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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
Date of Decision: 10.11.2025

+ **ARB.P. 1274/2025**

M/S NUMERO UNO CLOTHING LIMITEDPetitioner

Through: Mr. Saurav Agarwal, Ms. Ritika Jhurani, Mr. Dinesh Sharma, Mr. Abhishek Kandwal, Ms. Prachi Dubey, Mr. Ujwal Sharma, Ms. Kiran Devrani, Ms. Gauri Bansal Advs.

versus

UNITED INDIA INSURANCE COMPANY LIMITED...Respondent

Through: Mr. Vishnu Mehra, Senior Advocate with Mr. Sanjay Kumar Chhetry, Adv.

CORAM:
HON'BLE MR. JUSTICE JASMEET SINGH

JASMEET SINGH, J. (ORAL)

ARB.P. 1274/2025 & I.A. NO. /2025 (to be numbered)

1. This is a petition filed under Section 11(6) of the Arbitration and Conciliation Act, 1996 seeking appointment of an Arbitrator on behalf of the respondent for adjudication of disputes between the parties.
2. The brief facts are that the respondent issued the Standard Fire and Special Perils Policies (“*Insurance Policies*”) bearing No. 0401011123P114983848 (“*Policy No. 1*”) and 0401011123P116240229 (“*Policy No. 2*”) in favor of the petitioner for the period 31.01.2024 to 30.01.2025, wherein the sum insured was Rs. 1,04,73,80,000/- and Rs. 15,00,00,000/-, respectively.



3. The General Conditions of Policy No. 1 contains an arbitration clause being Clause No. 13, which reads as under:-

“13. If any dispute or difference shall arise as to the quantum to be paid under this policy (liability being otherwise admitted) such difference shall independently of all other questions be referred to the decision of a sole arbitrator to be appointed in writing by the parties to or if they cannot agree upon a single arbitrator within 30 days of any party invoking arbitration, the same shall be referred to a panel of three arbitrators, comprising of two arbitrators, one to be appointed by each of the parties to the dispute/difference and the third arbitrator to be appointed by such two arbitrators and arbitration shall be conducted under and in accordance with the provisions of the Arbitration and Conciliation Act, 1996.

It is clearly agreed and understood that no difference or dispute shall be referable to arbitration as hereinbefore provided, if the Company has disputed or not accepted liability under or in respect of this policy.

It is hereby expressly stipulated and declared that it shall be a condition precedent to any right of action or suit upon this policy that the award by such arbitrator/ arbitrators of the amount of the loss or damage shall be first obtained.”

4. The Policy No. 2 also contains an arbitration clause being Clause No. 4, of Clause I, which reads as under:-

“4. Arbitration

If any dispute or difference arises between You and Us regarding the



amount of claim to be paid under this policy (liability having been admitted by Us), such difference shall independently of all other questions, be referred to the decision of a sole arbitrator to be appointed in writing by You and Us or if You and We cannot agree upon a single arbitrator within 30 days of either of Us opting for arbitration, the same shall be referred to a panel of three arbitrators comprising of two arbitrators, one to be appointed by each of Us, to the dispute/difference and the third arbitrator to be appointed by such two arbitrators and arbitration shall be conducted under and in accordance with the provisions of the Arbitration and Conciliation Act, 1996.”

5. On 30.05.2024, a fire broke out in the premises of the petitioner, which caused loss and damage to the petitioner. The petitioner duly reported the accident to the respondent and claimed losses to the tune of Rs. 83,36,63,438/- under Policy No. 1 and Rs. 35,37,675/- under Policy No. 2.
6. On 31.05.2024, the respondent appointed a surveyor- Vinod Sharma Surveyors & Loss Adjustors, to assess the damages and claims of the petitioner. The surveyor provided a Final Survey Report and the loss assessment summary suggested a loss of Rs. 42,55,93,847/- and Rs. 25,12,941/- under the two Insurance Policies, respectively.
7. Consequently, the petitioner received reduced amount of Rs. Rs. 42,16,50,694/- and Rs. 25,12,941/- under two Insurance Policies, respectively.
8. The petitioner being dissatisfied with the amount received, invoked arbitration vide legal notice dated 04.06.2025.



