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

+ **ARB.P. 930/2025**

AXIS FINANCE LIMITED

.....Petitioner

Through: Mr. Shikhar Gupta & Mr. Pragum
Bagla, Advocates.

versus

GOUTHAM BALACHANDRA & ANR.

.....Respondents

Through:

CORAM:

HON'BLE MR. JUSTICE AMIT BANSAL

ORDER

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19.09.2025

1. The present petition has been filed under Section 11(6) of the Arbitration and Conciliation Act, 1996 (hereinafter 'Act') seeking appointment of a Sole Arbitrator for adjudication of the disputes between the parties arising out of a loan agreement dated 30th December, 2023 entered into by the petitioner with the respondents.
2. The respondents approached the petitioner seeking a loan facility for an amount of Rs. 30,00,000/-, which was sanctioned by the petitioner by executing the Loan Agreement dated 30th December, 2023 (hereinafter 'Agreement').
3. The Agreement contains an arbitration clause, i.e. Clause 51, which provides for adjudication of any disputes arising between the parties out the Agreement by way of arbitration. The said arbitration clause is set out below:



“51. Governing Law & Arbitration

1. All and any dispute/s, differences arising out of or in connection with this Agreement and/or Facility Documents and the Schedule of the Terms attached thereto, controversy or claim arising out of or relating to this Agreement and Facility Documents, including its construction, meaning, scope or validity thereof, or compliance with the provisions of the Facility Documents shall be resolved and settled, by arbitration only in accordance with the provisions of the Arbitration and Conciliation Act, 1996 or any statutory amendments thereto and shall be referred to either a Sole Arbitrator to be appointed by the Lender out of the panel of Arbitrators or shall be referred to an Arbitration Centre, an independent institution, appointed by the Lender and the Parties shall be at liberty to select the Arbitrator from the panel of the Arbitrators of Lender or the Arbitration Centre.
2. Borrower agrees that in the event of any dispute, differences arising out of or in connection in any of the Facility Documents (such as any personal guarantees executed by the Borrower / Personal Guarantors and/or any Corporate Guarantees, Deed of Hypothecation etc.) including any additional documents executed by the Borrower or any additional facility / top-up / ad-hoc facility taken by the Borrower from the Lender herein such disputes shall be treated as a single reference to the Arbitrator.
3. Lender shall address a notice to the Borrower suggesting the names of not more than three (3) Arbitrators. Borrower shall either:
 - a) Confirm in writing acceptance of any one amongst the propose names as the Sole Arbitrator to the Lender within a period of 7 days from the date of notice;
 - b) Convey its objection, if any, in writing to the Lender against the proposed names of the Sole Arbitrator within the aforesaid period of 7 days.
4. However, if the Lender does not receive any response from the Borrower within the aforesaid period of 7 days, the Lender shall be entitled to nominate any one person from amongst the propose three names as the Sole Arbitrator and such Arbitrator shall be treated as Arbitrator appointed by mutually by the parties.
5. Borrower has given his/her/its consent for either appointment of sole Arbitrator or arbitration to be conducted by the Arbitration Centre, more particularly mentioned in Annexure I to this Agreement.
6. The seat for such Arbitration shall be Mumbai and/or Delhi, as may be determined by the Lender and which may be administered electronically under Online Dispute Resolution (ODR), in accordance with its Dispute Resolution Rules (“Rules”) of the Independent Arbitration Centre. The costs of such arbitration shall be borne by the Borrower(s). The language of the arbitration



proceedings shall be English. The award, including interim award given by the Arbitrator shall be final and binding upon all the parties to this Agreement and also the Facility Documents. The provisions of this Clause shall continue to be in force in respect of any question, dispute or claim as mentioned in this Clause notwithstanding the repayment of all dues under the Facility.

