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Arb.O.P.(Com. Div.) No.218 of 2025



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 06.08.2025

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THE HON'BLE MR. JUSTICE ABDUL QUDDHOSE

Arb.O.P.(Com. Div.) No.218 of 2025

and

A. No.2087 of 2025

Varun Vashista

... Petitioner

Vs.

Kotak Mahindra Bank Ltd.,
Represented by its Authorised Representative,
Having its Registered Office at:
27, BKC, C 27, G Block, Bandra Kurla Complex,
Bandra (E), Mumbai - 400 051.
and a Branch Office at
402 L, Samson Tower, Pantheon Road,
Egmore, Chennai - 600 008.

... Respondent

PRAYER: Petition filed under Section 34 of the Arbitration and Conciliation Act, 1996 to set aside the arbitral award dated 23.09.2024 bearing No.CSS/KMBL/SPLN/ARB/L-14/016/2024 with regard to the claim in respect of loan agreement No.77392047 with CRN No.654781493 in its entirety and direct the respondent to pay the costs.

For Petitioner : Sashidhar Sivakumar

For Respondent : M. Arunachalam



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ORDER

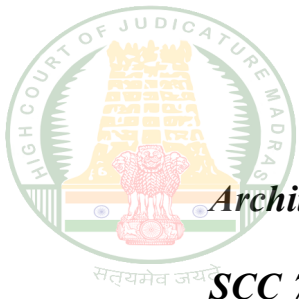
This petition has been filed under Section 34 of the Arbitration and Conciliation Act, 1996, seeking to set aside the impugned arbitral award dated 23.09.2024 passed in favour of the respondent against the petitioner.

2. The petitioner has challenged the impugned arbitral award on the following grounds:

a) The arbitrator, who has passed the impugned arbitral award, was appointed unilaterally by the respondent;

b) The arbitrator, who has passed the impugned arbitral award, is regularly acting as an arbitrator for the respondent and therefore, it will fall under the category of Schedule V of the Arbitration and Conciliation Act, 1996, which raises justifiable doubts about the impartiality of the arbitrator.

3. The learned counsel for the respondent also fairly submits that as seen from the impugned arbitral award, the arbitrator, who has passed the impugned arbitral award, has been appointed unilaterally by the respondent. The law is now well settled by decisions rendered by the Honourable Supreme Court, which includes the decision rendered in *Perkins Eastman*



Architects Dpc & Another v. HSCC (India) Ltd. reported in 2020 (20)

SCC 760 wherein, the Honourable Supreme Court has held that a party to a dispute cannot unilaterally appoint an arbitrator as it is impermissible under law.

4. This Court has also perused and examined the impugned arbitral award dated 23.09.2024. As seen from the same, it is clear that the arbitrator, who has passed the impugned arbitral award, was appointed unilaterally by the respondent without obtaining consent of the petitioner. In view of the decision rendered by the Honourable Supreme Court in the case of ***Perkins Eastman Architects Dpc & Another v. HSCC (India) Ltd. reported in 2020 (20) SCC 760*** referred to supra, and in view of the fact that the arbitrator, who has passed the impugned arbitral award, was appointed unilaterally by the respondent, necessarily the impugned arbitral award dated 23.09.2024 has to be quashed and this petition has to be allowed.

5. Accordingly, the impugned arbitral award dated 23.09.2024 is hereby quashed by this Court and this petition is allowed as prayed for by



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ABDUL QUDDHOSE. J.,

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granting liberty to the respondent to initiate fresh arbitration against the petitioner in accordance with law. It is made clear that the time spent by both the parties to the dispute before the arbitrator as well as this Court 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. No Costs. Consequently, connected application is closed.

06.08.2025

Index : Yes/No
Speaking Order : Yes / No
Neutral Citation Case: Yes / No
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