



2024:DHC:6487



\$~13 to 15 & 19

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

+ ARB.P. 1031/2024

AXIS FINANCE LIMITEDPetitioner
Through: Mr. Raveesh Thukral, Adv.

versus

RITESH RAMKRUSHNA SHENDERespondent
Through: Mr. Arpit Tripathi Mr.
S.Sharma, Mr. Rekhans Rana and Mr. Rajat
Pratap Singh, and Ms. Aparna Pandey

+ ARB.P. 1032/2024

AXIS FINANCE LIMITEDPetitioner
Through: Mr. Raveesh Thukral, Adv.

versus

VICKY SELVARAJ SWAMIRespondent
Through: Mr. Arpit Tripathi Mr.
S.Sharma, Mr. Rekhans Rana and Mr. Rajat
Pratap Singh, and Ms. Aparna Pandey

+ ARB.P. 1033/2024

AXIS FINANCE LIMITEDPetitioner
Through: Mr. Raveesh Thukral, Adv.

versus

DATTA HANUMANT DEVKATERespondent
Through: Mr. Arpit Tripathi Mr.
S.Sharma, Mr. Rekhans Rana and Mr. Rajat
Pratap Singh, and Ms. Aparna Pandey

+ ARB.P. 1040/2024

AXIS FINANCE LIMITEDPetitioner



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Through: Mr. Raveesh Thukral, Adv.

versus

ABHIJIT DATTATRAYA DHVALERespondent
Through: Mr. Arpit Tripathi Mr.
S.Sharma, Mr. Rekhans Rana and Mr. Rajat
Pratap Singh, and Ms. Aparna Pandey

CORAM:
HON'BLE MR. JUSTICE C. HARI SHANKAR

JUDGMENT (ORAL)

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22.08.2024

1. These are petitions under Section 11(6) of the Arbitration and Conciliation Act 1996¹ for reference of the disputes between the parties to arbitration.

2. Clause 14 of the Loan Agreement between the parties reads thus:

“14. All disputes, differences and/or claim or questions arising out of these presents or in any way touching or concerning the same or as to constructions, meaning or effect thereof or as to the right, obligations and liabilities of the parties hereunder shall be referred to and settled by arbitration, to be held in accordance with the provisions of the Arbitration and Conciliation Act. 1996 or any statutory amendments thereof, of a sole arbitrator to be nominated by the Lender, and in the event of death. Unwillingness, refusal, neglect, inability or incapability of a person so appointed to act as an arbitrator, the lender may appoint a new arbitrator to be a sole arbitrator. The arbitrator shall not be required to give any reasons for the award and the award of the arbitrator shall be final and binding on all parties concerned. The arbitration proceedings shall be held Mumbai/Delhi.”

3. There are only two objections which learned Counsel for the

¹ “the 1996 Act” hereinafter



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respondent has raised. The first is that the loans which form subject matter of disputes in these petitions are also subject matter of criminal proceedings. The second is that the signatures on the loan documents are fraudulent, in respect of which the charge-sheet has been filed by the Economic Offences Wing (EOW).

4. Mr. Thukral, learned Counsel for the petitioner, refutes these contentions and submits that in fact there is no fraud in so far as availing of loans by the respondent from the petitioner is concerned, but that the respondent had invested the loans with certain other persons who may have defrauded them.

5. Mr. Arpit Tripathi, learned Counsel for the respondent, submits that, even if this were so, the bank is also to blame as it did not conduct any KYC. However, he submits that the loan amounts were in excess of the paying capacity of the respondent and no proper verification was done before the loans were sanctioned.

6. These aspects are of no relevance whatsoever in so far as the exercise of jurisdiction under Section 11(6) of the 1996 Act is concerned.

7. The Supreme Court has, in *SBI General Insurance Co Ltd v Krish Spinning*², clearly stated that the court exercising jurisdiction under Section 11(6) is only to satisfy itself that an arbitration agreement is in existence between the parties and that the Section

² 2024 SCC OnLine SC 1754



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11(6) petition has been filed within three years of the issuance of the Section 21 notice by the petitioner to the respondent.

8. As both conditions stand satisfied, and the parties have not been able to arrive at a consensus regarding the dispute, the Court has to step in.

9. Accordingly, this Court appoints Ms. Malika Sharma, Advocate (Tel. 9873162111) as the arbitrator to arbitrate on the dispute between the parties.

10. The learned arbitrator shall be entitled to charge fees as per the Fourth schedule of the 1996 Act.

11. The learned arbitrator is also requested to file requisite disclosure under Section 12(2) of the 1996 Act within a week of entering on the reference.

12. The Court has not expressed any opinion on any aspect of the matter, whether on maintainability or merits. All questions of facts and law are left open to be agitated in the arbitral proceedings.

13. These petitions stand allowed in the aforesaid terms.

C.HARI SHANKAR, J

AUGUST 22, 2024/dsn

Click here to check corrigendum, if any