7. The parties agree to have their disputes resolved by Fast Track procedure as specified in section 29B of the Arbitration and Conciliation Act, subject to and in accordance with, the procedure which the Arbitrator may lay down from time to time to conduct Arbitration proceedings and the Sole Arbitrator or the Arbitration Centre shall conduct Arbitration Proceedings in such manner as he/it may deem appropriate as per section 29B of the said Act.
8. If a party is required to enforce an arbitral award by legal action of any kind, the party against whom such legal action is taken shall pay all reasonable costs and expenses and attorneys' fees, including any cost of additional litigation or arbitration taken by the party seeking to enforce the award. The provision of arbitration clause contained herein shall continue in force in respect of any question, dispute or claim as mentioned in clause above notwithstanding the repayment of Facility.
9. The terms of Facility shall be governed by the Laws of India and shall be subject to the exclusive jurisdiction of courts and tribunals in Mumbai and/or Delhi.
10. Borrower(s) hereby expressly acknowledges, agrees, confirms and admits that the Borrower(s) has fully read, verified, understood and irrevocably agreed to and accepted and delivered all the terms, conditions and provisions contained herein and the Schedule of Terms of Facility by signing this Agreement.
11. Borrower(s) has executed this Arbitration Agreement with full knowledge and understanding of the obligations herein willingly undertaken, agreed and accepted and/or the Borrower(s) agrees that the complete terms and conditions of the terms of Facility have been explained in English or the vernacular language understood by the Borrower(s).
12. In the event of death, refusal, neglect, inability or incapability of the person so appointed to act as an Arbitrator the Lender may appoint a new Arbitrator.
13. **THE TERMS OF FACILITY SHALL BE GOVERNED BY THE LAWS OF INDIA AND SHALL BE SUBJECT TO THE EXCLUSIVE JURISDICTION OF COURTS AND TRIBUNALS IN MUMBAI AND/OR DELHI.** Nothing contained in this Clause shall limit any right of the Lender to take any proceedings in any court or tribunal of competent jurisdiction, nor shall the taking of proceedings in one or more jurisdictions preclude the taking of proceedings in any other



jurisdiction whether concurrently or not and the Borrower(s) irrevocably submits to, and accepts, generally and unconditionally, the jurisdiction of such courts and tribunals, and the Borrower(s) irrevocably waives any objection it may have now or in the future on the ground of an inconvenient forum.

14. *THE BORROWER(S) HEREBY EXPRESSLY ACKNOWLEDGES, AGREES, CONFIRMS AND ADMITS THAT THE BORROWER(S) HAS FULLY READ, VERIFIED, UNDERSTOOD AND IRREVOCABLY AGREED TO AND ACCEPTED AND DELIVERED ALL THE TERMS, CONDITIONS AND PROVISIONS CONTAINED HEREIN AND THE SCHEDULE OF TERMS OF FACILITY BY SIGNING THE FACILITY AGREEMENT.*

15. *The Borrower(s) has executed the Facility Agreement with full knowledge and understanding of the obligations herein willingly undertaken, agreed and accepted and/or THE BORROWER(S) AGREES THAT THE COMPLETE TERMS AND CONDITIONS OF THE TERMS OF FACILITY HAVE BEEN EXPLAINED IN ENGLISH OR THE VERNACULAR LANGUAGE UNDERSTOOD BY THE BORROWER(S)."*

4. It is submitted on behalf of the plaintiff that since the respondents failed to repay the loan amount, the petitioner sent a notice dated 22nd May, 2025 to the respondents invoking the aforesaid arbitration clause under Section 21 of the Act.

5. No reply to the aforesaid notice was received by the petitioner on behalf of the respondents.

6. Notice was issued by the predecessor bench on 8th July, 2025.

7. As per the report of the Registry, the respondents in the present petition have been served.

8. However, despite service, none has entered appearance on behalf of the respondents.

9. Accordingly, the dispute between the parties arising out of the Agreement is referred to the Arbitral Tribunal comprising of a Sole Arbitrator. The following directions are issued in this regard:

a. Ms. Abiha Zaidi, (Mobile No.: +91 98106 66702) is appointed



as the Sole Arbitrator to adjudicate the disputes between the parties.

b. The arbitral proceedings shall be held under the aegis of the Delhi International Arbitration Centre, Delhi High Court, Sher Shah Road, New Delhi (hereinafter 'DIAC').

c. The remuneration of the Arbitrator shall be in terms of DIAC (Administrative Cost and Arbitrators' Fees) Rules, 2018.

d. The Arbitrator is requested to furnish a declaration in terms of Section 12 of the Act prior to entering into the reference. In the event there is any impediment to the Arbitrator's appointment on that count, the parties are given liberty to file an appropriate application before this Court.

e. It is made clear that all the rights and contentions of the parties, including preliminary objections with regard to arbitrability of any of the claims as well as claims/ counter-claims of either of the parties on the merits of the dispute including the defence of the respondent that no amount is due and payable to the petitioner, are left open for adjudication by the Arbitrator.

f. The parties shall approach the Arbitrator within two (2) weeks from today.

10. The petition stands disposed of in the aforesaid terms.

11. Needless to state, nothing in this order shall be construed as an expression of this Court on the merits of the case.

AMIT BANSAL, J

SEPTEMBER 19, 2025

Vivek/-