CNR : KLHC010392752026

2026:KER:75406

IN THE HIGH COURT OF KERALA AT ERNAKULAM

PRESENT

THE HONOURABLE MR. JUSTICE S.MANU

MONDAY, THE 28TH DAY OF SEPTEMBER 2026 / 6TH ASWINA, 1948

AR NO. 102 OF 2026

PETITIONER(S):

MANAPPURAM FINANCE LIMITED,
COMPANY INCORPORATED UNDER INDIAN COMPANIES ACT 1956
AND HAVING ITS REGISTERED OFFICE AT
MANAPPURAM HOUSE, VALAPPAD VILLAGE & DESOM,
VALAPPAD P.O, THRISSUR DISTRICT,
KERALA STATE PIN-680567,
REPRESENTED BY ITS AUTHORIZED SIGNATORY
ANTONY STANSLAWAUS,
S/O. I.SSTANSLAWAUS,
AGED 34 YEARS,
ASSISTANT MANAGER, CV FINANCE,
VALAPPAD, THRISSUR, PIN – 680567.

BY ADV SHRI.M.A.JOSEPH MANAVALAN

RESPONDENT(S):

1 **MR. SATISH KUMAR,**
43/9 AAKHARA WALI GALI KISHAN GRAH,
FORTIS HOSPITAL VASANT KUNJ
NEW DELHI, PIN – 110070.

2 **VARSHA GANDAS,**
43/9 AAKHARA WALI GALI KISHAN GRAH,
FORTIS HOSPITAL VASANT KUNJ
NEW DELHI, PIN – 110070.



BY ADV SHRI.MAAROOF

OTHER PRESENT:

ADV MARIYA SIMON

THIS ARBITRATION REQUEST HAVING COME UP FOR ADMISSION ON 28.09.2026, THE COURT ON THE SAME DAY DELIVERED THE FOLLOWING:

ORDER

Petitioner is a non-banking finance company having its registered office at Valapad in Thrissur district of Kerala. Petitioner states that the respondents approached the petitioner company and availed a loan of an amount of Rs.40,80,653/- (Rupees Forty Lakhs Eighty Thousand Six Hundred and Fifty-Three Only) by executing Annexure A2 loan cum hypothecation agreement on 30.09.2024. They undertook that the loan amount along with interest will be repaid in 30 monthly installments of Rs.1,69,800/- (Rupees One Lakh Sixty-Nine Thousand Eight Hundred Only). However, according to the petitioner, respondents defaulted repayment. It is stated that as on the date of filing of the arbitration request an amount of Rs.41,10,776.9/- (Rupees Forty One Lakhs Ten Thousand Seven Hundred and Seventy-Six and Ninety Paise Only) was due from them. The case of the petitioner is that, despite repeated requests, respondents did not care to repay the loan amounts.

2. Clause 17 of Annexure A2 is an arbitration clause, it reads as under:-

> *"All disputes arising in connection with this agreement, at any time, shall be settled among the parties by discussions After the dispute has arisen and if parties fail to arrive at a consensus settlement, the same may be referred to a Sole Arbitrator for, as may be mutually agreed to and appointed by the parties in dispute by entering into an express agreement to that effect OR each party may appoint one Arbitrator and the two Arbitrators appointed thus shall appoint the third Arbitrator who shall be the presiding arbitrator or through institutional arbitration OR an Arbitrator may be appointed through a Court of Law as the case may be as stipulated under Section 11 of the Arbitration and Conciliation Act, 1996. The Sole Arbitrator thus appointed shall under no circumstances, fall under Schedules Five or Seven of the said Act.*
>
> *In the event of incapacity or resignation or death of the Sole Arbitrator, another Sole Arbitrator shall be appointed subject to provisions stipulated under Section 11 of the said Act unless otherwise agreed by the parties, the procedure shall continue from the stage at which the predecessor has left it. The arbitration proceedings shall be governed by the Arbitration and Conciliation Act, 1996 with any statutory modifications and re-enactments or amendments thereof."*

3. On 28.03.2026, petitioner issued Annexure A5 notice as envisaged under Section 21 of the Arbitration and Conciliation Act, 1996 to initiate arbitration proceedings. Petitioner states that there was no response from the respondents, though they received notices. Hence, the petitioner approached this Court in this arbitration request to get an Arbitrator nominated.

4. Respondents entered appearance on receiving notice issued by this Court and filed counter affidavit. Heard the learned Counsel for the petitioner and the learned Counsel for the respondents.

