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

+ **ARB.P. 2109/2025**

INTERNATIONAL ASSET RECONSTRUCTION

COMPANY PRIVATE LIMITED (IARC)Petitioner

Through: **Mr. Aditi Anup and Mr. Piyush,**
Advs.

versus

MS. RACHNA MALLRespondent

Through: **(Advocate) appearance not**
given.

CORAM:

HON'BLE MR. JUSTICE OM PRAKASH SHUKLA

JUDGMENT(ORAL)

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29.07.2026

1. The present petition has been filed under Section 11(6) of the Arbitration and Conciliation Act, 1996¹ seeking appointment of an independent Sole Arbitrator to adjudicate the disputes arising between the parties under the loan agreement dated 11.09.2018.

2. The Respondent approached Bajaj Finance Limited for availing a top-up salaried personal loan. Pursuant thereto, a personal loan of Rs.7,18,000/- was sanctioned in favour of the Respondent.

3. It is an allegation against the Respondent that they committed repeated defaults in repayment of the loan by making irregular and intermittent payments.

¹ "the Act" hereinafter



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4. By virtue of a Deed of Assignment dated 30.09.2024 executed between Bajaj Finance Ltd and the Petitioner, the loan account of the Respondent along with all rights under the loan agreement was assigned in favour of the Petitioner, and therefore, the Petitioner stepped into the shoes of the original lender and became entitled to enforce the terms of the loan agreement.

5. The parties, thereafter, engaged in settlement discussions. However, it is alleged that Respondent failed to adhere to the settlement terms and the settlement stood revoked.

6. The arbitration agreement under Clause 10 of the loan agreement reads as under:-

“10. Dispute Resolution

Any dispute arising out of or in relation to the Loan, including this agreement and/or Loan Documents shall be referred for arbitration to the sole arbitrator appointed by the Lender. The Parties agree and confirm that the arbitration proceedings shall be conducted in accordance with the Arbitration and Conciliation Act, 1996 and the rules applicable thereto. The venue of the arbitration shall be at Pune, New Delhi or capital of the state where the Borrower resides, at the sole discretion of the Lender and the arbitration proceeding shall be conducted in English language. The decision of the Arbitrator shall be final and binding on the Parties. Pending the passing of final award, the Borrower shall be liable to perform all its obligations under this Agreement.”

7. The Petitioner has also invoked the arbitration by issuing a notice dated 11.06.2025 under Section 21 of the Act.

8. This Court *vide* order dated 22.12.2025, issued notice to the Respondent, which is duly served.



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9. Thereafter, *vide* order dated 05.05.2026 and 21.05.2026, this Court has passed the following orders:-

05.05.2026

1. The present Petition, under Section 11 of the Arbitration and Conciliation Act, 1996, seeks the appointment of a Sole Arbitrator to adjudicate the dispute inter se the parties arising out of the Personal Loan Agreement dated 11.09.2018.
2. This Court notes that, *vide* Order dated 22.12.2025, Notice was issued to the Respondent. In response thereto, by way of an e-mail dated 28.01.2026, the Respondent has communicated that she has been permanently residing outside India since 2019 and has sought an adjournment of four (04) months on account of various professional, personal and medical reasons.
3. This Court further notes that the said e-mail is dated 28.01.2026 and a period of almost four (04) months has already elapsed thereafter.
4. In view of the above, this Court of the view that no further time is required to be granted since the service stands completed. In view thereof, list this matter on 21.05.2026 for final disposal in the category of "Supplementary List" matters.
5. The Respondent shall also be at liberty to file her Reply before the next date of hearing and may be represented through counsel or in person through Video Conferencing.
6. The Registry is directed to communicate this order to the Respondent by way of electronic means at the e-mail address from which the communication dated 28.01.2026 was received. The Petitioner is also directed to ensure that the Respondent is duly intimated of the present order.

21.05.2026

1. This Court notes that a communication dated 20.05.2026 has been received from the Respondent seeking an extension of three (03) months for filing a reply to the present Petition and is of the view that the period so sought is wholly unreasonable and does not merit acceptance.
2. However, in the interest of justice, the Respondent is granted a final opportunity to file a reply within a period of six (06) weeks from today. failing which, this Court shall proceed to hear and finally dispose of the matter on the basis of the material available on record.
3. Accordingly, the Registry is directed to lake the aforesaid communication on record, and also to communicate the present Order to the Respondent at the e-mail address from which the



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aforesaid correspondence has been received, within a period of one (01) week

10. It is apparent from the aforesaid that the Respondent is well aware of the present proceedings and this Court has granted ample opportunities to the Respondent to enter appearance and file a reply. However, despite repeated opportunities, neither has any reply been filed nor has anyone appeared on behalf of the Respondent.

11. In these circumstances, this Court is constrained to proceed on the basis of material available on record.

12. 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 agreement².

13. In the present case, Clause 10 of the loan agreement categorically and explicitly provides for arbitration for dispute resolution.

14. The material placed on record further shows that by virtue of the Deed of Assignment dated 30.09.2024, the rights and interests of the original lender under the loan agreement stood assigned in favour of the Petitioner.

15. The Petitioner has, thereafter, duly invoked the arbitration agreement by issuance of a notice under Section 21 of the Act.



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16. Therefore, the conditions of Section 11(6) of the Act for the purpose of appointment of Arbitrator stand satisfied.

17. The claim amount is stated to be a sum of Rs. 9,60,466.18/-.

18. Accordingly, Mr. Kartikay Sharma, Advocate (Mob. 9811297200) is appointed as the learned Sole Arbitrator to adjudicate the disputes that have arisen between the parties. The learned Sole Arbitrator shall enter upon the reference within two weeks from today.

19. The learned Sole Arbitrator shall proceed with the arbitration proceedings, subject to furnishing the requisite disclosures as required under Section 12(2) of the Act within three weeks of entering reference.

20. The arbitration shall be carried out under the rules and aegis of the Delhi International Arbitration Centre³. The learned Arbitrator shall be entitled to fees as per the Schedule of Fees maintained by the DIAC.

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

² SBI General Insurance Co. Ltd. v. Krish Spinning 2024 SCC OnLine SC 1754

³ "DIAC" hereinafter



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22. 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 independently and on their merits, uninfluenced by any observations contained in the present order.

23. The Registry is directed to send a copy of this order to Mr. Kartikay Sharma, learned Arbitrator, through all permissible modes including email.

24. Accordingly, the present petition is disposed of in the aforesaid terms.

25. The present petition stands disposed of in above terms.

OM PRAKASH SHUKLA, J

JULY 29, 2026/at