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

+ **ARB.P. 994/2025**

AXIS FINANCE LIMITED

.....Petitioner

Through: Mr. Vivek Sinha, Mr. Vivek Malik
and Mr. Danish Akhtar, Advocates.

versus

PRASHANT SINGH & ANR.

.....Respondents

Through: None.

CORAM:

HON'BLE MS. JUSTICE JYOTI SINGH

ORDER

18.09.2025

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

2. The case of the petitioner, as set out in the petition is that in the year 2022, Respondents approached the Petitioner for availing financial facility. On 25.11.2022, Petitioner sanctioned and disbursed a sum of Rs.16,23,067/- in favour of the Respondents in loan account bearing No. 0456APIA00004413. The loan was to be repaid in monthly installments of Rs.14,344/- , each payable by 5th of every month with interest as per terms of the loan agreement. A formal Facility Agreement was executed between the parties on 25.11.2022. Respondents mortgaged their property bearing Flat No. A3 206, Shyam Vatika, Nr. Deep Darshan Vidhya Sankul Dindoli



Deladava Road, Deladava, Surat, Gujarat, as a security for repayment of loan.

3. According to the Petitioner, Respondents failed to maintain their financial discipline towards repayment of the loan facility and started making defaults since January 2025, which led to the Petitioner classifying the accounts of the Respondents as a Non-Performing Asset. Legal notice was sent by the Petitioner on 07.04.2025 but the outstandings were not cleared. As per the Petitioner, a sum of Rs. 16,34,063/- is due to the Petitioner from the Respondents as on 16.04.2025. In light of the arbitration clause in the Loan Agreement, Petitioner sent notice invoking arbitration dated 25.04.2025 to the Respondents to consent to appointment of an Arbitrator, however, there was no response. The arbitration Clause 29(c) in the Loan Agreement is extracted hereunder for the ease of reference:-

“29(c) Notwithstanding sub-clause (a) above, the Lender may, at its option, choose to settle any disputes which may arise out of or in connection with this Agreement by referring the same to arbitration in accordance with the (Indian) Arbitration and Conciliation Act, 1996 as amended from time to time. The arbitral tribunal shall comprise of a sole arbitrator appointed by the Lender. The arbitration shall be held at Mumbai and/or Delhi, as may be determined by the Lender and the proceedings of such arbitration shall be conducted in English. The Parties hereby agree that the decision of the arbitrators shall be final and binding. The parties hereby also agree that the cost of the arbitration proceeding shall be borne by the Borrower.”

4. On 25.08.2025, there was no appearance on behalf of the Respondents despite service, as per the affidavit of service filed by the Petitioner. None had appeared even on the second call and in the interest of justice, adverse order was deferred, making it clear that if the Respondents were unrepresented on the next date, they shall be set *ex parte*.

5. This is the second call of the matter and none appears on behalf of the



Respondents. It is evident that Respondents are not interested in contesting this petition and are accordingly set *ex parte*.

6. The Loan Agreement in question contains an arbitration clause and hence, in light of the judgment of the Supreme Court in ***SBI General Insurance Co. Ltd. v. Krish Spinning, 2024 SCC OnLine SC 1754***, this Court finds no impediment in appointing an Arbitrator.

7. Accordingly, Coordinator, Delhi International Arbitration Centre ('DIAC') is requested to take steps for appointment of the Sole Arbitrator. Arbitral proceedings will be held under the aegis of DIAC and fee of the Arbitrator shall be fixed as per fee schedule under DIAC (Administrative Cost & Arbitrators' Fees) Rules 2018.

8. Learned Arbitrator shall give disclosure under Section 12 of the 1996 Act before entering upon reference.

9. It is made clear that this Court has not expressed any opinion on the merits of the case and all rights and contentions of the respective parties are left open.

10. Petition is allowed and disposed of in the aforesaid terms.

JYOTI SINGH, J

SEPTEMBER 18, 2025/RW