

IN THE HIGH COURT OF JUDICATURE AT MADRAS

RESERVED ON
13.08.2026PRONOUNCED ON
28.08.2026

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THE HON'BLE MR.JUSTICE K.KUMARESH BABU

Arb O.P.(Com.Div.)No.260 of 2026

M/s.Elnet Technologies Ltd.,
Rep., by its Authorised Signatory,
Mrs.Indumathi,
W/o.Duraisamy,
Chief Financial Officer,
Having office at:
Elnet Software City,
Door No.140 (New No.3),
Rajiv Gandhi Salai,
Taramani, Chennai – 600 113.

... Petitioner

Vs

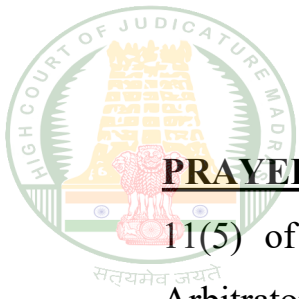
1.M/s.Cloud Pencils Private Ltd.,
Rep., by its Directors,
Mr.Jafar Sharif and
Mr.Mahalingam Kannan
Currently operating at
P.No.2A, 8th Street,
Saraswathi Nagar,
Puzhuthivakkam, Chennai – 600 0091.

2.M/s.Cloud Pencils LLC.,
Rep., by its President,,
Mr.Logan Anjaneyulu,
4737 College Park, Suit 102,
San Antonio, Texas – 78249, USA.

Also at:

2030n 1604 w suite 201,
San Antonio, Texas – 78248, USA.

..Respondent(s)



PRAYER:- This Petition had been filed under Section 15(1)(a) R/W Section 11(5) of the Arbitration and Conciliation Act, 1996, to substitute a Sole Arbitrator in the place of erstwhile Sole Arbitrator, to continue and adjudicate the disputes that have arisen in connection with the Lease Agreement dated 22.08.2018.

For Appellant(s):
Petitioner

Mr.Meiyappan Mohan

For Respondent(s):

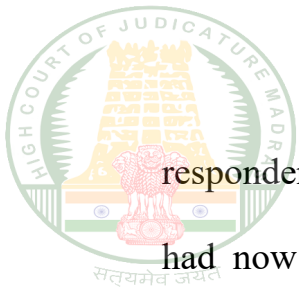
Mr.K.M.Aasim Shehazd for
M/s.BFS Legal for R1

Mr.R.Palaniandavan for R2

ORDER

The Arbitration Original Petition had been filed to substitute a Sole Arbitrator in the place of erstwhile Sole Arbitrator, to continue and adjudicate the disputes that have arisen in connection with the Lease Agreement dated 22.08.2018.

2. The learned counsel appearing for the Petitioner would submit that the claimant had initiated arbitration proceedings for the dispute arising out of a lease agreement, wherein an Arbitrator had been appointed by this Court by its order dated 05.01.2022. He would further submit that the first respondent is the subsidiary company of the second respondent and the rents from the month of January 2020 had wholly not been paid inspite of several reminders to the

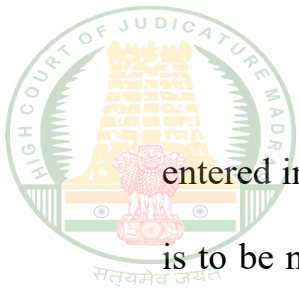


respondent. It is such dispute that had been referred to the sole Arbitrator, who had now been appointed by this Court. The learned Arbitrator under memo dated 17.12.2024, had recused himself of personal and other reasons and in that regard, the present application had been taken out to substitute the sole Arbitrator for resolving the dispute between the parties.

3. Countering his arguments, the learned counsel appearing for the second respondent would submit that the second respondent is a foreign party and therefore, the issue of appointment of an Arbitrator itself could not be exercised by this Court, but however would further acknowledge that the sole Arbitrator had infact given a memo of his recusal. He would submit that even though the second respondent was not originally party to the arbitration proceedings, it had been subsequently impleaded as a party to the Arbitration proceedings on application made by the petitioner which is nothing but to circumvent Section 2(1)(f) of the Arbitration Act to bring the proceedings within the jurisdiction of this Court. Hence, he requests this Court to pass appropriate orders.

4. I have considered the submissions made by the learned counsels appearing on either side and perused the materials placed on record.

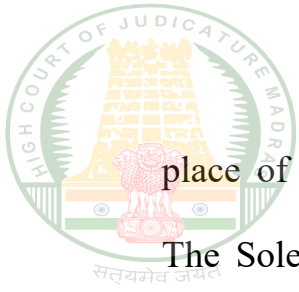
5. It is the claim of the petitioner that the first respondent is the subsidiary company of the second respondent and the first respondent had



entered into a lease agreement with the petitioner, but had failed to pay rents. It is to be noted that even though the Arbitration proceedings had been originally initiated against the first respondent and in view of the relocation of the first respondent to another city, the second respondent had been added as a veritable party for resolution of the dispute between the petitioner and the first respondent. It is also further to be noted that by order's dated 05.01.2022, this Court had appointed a Sole Arbitrator for resolution of the dispute between the petitioner and the first respondent. By order dated 09.03.2023 in an application filed by the second respondent for deleting it from array of parties, the Arbitrator had held that the issue could be decided at a later stage, whether their presence are necessary or not, on complete adjudication of the issues.

6. In that regard, this Court is of the view that this Court having appointed an Arbitrator cannot be denuded of its power to substitute the Arbitrator in view of the recusal of the Sole Arbitrator appointed by this Court. It is further to be noted that the dispute is between the petitioner and the first respondent and second respondent had been only added as a veritable party.

7. For the aforesaid reasons, this Arbitration Original Petition is ordered and **Hon'ble Mr.Justice V.Parthiban**, (Cell No.9444094401) former Judge of this Court, residing at “TAISHA-2”, Flat No.6, N-Block, 14th Floor, West Natesan Nagar, Virugambakkam, Chennai is substituted an Arbitrator in the



place of *Hon'ble Mr. Justice M. Sathyanarayanan* retired Judge of this Court.

The Sole Arbitrator is requested to enter upon the reference and resolve the disputes between the parties. He is entitled to fix his own fees. However, there shall be no order as to costs.

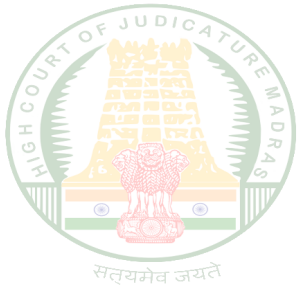
28.08.2026

Index: Yes/No

Speaking/Non-speaking order

Neutral Citation: Yes/No

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K.KUMARESH BABU, J.

PBN

A Pre-delivery Order made in
Arb O.P.(Com.Div.)No.260 of 2026

28.08.2026