

**IN THE HIGH COURT OF PUNJAB AND HARYANA  
AT CHANDIGARH**

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**ARB-481-2021**

**Decided on : 22.09.2021**

Aanchal Sharma and others

... Applicants

Versus

Avanse Financial Services Limited

... Respondent

**CORAM : HON'BLE MR.JUSTICE G.S. SANDHAWALIA**

Present: Mr. Gopal Soni, Advocate for the applicants.

**G.S. Sandhawalia, J. (Oral)**

The present petition has been filed for appointment of an independent person as a sole Arbitrator under Section 11 (6) of the Arbitration and Conciliation Act, 1996, in pursuance of the loan agreement which was for the purposes of an Education loan, which was entered inter se the parties.

A perusal of the paper-book would go on to show that on account of some outstanding, notices were issued to the applicants demanding Rs.19,22,541/- on 15.03.2019 (Annexure P-3). The same was replied on 14.04.2019 (Annexure P-4) to the extent that the installments were being paid regularly as per the schedule. Similarly, notice on 15.06.2021 (Annexure P-5) was also issued by the respondents claiming Rs.16,22,515/-, which was stated to be due on 27.05.2021. The notice was again replied by the applicants on 01.07.2021 (Annexure P-6) that 69 installments out of 120 had been paid and the loan is to be closed in March, 2025.

It is not disputed that vide letter dated 18.08.2021 (Annexure P-7) one Anis Ahmed, Advocate has been appointed as sole Arbitrator, who has given his disclosure under Section 12 (1) of the Act and his consent to act as an sole Arbitrator. The claim has also been filed before the said arbitrator on 26.08.2021 (Annexure P-8), by the respondent who is stationed at Mumbai.

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The Clause 15.1.1 of the agreement as such further provides that venue for arbitration is at Mumbai and Clause 15.2 further provides that Court of competent jurisdiction at Mumbai would have jurisdiction to challenge the award passed by the sole Arbitrator. The said clause reads as under:-

**“15 ARBITRATION, JURISDICTION, GOVERNING LAW:**

**15.1 Arbitration**

15.1.1 All disputes, differences, claims and question, whatsoever arising out of these presents or as to the construction, meaning or effect hereof or as to the rights and liabilities of the parties hereunder shall be referred to the arbitration of Sole Arbitrator to the named and/appointed by AVANSE and the decision (interim award/award) of the Arbitrator shall be final and binding upon the parties hereto. The arbitration shall be governed by the Arbitration and Conciliation Act, 1996 or any statutory amendments thereof or any statute enacted for replacement thereof. The venue of such arbitration shall be in Mumbai. The language of the arbitration shall be in English.

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**15.2 Jurisdiction**

The parties hereby agree that the Courts of competent jurisdiction at Mumbai will have jurisdiction to challenge the Award published by the Sole Arbitrator and even otherwise also. In addition, AVANSE would alternatively also be entitled exclusively proceed against the Borrowers in courts of jurisdiction at Mumbai.”

Thus, it is apparent that the parties as per Section 20 of the Act have agreed to the place of arbitration, which was to be at Mumbai. In such circumstances, this Court is of the opinion that territorial jurisdiction as such would lie as per the agreement inter se the parties and the present petition on account of lack of jurisdiction is not maintainable.

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Accordingly, the present petition is disposed of with liberty to the applicants to avail their remedy in accordance with law.

**September 22, 2021**  
*Naveen*

**(G.S. SANDHAWALIA)**  
**JUDGE**

Whether speaking/reasoned:

Yes/No

Whether Reportable:

Yes/No