



Arb.O.P.(Com.Div.) Nos. 150 & 151 of 2025

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 20.08.2025

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THE HON'BLE Mr. JUSTICE ABDUL QUDDHOSE

Arb.O.P.(Com.Div.) Nos. 150 & 151 of 2025

and

A.Nos. 1434 and 1448 of 2025

1.Mahesh Kumar

2.Saraswathi

3.Rajasekar

... Petitioners

Vs.

M/s. Hinduja Leyland Finance Limited,
Represented by its Authorized Signatory,
Registered Officer:Plot No. C-21, Tower C (1-3 Floors),
'G' Block, Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051.

Also at:

Branch Office: No.27/A,
Developed Industrial Estate,
Guindy, Chennai – 600 032.

... Respondent

Prayer : Petition filed under Section 34(2)(a)(iii), 34(2)(a)(v), 34(2)(b)(ii), 34(2-A) of the Arbitration and Conciliation Act, 1996 (As Amended) r/w Sections 2(1)(c)(i) and 10(2) of the Commercial Courts Act, 2015, to set aside the impugned award in Arbitration Case Nos.ARC/HLF/VL/741/2024 and ARC/HLF/VL/742/2024 respectively dated 21.06.2024 passed by the learned Sole Arbitrator in respect of the disputes between the petitioners and the respondent under the Loan cum



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Hypothecation Agreement No.TNTRTR01010 dated 02.12.2019; B)
direct the respondent to pay costs of the present petition.

For Petitioners : Mr. Sunny Sheen Akkara
For Respondent : Mr. H. Manojin
for Mr. M. Kathirvel

COMMON ORDER

These petitions have been filed under Section 34 of the Arbitration and Conciliation Act, 1996 challenging the impugned arbitral awards dated 21.06.2024 passed in favour of the respondent against the petitioners.

2. The petitioners have challenged the impugned arbitral awards primarily on the ground that the impugned arbitral awards have been passed by an Arbitrator appointed unilaterally by the respondent.

3. Counters have been filed in both these petitions. In the counters filed by the respondent, they claim that since the petitioners did not raise any objection for the appointment of an arbitrator by the respondent, they cannot raise such an objection through these petitions filed under Section 34 of the Arbitration and Conciliation Act, 1996. According to them, the petitioners have agreed to the arbitration through the sole arbitrator



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appointed by the respondent who has passed the impugned arbitral awards and therefore, these petitions are not maintainable.

4. As seen from the Arbitration Clause, contained in both the loan contracts, which are the subject matter of the impugned arbitral awards, it is clear that the respondent is empowered to unilaterally appoint an arbitrator who shall adjudicate the dispute between the parties arising out of both the loan contracts which are the subject matter of the impugned arbitral awards. The impugned arbitral awards are also ex parte arbitral awards. The petitioners never participated in the arbitration which culminated in the passing of the impugned arbitral awards. The law is now well settled by the decision rendered by the Hon'ble Supreme Court in *Perkins Eastman Architects Dpc & Another v. HSCC (India) Ltd.*, reported in *AIR 2020 SC 59* that unilateral appointment of an arbitrator by a party to the dispute is impermissible under law.

5. Since the arbitrator who has passed the impugned arbitral awards was appointed unilaterally by the respondent without obtaining the consent of the petitioners, the impugned arbitral awards passed by the



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arbitrator is in violation of the decision rendered by the Hon'ble Supreme

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6. In view of the same, necessarily, the impugned arbitral awards have to be set aside by this Court. Accordingly, the impugned arbitral awards which are the subject matter of these Arb.O.Ps, are hereby set aside and these petitions are allowed. No costs. Consequently, connected applications are closed.

7. However, liberty is granted to the respondent to initiate fresh arbitration against the petitioners in accordance with law. The time spent by both the parties before the arbitrator who has passed the impugned arbitral awards as well as before this Court through these petitions filed under Section 34 of the Arbitration and Conciliation Act, 1996 shall stand excluded for the purpose of saving limitation under Section 14 of the Limitation Act. The order passed by the Arbitrator under Section 17 of the Arbitration and Conciliation Act against the petitioners on 20.01.2024, freezing the bank account of the second petitioner, detailed hereunder: Account Holder Name:MS Saraswathi R M, Account No.11270235089(SB) stands vacated, since the impugned arbitral awards



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have been set aside by this Court.

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Index: Yes/ No

Neutral citation : Yes / No

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