



2026:DHC:8354



\$~15

* **IN THE HIGH COURT OF DELHI AT NEW DELHI**# **CNR No. DLHC010318142026**+ **ARB.P. 1191/2026****INDIAN BANK**

.....Petitioner

Through: Mr. Aditya Goel and Ms.
Rakshita Goyal, Advs.

versus

BANK OF BARODA & ORS.

.....Respondents

Through: Mr. Arun Aggarwal, Mr.
Lovelesh Kukreja and Ms.
Shivani Nautiyal, Advs. for R-
1.**CORAM:****HON'BLE MR. JUSTICE OM PRAKASH SHUKLA****ORDER(ORAL)**

%

25.09.2026

1. The present petition has been filed under Section 11(6) of the Arbitration and Conciliation Act, 1996¹ read with Section 11 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002² seeking appointment of a Sole Arbitrator to adjudicate the disputes between the Petitioner and Respondent No. 1.

2. 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 agreement³.

3. The dispute arises out of competing claims of the Petitioner and Respondent No. 1, both banking institutions, with respect to their

¹ "Act" hereinafter

² "SARFAESI Act" hereinafter

³ **SBI General Insurance Co. Ltd. v. Krish Spinning** 2024 SCC OnLine SC 1754



respective priority/charge over the same mortgaged properties and the consequential right to enforce the security interest thereover.

4. The Petitioner had earlier approached the learned Debts Recovery Tribunal-I⁴, Delhi by way of TSA No. 131/2022. *Vide* order dated 28.01.2026, the learned DRT dismissed the said proceedings, holding that the *inter se* dispute between the banks was required to be resolved through arbitration under Section 11 of the SARFAESI Act.

5. It is not in dispute that no arbitrator has been appointed till date. The Petitioner has, consequently, approached this Court seeking constitution of the Arbitral Tribunal. The Respondent No. 1, however, is not *ad idem* to the appointment of an Arbitrator.

6. The absence of consent does not, in the facts of the present case, constitute an impediment to the exercise of jurisdiction under Section 11(6) of the Arbitration Act.

7. Section 11 of the SARFAESI Act constitutes a special statutory mechanism for resolution of disputes relating to securitisation, reconstruction or non-payment of amounts due, where such disputes arise between the entities specifically contemplated therein, including banks and financial institutions.

8. Section 11 of the SARFAESI Act is reproduced hereinbelow:

“11. Resolution of disputes.—Where any dispute relating to securitisation or reconstruction or non-payment of any amount due including interest arises amongst any of the parties, namely, the bank or financial institution, or ¹¹⁷[asset reconstruction company] or ¹¹⁸[qualified buyer], such dispute shall be settled by conciliation

⁴ DRT” hereinafter



2026:DHC:8354



or arbitration as provided in the Arbitration and Conciliation Act, 1996 (26 of 1996), as if the parties to the dispute have consented in writing for determination of such dispute by conciliation or arbitration and the provisions of that Act shall apply accordingly.”

9. The legal position stands authoritatively settled by the Supreme Court in ***Bank of India v. Sri Nangli Rice Mills Pvt. Ltd. & Ors***⁵. The Supreme Court has held that Section 11 of the SARFAESI Act provides for statutory arbitration in respect of disputes falling within its ambit and that no independent or separately executed arbitration agreement between the concerned parties is necessary. The statutory provision itself creates the requisite legal fiction of an arbitration agreement. The Supreme Court has further held that the mandate contained in Section 11 is mandatory and cannot be bypassed by recourse to another forum.

10. The present dispute falls squarely within the aforesaid statutory framework.

11. In the aforesaid circumstances, this Court finds no impediment in appointing a Sole Arbitrator.

12. Accordingly, Mr. Mohit Kumar Mudgal, Advocate (Mob. No. 9818885995) 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 today.

13. The learned Sole Arbitrator will proceed to the arbitration proceedings subject to furnishing requisite disclosures as required

⁵ (2025) 9 SCC 225



2026:DHC:8354



under Section 12(2) of the Act within three weeks of entering reference.

14. The arbitration shall be carried under the rules and aegis of Delhi International Arbitration Centre (“DIAC”). The learned Arbitrator shall be entitled to fees as per the Schedule of Fees maintained by the DIAC.

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

16. 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 own merits, uninfluenced by any observations contained in the present order.

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

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

OM PRAKASH SHUKLA, J

SEPTEMBER 25, 2026/gunn