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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
+ **ARB.P. 161/2025**
ADITYA BIRLA FINANCE LTDPetitioner

Through: Mr. Ajay Uppal, Advocate.

versus

M/S SHARMA ENTERPRISES & ORS.Respondents

Through: None

CORAM:

HON'BLE MS. JUSTICE MANMEET PRITAM SINGH ARORA

ORDER

% **21.03.2025**

1. This petition has been filed under Section 11 of the Arbitration and Conciliation Act, 1996 by the Petitioner- Aditya Birla Finance Ltd seeking appointment of a Sole Arbitrator.
2. The Arbitration is sought to adjudicate disputes arising out of Loan Agreement dated 30.12.2022 (Agreement) wherein a loan of Rs. 10,12,500/- was disbursed to the Respondents on 31.12.2022. This agreement is duly executed by all the parties.
3. The Petitioner is a company engaged inter-alia in the business of rendering financial/credit facilities, in the form of loans etc. to the intending borrowers.
4. The case of the Petitioner is that it had granted a loan of Rs. 10,12,500/- to the Respondents on 31.12.2022 vide Loan Agreement bearing reference No. ABN MST5000000636082 dated 30.12.2022. The case of the Petitioner is that the Respondents are not paying the outstanding loan amount and have neglected to pay several EMI's despite repeated reminders, therefore, they are in breach of Agreement.



5. Learned counsel for the Petitioner states the Agreement contains an arbitration clause i.e. Clause 22 which provides for adjudication of disputes arisen between the parties by arbitration. The relevant clause reads as under:

“22. Governing law jurisdiction and dispute resolution

Laws of India shall govern this Agreement the security and other documentation pursuant hereto and courts in the City of Delhi having exclusive jurisdiction over all aspects governing the interpretation and enforcement of this Agreement the security and other documentation pursuant hereto' All claims or disputes arising out of or in relation to this agreement shall be settled by arbitration. **The arbitration tribunal shall consist of a sole arbitrator** to be appointed by Lender. All parties to this Agreement hereby expressly consent to Lender being the sole appointing authority. My 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 Delhi or such other place as per Lender's discretion. **Parties agree that the courts in Delhi** or such other courts as decided by Lender **shall have the exclusive jurisdiction** to exercise all powers under the Arbitration and Conciliation Act, 1996.....”

(Emphasis supplied)

6. Learned counsel for the Petitioner states that the Petitioner invoked the said arbitration clause vide letter of invocation dated 12.12.2024, however, the same has not been responded to by the Respondents. He states that in these circumstances, the Petitioner has been constrained to approach this Court under Section 11 of the Act.

7. He states that, therefore, a Sole Arbitrator be appointed under the aegis of the Delhi International Arbitration Centre ('DIAC').

8. None appears on behalf of the Respondent.

9. This Court, vide order dated 23.01.2025, issued notice to the Respondents. The office noting records that Respondents have been served through email by Registry on 18.02.2025 and further the summons as well



stand served to Respondent No. 1 to Respondent No. 4 through ordinary mode on 22.02.2025. Further an affidavit of service has been filed on behalf of the Petitioner wherein it has been brought out that the Respondents have been duly served by Petitioner through email on 25.02.2025 and through speed post on 28.02.2025.

10. In the aforementioned facts, the Respondents are accordingly deemed to be served.

11. The existence of the Arbitration clause is ex-facie evident from the perusal of the Agreement placed on record; therefore, this Court does not find any impediment to appoint a Sole Arbitrator to adjudicate the disputes between the parties. In view of the judgment of the Supreme Court in case of **Perkins Eastman Architects DPC v. HSCC (INDIA) Limited**, (2020) 20 SCC 760, **TRF Limited v. Energo Engineering Projects Limited**, (2017) 8 SCC 377 and **Bharat Broadband Network Limited v. United Telecoms Limited**, (2019) 5 SCC 755, it is incumbent upon this Court to appoint an independent Sole Arbitrator.

12. Accordingly, Ms. Nidhi Mohan Parashar, Advocate (Mob. No.: 9953899908, e-mail id: nidhimohanparashar@gmail.com) is appointed as the Sole Arbitrator to adjudicate the disputes between the parties.

13. It is directed that the arbitration shall be conducted under the aegis of Delhi International Arbitration Centre (DIAC), and as per rules of DIAC.

14. The learned Sole Arbitrator may proceed with the arbitration proceedings subject to furnishing to the parties requisite disclosure as required under Section 12 of the Act.

15. The fees of the Sole Arbitrator shall be in terms of Fourth Schedule of the Act of 1996, as amended by the DIAC Rules.



16. The rights and contentions of the parties, including as to the arbitrability of any of the claims, 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.

17. The Petitioner shall file its statement of claim within four (4) weeks as per the rules of DIAC.

18. Needless to say, nothing in this order shall be construed as an expression of this court on the merits of the case.

19. List before the DIAC on 13.05.2025 at 10:30 AM. for a preliminary hearing to be presided over by the Arbitrator. DIAC will issue fresh notice to the Respondent for this hearing.

20. Copy of this order be communicated by the Registry to the Respondent through email. Let a copy of this order be communicated to the Organizer, DIAC.

21. With the aforesaid direction, the petition stands disposed of.

22. The digitally signed copy of this order, duly uploaded on the official website of the Delhi High Court, www.delhihighcourt.nic.in, shall be treated as a certified copy of the order for the purpose of ensuring compliance. No physical copy of order shall be insisted by any authority/entity or litigant.

MANMEET PRITAM SINGH ARORA, J
MARCH 21, 2025/MS/mt

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