



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

ARBITRATION PETITION NO. 599 OF 2025

Ajeet Kumar Sharma ...Petitioner
vs.
Tata Motors Finance Limited ...Respondent

Ms. Disha Karambar i/b Disha Karambar & Associates, for the Petitioner.
Mr. Abhayjeet Khairwar a/w Mr. Shivam Kukreja i/b Goenka Law Associates, for the Respondent.

CORAM : SHARMILA U. DESHMUKH
DATE : February 2nd, 2026

JUDGMENT:

1. By this Petition filed under Section 34 of the Arbitration and Conciliation Act, 1996, (for short 'Arbitration Act'), the challenge is to the award dated 19th May, 2023 passed by the learned sole arbitrator in Arbitration Case No. 37 of 2023. By the impugned order, the learned arbitrator has allowed the claim of the Respondent and directed payment of Rs. 9,65,156.06/- along with interest @18% p.a. from 6th February, 2023 till realization of the amount and also awarded cost of Rs. 7,000/-.

2. Briefly stated the facts of the case are that the Petitioner had availed an auto loan of Rs. 15,06,496/- from the Respondent which is a finance company. Subsequently, there was a default in repayment of the loan and dispute arose between the parties. The Respondent

referred the dispute to the arbitration of the sole arbitrator pursuant to the arbitration clause contained in the loan cum hypothecation cum guarantee agreement permitting the nomination of the sole arbitrator by the Respondent.

3. The sole objection raised by learned counsel appearing for the Petitioner is to the validity of the impugned arbitral award on the ground of unilateral appointment of the arbitrator. She would submit that no notice has been served upon the Petitioner for appointment of the arbitrator and the Petitioner has never consented to such appointment. She would further submit that it is now well settled that the unilateral appointment of the arbitrator is violative of the equality clause under Article 14 of the Constitution of India and it is not disputed that the arbitrator has been unilaterally appointed by the Respondent without consent of the Petitioner and without approaching this Court under Section 11 of the Arbitration Act.

4. Learned counsel appearing for the Respondent fairly concedes to the settled position in law and that the impugned order is required to be set aside on the ground of unilateral appointment of the arbitrator. He would further submit that liberty may be granted to the Respondent to invoke arbitration in a manner known in law.

5. It is settled by the Hon'ble Apex Court in the case of **TRF Limited vs Energo Engineering Projects Limited¹** and **Perkins**

¹ (2017) 8 SCC 377

Eastman Architects DPC and Another vs HSCC (India) Limited² that a person who has interest in the outcome or decision of the dispute is ineligible not only to act as an arbitrator, but is rendered ineligible to appoint anyone else as arbitrator. Resultantly, any proceedings conducted before such unilaterally appointed arbitration tribunal cannot result into an enforceable award.

6. In light of the above, the petition is disposed of by the following order :-

ORDER

(1) The impugned award dated 19th May, 2023 passed by the learned sole arbitrator in Arbitration Case No. 37 of 2023 is set aside as consented by learned counsel for Respondent.

(2) The Respondent is at liberty to invoke arbitration afresh against the Petitioner in a manner known to law.

7. All rights and contentions of the parties on merits of the case are expressly kept open.

8. Interim Applications, if any, do not survive for consideration and stands disposed of.

(SHARMILA U. DESHMUKH, J.)

² 2019 SCC onl SC 1517