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Arb.O.P.(Com. Div.) No.528 of 2024



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 17.06.2025

CORAM

THE HON'BLE MR. JUSTICE ABDUL QUDDHOSE

Arb.O.P.(Com. Div.) No.528 of 2024

1. M/s.Rampal Steel Pvt. Ltd.
 2. Jayesh Rampal Shahu
 3. Tushar Rampal Shahu
 4. Santhosh Rampal Shahu
 5. Vidyawati Rampal Shahu
 6. M/s.Santosh Steel Enterprises
- ... Petitioners

Vs.

M/s. Chola mandalam Investment and Finance Co. Ltd.,
(Formerly known as M/s.Chola mandalam DBS Finance Ltd.)
Rep. by Mr.D. Francis Rozario Arun Raj, Legal Manager,
'Dare House', No.2, NSC Bose Road,
Chennai - 600 001.

... Respondent

PRAYER: Petition filed under Section 34 of the Arbitration and Conciliation Act, 1996 to set aside the arbitral award dated 12.10.2023 in Arbitration case No.CHOLA/ARB/MAY/11/2023 passed by the sole arbitrator Mr. P. Rosaiah, B.Sc., M.L., District Judge (Retd.) having address at Old No.59/2, New No.24, Siyali Street, Pudupet, Chennai - 600 002.

For Petitioners : Mr. S. Shrenik Raj
for Mr. Sahil M. Bhangde

For Respondent : Mr. Karthik Dingle



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Arb.O.P.(Com. Div.) No.528 of 2023



ORDER

This petition has been filed under Section 34 of the Arbitration and Conciliation Act, 1996, challenging the impugned arbitral award dated 12.10.2023. The petitioners have challenged the impugned arbitral award on the ground that the arbitral award has been passed by an arbitrator, appointed unilaterally by the respondent / claimant. The petitioners have also challenged the impugned arbitral award on the ground that no notice has been received by the petitioners in the arbitration.

2. This Court has perused and examined the impugned arbitral award. As seen from the same, the arbitrator, who has passed the award, has been appointed unilaterally by the respondent / claimant. The law is now well settled by the Honourable Supreme Court through its decision rendered in ***Perkins Eastman Architects Dpc & Another v. HSCC (India) Ltd. reported in 2020 (20) SCC 760*** that an arbitrator cannot be appointed unilaterally by any of the parties to the dispute as it is legally impermissible under law. Since in the case on hand, the respondent / claimant has appointed the arbitrator, who has passed the impugned arbitral award



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unilaterally, without the consent of the petitioners, the impugned arbitral award has to be necessarily set aside by this Court. It is also to be noted that the impugned arbitral award is an *ex parte* arbitral award and the petitioners did not participate in the arbitration.

3. For the foregoing reasons, the impugned arbitral award dated 12.10.2023 is hereby set aside and this petition is allowed. However, liberty is granted to the respondent / claimant to initiate fresh arbitration against the petitioners in accordance with law. Time spent by both the parties before the arbitrator, who has passed the impugned arbitral award and the time spent before this Court in this Section 34 petition, shall stand excluded for the purpose of saving limitation.

17.06.2025

Index : Yes/No
Speaking Order : Yes / No
Neutral Citation Case: Yes / No
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Arb.O.P.(Com. Div.) No.528 of 2024

ABDUL QUDDHOSE. J.,

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Arb.O.P.(Com. Div.) No.528 of 2024

17.06.2025