

2. Any and all dispute(s), difference(s) and/or claim(s) arising out or touching upon this Agreement or in relating to this Agreement whether during its subsistence or thereafter, shall be referred to the Arbitration by a Sole Arbitrator to be appointed by any one of the below



mentioned 'arbitral institution' in accordance with the provisions of the Arbitration and Conciliation Act, 1996 or any statutory amendments thereof from time to time.

a. Council for National and International Commercial Arbitration (CNICA) currently having its office at Unit No.208, 2nd Floor, Beta Wing, Raheja Towers, Nos.113-134, Anna Salai, Chennai - 600 002, or

b. Southern India Chamber of Commerce and Industry (SICCI), currently having its Office at Indian Chamber Buildings, P.B.No.1208, Esplanade, Chennai - 600 108, or

c. Kovise Foundation Conflict Resolution International (KRCRI), currently having its Office at G-2, Plot No.108, Majestic Colony, Valasarawakkam, Chennai - 600087, or

d. Any arbitral institution designated under the provisions of the Arbitration and Conciliation Act, 1996 (the act) or any panel arbitrators maintained under the provisions of the act. The entire arbitral proceedings shall be conducted by the Arbitrator in the manner he/she considers appropriate, and the award rendered by the Arbitrator shall be final and binding on all the parties to this agreement. The arbitral institution shall provide administrative assistance to the Arbitrator to facilitate the conduct of the arbitral proceedings, if he/she chooses to avail such assistance from the institution.

3. The Arbitrator shall be entitled to, at his/her discretion conduct the proceeding in-person and/or through exchange of mail,email and/or any other mode of electronic communication including video conferencing (VC), online, virtual hearing etc., using an external application or platform, if necessary. The parties to the arbitration proceeding shall be bound by the decision of the arbitrator in this regard.

4. The parties hereby consent to have the arbitral proceeding conducted by a written pleading, documents, written submissions and /or any other electronic mode of communication-based arbitration as may be determined



by the arbitrator.

5. The parties herein agree not to insist on in-person and/or oral hearing except in certain exceptional circumstances as the Arbitrator may deem fit.

6. The Parties herein agree that the venue and seat of the arbitration proceeding shall be usually at Chennai or in exceptional circumstances any other place as deemed fit by the Arbitrator.

7. The language of arbitral proceedings shall be English.

8. The parties herein agree that in the event of death of the Arbitrator to whom the matter has been originally referred of the Arbitrator being unable or unwilling to act as arbitrator for any reason whatsoever, the arbitral institution shall substitute another person it may deem fit to act as Arbitrator, who shall proceed with the reference, from the stage, at which it was left by his/her predecessor.

9. The Arbitrator so appointed shall have the power to pass an award on the secured asset or any other security or interest created between the parties and also to pass interim orders/directions as may be appropriate to protect the interest of the parties pending adjudication of the claim and/or resolution of the disputes.

10. Parties also consent to the following: a. to send a copy of the award through post/courier or a scanned image or such an award to the parties through mail/email or any other electronic mode through such institution which shall be considered as signed copy for the purposes of the Act. b. if the award is not made or could not be made within 12 moths from the date of completion of pleadings by the arbitrator, for any reason whatsoever, the parties hereby consent for an extension of time for another six months.

11. In respect of the arbitral proceeding, all notices, processes and communications in that regard to all the parties shall be through post/courier and/or mail/email and/or any other electronic mode of communication, as



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may be determined by the arbitrator and if resorted to, shall be a valid service of notices, processes and communications on the parties. Any notice, processes and communications issued to the counsel or representative representing the parties to the arbitration proceeding shall be deemed and valid service on the parties.

12.The post/courier and/or mail/email and/or any other electronic mode of address provided by the Borrower(s)/Guarantor(s) to the lender under the agreement or any other document executed by the Borrower(s)/Guarantor(s) with the lender/company shall be deemed to be an active postal/mail/email and/or any other electronic mode of address and any service effectuated upon such postal/mail/email and/or any other electronic mode of address shall be deemed to be completed. Any change or other discrepancies in the postal/mail/email and/or any other electronic mode of address provided above, shall be informed to the lender/company promptly.

13.All communications shall be considered to have been received by the parties within seven days from the time of sending the communication. In case, if after expiry of seven days from the date of communication, there lies no response from the parties, it shall be the discretion of the Arbitrator to proceed with the arbitration proceeding and/or render the award as the case may be in their absence.

14.It shall be the responsibility of the parties to maintain sufficient space in the email account and/or in any other mode of electronic account(s) and also to have supporting applications/software in their computer/mobile/any other electronic device or accessories and infrastructure required to access the electronic documents sent to them and also to enable the arbitrator to conduct the arbitration proceeding through VC, online, virtual hearing etc.,

15.Unless otherwise directed by the Arbitrator, the existence or subsistence of a dispute or the commencement



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of arbitral proceedings under this clause shall not in any manner prevent or postpone the performance of any obligations of any party which do not form part of the dispute."

3. The trigger notice under Section 21 of the Act was issued on 29.05.2025 and the same has also been received by the respondents. Since there was no response, the present petition has been filed before this Court.

4. Notice to the respondents returnable by 17.11.2025. Private notice is also permitted. Post this petition for hearing on 17.11.2025.

3. The Private Notice sent to the respondents has been returned with an endorsement "refused" and affidavit of service has also been filed. Hence, there is deemed service on the respondents and the respondents are neither present nor represented through counsel. This Court finds that there is a valid agreement between the parties in line with Section 7 of the Act. The agreement also provides for arbitration clause in Article 10 of the Loan Agreement.

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.



5. In the light of the above discussion, this Court appoints Mr.M.Aravindan, Advocate, Old No.40, New No.14, Venkatesan Street, T.Nagar, Chennai - 600 017, e-mail:arviml@yahoo.com [Mobile No.94441 51591], 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.

6. Accordingly, this petition is disposed of.

08-12-2025

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Index:Yes/No

Speaking/Non-speaking order

Internet:Yes

Neutral Citation:Yes/No



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To

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