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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.508 of 2026
CNR:{HCMA011676572026}

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. Kamco Chew Food Private Limited
   47, S.K.Compound, Lasudia Mori,
   Dewas Naka, Indore,
   Madhya Pradesh-452010.

2. Kartar Singh
   S/o.Mool Chand,
   B-220, Gulmohar Compled,
   Scheme No-136, Indore,
   Madhya Pradesh - 452012.

Respondent(s)

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PRAYER: Petition filed under Section 11(6) of the Arbitration and Conciliation Act, 1996 to appoint a Sole Arbitrator to adjudicate the dispute between the petitioner and the respondents as per the Loan Agreement dated 17.08.2023 bearing Contract No.10157356, direct the respondents to pay the cost of this petition.

For Petitioner(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 ("the Act") seeking the appointment of a Sole Arbitrator to resolve the commercial disputes between the parties under the Loan Agreement dated 17.08.2023 (Contract No.10157356).

2.1. The facts in a nutshell are that the petitioner, a registered Non-Banking Financial Company (NBFC), extended a credit facility of Rs.1,55,00,000/- to Respondent No.1 (Borrower) and Respondent No.2 (Co-Borrower) to purchase a Mercedes-Benz EQS

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580 4MATIC vehicle (Engine No.78060010032880, Chassis No.W1K2971446L000137, Registration No. MP09ZS0097).

2.2. The parties executed the Loan Agreement and Deed of Hypothecation on 17.08.2023. The loan was repayable in 48 monthly installments totaling Rs.1,87,91,687/-. The respondents defaulted on their repayment schedule. Consequently, the petitioner issued a Loan Recall Notice on 29.12.2025, terminating the agreement and demanding immediate payment of the total outstanding dues of Rs.1,20,82,646.56 as of 22.12.2025.

2.3. The respondents failed to pay the demanded amount. The petitioner then issued a notice under Section 21 of the Act on 18.05.2026, invoking the arbitration clause and nominating a sole arbitrator. Despite receiving the notice, the respondents did not reply or concur with the proposed nomination.

3. Court notices issued in this petition were duly served on both respondents. Despite service of notice, the respondents failed to enter an appearance through counsel or in person, and no

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counter-affidavit was filed to contest the averments. The matter is thus proceeded ex-parte against the respondents.

4. Clause 76 of the Loan Agreement dated 17.08.2023 contains an explicit arbitration clause providing for reference of all claims and disputes to a sole arbitrator, with the venue exclusively designated at Chennai. The petitioner fulfilled the mandatory procedural requirement by serving notice under Section 21 of the Act on 18.05.2026. In the absence of any defence or objection from the respondents, the existence of a valid arbitration agreement and the arbitrability of the dispute stand established.

5. In view of the valid arbitration clause, the existence of arbitrable commercial disputes, and the failure of the respondents to respond or enter an appearance, this Court finds it appropriate to allow the petition and appoint an independent sole arbitrator.

6. The petition is allowed with the following directions:

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(a) **Hon'ble Mr.Justice R.Balasubramanian, Former Judge of the Madras High Court**, residing at No.6/29, Flat No.1B, Vishwanath Apartments, 5th Main Road, R.A.Puram, Chennai - 600 028, is appointed as the Sole Arbitrator to enter upon reference and adjudicate the disputes between the parties arising out of the Loan Agreement dated 17.08.2023.

(b) The learned Sole Arbitrator shall file the disclosure declaration in terms of Section 12 of the Act prior to entering upon the reference.

(c) The seat and venue of the arbitration proceedings shall be Chennai.

(d) The arbitration proceedings shall be conducted under the aegis of the Madras High Court Arbitration Centre in accordance with the Madras High Court Arbitration Proceedings Rules, 2017. The arbitral fee and administrative costs shall be fixed as per the Madras High Court Arbitration Centre Rules and shall be payable as directed by the Arbitrator.

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(e) All contentions, claims, counter-claims, and defenses on merits are left open for determination by the learned Sole Arbitrator.

There shall be no order as to costs.

(SUSHRUT ARVIND DHARMADHIKARI,CJ)
04.11.2026

Index : Yes/No
Neutral Citation : Yes/No
sasi

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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