2025:DHC:10376



9. The respondent replied to the said notice and the said reply is extracted below:-



2025:DHC:10376



HARSH KUMAR
ADVOCATE
SUPREME COURT OF INDIA

DOCUMENT-5

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BCD Enrl. No. D/1537/2001

OFFICE AT: 105, WING-2, HANS
BHAWAN, 1 BARAKHAMBA ROAD,
NEW DELHI-110002

Date: 19/06/2025

To,

M/s SNJ AND PARTNERS
Advocates and Solicitors
L-18, Lajpat Nagar-III
(Lower Ground Floor)
New Delhi 110024

In Re: Reply to your Arbitration Notice dt. 04/06/2025 for invoking of Arbitration proceedings for the fire claim paid under policy No. 0401011123P114983848 & 0401011123P116240229 A/c M/s Numero Uno Clothing Ltd., Gurgaon, Haryana

Sir,

We acknowledge the receipt of your letter reference No. Nil, dt. 04.06.2025 being the notice to invoke the arbitration clause of the policy. I have been instructed by my client United India Insurance Co. Ltd., Regional Office-1, New Delhi through its Manager to convey you the following reply of your notice dated 04-06-2025 issued by you at the instruction of your client M/s Numero Uno Clothing Limited regarding invocation of arbitration clause of the insurance policies bearing No. 0401011123P114983848 & 0401011123P116240229 for appointment of sole arbitrator to resolve dispute.

That without replying the notice on merits the undersigned would like to convey you that the contentions raised in your letter have been examined in detail by the Competent Authority and it is found that the same is beyond the terms and conditions of policy of insurance after settlement of the claim. As such, none of your contentions or claims is fit for reference to the Arbitrator.

That my client would like to further inform you that they are constrained to accept your submission for resolution of dispute in regard to the quantum by arbitration in conformity with arbitration clause of the policy. You had collectively given your free and irrevocable consent and unconditionally accepted the claim settlement amount and issued the discharge voucher acknowledging the receipt of the amount in full and final settlement of the subject claim. The amount payable and accordingly paid was arrived at amicably after discussing all aspects of the claim with you.

CHAMBER NO.734, WESTERN WING.

01149096434

CHAMBER NO.511, KARKARDOOMA



Thus, we respectfully disagree with your notice for arbitration and do not consent to the appointment of the specified individual as the arbitrator.

You are therefore requested to withdraw your notice for invoking the arbitration clause under the policy as the same is not sustainable in view of the facts and circumstances mentioned above.

Thanking you.


HARSH KUMAR
ADVOCATE

10. A perusal of the respondent's reply extracted above shows that the respondent did not consent to the appointment of the Arbitrator.
11. The petitioner has nominated its nominee Arbitrator and thereafter, filled the present petition.
12. Learned counsel for the respondent has filed a reply dated 10.10.2025, affirmed by one Mr. Rakesh Kumar, working as Manager (Legal) with the respondent, however, the same is not on record. The same is handed over in the Court today and is taken on record.
13. In the said reply, it is submitted that the present petition is not maintainable on two grounds. First, that the petitioner had given unequivocal consent to a full and final settlement of its claims, which was duly acknowledged *vide* a signed settlement/ intimation voucher dated 21.05.2025 and hence, the disputes were not arbitrable. Second, that the arbitration clause invoked by the petitioner is applicable only in cases where the respondent has admitted the liability and in the present case, the respondent has not admitted any liability. Additionally, it is also submitted that the Insurance Policies have not been duly stamped as per the provisions of the Indian Stamp Act, 1899



and hence, inadmissible in evidence and cannot be acted upon. However, there is no other objection as regards the existence of an arbitration agreement/ clause between the parties.

