



Arbitration Original Petition (Com.Div.) No.19 of 2026

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 19.01.2026

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THE HONOURABLE MR.JUSTICE N.ANAND VENKATESH

Arbitration Original Petition (Com.Div) No.19 of 2026
and Application No.173 of 2026

1. Mr.P.Sivakumar
S/o.Pandiyan

2. Shunmuga Devi S.
W/o.Sivakumar

.... Petitioners

Vs.

Hinduja Leyland Finance Limited,
Represented by its Authorised
Signatory, No.27A, Developed
Industrial Estate, Guindy, Chennai – 600 032.

.... Respondent

Arbitration Original Petition filed under Section 34(2)(b)(ii) and 34(2-A) of the Arbitration and Conciliation Act, 1996, to set aside the impugned award dated 21.01.2025 passed by the Hon'ble Arbitral Tribunal.

For Petitioners : Mr.Kishore Balasubramanian
For Respondent : Mr.M.Arunachalam

ORDER

This petition has been filed under Section 34 of the Arbitration and Conciliation Act, 1996 [for brevity, 'the Act'] to set aside the impugned award passed by the sole Arbitrator dated 21.01.2025.



2. The respondent was represented through counsel and on consent, the main petition itself was taken up for final hearing considering the limited issue involved in the present petition.

3. The dispute between the parties arose out of a hypothecation-cum-loan agreement dated 02.08.2018, whereby a certain amount was sanctioned in favour of the petitioners, and the respondent initiated arbitration proceedings on the ground that the loan amount disbursed was not repaid. Since the agreement contained an arbitration clause under Article 22, a sole Arbitrator was appointed by the respondent. The petitioners were set *ex-parte*, and the sole Arbitrator passed the impugned award dated 21.01.2025.

3. The award is challenged mainly on the ground that the respondent had unilaterally appointed an Arbitrator and the same is in violation of the judgment of the Apex Court in the case of ***Perkins Eastman Architects DPC v. HSCC (India) Ltd. [(2020) 20 SCC 760]***.

4. This Court carefully considered the submissions made on either side and the materials available on record.



5. In the considered view of this Court, it is not necessary for this

Court to enter into the merits of the case and the award passed by the sole Arbitrator is liable to be interfered on the ground that the sole Arbitrator was unilaterally appointed by the respondent and the same goes against the dictum of the Hon'ble Supreme Court in the case referred to supra.

6. During the course of arguments, it was brought to the notice of this Court that, as between the same parties, this Court has passed orders in the petition filed by the respondent under Section 11 of the Act and appointed a sole Arbitrator. Totally 3 agreements were entered into between the parties, which covered 11 vehicles. Out of the three agreements, this Court has appointed a sole Arbitrator for two of the agreements. Hence, this Court is inclined to appoint the same sole Arbitrator in this case also, so that the matter can be sent back to the sole Arbitrator for fresh adjudication.

7. In the light of the above discussions, the impugned award dated 21.01.2025 passed by the sole Arbitrator is hereby set aside. On consent given by either side, this Court appoints Mr.Srinath Sridevan, Senior Advocate as a sole Arbitrator to adjudicate the dispute between the parties afresh.



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N.ANAND VENKATESH, J.

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8. In view of the above, Mr.Srinath Sridevan, Senior Advocate (residing at No.24, Judge Jambulingam Road, Jagadambal Colony, Durgapuram, Mylapore, Chennai), Mobile No.99400 45709, is appointed as the sole Arbitrator and the Arbitrator is requested to enter upon reference qua the hypothecation-cum-loan agreement dated 02.08.2018, adjudicate the arbitral dispute that were arising between the parties by holding the sittings in any venue in Chennai to the convenience of all concerned and render an award. Fees of the sole Arbitrator shall be in accordance with the Madras High Court Arbitration Centre (MHCAC) (Administrative Cost and Arbitrator's Fees) Rules 2017.

In the result, this petition is allowed in the above terms. Connected application is closed.

19.01.2026

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