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IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 16-02-2026

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THE HON'BLE MR JUSTICE N.ANAND VENKATESH

Arb. O.P.(Com.Div.)No.139 of 2026

and

Application No.717 of 2026

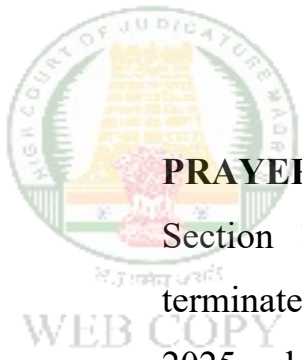
M/s.Sam Enterprises,
Represented by
Mrs.Devoshia Shaji, Proprietor,
having Corporate Office at
X/301, Behind Kristu Jayanthi Hospital,
Perumpilly, Narakkal P.O.,
Vypin, Erakulam - 682 505.

..Petitioner(s)

Vs

1. M/s.Hinduja Leyland Finance Ltd.,
Represented by its Authorised Signatory,
Mrs.Sumana B, Manager-Legal,
Having Corporate office at
No.27A, Developed Industrial Estate,
Guindy, Chennai - 600 032.
2. M/s.NAS Arbitration and Mediation Council
Represented by its Authorized Signatory,
K.Siva Raja Pandian, Director
Having office at
No.54, First Floor, College Road,
Palavanthangal, Chennai - 600 061.
3. Mr.Yashwan Singh
Sole Arbitrator,
Having office at
No.54, 2nd Floor, College Road,
Palavanthangal, Chennai - 600 061.

..Respondent(s)



PRAYER: Arbitration Original Petition (Commercial Division) filed under Section 14(2) of the Arbitration and Conciliation Act, 1996, praying to terminate the mandate of the 3rd Respondent in Arbitration Case No.ACP 20 of 2025 as being *void ab initio*.

For Petitioner(s): Mr.T.Karthi
 for M/s.Aiyar And Dolia
For Respondent(s): Mr.M.Arunachalam (for R1)

ORDER

This petition has been filed under Section 14(2) of the Arbitration and Conciliation Act, 1996 (for brevity, hereinafter referred to as "the Act") to terminate the mandate of the 3rd respondent.

2. Heard Mr.T.Karthi, learned counsel for the petitioner and Mr.M.Arunachalam, learned counsel for the 1st respondent.

3. The case of the petitioner is that they are in the business of maintaining yard to park/store repossessed vehicles and assets of various financial institutions.

4. The petitioner and the 1st respondent entered into an agreement dated 05.11.2018, wherein the 1st respondent was permitted to utilise the yard for parking/ storing repossessed assets and the rentals were payable by the 1st respondent to the petitioner. The dispute arose between the parties and the



petitioner made a claim of Rs.32,29,200/- against the 1st respondent.

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5. The arbitration clause in the agreement dated 25.11.2021 is extracted hereunder:

“13. All disputes, differences and /or claims, arising out of this agreement, whether during its subsistence or thereafter, shall be settled by arbitration in accordance with the provisions of the Arbitration and Conciliation Act, 1996 or any statutory amendments thereof and shall be referred to Arbitration of an Arbitrator nominated by The Company. The Award given by such Arbitrator shall be final and binding on both The Company and YARD OWNER to this agreement.”

6. The petitioner received a response from the 1st respondent dated 06.09.2025 wherein the petitioner was informed that the 1st respondent is proposing to conduct the arbitration proceedings through an association called NAS - Arbitration and Mediation Council for which the seat and venue of arbitration shall be in Chennai.

7. Pursuant to the above, the 3rd respondent came to be appointed as the sole arbitrator. It is under these circumstances, the present petition has been filed to terminate the mandate of the 3rd respondent on the ground that such unilateral appointment is void *ab-initio* and such appointment goes against the

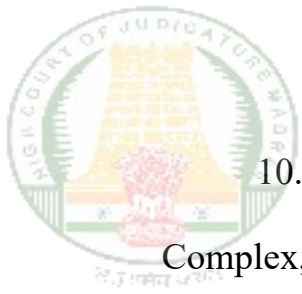


judgment of the Apex Court in ***Perkins Eastman Architects DPC vs. HSCC (India) Ltd*** 2019 reported in (2020) 20 SCC 760.

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8. In the case in hand, the arbitration clause as such contemplated the arbitrator to be nominated by the 1st respondent. This only means that it is the 1st respondent who can nominate an arbitrator who in turn can conduct the arbitral proceedings. However, the 1st respondent has chosen the name of some arbitration council but however the net effect is that a sole arbitrator has been appointed unilaterally. Just because the 1st respondent names some council which has appointed the sole arbitrator, the 1st respondent cannot get over the latest judgment of the Apex Court in ***Bhadra International (India) Pvt. Ltd., and Others vs. Airports Authority of India and others*** reported in 2026 SCC Online SC 7. The Apex Court in no uncertain terms has held that Section 12(5) of the Act is mandatory and unless and otherwise the consent is given in writing, there is no question of appointing an Arbitrator and in such a case, the aggrieved party can always approach the Court under Section 14 of the Act. The petitioner in this case has correctly resorted to this procedure.

9. In the light of the above discussion, the mandate of the sole arbitrator namely the 3rd respondent shall stand terminated under Section 14(2) of the Act. The counsel appearing on either side gave their consent for appointment of a fresh Arbitrator.



10. In view of the above, Mr.R.Abdul Mubeen, Advocate, Keeranur Complex, Flat No.T1, 3rd Floor, 35, M.T.H.Road, Villivakkam, Chennai-600 049 (Mobile No: 98401 59575) is appointed as the sole Arbitrator and the sole Arbitrator is requested to adjudicate the arbitral disputes that had arisen between the parties and render arbitral award by holding sittings in the 'Madras High Court Arbitration Centre under the aegis of this Court' (MHCAC) as per Madras High Court Arbitration Proceedings Rules 2017 and fee of Sole Arbitrator shall be in accordance with the Madras High Court Arbitration Centre (MHCAC) (Administrative Cost and Arbitrator's Fees) Rules 2017.

11. Accordingly, the petition is disposed of. No costs. Consequently, the connected application is closed.

16-02-2026

Index: Yes/No

Speaking/Non-speaking order

Neutral Citation: Yes/No

MKA



To:

1. The Authorised Signatory,
Mrs.Sumana B, Manager-Legal,
M/s.Hinduja Leyland Finance Ltd.,
Having Corporate office at
No.27A, Developed Industrial Estate,
Guindy, Chennai - 600 032.

2. The Authorized Signatory,
K.Siva Raja Pandian, Director,
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N.ANAND VENKATESH, J.

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