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IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 12-01-2026

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THE HON'BLE MR JUSTICE N. ANAND VENKATESH

Arb O.P(COM.DIV.) No. 764 of 2025

M/s.Sundaram Finance Limited
No.21, Patullos Road, Chennai - 600002,
Represented by its Authorized signatory Mrs.
Priyadharshini R

..Petitioner

Vs

1. Mr.B.Karthik,
Proprietor of M/s.Karthick Traders,
80E, Saidapet Road,
Vadalapalani, Chennai 600 026
also at No.9/5, Verghese Avenue,
Ashok Nagar, Chennai 600 083.
2. B. Vignesh Ramasamy
3. S Balasubramanian

..Respondents

Prayer: Petition filed u/s.11(6) of the Arbitration & Conciliation Act, 1996 to appoint a Sole Arbitrator to adjudicate upon the differences and disputes between the parties under the Working Capital Facility Agreement and Guarantee Deed both dated 04.10.2019 and its subsequent renewals dated 21.10.2020, 24.02.2022 & 06.12.2022.

For Petitioner(s) :	M/s. Arunachalam
For Respondent(s):	No appearance

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 Working Capital Facility Agreement and Guarantee Deed both dated 04.10.2019.

2. The petitioner extended financial facilities to the respondents. The first respondent is the borrower, the second and third respondents are guarantors to the loan facility. Since the respondents committed default, demand notice was issued on 06.10.2023, pursuant to which a trigger notice under section 21 of the Arbitration and Conciliation Act was also issued on 28.06.2025. As on 28.06.2025, a sum of Rs.85,48,913/- is due and payable by the respondents.

3. In spite of receipt of trigger notice on 28.06.2025, there was no response from respondents. It is under these circumstances, the present petition came to be filed before this Court.

4. When the matter came up for hearing on 01.12.2025, this Court passed the following order:

This petition has been filed under Section 11(5) & (6) of the Arbitration and Conciliation Act, 1996 (hereinafter referred to as 'the Act') to appoint an arbitrator to adjudicate upon the difference and disputes between the parties under the working Capital Facility Agreement and Guarantee Deed both dated 04.10.2019

2. The agreement provides for referring the dispute for Arbitration under Clause 15.17 of the working Capital Facility



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Agreement and Clause 20 of the Guarantee Deed and the same is extracted hereunder:-

“The Clause 15.17 of the Working Capital Facility Agreement dated 04.10.2019 is extracted herein below:

"a) All disputes, differences and/or claim 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 statutory amendments thereof and shall be referred to the Sole Arbitration of an Arbitrator nominated by the Managing director of SFL. It is agreed that the sole Arbitrator nominated under the clause shall adjudicate the disputes, differences and/or claims on the basis of written pleadings, documents and submissions filed by the parties, dispensing with the oral evidence and technical formalities. The award given by such an arbitrator shall be final and binding on the Borrower. It is a term of this agreement that in the event of such an arbitrator to whom the matter has been originally referred is dying or being unable to act for any reason, the Managing Director of SFL, at the time of such death of the arbitrator or of his inability to act as arbitrator, shall appoint another person to act as arbitrator. Such a person shall be entitled to proceed with the reference from the stage at which it was left by his predecessor.

b) The Arbitrator so appointed hereinabove, shall also be entitled to pass an award on the hypothecated asset/s and on any other securities furnished by or on behalf of the Borrower.

c) It is agreed that within 45 days from the date of receipt of the Arbitral Award, any party, with notice to the other party, may request the Sole Arbitrator to correct any computation errors, any clerical or typographical errors or any other errors occurring in the Award or to given an interpretation of a specific point or part of the Award.

d) It is agreed that within 45 days from the date of receipt of the Arbitral Award, any party, with notice to the other party, may request the Sole Arbitrator to make an additional Arbitral Award as to the claims presented before the Sole Arbitrator but omitted from the Arbitral Award.

e) It is further agreed that the Sole Arbitrator is entitled to correct errors on his or her own initiative or at the request of any one of the parties, and/or to given an interpretation of a specific point or part of the Award, or to make an additional Arbitral Award including the claims that have been omitted from the original Arbitral Award without notice to the parties within the time-limit mentioned under the Act, provided such errors, interpretation or inclusion do not affect the merits and interest of the parties. f) The Venue of



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Arbitration shall be CHENNAI.”

The Clause 20 of Guarantee Deed dated 04.10.2019 is extracted herein below:

"The Arbitration Clause provided in agreement binds the Guarantors and the Arbitrator shall be entitled to pass Awards against the Guarantors".

3. The trigger notice under Section 21 of the Act was issued on 28.06.2025 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 12.01.2026. Private notice is also permitted.

Post this petition for hearing on 12.01.2026 "

5. Notice has been served on respondents and an affidavit of service has also been filed. Despite the names of the respondents being printed in the cause list, there is no representation on the side of respondents either in person or through a pleader today when the matter was called.

6. This Court finds that the parties are governed by a loan agreement dated 04.10.2019 which provides for referring the disputes to the Arbitrator in Clause 15.17 of the agreement.

7. In the light of the above discussion, this Court appoints **Mr.Gowthaman, Senior Advocate, Off: F GE, Dev Eswari Apartments, No.18 (Old No.11/12), 8th Cross Street, Shastri Nagar, Adyar, Chennai 600**



020: 9840169673 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.

8. As the dispute is between the same parties in five agreements pertaining to Arb.OP.(Com.Div)Nos.764, 764, 767, 764 and 772 of 2025, a single Arbitrator is appointed in all the above five petitions independently. Therefore, while fixing the fees, the sole arbitrator shall consider the consolidated claim in all the five agreements and accordingly fix the fee in line with schedule 4 of the Act.

Accordingly, this petition is disposed of.

12-01-2026

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N.ANAND VENKATESH J.

msr

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