

IN THE HIGH COURT OF JUDICATURE AT BOMBAY ORDINARY ORIGINAL CIVIL JURISDICTION IN ITS COMMERCIAL DIVISION

COMMERCIAL ARBITRATION PETITION (L) NO. 15786 OF 2025

Radiance Galore

...Petitioner

Versus

Yes Bank Limited

...Respondent

Mr. Archit Virmani, *a/w Atul Gupta, Saurabh Shrivastav, for the Petitioner.*

Mr. Vishal Tambat, for Respondent.

CORAM : SOMASEKHAR SUNDARESAN, J. DATE : JULY 9, 2025

ORDER:

1. This is a petition filed under Section 34 of the Arbitration and Conciliation Act, 1996 ("*the Act*"). The arbitral award in question is admittedly a product of a unilaterally appointed arbitration process. Although, the arbitral appointment has been effected by an independent institution that depends on an algorithm for selection of arbitrator, it is an admitted position that the arbitrator was appointed after the law on unilateral appointment of arbitrators has been explicitly declared by the Supreme Court.



Ashwini Vallakati

Page 1 of 5 July 9, 2025 2. The arbitration agreement between the parties envisages the unilateral appointment of an arbitrator and the Respondent has evidently implemented that position by appointing an independent online dispute resolution institution to pick an arbitrator.

3. Learned Counsel for the Respondent submits that owing to the appointment being unilateral, he has instructions to withdraw the arbitration proceedings despite the award having been passed. This is consistent with the conduct of many lenders in this Court when faced with an award passed by a unilaterally appointed arbitrator being challenged under Section 34 of the Act.

4. Consequently, the impugned award is quashed and set aside by consent of the parties, leaving it to the parties to engage afresh in arbitration proceedings. The Petition is *finally disposed of* in these terms.

5. Considering the explicit position in law declared by the Supreme Court about the invalidity of unilateral appointments, there are only two known methods of appointing an arbitrator – either by mutual consent of the parties or pursuant to Section 11 of the Act. It would be important to ascertain whether the online dispute resolution institutions have coded their algorithms to take care to ensure that

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before an arbitral tribunal is constituted, they ascertain whether the request for appointment has been made by consent of the parties, or pursuant to Section 11 of the Act; and that the request is not pursuant to clauses permitting unilateral appointment of an arbitrator.

6. Consequently, this Petition is *disposed of* quashing and setting aside the impugned award by consent.

7. The Registry shall issue a notice to the PreSolv 360 and AdresNow, two online dispute resolution platforms, requesting them to submit a statement as to how they deal with requests for appointment of an arbitrator to deal with the law governing unilateral appointment of arbitrators. Their contact particulars are set out below:

PreSolv360:

Email id : info@presolv360.com Contact No. - +91-9820167337

Address: 1st Floor, Esperanca Building, Shahid Bhagat Singh Road, Colaba, Mumbai – 400 001.

Website: <u>www.presolv360.com</u>

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AdRes No:

Email id : <u>registry@adresnow.com</u> Address: 63, Palace Road, Vasanthnagar, Bengaluru, 560001.

Website: <u>www.adresnow.com</u>

8. It is imperative that the appointment of arbitrators ensures that unilateral appointments do not take place. Although the online platform is an independent one, and follows a randomized process for selection of arbitrators, the process of appointment ought to be compliant with the two methods of appointment known to law, namely, by consent of parties or by direction from a Court allowing an Applicant under Section 11 of the Act.

9. Such statements shall be filed for my review within a period of four weeks from the upload of this order on the website of this Court.

10. It is clarified that the parties to this Petition do not need to address the Court on the statements submitted by the two online dispute resolution platforms. This direction is being issued to oversee the method of appointment and selection of arbitrators since these two

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platforms have been asked to appoint arbitrators by this Court in a number of matters.

11. All actions required to be taken pursuant to this order shall be taken upon receipt of a downloaded copy as available on this Court's website.

[SOMASEKHAR SUNDARESAN, J.]

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