14. The respondent has also filed an application under Order VI Rule 17 read with Section 151 of CPC, 1908 seeking leave to amend the reply dated 10.10.2025, however, the same also is not on record. The learned counsel for the respondent has handed over the said application in the Court today and the same is taken on record.

15. In the said application, the respondent has now sought to resile from its earlier stand of not disputing the existence of the arbitration clause/ agreement and has pleaded that there exist no arbitration clause/ agreement between the parties. Paragraph No. 4 of the said application is extracted below:-

“4. That due to an inadvertent oversight and bona fide mistake, the Respondent /Applicant failed to plead in the original Reply a crucial statutory development, namely, the denotification of the arbitration clause in fire insurance policies by the Insurance Regulatory and Development Authority of India (IRDAI) vide Circular Ref. No. IRDAI/NL/CIR/MISC/180/10/2023 dated October 27, 2023, effective from the same date. This Circular was also formally notified in the Official Gazette of India on January 23, 2024 (Notification No. IRDAI/Reg/1/197/2024), under powers conferred by Section 64ULA of the Insurance Act, 1938. Full text of the circular dated 27th October, 2023 and the Gazette Notification dated 22.1.2024 as published on 23.01.2024 are extracted below for the ease of



reference:

QUOTE

“Reference No.: IRDAI/NL/CIR/MISC/188/10/2023

Date: 27th October, 2023

To: All CEOs/CMDs of General Insurance Companies

Re: Amendment of Arbitration Clause in General Insurance Policies

On reference made by the Hon'ble Supreme Court of India, IRDAI undertook a comprehensive review of the extant Arbitration Clause prevalent across various lines of business in the General Insurance Industry. After due consultation with stakeholders, IRDAI is of the view that the extant Arbitration Clause is limited in scope and needs to be amended. It was also viewed that the retail/individual policyholders may be kept out from the provisions of Arbitration Clause as they have alternative forums of Insurer's Grievances System, Insurance Ombudsman and the Consumer Courts besides the Civil Courts available for redressal of their grievances/disputes. Accordingly, the Authority in exercise of its powers under Clause (i) sub-Section (2) of Section 14 of the IRDA Act, 1999, hereby directs that:

- I. All policies issued under the Retail Lines of Business shall not have any Arbitration Clause.***
- II. All policies issued under the Commercial Lines of Business shall have an Arbitration Clause as under:***



“The parties to the contract may mutually agree and enter into a separate Arbitration Agreement to settle any and all disputes in relation to this policy.

Arbitration shall be conducted under and in accordance with the provisions of the Arbitration and Conciliation Act, 1996.”

III. Transitory Provisions

a. For all the new policies issued on or after the date of this circular:

- *Arbitration Clause shall be deemed deleted from all the retail policies.*
- *Clause at 'II' above shall be deemed to be the Arbitration Clause in General Conditions of all the commercial insurance policies.*

b. For all the existing policies:

- *The existing Arbitration Clause shall remain valid till the term of the policy unless a policyholder specifically requests the insurer to replace it with the clause at "II" above.*
- *The clause at "II" shall be deemed to replace the existing Arbitration Clause in all the commercial policies from the date of renewal falling on or after the date of this circular.*

Insurers shall take necessary steps to bring it to the notice of the policyholders and to amend the relevant provisions of such policies.

This circular comes into force with immediate effect.

UNQUOTE

GAZETTE NOTIFICATION

QUOTE



“F. No. IRDAI/Gen Insurance/Tariff/1/195/2024 Notification Dated: January 22, 2024 (Published in the Official Gazette on January 22/23, 2024)

In exercise of the powers conferred by sub-section (1) of Section 64 ULA of the Insurance Act, 1938 (4 of 1938), the Authority hereby de-notifies the Arbitration clause in all tariff products under Fire, Motor and Engineering, Workmen's Compensation and other classes of insurance business.