5. The learned Counsel for the petitioner reiterated the averments in the memorandum of arbitration request and submitted that an Arbitrator may be nominated in view of Clause 17 of Annexure A2 agreement. Per contra, the learned Counsel for the respondents contended that, this Court has no jurisdiction to entertain the

application under Section 11 of the Arbitration and Conciliation Act for the reason that, no venue is mentioned in the arbitration clause in Annexure A2 agreement. He submitted that the respondents are from Delhi and the agreement was executed in Delhi. He argued that, no part of cause of action has arisen within the jurisdiction of this Court. The learned Counsel relied on a judgment of the Delhi High Court in ***Kings Chariot v. Tarun Wadhwa*** *[2024 SCC OnLine Del 4039]* and submitted that the learned Single Judge of the Delhi High Court in a similar case held that, when the parties do not specify any seat/place of arbitration, then the jurisdiction of the Court shall be determined in accordance with Section 16 to Section 20 of C.P.C. He submitted that, though the said order was challenged before the Honourable Supreme Court in S.L.P.(C). Diary No.18219 of 2025, the special leave petition was not entertained by the Honourable Supreme Court. Nevertheless, it is to be noted that, the Honourable Supreme Court mentioned in the said order dated 26.05.2025 that question of law if any, is kept open. He submitted

that in view of the law laid down by the Delhi High Court, jurisdiction to entertain an application filed under Section 11 of the Arbitration and Conciliation Act in the instant case is available only to the Delhi High Court. He therefore, prayed that this arbitration request be dismissed.

6. Conversely, the learned Counsel for the petitioner submitted that, Clause 25 of Annexure A2 agreement specifically deals with governing laws and jurisdiction. She pointed out that, the said clause specifies that the Courts of Kerala alone shall have exclusive jurisdiction in respect of any matter arising from the agreement. She, hence, contended that only this Court has the jurisdiction to entertain an application under Section 11 of the Arbitration and Conciliation Act in the case at hand. She relied on a judgment of the High Court of Delhi in ***Pidge Technologies Pvt Ltd., v. Sliksync Technologies Pvt Ltd.,*** *[2026 DHC 2958]*. She submitted that, in the said judgment, the learned Single Judge of the High Court of Delhi after taking note of various previous

judgments including the judgment cited by the learned Counsel for the petitioner held that in the case under consideration exclusive jurisdiction of the Courts at New Delhi was agreed upon by the parties and though there was no mention of the venue/seat of arbitration in the arbitration clause, held that the application under Section 11 of the Arbitration and Conciliation Act, 1996 would lie only before the Delhi High Court. She also pointed out that, challenge against the order of the Delhi High Court cited by her was repelled by the Honourable Supreme Court in S.L.P.(C) No.22888 of 2026. She pointed out the order of the Honourable Supreme Court reported in *2026 SCC OnLine 1394*. The learned Counsel therefore submitted that, this arbitration request be allowed taking note of the jurisdiction clause, Clause 25 of Annexure A2.

7. I have appraised the rival contentions raised by the learned Counsel for the petitioner and the learned Counsel for the respondents. Clause 25 of Annexure A2 reads as under:-

> *"That this agreement shall be governed by the laws of India, the courts of Kerala alone shall have exclusive jurisdiction in respect of any matter, claim or dispute arising out of or in any way relating to these presents or to anything to be done pursuant to these presents or in regard to interpretation of these presents of any clause or provision thereof. This shall not, however, limit the rights of the Company to take proceedings in any other court of competent jurisdiction including, but not limited to, the courts of Kerala."*

8. In my view the said clause should be read in continuation or in conjunction with Clause 17 of Annexure A2. Clause 17 clearly mentions about appointment of Arbitrator through a Court of law as stipulated under Section 11 of the Arbitration and Conciliation Act, 1996. Therefore, Clause 17 of Annexure A2 not only mentions about arbitration as the agreed mode of resolution of disputes between the parties, but it also speaks about approaching the Court under Section 11 of the Arbitration and Conciliation Act for getting an Arbitrator nominated. Clause 25 extracted above specifies that the Courts of Kerala alone shall have exclusive jurisdiction in respect of any matter, claim or dispute arising out of or in any way

relating to these presents or to anything to be done pursuant to these presents or in regard to interpretation of these presents of any clause or provision thereof. It is crucial that the jurisdiction clause stipulates that courts of Kerala alone shall have exclusive jurisdiction in respect of any matter in any way relating to the agreement. Reading in conjunction with Clause 17 of Annexure A2, wherein there is a specific reference to approaching the Court under Section 11 of the Arbitration and Conciliation Act, in my view, Clause 25 would confer jurisdiction on this Court to entertain an application under Section 11 of the Arbitration and Conciliation Act. I find that the arbitration clause as also the exclusive clause dealing with governing laws and jurisdiction in Annexure A2 are not similar to that of the agreement which was considered by the Delhi High Court in the judgment cited by the learned Counsel for the petitioner. Likewise, there is vast difference between the arbitration clauses in the agreement considered by the Delhi High Court in the judgment cited by the learned Counsel for the

respondent also. The scope of arbitration agreement has to be understood by a Court exercising the referral jurisdiction under Section 11 of the Arbitration and Conciliation Act with reference to the specific terms of the agreement relied on by the parties seeking arbitration. A minor variance in the language employed in the arbitration clause may result in a vast difference. Therefore, cases differ from each other and no rigid principles can be formulated and applied in such matters.

