

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

COMMERCIAL ARBITRATION APPLICATION NO. 82 OF 2025

Parshwa Distributors

(Sole Proprietor-Ms. Khyati Sanghvi)

.....**Applicant**

: Versus :

L'oreal India Pvt. Ltd.

....**Respondent**

Ms. Siddh Vidya with Ms. Shalaka Karkar, Ms. Divya Maniar, Ms. Mansi Sahani and Ms. Sandhya Tiwari i/b. Siddh Vidya & Associates, for the Applicant.

Mr. Sumeet Nankani with Mr. Ishwar J. Nankani, Mr. Huzefa Khokawala, Mr. Harshvardhan Nankani and Ms. Vishwa Shah i/b. Nankani & Associates, for the Respondent.

CORAM : SANDEEP V. MARNE, J.

DATED : 8 JANUARY 2026.

P.C :

1) Leave granted to convert the petition under Section 14 of the Arbitration and Conciliation Act, 1996. Amendments to be carried out forthwith. Reverification is dispensed with.

2) These proceedings are required to be filed by the Applicant, who is the claimant before the Arbitral Tribunal. The Arbitration Agreement between the parties envisaged a three member Arbitral Tribunal. At the time of invocation of arbitration, the Applicant

proposed the name of her nominee Arbitrator. Respondent thereafter proposed name of its nominee Arbitrator. Thereafter, the Presiding Arbitrator came to be appointed. The Arbitral Tribunal conducted preliminary hearing on 15 November 2024 and issued various directives setting out timelines for filing of pleadings etc. Additionally, the Tribunal also issued directives being fees of each of the Arbitrator at Rs.1,00,000/- per session of two hours per Arbitrator and directed each parties to initially deposit with each Arbitrator an amount of Rs.3,00,000/-.

3) The Applicant contends that she has relatively small claim of Rs.94,00,000/- and therefore she is not in a position to bear the fees of the Arbitral Tribunal. Accordingly, the Applicant filed application dated 13 December 2024 before the Arbitral Tribunal expressing her inability to bear the fees of the Arbitral Tribunal. She informed the Tribunal that she was in the process of filing remedies for substitution of the Tribunal. Accordingly, the present application is filed under Section 11 of the Arbitration Act. However, considering the nature of relief sought for by the Petitioner, the Court has considered it appropriate to treat this application as the one filed under Section 14 of the Act.

4) In the present case, where the Applicant is unable to pay the fees of the Arbitral Tribunal, the Tribunal would not be in a position to perform its functions without undue delay. In my view therefore, the case would be covered by Section 14(1)(a) of the Arbitration Act and it would be appropriate to substitute the Arbitral Tribunal by intervention of the Court. Though the application is strenuously opposed by Mr. Nankani, the learned

counsel appearing for the Respondent, on Court's suggestion, both the Petitioner and Respondent have agreed on the name of Mr. H.L. Gokhale, Former Judge of Supreme Court for being appointed as the sole Arbitrator to adjudicate the disputes and differences between the parties. It is also clarified that the Agreement is only in respect of the name of the Learned Arbitrator and that the Respondent has not agreed in respect of the concept of substitution of Arbitral Tribunal on account on inability of the Applicant to pay the Tribunal's fees. Though the issue could have been decided by considering various submissions canvassed across the bar and by referring to various judgments relied upon by the parties, in the peculiar facts of the present case, this Court has considered it expedient to treat the case as being covered by Section 14(1)(a) of the Arbitration Act so that the disputes and differences between the parties are adjudicated in an expeditious manner.

5) Accordingly, I proceed to pass the following manner :

(A) Mr. H.L. Gokhale, Former Judge, Supreme Court of India is appointed as Sole Arbitrator to adjudicate upon the disputes and differences between the parties arising out of an Distribution Agreement referred to above. The contact details of the Arbitrator are as under :

6) Office Address :-24, Walchand Terrace, Opp. Air Condition Market, Tardeo, Mumbai

7) Email ID :- gokhalehemantlaxman@gmail.com

(B) A copy of this order be communicated to the learned sole Arbitrator by the Advocate for the Applicant within a period of one week from the date of uploading of this order. The Applicant shall provide the contact and communication

particulars of the parties to the Arbitral Tribunal alongwith a copy of this order.

(C) The learned sole Arbitrator is requested to forward the statutory Statement of Disclosure under Section 11(8) read with Section 12(1) of the Act to the parties within a period of 2 weeks from receipt of a copy of this order

(D) The parties shall appear before the learned sole Arbitrator on such date and at such place as indicated by him, to obtain appropriate direction with regard to conduct of the arbitration including fixing a schedule for pleadings, examination of witnesses, if any, schedule of hearings etc.

(E) The sole Arbitrator shall be entitled to the fees prescribed under the Bombay High Court (Fee Payable to Arbitrators) Rules, 2018 and the arbitral costs and fees of the Arbitrator shall be borne by the parties in equal portion and shall be subject to the final Award that may be passed by the Tribunal.

8) All rights and contentions of the parties are expressly kept open to be raised before the Arbitral Tribunal.

9) With the above directions, the application is **disposed of**.

Digitally
signed by
NEETA
SHAILESH
SAWANT
Date:
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[SANDEEP V. MARNE, J.]