$~17

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

\# **CNR No. DLHC010394192026**

\+ ARB.P. 1505/2026

HDFC BANK LTD .....Petitioner

Through: Mr. Anish Bhola, Adv.

versus

SAURAV YADAV .....Respondent

Through: Mr. Prannav Sharma, Ms. Kanika Sharma and Mr. Pravin Sharma, Advs.

CORAM:
HON'BLE MR. JUSTICE OM PRAKASH SHUKLA

JUDGMENT(ORAL)

% 01.10.2026

1. Mr. Prannav Sharma, learned Counsel appears on behalf of the Respondent on advance notice and submits that he has no objection for the appointment of Arbitrator. He also submits that the matter can be referred to mediation to explore the possibility of an amicable settlement.

2. Acceding to the same, the matter is referred to Delhi High Court Mediation and Conciliation Centre *(Samadhan)* and the parties are directed to appear in-person or through their authorized representative along with their respective Counsel before the Mediation Centre on 09.10.2026.

3. Three weeks' time is granted for exploring the possibility of settlement through mediation.

4. In case mediation fails, the parties are also *ad idem* with respect

Signature Not Verified
Signed By:PRAGYA ARORA
Signing Date:08.10.2026 10:40:22

to reference of the disputes to arbitration. The arbitration agreement is contained in Clause 38 of the Loan-Cum-Hypothecation Agreement dated 26.06.2023, the same is reproduced hereinbelow:

> *"38. Dispute Resolution: The Loan, this document/other documents, shall be governed by the laws of India The Parties hereto expressly agree that all disputes arising out of and/or relating to the Loan, this or any other relevant document shall be subject to the exclusive jurisdiction of the court/tribunal of the city/place in which the branch of the Bank from where the Disbursement has been made is. situate, provided that the exclusivity aforesaid shall bind the Borrower and the Bank shall be entitled to pursue the same in any other court of competent jurisdiction at any other place, and provided further that if any dispute is below the pecuniary jurisdiction limit of the Debts Recovery Tribunals established under the DRT Act, then such dispute shall be referred to arbitration in accordance with the provisions of the Arbitration and Conciliation Act, 1996 as may be amended, or its re-enactment, by a sole arbitrator, appointed by the Bank. The place of arbitration shall be at city/place in which the branch of the Bank from where the Disbursement has been made Is situated or such other place as the Bank May determine. The costs of such arbitration shall be borne by the losing party or otherwise as determined in the arbitration award 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 attorney's fees, including any cost of additional litigation or arbitration taken by the party seeking to enforce the award. Provided further that none of the aforesaid shall limit or prejudice the Bank from exercising of any of the Bank's rights or remedies under SARFAESI Act and/or, IBC and/or any other applicable law."*

5. It is well settled that while exercising jurisdiction under Section 11 of the Act, the scope of enquiry is confined to examining the *prima facie* existence of an arbitration agreement[1].

6. In the present case, there is no dispute with regard to the existence of a valid arbitration agreement between the parties.

[1] **SBI General Insurance Co. Ltd. v. Krish Spinning 2024 SCC OnLine SC 1754**

Signature Not Verified
Signed By:PRAGYA ARORA
Signing Date:08.10.2026 10:40:22

7. In the aforesaid circumstances, this Court finds no impediment in appointing a Sole Arbitrator in case mediation does not succeed.

8. Accordingly, Mr. Sarvan Kumar, Advocate (Mob. No. 9810763691) is appointed as a learned Sole Arbitrator to adjudicate the disputes arisen between the parties. The learned Sole Arbitrator shall enter upon the reference within three weeks from the date of the mediation report recording failure of settlement.

9. The learned Sole Arbitrator will proceed to the arbitration proceedings subject to furnishing requisite disclosures as required under Section 12(2) of the Act.

10. The arbitration shall be carried under the rules and aegis of DIAC. The learned Arbitrator shall be entitled to fees as per the Schedule of Fees maintained by the DIAC.

11. It shall be open to the parties to raise all pleas, including objection as to arbitrability, jurisdiction and limitation etc., before the learned Sole Arbitrator who shall decide the same in accordance with law.

12. It is clarified that the observations made herein are only for the purpose of deciding the present petition under Section 11(6) of the Act. The learned Sole Arbitrator shall adjudicate the disputes with claims and counter claims independently and on their own merits, uninfluenced by any observations contained in the present order.

Signature Not Verified
Signed By:PRAGYA ARORA
Signing Date:08.10.2026 10:40:22

13. The Registry is directed to send a receipt of this order to Mr. Sarvan Kumar, learned Arbitrator through all permissible modes including email.

14. Accordingly, the present petition is disposed of in the above terms.

OM PRAKASH SHUKLA, J

OCTOBER 1, 2026/*gunn*

Signature Not Verified
Signed By:PRAGYA ARORA
Signing Date:08.10.2026 10:40:22