

In the court of Principal District Judge, Rohtas at Sasaram

Execution Case No. 02 of 2026

M/s Cholamandalam Investment and Finance Company Ltd.

Chola Crest, Super B, C54 & C55, 4, Thru Vi Ka Industrial Estate,
Guindy, Chennai through its Attorney Mr. Prabhat Kumar

.....Decree Holder.

Versus

1. Lal Babu Sharma, Son of Jagdayal Sharma

2. Jag Sharma, C/o- Jagdayal Sharma

3. Lalti Devi, C/o- jagdayal Sharma

RR/o- Parariya, Aurangabad Saraiya Panraria, Patariya Yatri Shed,
Rohtas, Bihar.

.....Judgment Debtors.

Present:- Sri Shashi Ranjan, Advocate for Decree Holder.

ORDER

16.03.2026

The Decree Holder has filed the present case for the execution of award dated 28-03-2025 against the Judgment Debtors.

Case has been called out. Ld. Counsel on behalf of decree holder appeared.

Ld. Counsel on behalf of decree holder submitted that present execution of award dated 28-03-2025 has been filed against the Judgment Debtors under Section 36 read with 2 (c) of the Arbitration and Conciliation Act 1996 and under Section 47, Section 151 read with Order XXI Rule 27 along with Rule 11(2) of the Code of Civil Procedure, 1908. He further submitted that Judgment debtors reside within the jurisdiction of this court. He further submitted that award was passed on 28-03-2025 and the judgment debtors have not preferred any appeal within stipulated period and this execution petition has been filed on 07-01-2026. He further submitted that award dated 28-03-2025 has been passed against the judgment debtors with the direction to pay Rs. 14,58,335/-, along with interest. He further submitted that judgment debtors have not paid any amount of the arbitral award to the decree holder till date. Ld. Counsel prayed to admit the case to execute the award dated 28-03-2025 against the Judgment Debtors.

Heard Ld. Counsel on behalf of Decree Holder and perused the record.

Continued
16-03-2026

From perusal of the record, it appears that Mr. G. Dharmaraj was appointed as Sole Arbitrator in Chennai and an Award dated 28-03-2025 has been passed ex-parte against the Judgment Debtors.

The legal position regarding unilateral appointments has been settled by the Hon'ble Supreme Court in cases of 'TRF Ltd. Vs. Energo Engg. Projects Ltd.' reported in (2017) 8 SCC 377, 'Bharat Broadband Network Ltd vs. United Telecoms Ltd.' reported in (2019) 5 SCC 755, 'Perkins Eastman Architects DPC vs. HSCC (India) Ltd.' reported in (2020) 20 SCC 760, 'Jaipur Zila Dugdh Utpadak Sahkari Sangh Ltd. Vs. Ajay Sales and Suppliers' reported in (2021) 17 SCC 248 and 'Ellora Paper Mills Ltd. vs. State of M.P.' reported in (2022) 3 SCC 1 and in case of 'M/s R.S. Construction Vs. Building Construction Dept.' in Request Case No. 105/2024 passed by Hon'ble Court vide Order dated 19-12-2024, whereby the unilaterally appointed arbitrators have been held to be ineligible to adjudicate the disputes between the parties.

In present case, the Arbitral Award has been passed by the Sole Arbitrator who was appointed unilaterally by the Decree Holder. Moreover, arbitration agreement enabling one of the parties to unilaterally constitute arbitral tribunal do not inspire confidence of independence and impartiality. As such, unilateral appointment of an Arbitrator is void ab-initio and Arbitral award passed by sole arbitrator is without jurisdiction and non-est in law. Thus, such an impugned award cannot be enforced. Consequently, award dated 28-03-2025 passed by the Sole Arbitrator is unenforceable.

In view of facts, circumstances and case laws as discussed above, this execution case is dismissed at the stage of admission.

(Dictated and corrected)

(Anuj Kumar Jain)
Principal District Judge,
Rohtas at Sasaram.