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

+ **ARB.P. 763/2023**

ADITYA BIRLA FINANCE LIMITED

..... Petitioner

Through: Mr Vidur Sikka, Adv. (through VC)

versus

BHASKAR REDDY & ANR.

..... Respondents

Through: None

CORAM:

HON'BLE MR. JUSTICE JASMEET SINGH

ORDER

08.02.2024

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1. This is a petition under Section 11(6) of the Arbitration and Conciliation Act, 1996 seeking appointment of an Arbitrator to adjudicate the disputes between the parties.

2. The petitioner had entered a loan agreement with the respondents and extended letter of credit vide sanction letter dated 05.03.2021. The respondent No.1 is the loan applicant and respondent No.2 is the guarantor. The sanction letter has been signed by the respondent No.1 and the deed of guarantee has been signed by respondent No.2.

3. The arbitration clause is contained in Clause 25.17 of the Line of Credit Agreement dated 18.03.2021. The deed of guarantee also has a similar arbitration agreement being Clause 25 which reads as under:

“25. That all claims or disputes arising out of or in relation to this Guarantee shall be settled by arbitration. The arbitration tribunal shall consist of a sole arbitrator to be appointed by



Lender. All parties to this Guarantee hereby expressly consent to Lender being the sole appointing authority. Any vacancy created in the arbitration tribunal, for any reason whatsoever, shall also be filled only by Lender acting as the sole appointing authority. The place of arbitration shall be as mentioned in the Schedule 1 Part C hereinbelow. Parties agree that the Courts as mentioned in the Schedule 1 Part C hereinbelow shall have the exclusive jurisdiction to exercise all powers under the Arbitration & Conciliation Act, 1996.”

4. Since the respondent No.1 defaulted in making the payment, the petitioner recalled the loan and issued a notice dated 28.09.2022 and subsequently on 20.12.2022 invoked the arbitration clause.
5. This Court vide order dated 29.11.2023 was pleased to direct service of the respondents through publication in the Indian Express (English) in Bengaluru Edition. The same has been done vide publication dated 18.01.2024, copy of which is placed on record.
6. For the said reasons, respondents are served but there is nobody appearing on behalf of the respondents.
7. For the said reasons, the petition is allowed. Since the parties are still having disputes between them, the following directions are issued:-
 - i) Mr. Aashneet Singh, Advocate (Mob. No. 9958864713) is appointed as a Sole Arbitrator to adjudicate the disputes between the parties.
 - ii) The arbitration will be held under the aegis of the Delhi International Arbitration Centre, Delhi High Court, Sher Shah Road, New Delhi (hereinafter, referred to as the ‘DIAC’). The



remuneration of the learned Arbitrator shall be in terms of the Fourth Schedule of the Arbitration & Conciliation Act, 1996.

- iii) The learned Arbitrator is requested to furnish a declaration in terms of Section 12 of the Act prior to entering into the reference.
 - iv) It is made clear that all the rights and contentions of the parties, including as to the arbitrability of any of the claim, any other preliminary objection, as well as claims on merits of the dispute of either of the parties, are left open for adjudication by the learned arbitrator.
 - v) The parties shall approach the learned Arbitrator within two weeks from today.
8. The petition is allowed and disposed of in the aforesaid terms.

JASMEET SINGH, J

FEBRUARY 8, 2024

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[Click here to check corrigendum, if any](#)