1. In the year 2006, pursuant to the withdrawal of tariffs by the Tariff Advisory Committee, the Insurance Regulatory and Development Authority of India ("Authority") in exercise of powers vested in it under clause (i) of sub-section (2) of Section 14 of the IRDA Act, 1999, issued Notification Ref. 034/IRDA/De-Tariff/Dec-06 dated 4th December, 2006, wherein it was notified that the tariff general regulations (other than those relating to rating), terms, conditions, clauses, warranties, policy and endorsement wordings applicable to certain classes of business such as Fire, Engineering, Motor, Workmen's Compensation and other classes of insurances which were then under tariffs shall continue to be followed until further orders.

2. Now, by virtue of powers vested with the Authority under sub section (1) of Section 64 ULA of the Insurance Act, 1938 the Authority hereby notifies that the Arbitration clause related provisions in the tariff general regulations, terms, conditions, clauses, warranties, policy, add-ons, endorsement wordings and



proposal form applicable to the risks of Insurance business governed by the erstwhile Tariffs stand de-notified with effect from 27th October, 2023.

3. Accordingly, it is hereby notified that with effect from 27th October, 2023, insurance risks contracts mentioned provision regarding Arbitration clause shall be subject to the circular issued in this regard by the Authority and amended from time to time.

UNQUOTE

16. It is submitted in the said application that the Insurance Policies are under commercial lines of business. Thus, the amended arbitration clause as contained in the IRDAI Circular is deemed to be included in the Insurance Policies and thereby, the parties were required to enter into a separate arbitration agreement post-policy issuance, which the parties did not. Hence, the Clause No. 13 of the Policy No. 1 relied upon by the petitioner, is no longer mandatory or automatic and is de-notified.

17. Mr. Mehra, learned senior counsel for the respondent, submits that as Clause No. 13 was de-notified, the Insurance Policies issued after the IRDAI Circular as well as the gazette notification do not have an arbitration clause. Further, in absence of separate arbitration agreement between the parties post the aforesaid de-notification, the present petition under Section 11(6) of the 1996 Act is not maintainable.

18. The respondent through the application seeks to the amend the original reply as following:-

“15. That the Respondent seeks to add the following new paragraphs as Preliminary Objections 1, 2 and 3 of the original Reply.:



(i) *"That the instant petition under Section 11 (6) of the Arbitration and Conciliation Act, 1996 filed by the Petitioner (insured) for the appointment of Arbitrator erroneously on the basis of the old Arbitration Clause No. 13 of the Standard Fire and Special Perils Policies bearing no. 0401011123P114983848 and Standard Fire and Special Perils Policies bearing no. 0401011123P116240229 for the period 30.01.2024 to 30.01.2025 (Document-1 Colly's) at Pages 30-61 at page 36 of the Petition's paper-book is not maintainable and is liable to be dismissed at the threshold for the reason that the Insurance Regulatory and Development Authority of India (IRDAI) vide Circular Ref. No. IRDAI/NL/CIR/MISC/180/10/2023 dated October 27, 2023 has amended and denotified the arbitration clause in general insurance policies, including fire policies with effect from October 27, 2023. This was also formally notified in the Official Gazette of India on January 23, 2024 (Notification No. IRDAI/Reg/1/197/2024), under powers conferred by Section 64ULA of the Insurance Act, 1938. Pursuant to this, the Arbitration clause No. 13 is no longer mandatory or automatic in such policies; instead, parties must mutually agree and execute a separate arbitration agreement to invoke arbitration for any disputes."*

(ii) *"That no separate Arbitration Agreement has been executed between the Petitioner (Insured) and the Respondent (Insurer) post the aforesaid denotification dated 27.10.2023. In the absence of a valid and subsisting arbitration agreement, the present Petition*



under Section 11(6) of the Arbitration and Conciliation Act, 1996, is not maintainable, as this Hon'ble Court lacks jurisdiction to appoint an arbitrator. Reliance is placed on Section 7 (3) of the Arbitration and Conciliation Act, 1996 which defines an arbitration agreement "(3) An Arbitration Agreement shall be in writing". As per the settled law, the existence of an Arbitration Agreement is a sine qua non for exercise of jurisdiction / power under Section 11 of the Arbitration and Conciliation Act, 1996".

