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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**% **Date of Decision : 16.12.2024**+ **ARB.P. 1453/2024****MONEYWISE FINANCIAL SERVICES PVT LTDPetitioner****Through: Ms. Mehvish Khan, Advocate along
with Mr. Ranjeet Kumar and Mr.
Aman Choudhary, Advocates.****versus****BANSAL BROTHERS THROUGH ITS PROPRIETOR SH RAJESH
BANSAL AND ANRRespondents****Through: None.****CORAM:****HON'BLE MR. JUSTICE SACHIN DATTA****SACHIN DATTA, J. (Oral)**

1. The present petition under section 11 of the Arbitration and Conciliation Act, 1996 (hereinafter referred as '*the A&C Act*') seeks constitution of an arbitral tribunal to adjudicate the disputes between the parties.
2. The disputes between the parties have arisen in the context of a Master Loan Agreement dated 08.01.2019 executed between the petitioner and the respondents, in terms of which, the respondent no.1 is the principal borrower, whereas the proprietor of respondent no.1 and respondent no.2 are the co-borrowers.
3. As per the said agreement, the petitioner disbursed a loan of Rs. 10,00,000/- (Rupees Ten Lakhs only) to the respondents. The loan amount



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was payable into 36 equal instalments of Rs. 37,164/- (Rupees Thirty Seven Thousand One Hundred and Sixty Four only).

4. Dispute/s have arisen between the parties on account of alleged default on the part of the respondents in paying the requisite instalments. The respondents failed to make the payment despite being granted opportunities to clear the outstanding dues.

5. The arbitration clause in the Agreement between the parties, is in the following terms:

“10.1 Arbitration: Any disputes, differences, controversies and questions directly or indirectly arising at any time hereafter between the Parties or their respective representatives or assigns, arising out of or in connection with this Agreement (or the subject matter of this Agreement), including, without limitation, any question regarding its existence, validity, interpretation, construction, performance, enforcement, rights and liabilities of the Parties, or termination (“Dispute”), shall be referred to a sole arbitrator duly appointed by the Lender. The language of the arbitration shall be English. The seat of the arbitration shall be at New Delhi and the language of proceedings shall be English. The award rendered shall be in writing and shall set out the reasons for the arbitrator’s decision. The costs and expenses of the arbitration shall be borne equally by each Party with, each party paying for its own fees and costs including attorney fees, except as may be determined by the arbitration tribunal. Any award by the arbitration tribunal shall be final and binding.”

6. Disputes having arisen between the parties, a loan recall/termination notice dated 10.02.2021 was issued by the petitioner followed by a notice invoking arbitration on 20.08.2024. However, the respondents failed to respond to the same. In these circumstances, the present petition has come to be filed.

7. In the present proceedings, notice was issued by the Court on 18.09.2024. The petitioner has taken the requisite steps to serve the



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respondents at their last known address/es. The communication/s sent to the said address/es via speed post were returned with the notation “*Item Returned Addressee left without instruction*” and “*Item Returned Refused*” whereas the communications sent via Courier at the various address/es of the respondents have been returned with the notations “*Returned to Shipper.*” It has also been stated that the respondents have been served via email at bansal.rajesh299@gmail.com, bansal.rajesh499@gmail.com, rajesh.kumar@gmail.com and manju1807@gmail.com.

8. Section 3 of the A&C Act contemplates that a written communication is deemed to have been received if it is sent to the addressee’s last known place of business or mailing address by any means which provides a record of the attempt to deliver it. In the present case, the petitioner has taken due steps to effect service on the respondents and has thereby discharged its onus to effect service on the respondents.

9. In the circumstances, the present petition is taken up for hearing and disposal, despite no appearance on behalf of the respondents.

10. Since the existence of the arbitration clause is evident from a perusal of the Master Loan Agreement, there is no impediment to constituting an arbitral tribunal for adjudicating the disputes between the parties, as mandated in terms of the judgments of the Supreme Court in ***SBI General Insurance Co. Ltd. v. Krish Spinning***, 2024 INSC 532 and ***Interplay between Arbitration Agreements under the Arbitration & Conciliation Act, 1996 & the Indian Stamp Act, 1899, In re***, 2023 SCC OnLine SC 1666.

11. Further, in terms of the judgments of the Supreme Court in ***Perkins Eastman Architects DPC v. HSCC (India) Ltd*** (2020) 20 SCC 760, ***TRF Limited v. Energo Engineering Projects Ltd***, (2017) 8 SCC 377 and ***Bharat***



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Broadband Network Limited v. United Telecoms Limited, 2019 SCC OnLine SC 547, it is incumbent on this Court to appoint an independent sole arbitrator to adjudicate the disputes between the parties.

12. Accordingly, Mr. Piyush Gupta, Advocate (Mob No.: +91 9818020868) is appointed as the Sole Arbitrator to adjudicate the disputes between the parties.

13. The respondents shall be at liberty to raise preliminary objections as regards arbitrability/jurisdiction, if any, which shall be decided by the arbitrator in accordance with law.

14. The learned Sole Arbitrator may proceed with the arbitration proceedings subject to furnishing to the parties the requisite disclosure as required under Section 12 of the A&C Act.

15. Let the arbitration take place under the aegis of and as per the rules of the Delhi International Arbitration Centre (DIAC).

16. All rights and contentions of the parties in relation to the claims/counter claims are kept open, to be decided by the learned Sole Arbitrator on their merits, in accordance with law.

17. Needless to say, nothing in this order shall be construed as an expression of opinion of this Court on the merits of the case.

18. The present petition stands disposed of in the above terms.

SACHIN DATTA, J

DECEMBER 16, 2024/ak