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

+ **ARB.P. 216/2025**

ADITYA BIRLA FINANCE LTDPetitioner

Through: Mr. Ajay Uppal, Adv.

versus

VARINDER SINGH & ANR.Respondents

Through: None.

CORAM:

HON'BLE MR. JUSTICE PURUSHAINDRA KUMAR KAURAV

ORDER

% **18.03.2025**

1. The petitioner has filed an affidavit of service dated 12.03.2025, which states as follows:

"1. That the petitioner in the captioned matter is Aditya Birla Finance Limited. That Varinder Singh & Anr. are the respondents in aforementioned case.

2. That on 30.01.2025 this Hon'ble court was pleased to issue Notice to respondents returnable on 18.03.2025

*3. That the notice was sent by my office along with copy of the captioned petition with documents through email to respondents their mail id - chathavarinder11@gmail.com on 25.02.2025 mentioned/provided by the respondents when the respondents applied for the loan facility filed as Document-D (colly) at page No - 77 . The copy of email dated 25.02.2025 is annexbd herewith and marked as **Document-A**.*

*4. That the notice alongwith copy of the captioned petition with documents has been sent, on the respondents through Speed Post. The copy of Speed Post Delivery Tracking Service Reports of respondents with postal receipts are annexed herewith as **Document- B (colly)** and as per that the service status is –*

<i>Sr</i>	<i>Respondent</i>	<i>Served on</i>	<i>Tracking</i>
<i>No</i>	<i>no</i>		<i>Reports Status</i> <i>(at Page No)</i>



1.	1	28.02.2025	Served (6-7)
2.	2	28.02.2025	Served (8-9)

5. Accordingly, I say that respondents have been duly served through email on 25.02.2025 and through speed post on 28.02.2025.”

2. In view of the aforesaid, the service upon the respondents stands completed.

3. The facts of the case would indicate that the respondents approached the petitioner for grant of a Small Ticket Secured Loan – Plus (STSL-Plus loan) against the property for business expansion.

4. After due consideration, the petitioner sanctioned a loan of Rs. 15,30,000/- for a period of 180 months under a loan agreement dated 18.08.2021. However, the petitioner alleges that a dispute has arisen due to the respondents’ failure to comply with the terms of the loan agreement.

5. Consequently, on 12.12.2024, the petitioner issued a loan recall-cum-demand notice and invoked Section 21 of the Arbitration and Conciliation Act, 1996 (hereinafter referred as “A&C Act”). Despite the aforesaid notice, since no response was received, the petitioner has invoked Section 11 and accordingly, filed the instant petition seeking the following reliefs:

“a) Appoint a Sole Arbitrator to adjudicate upon the disputes between the parties.”

6. The Court has examined Clause 22 of the loan agreement, which provides for arbitration and reads as follows:

“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 exclusive



jurisdiction over all aspects governing the interpretation and enforcement of this Agreement, the security and other document pursuant hereto. All claims or disputes arising out of or in relation to this Agreement shall be settled by arbitration. The arbitration t shall consist of a sole arbitrator to be appointed by Lender. All parties to this Agreement hereby expressly consent to Lender being t appointing authority. Any vacancy created in the arbitration tribunal, for any reason whatsoever, shall also be filled only by Lender as the sole appointing authority.

The place of arbitration shall be Delhi or such other place es 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.

Notwithstanding anything contained hereinabove, in the event the legal status of the Facility Provider changes or in the event of the law being made or amended so as to bring the Facility Provider under The Recovery of Debts Due to Banks and Financial Institutions Act, 1993 (the "DRT Act"), to proceed to recover dues from the Borrower(s) under the DRT Act, the arbitration provisions hereinbefore contained shall, at the option of the Facility Provider, cease to have any effect and if arbitration proceedings are commenced but no arbitral award is made, then at the option of the Facility Provider such proceedings shall stand terminated and the mandate of the arbitrator shall come to an end from the date of the making of the law of the date when amendment becomes effective or the date when the Facility Provider exercises the option of terminating the mandate of arbitrator, as the case may be. Provided that neither a change in the legal status of the Facility Provider nor a change in law as referred to in this sub paragraph above, will result in Invalidating an existing award passed by an arbitral tribunal constituted pursuant to the provisions of this Agreement”

7. It is, therefore, evident that disputes under the loan agreement are subject to resolution through arbitration.
8. In view of the aforesaid, the Court appoints Mr. Swaroop Gerge, Advocate (Mob No.+91 9871144284, Email swaroopgeorge@outlook.com) as the Sole Arbitrator to adjudicate the dispute between the parties.
9. The Sole Arbitrator may proceed with the arbitration proceedings, subject to furnishing to the parties, requisite disclosures as required under



Section 12 of the A&C Act.

10. The Sole Arbitrator shall be entitled to fee in accordance with the IVth Schedule of the A&C Act; or as may otherwise be agreed to between the parties and the learned Sole Arbitrator.

11. The parties shall share the arbitrator's fee and arbitral cost, equally.

12. All rights and contentions of the parties in relation to the claims/counter claims are kept open, to be decided by the Sole Arbitrator on their merits, in accordance with law.

13. Needless to say, nothing in this order shall be construed as an expression of opinion of this Court on the merits of the controversy between the parties. All rights and contentions of the parties in this regard are reserved. Let the copy of the said order be sent to the newly appointed Arbitrator through the electronic mode as well.

14. Accordingly, the instant petitions stand disposed of.

PURUSHAINDR KUMAR KAURAV, J

MARCH 18, 2025p/sph

Click here to check corrigendum, if any