(iii) "That the aforesaid IRDAI Circular and Gazette Notification, being official acts, are matters of which judicial notice can be taken under Section 57 of the Indian Evidence Act, 1872. In view of the above, the Petition deserves to be dismissed at the threshold for want of jurisdiction, without prejudice to the Respondent's other contentions."

16. Accordingly, after insertion of aforesaid Preliminary Objections No. 1 to 3, the existing preliminary objections 1 to 5 in the original reply shall be renumbered as preliminary objections 4 to 8 respectively.

17. Furthermore, consequential amendments are required to be carried out in reply to para 3 (iii), (iv), (xvii), (xviii), (xix) and Para 4 of the original reply. The proposed amended reply to the said para 3 (iii), (iv), (xvii), (xviii), (xix), (xx) and Para 4 of the original reply are as under:

QUOTE

"3(iii) While the insurance cover by way of Standard Fire and



Special Perils Policies issued by the Respondent Insurance company for the period 31.01.2024 to 30.01.2025 are a matter of record, however in reply, the respondent craves leave to refer to and rely upon the averments made in preliminary objections 1 to 3 above and the same be read in as part of the reply to para 3(iii) and are not being repeated for the sake of gravity. It is stated that in view of the amendment and denotification of the earlier arbitration clause by IRDA vide circular no. IRDAI/NL/CIR/MISC/180/10/2023 dated 27.10.2023 which was also formally notified in the official gazette of India on 23.01.2024 vide notification no. IRDAI/REG/1/197/2024 under powers conferred by Section 64ULA of the Insurance Act, 1938. Arbitration Clause No. 13 is no longer mandatory or automatic in the said fire policy and admittedly no separate arbitration agreement has been executed between the petitioner (insured) and the respondent (insurer) post the aforesaid denotification dated 27.10.2023 and thus in the absence of a valid and subsistence arbitration agreement, the present petition under Section 11(6) of the Act is not maintainable as this Hon'ble Court lacks jurisdiction to appoint an arbitrator."

"3(iv) While the relationship between the parties and mutual rights and obligations are set out in the said Insurance Policies for the period 31.01.2024 to 30.01.2025 are a matter of record, however in reply to para 3(iv) of the petition, the respondent craves leave to refer to and rely upon the averments made in



preliminary objections 1 to 3 above and the same be read in as part of the reply to para 3(iii) and are not being repeated for the sake of gravity. It is stated that in view of the amendment and denotification of the earlier arbitration clause by IRDA vide circular no. IRDAI/NL/CIR/MISC/180/10/2023 dated 27.10.2023 which was also formally notified in the official gazette of India on 23.01.2024 vide notification no. IRDAI/REG/1/197/2024 under powers conferred by Section 64 ULA of the Insurance Act, 1938. Arbitration Clause No. 13 is no longer mandatory or automatic in the said fire policy and admittedly no separate arbitration agreement has been executed between the petitioner (insured) and the respondent (insurer) post the aforesaid denotification dated 27.10.2023 and thus in the absence of a valid and subsistence arbitration agreement, the present petition under Section 11(6) of the Act is not maintainable as this Hon'ble Court lacks jurisdiction to appoint an arbitrator."