9. In view of the above discussion , I am of the firm view that, this Court has the jurisdiction to entertain the instant application. On hearing the learned Counsel for the petitioner and also the learned Counsel for the respondents and on perusal of the pleadings and documents, I am satisfied that serious disputes have arisen between the parties regarding the obligations under Annexure A2 agreement.

10. Therefore, I allow this arbitration request. Nevertheless, I take note of the submission made by the learned Counsel for the respondents that, his clients are from Delhi and taking into account their convenience and in the interest of justice, the arbitral proceedings may be held online

I therefore, issue the following directions:-

1. The Kerala High Court Arbitration Centre is directed to nominate an Arbitrator from Panel-IV, as the sole Arbitrator to resolve the disputes that have arisen between the petitioner and the respondents under Annexure A2 Agreement.
2. The learned Arbitrator may entertain all issues between the parties in connection with the said Agreements, including questions of jurisdiction and limitation, if any, raised by the parties. All contentions of the parties are left open and they are at liberty to raise their claims and counterclaims, if any, before the learned Arbitrator, in accordance with law.

3. The Registry shall communicate the substance of this order to the Kerala High Court Arbitration Centre within ten days and the Centre shall inform the learned Arbitrator within a further period of one week and shall obtain duly signed Form 3 as required under Rule 20(4) of the Kerala High Court (Arbitration Centre) Rules, 2025 and forward the same to this Court.

4. Upon receipt of the Form 3, the Registry shall issue a certified copy of this order with a copy of the Form 3 appended to the Kerala High Court Arbitration Centre. The original of the Disclosure Statement shall be retained by the Kerala High Court Arbitration Centre.

5. The fees of the learned Arbitrator of the Kerala High Court Arbitration Centre shall be governed by Rule 28 of the Kerala High Court (Arbitration Centre) Rules, 2025. The manner in which the fees and costs payable by the parties shall be governed by Rule 27 of the Kerala High Court (Arbitration Centre) Rules, 2025.

6. If the learned Arbitrator needs the assistance of an expert, then he is at liberty to seek such assistance in the course of the arbitration proceedings.

7. The learned Arbitrator shall endeavor to conduct the arbitration proceedings to the maximum extent possible in online mode.

Sd/-
S.MANU
JUDGE

ANK

APPENDIX OF AR NO. 102 OF 2026

PETITIONER'S ANNEXURES

ANNEXURE A 1	**TRUE COPY OF THE AUTHORIZATION ISSUED BY THE BOARD OF DIRECTORS DATED 09.03.2022 I**
ANNEXURE A 2	**TRUE COPY OF THE LOAN CUM HYPOTHECATION AGREEMENT DATED 30.09.2024**
ANNEXURE A 3	**TRUE COPY OF THE STATEMENT OF ACCOUNT**
ANNEXURE A 4	**TRUE COPY OF THE FORECLOSURE**
ANNEXURE A 5	**TRUE COPY OF THE NOTICE OF ARBITRATION DATED 28.03.2026**
ANNEXURE A 6	**TRUE COPY OF THE POSTAL RECEIPTS FOR SENDING THE SAID NOTICE**
ANNEXURE A 7	**TRUE COPY OF THE THE POSTAL TRACKING RECEIPT**

RESPONDENT'S ANNEXURES

ANNEXURE R1(A)	**A TRUE COPY OF THE CASE STATUS OF THE SA NO. 204 / 2026**
ANNEXURE R1(B)	**A TRUE COPY OF THE PRE-SALE NOTICE DATED 22.04.2026**
ANNEXURE R1(C)	**A TRUE COPY OF THE ORDER DATED 03.06.2026 PASSED BY THE LEARNED DEBTS RECOVERY TRIBUNAL (DRT) - II, DELHI**
ANNEXURE R1(D)	**A TRUE COPY OF THE ORDER DATED 08.06.2026 PASSED BY THE LEARNED DEBTS RECOVERY TRIBUNAL (DRT) - II, DELHI**
ANNEXURE R1(E)	**A TRUE COPY OF THE ORDER DATED 07.08.2026 PASSED BY THE LEARNED DEBTS RECOVERY TRIBUNAL (DRT) - II, DELHI**
ANNEXURE R1(F)	**THE TRUE COPIES OF THE APPLICANT'S MEDICAL REPORTS**