

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
IN ITS COMMERCIAL DIVISION

**ARBITRATION PETITION NO. 76 OF 2026
WITH
INTERIM APPLICATION (L) NO. 23096 OF 2023
WITH
INTERIM APPLICATION NO. 1222 OF 2026
IN
ARBITRATION PETITION NO. 76 OF 2026**

Navodaya Enterprises Through Its Partner Mr. ...Petitioner
Naganand Hegde

Versus

Tata Motorstata Motors Finance Solutions Limited ...Respondent
Finance Solutions Limited

*Mr. Mohammed Zain Khan a/w Mr. Ashraf Kapoor i/b One Legal, for the
Petitioner.*

*Mr. Gaurav Jangle a/w Ms. Kunjita Shah, Mr. Siddhant Dalvi, for the
Respondent.*

CORAM : SHARMILA U. DESHMUKH, J.

DATE : April 16, 2026

P. C. :

1. By the present Arbitration Petition filed under Section 34 of Arbitration and Conciliation Act, 1996 challenge is to the impugned Award dated 4th August, 2022 passed by the learned sole arbitrator.
2. The sole objection which raised to the validity of the impugned Arbitral Award is the unilateral appointment of the arbitrator. The Respondent had issued loan recall notice for termination of agreement /contract on 13th February, 2023 in which it was stated that the

Respondent would nominate and appoint sole arbitrator to arbitrate the dispute as per the arbitration clause of the loan cum hypothecation cum guarantee agreement dated 12th March, 2021. The arbitrator appears to have been appointed under the clause of the said agreement. The loan cum hypothecation cum guarantee agreement is not produced on record, however, learned counsel for the Respondent would fairly concede that it was a case of unilateral appointment. It is by virtue of the said clause that the Respondent nominated the sole arbitrator.

3. It is well settled by the Hon'ble Apex Court in the case of ***Perkins Eastman Architects DPC & Another vs. HSCC (India) Ltd.***¹ that the person having interest in the outcome of dispute is ineligible not only to act as an arbitrator but is also rendered ineligible to appoint an arbitrator. Such proceedings being the result of a unilateral appointment are a nullity and the Award is unenforceable in law.

4. In light of the above, the impugned Award dated 4th October, 2022 is hereby quashed and set aside. Petition is allowed.

5. Interim Applications do not survive for consideration and stands disposed of.

[SHARMILA U. DESHMUKH, J.]

1 AIR 2020 SC 59