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Order QR

IN THE HIGH COURT OF JUDICATURE AT MADRAS

RESERVED ON : 30.10.2026

DELIVERED ON : 04.11.2026

CORAM :

THE HONOURABLE MR. SUSHRUT ARVIND DHARMADHIKARI,
CHIEF JUSTICE

Arb O.P(COM.DIV.) No.511 of 2026
CNR:{HCMA011665832026}

Case QR

Mercedes Benz Financial Services India
Private Limited, 5th Floor, Plot 8,
Baashyam Willow, Square 9 and 10,
First Street, Thiru Vi Ka Industrial Estate,
Guindy, Chennai-600032.
Rep. by its Authorised Signatory.

Petitioner(s)

Vs

1. Jigish Rohitbhai Patel
   Jigish Pate Desai Khadaki,
   Khokhara Gam, Ahmedabad,
   Gujaraj-380008.

2. Jigish Rohitbhai Patel HUF,
   Rep by its Karta, Jigish Pate Desai Khadaki,
   Khokhara Gam, Ahmedabad,
   Gujarat - 380008.

Respondent(s)

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PRAYER: Petition filed under Section 11(6) of the Arbitration and Conciliation Act, 1996 to appoint an a Sole Arbitrator to adjudicate the dispute between the petitioner and the respondents as per the Loan Agreement dated 18.06.2021 bearing Contract No.10144457, direct the respondents to pay the cost of this petition.

For Appellant(s): Mr.D.Pradeep Kumar

For Respondent(s): No Appearance

ORDER

This petition is filed under Section 11(6) of the Arbitration and Conciliation Act, 1996 seeking appointment of a Sole Arbitrator to settle monetary disputes arising out of a vehicle loan agreement.

2.1. The facts in brief are that the petitioner granted financial assistance of Rs.38,10,800/- to Respondent No.1 (Borrower) and Respondent No.2 (Co-Borrower) under Loan Agreement No.10144457 dated 18.06.2021. The loan was sanctioned to purchase a Mercedes-Benz A 200 Limousine vehicle (Registration No.GJ18BN7566, Engine No.28291430371035, Chassis No. W1K1771876L000280).

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2.2. The respondents executed a Deed of Hypothecation on 18.06.2021, creating an exclusive charge over the vehicle in favour of the petitioner to secure repayment. The loan was to be repaid in 60 monthly installments totaling Rs.49,84,222/- between 18.07.2021 and 18.06.2026. The respondents paid initial installments, but defaulted repeatedly from 2022 onwards. Due to persistent default, the petitioner issued a Loan Recall Notice dated 16.02.2026, terminating the agreement and calling upon the respondents to pay the outstanding balance of Rs.18,28,886.17 as of 10.02.2026.

2.3. The respondents failed to clear the dues. Consequently, the petitioner issued a notice dated 18.05.2026 under Section 21 of the Act, invoking the arbitration clause and proposing an arbitrator. Postal records confirm that the notices were returned as "Refused" by the respondents.

3. Despite complete service of notice in this petition and printing the names of the respondents in the cause-list, there is no representation on behalf of the respondents. Since the respondents

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chose not to appear or contest the claims, they are set ex-parte, and the assertions in the petition remain uncontroverted.

4. Clause 66 of the Loan Agreement dated 18.06.2021 contains the arbitration agreement between the parties. It explicitly provides:

> *"All claims and disputes arising under or relating to this Loan Agreement are to be settled by binding arbitration in the state of Tamil Nadu, specifically Chennai or another location as desired by the lender... Any such arbitration shall be conducted by single arbitrator appointed by the Lender."*

5. The petitioner has fulfilled all pre-conditions:

(a) The existence of an arbitration agreement is established via the signed contract.

(b) An arbitrable commercial dispute exists regarding unpaid dues amounting to Rs.18,03,072.72 as of 17.04.2026.

(c) Notice under Section 21 of the Act was issued and served.

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6. Under Section 11(6) of the Act, when a party fails to act as required under the appointment procedure, this Court holds jurisdiction to appoint an independent Sole Arbitrator.

7. Accordingly, the Arbitration Original Petition is allowed with the following directions:

(a) Mr.Naveen Kumar Murthy, Advocate (having office at S2, 2nd Floor, Singapore Plaza, No.164, New No.337, Linghi Chetty Street, Chennai - 600 001) is appointed as the Sole Arbitrator to adjudicate the disputes between the petitioner and the respondents under Loan Agreement No.10144457 dated 18.06.2021.

(b) The learned Arbitrator is requested to file a disclosure declaration in accordance with Section 12(1) of the Arbitration and Conciliation Act, 1996, prior to entering upon the reference.

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(c) The seat and venue of the arbitration proceedings shall be Chennai, Tamil Nadu, as stipulated in Clause 66 of the agreement.

(d) The arbitration shall be conducted under the auspices of the Madras High Court Arbitration Centre in accordance with the Madras High Court Arbitration Proceedings Rules, 2017. Fees and administrative charges shall be governed by the Madras High Court Arbitration Centre (Administrative Cost and Arbitrators' Fees) Rules, 2017.

(e) All claims, counterclaims, defenses, and contentions on merits are left open to be urged by the parties before the learned Arbitrator.

There shall be no order as to costs.

(SUSHRUT ARVIND DHARMADHIKARI,CJ)
04.11.2026

Index : Yes/No
Neutral Citation : Yes/No
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To

The Assistant Registrar,
Madras High Court Arbitration Centre,
Chennai-600 104.

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THE HON'BLE CHIEF JUSTICE

(sasi)

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