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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
+ **ARB.P. 1530/2024**
TATA CAPITAL LIMITED

.....Petitioner

Through: Mr. Nachiketa Suri, Mr. Raj Kumar,
Ms. Nimisha Jain, Advs.

versus

BLD METAL AND ALLOYS PRIVATE LIMITED & ORS.

.....Respondent

Through: Ms. Sumati Sharma, Adv.

CORAM:
HON'BLE MR. JUSTICE JASMEET SINGH

ORDER

26.05.2025

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1. This is a petition filed under Section 11(6) of the Arbitration and Conciliation Act, 1996 seeking appointment of an Arbitrator for adjudication of disputes between the parties arising out of the Loan Agreement dated 29.12.2022.
2. The arbitration clause is contained as Clause 9 of the Loan Agreement dated 29.12.2022 and the same reads as under:

“9. Arbitration

If any dispute, difference or claim arises between any of the Obligors and the Lender in connection, with the Facility or as to the; interpretation, validity, implementation or effect of the Facility Documents or as to the rights and liabilities of the parties under the Facility Documents or alleged breach of the Facility Documents or anything done or omitted to be done pursuant to the Facility Documents, the same shall be settled by arbitration to be held at the place as mentioned at Serial No. 13 Annexure 1 hereto in accordance with the Arbitration and



Conciliation Act, 1996, or any statutory amendments thereto and shall be referred to a sole arbitrator to be appointed by the Lender. The award of the arbitrator shall be final and binding on all parties concerned. The arbitration proceedings shall be in English language. Cost of arbitration shall be borne by the Obligors.”

3. The facts are that the petitioner and the respondent(s) entered into a Loan Agreement dated 29.12.2022, under which the petitioner sanctioned a loan of Rs 30,30,000/- to the respondent(s). The said loan was to be repaid in 36 monthly instalments, each of Rs 1,08,028/-. The respondent No.1 is the principal borrower and the respondent Nos. 2 and 3 are the co-borrowers.
4. Since the respondent(s) failed to adhere to pay the monthly instalments, the petitioner issued a loan recall notice as well as notice invoking arbitration dated 23.07.2024.
5. In the present petition, the parties were referred to mediation vide order dated 13.02.2025, however, the mediation has failed.
6. Ms. Sharma, learned counsel for the respondent states she has no objection to the petition being allowed and an arbitrator being appointed, however, she states that there is still a possibility of a settlement between the parties and some more time may be granted.
7. For the said reasons, the petition is allowed and the following directions are issued:-
 - i) The Delhi International Arbitration Centre, Delhi High Court, Sher Shah Road, New Delhi (hereinafter, referred to as the ‘DIAC’) will appoint an Arbitrator out of the Panel of the Advocates maintained by the DIAC.



- ii) The arbitration will be held under the aegis and rules of the DIAC.
 - iii) The remuneration of the learned Arbitrator shall be in terms of DIAC (Administrative Cost and Arbitrators' Fees) Rules, 2018.
 - iv) The learned Arbitrator is requested to furnish a declaration in terms of Section 12 of the Act prior to entering into the reference.
 - v) It is made clear that all the rights and contentions of the parties, including as to the arbitrability of any of the claim, any other preliminary objection, as well as claims/counter-claims and merits of the dispute of either of the parties, are left open for adjudication by the learned arbitrator.
 - vi) The parties shall approach the DIAC within two weeks from today.
8. Since there is still a possibility of the disputes being settled amicably between the parties, it is directed that the learned arbitrator shall not enter reference for a period of 8 weeks from the date of service of the notice to enable the parties to try and settle the disputes.
9. In this regard, the respondent shall approach the petitioner.
10. The present petition is disposed of in the aforesaid terms.

JASMEET SINGH, J

MAY 26, 2025 / (MS)