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IN THE HIGH COURT OF DELHI AT NEW DELHI

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ARB.P. 625/2024

CARS 24 FINANCIAL SERVICES
PRIVATE LIMITED

.....Petitioner

Through: Mr. Rit Arora, Advocate.

versus

RAJEEV SINGH & ANR.

.....Respondents

Through: None.

CORAM:

HON'BLE MR. JUSTICE PRATEEK JALAN

ORDER

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07.08.2024

1. The petitioner seeks appointment of an arbitrator to adjudicate disputes between the parties under an Agreement dated 14.07.2021 entitled "*Credit Facility Agreement*" ["the Agreement"].
2. The Agreement provided for a loan to be advanced by the petitioner. The respondents, who are husband and wife, were named as the borrower and co-borrower respectively. The Agreement contains an arbitration clause [Clause 15.2], which provides for disputes to be settled by arbitration of a sole arbitrator and for the seat of arbitration to be in New Delhi. Courts in New Delhi have also been vested with exclusive jurisdiction under Clause 15.1.
3. Disputes having arisen between the parties, the petitioner invoked arbitration by a legal notice dated 04.03.2024, which failed to elicit a



response. It has, therefore, filed this petition under Section 11 of the Act.

4. Notice was issued on 13.05.2024. The Registry reports that notice has been served upon respondent No. 1 at the address mentioned in the memo of parties. Mr. Rit Arora, learned counsel for the petitioner, has also filed an affidavit of service, which shows that the respondent No. 2 has been served at the address given in her Aadhar card and in Schedule-I [Schedule of Terms] of the Agreement.

5. Mr. Arora points out that the agreement specifically provides in Clause 14 that the lender may issue physical notice to the address of the borrower mentioned in the Schedule of Terms.

6. Having regard to this position, the respondent No. 2 is also taken to have been served.

7. Enquiry at the stage of petition under Section 11 of the Act is limited to the *prima facie* existence of the arbitration clause, which in this case is not challenged. The respondent has also not appeared to controvert this position.

8. In view of the above, the disputes between the parties under the Agreement dated 14.07.2021 are referred to arbitration to be held under the aegis of Delhi International Arbitration Centre, Delhi High Court, Shershah Road, New Delhi [“DIAC”]. DIAC is requested to nominate an Arbitrator from its panel. The learned Arbitrator is requested to furnish a declaration under Section 12 of the Act, prior to entering upon the reference.

9. The arbitration proceedings will be governed by the Rules of DIAC, including as to remuneration of the learned Arbitrator.

10. All rights and contentions of the parties, including on



maintainability and merits of the claims, are left open for adjudication by the learned arbitrator.

11. As the respondents have not entered appearance in these proceedings, it is made clear that they must be properly served in the arbitration proceedings in accordance with DIAC Rules.

12. The petition is disposed of, in terms of the above.

PRATEEK JALAN, J

AUGUST 7, 2024

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