"3(xvii) The contents of para 3 (xvii) of the petition are denied as stated besides being misconceived as the claim under the two fire policies was settled in full and final settlement as signified by the execution of discharge voucher date 21.05.2025 (referred page no. 128 of the petition) without any coercion and therefore there is no surviving claim. Without prejudice to the afore-going, it is stated that in the notice dated 4.6.2025, the Petitioner has erroneously invoked Arbitration clause no. 13 at page 36 which was denotified by IRDAI with effect from 27.10.2023 vide circular



dated 27.10.2023 and the same was also published in the Gazette of India on 23.1.2024. The respondent craves leave to refer to and rely on the averments made in paras 1 to 3 of the Preliminary objections above and the same be read in as part of the reply to para 3(xvii) and are not being repeated for the sake of gravity. It is stated that in view of the amendment and denotification of the earlier arbitration clause by IRDA vide circular no. IRDAI/NL/CIR/MISC/180/10/2023 dated 27.10.2023 which was also formally notified in the official gazette of India on 23.01.2024 vide notification no. IRDAI/REG/1/197/2024 under powers conferred by Section 64 ULA of the Insurance Act, 1938. Arbitration Clause No. 13 is no longer mandatory or automatic in the said fire policy and admittedly no separate arbitration agreement has been executed between the petitioner (insured) and the respondent (insurer) post the aforesaid denotification dated 27.10.2023 and thus in the absence of a valid and subsistence arbitration agreement, the present petition under Section 11(6) of the Act is not maintainable as this Hon'ble Court lacks jurisdiction to appoint an arbitrator."

"3(xviii) The contents of para 3 (xviii) of the petition are wrong and hence denied that "The arbitration clause is clearly triggered since liability under the policy has been admitted by the Respondent and the dispute regarding quantification is clearly within the purview of this arbitration clause" in view of the fact that the arbitration clause 13 at page 36 was denotified by IRDAI



with effect from 27.10.2023. The respondent craves leave to refer to and rely on the averments and submissions made in the Preliminary Objections no. 1,2 & 3 above and the same be read as part of the reply to para 3 (xviii) and the same are not being repeated for the sake of brevity."

"3(xix) The reply dated 19.06.2025 (wrongly stated as reply dated 04.06.2025) is a matter of record and the allegations made in para 3(xviii) of the petition are repetitive in nature and is vehemently denied. It is denied that the "arbitration clause is clearly attracted since liability under the policy has been admitted by the Respondent and the dispute regarding quantification is clearly within the purview of this arbitration clause - Document-5" In reply, the respondent craves leave to refer to and rely upon the averments and submissions made in the Preliminary Objections no. 1,2 & 3 above and the same be read as part of the reply to para 3 (xix) and the same are not being repeated for the sake of brevity. Without prejudice to the submission made herein above, the contents of the reply It is stated that the respondent."

"(xx) The contents of para 3 (xx) of the petition are denied as stated. In reply, the respondent craves leave to refer to and rely upon the averments and submissions made in the Preliminary Objections no. 1,2 & 3 above and the same be read as part of the reply to para 3 (xix) and the same are not being repeated for the sake of brevity. Without prejudice to the submission made herein above, the contents of the reply It is stated that the respondent."



"(xxi) The contents of para 3(xxi) of the petition are denied. It is denied that any cause of action has arisen under arbitration clause no. 13 of the fire policies at page 36 of the petition. In reply, the respondent craves leave to refer to and rely upon the averments and submissions made in the Preliminary Objections no. 1,2 & 3 above and the same be read as part of the reply to para 3 (xix) and the same are not being repeated for the sake of brevity. Without prejudice to the submission made herein above, the contents of the reply It is stated that the respondent."

"4. The contents of para 4 of the petition are denied. It is denied that "it is a fit case for invocation of Section 11 (6) for appointment of an Arbitrator on behalf of the Respondent to adjudicate the disputes between the parties....".In reply, the respondent craves leave to refer to and rely upon the averments and submissions made in the Preliminary Objections no. 1,2 & 3 above and the same be read as part of the reply to para 3 (xix) and the same are not being repeated for the sake of brevity. Thus, it is stated that on the facts of the case and in view of the denotification of the arbitration clause by the IRDAI with effect from 27.10.2023 as sought to be invoked by the Petitioner, the present petition under Section 11 (6) of the Act is not maintainable and is liable to be dismissed at the threshold for want of jurisdiction and thus it is not a fit case for invocation of Section 11 (6) of the Act for the appointment of an arbitrator."

