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Arb O.P(COM.DIV.) NO. 543 of 2023
IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 25-02-2025

CORAM

THE HONOURABLE MR JUSTICE ABDUL QUDDHOSE

Arb O.P(COM.DIV.) NO. 543 of 2023

Prasanna Balaji
S/o.Parthasarathi, Plot No.20, GPS Bhavanam, Kuberan
Street, Tiruppalai, Madurai-625 014.

Applicant(s)

Vs

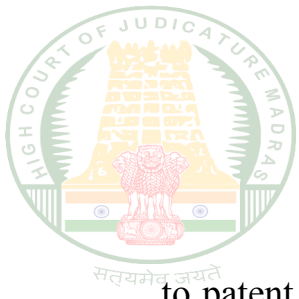
Equitas Small Finance Bank Ltd
Rep. by its Assistant Manager - Legal, Spence Plaza,
4th Floor, Phase-II, No.769, Anna Salai, Chennai-600
002.

Respondent(s)

For Appellant(s): Mr.r.Sidharth**For Respondent(s):** Ms.A.S.Neela Narayani**ORDER**

This petition has been filed under section 34 of the Arbitration and Conciliation Act challenging the impugned arbitral award on the ground that the arbitral award has been passed by an Arbitrator appointed unilaterally by the respondent.

2. The law is now well settled by various decisions rendered by the Hon'ble Supreme Court including *Perkins Eastman Architects DPC and another vs. HSCC (India) Limited* reported in (2020) 20 SCC 76 that an arbitral award passed by an Arbitrator appointed unilaterally by one of the parties to the dispute amounts



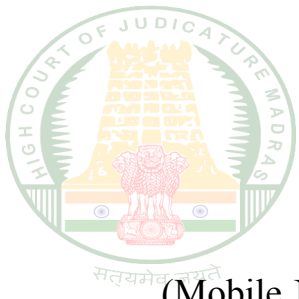
to patent illegality. The impugned arbitral award is also an ex parte arbitral award.

The petitioner did not participate in the said arbitration.

3. Learned counsel for the respondent also submits that the Arbitrator who has passed the arbitral award was appointed only by the respondent. Since, it is an undisputed fact that the impugned arbitral award has been passed by an Arbitrator appointed unilaterally by the respondent, necessarily, the impugned arbitral award has to be set aside by this Court.

4. The impugned arbitral award suffers from patent illegality due to the undisputed fact that the impugned arbitral award has been passed by an Arbitrator appointed unilaterally by the respondent without getting the consent of the petitioner. Accordingly, the impugned arbitral award dated 13.04.2023 is hereby set aside by this Court. This Petition is allowed.

5. Both the counsels have now made a joint endorsement in the Court bundle requesting this Court to appoint a fresh Arbitrator to adjudicate the dispute between the petitioner and the respondent arising out of a loan agreement dated 05.12.2019 which is the subject matter of this O.P. Since a joint endorsement has been made by both the counsels on instructions, this Court after allowing this O.P. appoints Mr.Abraham Vishal Jacob, Advocate, 2nd Floor, A Block, Bannari Amman Tower, No.29, Dr.Radhakrishnan Salai, Mylapore, Chennai - 600 004



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(Mobile No.9884631225) as the sole Arbitrator to adjudicate the dispute between the parties arising out of the loan agreement dated 05.12.2019. The Arbitrator shall be paid his /her remuneration / fees in accordance with the 4th schedule of the Arbitration and Conciliation Act, 1996. Both the parties shall equally share the arbitrator's fees. 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.

25-02-2025

Index: Yes/ No

Speaking order / Non speaking order

Neutral citation : Yes / No

vsi

To

1. Equitas Small Finance Bank Ltd

Rep. by its Assistant Manager - Legal, Spence Plaza, 4th Floor,
Phase-II, No.769, Anna Salai, Chennai-600 002.



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ABDUL QUDDHOSE,J.

vsi

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