

**IN THE COURT OF THE XIX ASSISTANT CITY CIVIL COURT,  
CHENNAI.**

**PRESENT: Tr. G. PALANI KUMAR, B.A., B.L.,  
XIX Assistant Judge,**

**Tuesday, the 28<sup>th</sup> day of January 2025**

**I.A. No.02/2025  
in  
O.S. No.1751/2024**

Navi Finserv Limited

The Manager Recoveries - App Based Loan Division,

5<sup>th</sup> Floor, LKS Towers, 2<sup>nd</sup> Ave, AB Block,

Shanthi Colony, Anna Nagar,

Chennai - 600 040.

... Petitioner / Defendant

... Vs ...

K. Vijayaraghavan (M/37),

S/o. Kumaravel,

No.3, West Road, West CIT Nagar,

Chennai - 600 035.

... Respondent / Plaintiff

This petition came up on 24.01.2025 for final hearing before me in the presence of M/s. Anuraag Rajagopalan and N. Sasank Iyer learned Counsels for Petitioner / Defendant and Respondent / Plaintiff side

counter not filed and called absent, set exparte. After hearing the arguments of Petitioner side Counsel and upon perusal of the records, documents and having stood over for consideration till this day, this court delivers the following:

### **ORDER**

Petition filed by the Petitioner / Defendant U/s. 8 of the Arbitration and Conciliation Act, 1996 to refer the relief sought for in the above suit to Arbitration by invoking Arbitration clause in the loan agreement dated 07.03.2022 between plaintiff and defendant and pass such further or other orders.

#### **2. The Petition averments in short as follows:**

The suit bearing loan account No.016700541 is the subject matter of an Arbitration agreement entered into between the parties an agreement dated 07.03.2022. Therefore, dismiss this suit and refer the parties to Arbitration proceedings as per agreement.

**3. Already sufficient opportunities given respondent side counter not filed. Accordingly respondent called absent, no representation, set exparte.**

**4. The only point for consideration is whether the petition is to be allowed or not?**

**5. Point for consideration:**

This Petition has been filed by the petitioner/defendant U/s. 8 of the Arbitration and Conciliation Act 1996 to refer the parties to arbitration and pass such further or other orders as this Court may deem fit and proper in the facts and circumstances of the case and thus render justice.

Petitioner side heard. The learned counsel for the petitioner/defendant argued that as per the agreement executed between the parties if any dispute arise between the parties as per clause 8.2 of the loan agreement dated 07.03.2022 dispute shall be referred to arbitration. The learned counsel further argued that since there is an arbitration clause in the agreement, the jurisdiction of Civil Court is barred and hence the parties shall be directed to the arbitration proceedings and requested this court to dismiss the suit.

Records are perused carefully. It is evident that the respondent/plaintiff had obtained loan as per agreement bearing loan

account No.016700541 from the petitioner/defendant Finance limited. There arose a dispute between the petitioner and respondent with regard to repayment of loan dues. Hence, the respondent/plaintiff had filed the suit for permanent injunction restraining the defendant, its agents, servants or any other person in any manner from interfering with the peaceful life of the plaintiff under the guise of collecting money without due process of law.

The petition has been filed by the petitioner/defendant Under section 8 of Arbitration and Conciliation Act 1996 and thereby requested this court to refer the matter to arbitration since there is an Arbitration Clause No.8.2 in the loan agreement dated 07.03.2022. As per Act No.3 of 2016, Section 8 is amended and the same came into effect from 23.10.2015. Section 8 read thus as:

***8. Power to refer parties to arbitration where there is an arbitration agreement-***

*(1) A judicial authority, before which an action is brought in a matter which is the subject of an arbitration agreement shall, if a party to the arbitration agreement or any person claiming through or under him, so applies not later than the date of submitting his first statement on the substance*

*of the dispute, then, notwithstanding any judgment, decree or order of the Supreme Court or any Court, refer the parties to arbitration unless it finds that prima facie no valid arbitration agreement exists.*

*(2) The application referred to in sub-section (1) shall not be entertained unless it is accompanied by the original arbitration agreement or a duly certified copy thereof:*

*Provided that where the original arbitration agreement or a certified copy thereof is not available with the party applying for reference to arbitration under sub-section (1), and the said agreement or certified copy is retained by the other party to that agreement, then, the party so applying shall file such application along with a copy of the arbitration agreement and a petition praying the Court to call upon the other party to produce the original arbitration agreement or its duly certified copy before that Court.*

*(3) Notwithstanding that an application has been made under sub-section (1) and that the issue is pending before the judicial authority, an arbitration may be commenced or continued and an arbitral award made."*

Taking into consideration of the above strict provision and upon perusing the loan agreement dated 07.03.2022, there exist an Arbitration clause under Clause No.8.2 in which it is clearly mentioned that any dispute which arose between the parties, whom shall be referred and settled by Arbitration and Conciliation Act 1996. So, as per the

Arbitration clause the dispute shall be resolved only through arbitration by the parties to the loan agreement dated 07.03.2022. The petitioner/defendant had proved his case that the matter should be referred for arbitration as per the arbitration clause-8.2 of above said loan agreement. Hence, this court is inclined to allow the petition.

In the result, the petition is hereby allowed. No cost.

Dictated to the Steno-typist, transcribed, typed by her, corrected and pronounced by me in open court on this 28<sup>th</sup> day of January 2025.

XIX Assistant Judge,  
City Civil Court, Chennai

Petitioner/Defendant side Witness and Exhibits: Nil

Respondent/Plaintiff side Witness and Exhibits: Nil

XIX Assistant Judge,  
City Civil Court, Chennai