19. Since the amendment goes to clarify the existence of the IRDAI



Circular and Gazette Notification, which are not in dispute, I am inclined to allow the application. The said amendments will form the part of the original reply.

20. As per the application, the reason for failure to include the IRDAI Circular dated 27.10.2023 in the original reply is stated to be “inadvertent error and bonafide mistake”. However, the fact remains that on 27.10.2023, the IRDAI Circular was promulgated by IRDAI, which was also gazetted on 23.01.2024.

21. In the present case, despite the IRDAI Circular having being in existence from 27.10.2023, the respondent did not mention the same in the Insurance Policies in question, which were from a period beginning from 31.01.2024. Since the IRDAI Circular was in existence on that date, there was no reason or basis for the respondent to enter into the Insurance Policies with the petitioner containing the arbitration clauses, as reproduced above in paragraphs No. 3 and 4 (Clause No. 13 of Policy No. 1 and Clause No. 4 of Policy No. 2).

22. The respondent itself, despite existence of IRDAI Circular dated 27.10.2023, issued the Insurance Policies containing the arbitration clauses and based on the Insurance Policies, the petitioner accepted the terms and conditions, paid the premium, and the receipt for the premium was issued, bringing into an existence a concluded contract between the parties. In my view, the same amounts to an arbitration clause/ agreement under Section 7 of the 1996 Act.

23. I am of the view that party autonomy in arbitration matters is of utmost importance. In case the respondent wanted to rely on the IRDAI Circular



dated 27.10.2023, Clause No. 13 in Policy No.1 and Clause No. 4 in Policy No. 2, should not have existed in the Insurance Policies issued post that date. Had these clauses not been there, the petitioner would have had an option to take an informed decision whether to take the said Insurance Policies or not.

24. Having signed the Insurance Policies herein, after the IRDAI Circular dated 27.10.2023 came into existence and was duly gazetted shows that the respondent despite existence of the IRDAI Circular chose to go ahead with the Insurance Policies containing the arbitration clauses. Hence, the respondent has given up its reliance on the IRDAI Circular dated 27.10.2023 and Gazette Notification dated 23.01.2024 for the Insurance Policies in the present case.

25. The IRDAI Circular dated 27.10.2023 would be applicable to the policies which were in existence on the date when the IRDAI Circular was made or when the IRDAI Circular was gazetted on 23.01.2024. If an insurance policy has been made after the IRDAI Circular dated 27.10.2023 and Gazette Notification dated 23.01.2024 and contains an arbitration clause then there is no justification for the respondent to issue such insurance policy containing an arbitration clause, unless the respondent wanted to have an arbitration clause in its insurance policy.

26. Mr. Mehra, learned senior counsel for the respondent states that the Court also needs to decide on the binding nature of the IRDAI Circular.

27. However, I am of the view that for the reasons noted above, this issue does not arise for consideration in the present matter and is kept open.

28. In view of the aforesaid, the present petition is allowed.

29. Since the arbitration clauses mandates a three member Arbitral



Tribunal and the petitioner has already nominated its nominee Arbitrator, the respondent shall appoint its Nominee Arbitrator within 2 weeks from the date of uploading of the order and the two Arbitrators shall appoint the Presiding Arbitrators within 2 weeks thereafter.

30. Let the amendment application filed on behalf of the respondent be numbered.

31. Accordingly, the present petition is disposed of and the petitioner will be at liberty to revive the petition in case the appointment is not made within the prescribed period.

JASMEET SINGH, J

NOVEMBER 10, 2025/DM

(Corrected and released on 20.11.2025)