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Arb.O.P (Com.Div.) No.63 of 2025

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 10.03.2025

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THE HON'BLE Mr. JUSTICE ABDUL QUDDHOSE

Arb.O.P (Com.Div.) No.63 of 2025

1.S.S.Muthu

2.K.Kumar

... Petitioners

Versus

M/s.Shriram Transport Finance Company Ltd.,
now amalgamated with
M/s.Shriram Finance Ltd.,
by its Authorised Signatory
G.Raveendran

... Respondent

Prayer: Arbitration Original Petition (Commercial Division) filed under Section 12(3) read with Section 14(1)(a) of the Arbitration and Conciliation Act, 1996 to terminate the mandate of the learned Arbitrator Mr.V.Pauldas, Civil Judge (retd.) in proceeding with the hearing of Arb.Case No.600 of 2023 and deciding the same.

For Petitioners : Mr.M.Anbalagan

For Respondent : Mr.M.Peer Mohamed



ORDER

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This petition has been filed under Section 11 of the Arbitration and Conciliation Act, seeking for termination of mandate of the Arbitrator on the ground that the Arbitrator has been appointed by the respondent unilaterally, without the consent of the petitioner.

2.Learned counsel for the respondent fairly submits that the Arbitrator was appointed unilaterally by the respondent.

3.The law is now well settled by the Hon'ble Supreme Court in the case of **Perkins Eastman Architects DPC and another vs. HSCC (India) Limited reported in (2020) 20 SCC 760** that unilateral appointment of an Arbitrator by one of the parties to the dispute is not permissible under law.

4.Since the Arbitrator, who has proceeded with the arbitration, which is the subject matter of this petition, has been appointed unilaterally by the respondent, without the consent of the petitioner, necessarily, his mandate has to be terminated as prayed for in this petition.



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5.Both the counsels have made an endorsement in the Court bundle stating that they are agreeable for the appointment of Mr.Kishore Balasubramanian, Advocate as the Sole Arbitrator to adjudicate the dispute between the parties arising out of the Term Loan Agreement dated 23.11.2017, which is the subject matter of the dispute.

6.For the foregoing reasons, this Arbitration Original Petition is allowed by issuing the following directions:

(a)Both the counsels have made a joint endorsement in the court bundle stating that the parties are agreeable for the appointment of Mr.Kishore Balasubramanian, Advocate as the Sole Arbitrator to adjudicate the dispute between the petitioner and the respondents. In view of the consent given by both the counsels, this Court appoints Mr.Kishore Balasubramanian, Advocate, having address at Old No.8, New No.19, Ground Floor, Apple Cross Apartments, Crescent Park Street, T.Nagar, Chennai-600 017, Mobile No.99621 57571 as the Sole Arbitrator to adjudicate the dispute between the petitioner and the respondents, arising



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ABDUL QUDDHOSE, J.

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out of the Term Loan Agreement dated 23.11.2017, on merits and in accordance with law;

(b)The Arbitrator shall be paid his 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.

No costs.

10.03.2025

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