



Arb. O.P. (Com. Div.) No.281 of 2023

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ABDUL QUDDHOSE, J.

1. M/s. Karnik Chemist & others ... Petitioners

vs.

1. Shriram Finance Ltd. & another ... Respondents

This petition has been filed under Section 14 of the Arbitration and Conciliation Act, 1996 seeking for termination of the Mandate of the Arbitrator.

2. The petitioners have availed a loan from the 1st respondent. According to the 1st respondent, the petitioners have committed default in the repayment of loan under the loan agreement. Based on the arbitration clause contained in the loan agreement, arbitration was initiated by appointing the 2nd respondent as the sole Arbitrator. The arbitration is in progress. The petitioners seek for termination of the arbitration on account of the unilateral appointment of the Arbitrator by the 1st respondent.

3. It is now settled law as laid down by the Hon'ble Supreme Court in the case of *Perkins Eastman Architects DPC vs. HSCC (India)*



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Limited reported in 2020 20 SCC 760 that an unilateral appointment of an Arbitrator by a party to the dispute is not legally permissible.

4. In view of the settled law, necessarily the Mandate of the sole Arbitrator viz., the 2nd respondent has to be terminated. The learned counsel for the 1st respondent on instructions would also submit that this petition can be allowed as prayed for and that the 1st respondent is ready and willing for fresh arbitration through an Arbitrator appointed by this Court. Both the learned counsels have also made an endorsement in the Court bundle stating that they are agreeable for appointment of an Arbitrator by this Court to adjudicate the dispute between the parties arising out of the Loan Agreement, dated 25.01.2021.

5. In terms of the endorsement made by both the counsels and in view of the consent given by them on instructions, this Court appoints Mrs.Gladys Rosette C. Daniel, Advocate as the Sole Arbitrator to adjudicate the dispute between the parties arising out of a loan agreement, dated 25.01.2021.

(a) This Court appoints Mrs.Gladys Rosette C. Daniel, Advocate, who is having office at III Floor, YMCA Building, No.223, NSC Bose Road, Chennai - 600 001(Mobile



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No.9789980909) as a sole Arbitrator to adjudicate the dispute
between the parties arising out of the loan agreement, dated
25.01.2021.

(b) The Arbitrator shall be paid her remuneration / fees
in accordance with the 4th schedule of the Arbitration and
Conciliation Act, 1996.

(c) Both the parties shall equally share the arbitrator's
fees.

(d) The Arbitrator shall conduct the arbitration in
accordance with the provisions of the Arbitration and
Conciliation Act, 1996 and shall complete the arbitration
within the specified time as prescribed under the said Act.

11.08.2023

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