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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

% ***Date of decision: 07.02.2022***

+ **ARB.P. 14/2022**

SUNIL BANSILAL RAISONI & ANR. Petitioners
Through **Ms.Jaikriti S. Jadega, Adv.**

versus

BAJAJ FINSERV/BAJAJ FINANCE LIMITED & ANR. Respondents
Through **Mr.Paras Parekh, Adv.**

CORAM:
HON'BLE MR. JUSTICE SURESH KUMAR KAIT

J U D G M E N T (oral)

The hearing has been conducted through video conferencing.

1. The present petition has been filed under Sections 11(6) of the Arbitration and Conciliation Act, 1996 seeking appointment of sole Arbitrator to adjudicate the disputes inter-se the parties in furtherance of the loan agreement dated 06.07.2015.
2. Petitioners are Directors of the company- M/s Raisonni Ventures Pvt. Ltd. and carrying various businesses and other related activities. Petitioners no.1 is the borrower of the Finance Company known as 'Bajaj FinServ' and petitioner no.2 is an additional security provider to the loan sanctioned by respondent no.1.



3. According to the petitioners, respondent no.1 is the Bajaj FinServ Finance Company registered under the provisions of Companies Act and is engaged in the business of money lending. Respondent no.2 is the managing director of respondent no.1 and looking after day to day affairs of the company.

4. Pertinently, petitioners are *inter alia* involved in various businesses like residential and commercial construction and government contracting. Petitioner no.1 had intended and availed a loan of Rs.15 crores against the security worth Rs.30 crores by executing Loan Agreement dated 06.07.2015 with respondent no.1 wherein petitioner no.1 had pledged 27.60 lac shares of Ashoka Buildcon.

5. During the course of arguments, learned counsel for the petitioners has submitted that respondents suddenly sold the pledged 13,50,000 shares of petitioners no.1 and 6,26,849 shares of petitioner no.2 in March 2020 in the “offline” mode at an average rate of Rs.54 per share which was less than 50% of its average trading rate for the past 12 months and well below or less than 30% of its higher rate of Rs.180 per share in the period between November 2017 to June 2018, though the average rate of Ashoka Buildcon for the past 12 months has been in the range of Rs.110 to Rs.120. He has



further submitted that as per Article III Clause 3.1 of the Loan Agreement, respondent no.1 was illegally and deliberately selling number of shares of petitioners which has caused a huge loss to petitioner no.1 not just in terms of monetary loss but also in terms of the reputation and CIBIL rating. Therefore, petitioners no.1 sent a legal notice to respondent no.2 on 13.06.2020 requesting to repatriate all the shares of Ashoka Buildcon Ltd. to petitioners, however, the same claim was denied by respondents vide its reply dated 22.06.2020.

6. Thereafter, petitioners sent notice dated 08.07.2020 under clause 8 of the agreement dated 06.07.2015 invoking arbitration and proposed name of Shri S.N. Pathak, learned District & Sessions Judge (Retd.) as an arbitrator, however, respondents did not respond to the same. Hence, the present petition has been filed.

7. On the other side, learned counsel appearing on behalf of respondents has not opposed the present petition and submits that the claims raised in the present petition are disputed, however, fairly conceded that the disputes *inter se* parties are arbitrable. Learned counsel also submitted that respondent has no objection if disputes are referred to an independent arbitrator appointed by this Court.



8. Since counsels representing both the sides have consented that the disputes are arbitrable and an independent Arbitrator be appointed by this Court, the present petition is allowed.

9. Accordingly, **Mr. Justice (Retd.) Vijender Jain (Mobile: 7982667359)** is appointed the sole Arbitrator to adjudicate the dispute between the parties.

10. The fee of the learned Arbitrator shall be governed by the Fourth Schedule of the Arbitration and Conciliation Act, 1996.

11. The learned Arbitrator shall ensure compliance of Section 12 of Arbitration and Conciliation Act, 1996 before commencing the arbitration.

12. The present petition is accordingly disposed of.

(SURESH KUMAR KAIT)
JUDGE

FEBRUARY 07, 2022/ab