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Arbitration Original Petition (Com.Div) No.832 of 2025

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 26.02.2026

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THE HONOURABLE MR.JUSTICE N.ANAND VENKATESH

Arbitration Original Petition (Com.Div) No.832 of 2025

and

Application No.6417 of 2025

1.Shibbinraj P.R

2.Nithyapriya S

.... Petitioners

Vs.

M/s.Sundaram Home Finance Ltd.,
formerly known as
Sundaram BNP Paribas Home Finance Ltd.,
No.46, Whites Road,
Chennai – 600 014.

.... Respondent

Arbitration Original Petition filed under Section 34(2) of the Arbitration and Conciliation Act, 1996, praying to set aside the award dated 15.12.2022 passed in A.C.P.No.27 of 2022 on the file of the Sole Arbitrator, Mr.M.MD.Essath Ali, Former District & Sessions Judge, Chennai.

For Petitioners : Mr.R.Murali
For Respondent : No appearance

ORDER

This petition has been filed under Section 34 of the Arbitration and Conciliation Act, 1996 [for brevity 'the Act'], challenging the impugned award dated 15.12.2022 passed by the sole arbitrator.



2. When this petition came up for hearing on 06.01.2026, this

Court passed the following order:

“Notice to respondent, returnable by 04.02.2026. Private notice is also permitted.

2.The main ground that was urged by the learned counsel for the petitioners is that there was unilateral appointment of an Arbitrator and the same violates the judgment of the Apex Court in Perkins Eastman Architects DPC v. HSCC (India) Ltd. [(2020) 20 SCC 760]. Hence, there shall be an order of interim stay, pending disposal of the present petition.

3.Post this case under the caption ‘For Orders’ on 04.02.2026.”

3. After notice was served on the respondent, a counsel undertook to file vakalath. The vakalath was returned to rectify certain defects and hence, when the matter came up for hearing on 18.02.2026, this Court directed the learned counsel to rectify the defects and to represent the vakalath.

4. When the matter was taken up for hearing today, it is seen that the defects have not been rectified and the vakalath has not been represented.

5. In view of the above, this Court will proceed further to deal with the petition on merits since service is completed.



6. Heard learned counsel for petitioners and carefully perused the materials available on record. This Court has also carefully went through the award passed by the sole arbitrator.

7. The case of the respondent/claimant is that the first petitioner had availed loan and dues were not paid in spite of notice and the same resulted in the respondent invoking arbitration clause and appointing a sole arbitrator.

8. The sole arbitrator, by award dated 15.12.2022, directed the petitioners to pay a sum of Rs.12,02,785/- along with interest and also awarded cost. The same has been put to challenge in the present petition.

9. Learned counsel for petitioners, apart from raising certain issues on merits, mainly focussed on the ground that there was unilateral appointment of sole arbitrator and such award passed by the sole arbitrator is non-est in the eye of law. To substantiate this contention, learned counsel for petitioners relied upon the latest judgment of the Apex Court in ***Bhadra International (India) Pvt. Ltd. And Ors. Vs. Airports Authority of India [(2026) SCC Online SC 7]***. As rightly contended by learned counsel for petitioners, the Apex Court has dealt



N.ANAND VENKATESH, J.
gm

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with the scope of Section 12 of the Act in detail and the conspectus of such discussion is captured in paragraph No.123 of the judgment.

10. The above judgment has once again reiterated the original position of law in *Perkins Eastman Architects DPC V. HSCC (India) Ltd. [(2020) 20 SCC 760]*.

11. In the light of the above judgment, the award passed by the sole arbitrator, who was unilaterally appointed by the respondent is non-est in the eye of law and the same is liable to be interfered with by this Court on this ground alone.

In view of the above, the award passed by the sole arbitrator in A.C.P.No.27 of 2022 dated 15.12.2022 is set aside and this petition is allowed. It is left open to the parties to initiate fresh arbitration proceedings in the manner known to law. Consequently, the connected application is closed.

26.02.2026

Index:yes/no
Speaking Order/Non-speaking order
NCC:yes/no
gm

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