



2024:DHC:9336



\$~9

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

%

Date of Decision : 02.12.2024+ **ARB.P. 1676/2024**

MONEYWISE FINANCIAL SERVICES PVT LTD.Petitioner
Through: Ms. Mehvish Khan, Mr. Aman
Choudhary and Ms. Arunima Sinh
Jadaun, Advs.

versus

BANSAL STEELS THROUGH ITS
PROPRIETOR SH VIKAS AGGARWAL AND ANR ...Respondents
Through: None.

CORAM:
HON'BLE MR. JUSTICE SACHIN DATTA

SACHIN DATTA, J. (Oral)

1. The present petition has been filed under section 11 of the Arbitration and Conciliation Act, 1996 (hereinafter referred as 'A&C Act') seeking appointment of a sole arbitrator to adjudicate the disputes between the parties.
2. The disputes between the parties have arisen in the context of a Master Loan Agreement dated 15.11.2018 executed between the petitioner and the respondents, in terms of which the respondent no.1 is a borrower, whereas the proprietor of respondent no.1 and respondent no. 2 are co-borrower.
3. As per the said agreement, the petitioner disbursed a loan of Rs.



25,00,000/- (Rupees Twenty-Five Lakhs only) to the respondents. The loan amount was payable in 36 equal instalments of Rs. 91,640/- (Ninety-One Thousand Six Hundred and Forty 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.

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.”*

5. Disputes having arisen between the parties, a loan recall/termination notice dated 16.08.2021 was issued by the petitioner followed by a notice invoking arbitration on 16.09.2024. However, the respondents failed to respond to the same.

6. In the above circumstances, the petitioner has approached this Court, through the present petition, seeking the appointment of a sole arbitrator to



adjudicate the dispute.

7. In the present proceedings, notice was issued by the Court on 21.10.2024. However, vide order dated 22.11.2024 this Court observed as under:

“It appears that the affidavit of service dated 16.11.2024, filed by the petitioner pertains to some other matter. Let the relevant affidavit of service be filed by the petitioner within a period of one week.”

8. Pursuant thereto, the petitioner in compliance with the aforesaid order rectified the error and filed the relevant affidavit of service dated 16.11.2024. It is stated that the proprietor of respondent no.1 and respondent no.2 have been duly served by courier. As far as respondent no.1 is concerned, the petitioner has taken the requisite steps to serve the respondent at its known address by courier however, the courier has returned with the notation “return to shipper”. The notice served via speed post to the all respondents were returned with the notations, *“Item Returned Insufficient Address”* and *“Item Returned Refused.”*

9. It is stated that the respondents have also been served via email at bansalsteels1@gmail.com.

10. 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; the courier sent to the respondents have been delivered.

11. In the circumstances, the present petition is taken up for hearing and



disposal, despite no appearance on behalf of the respondents.

12. 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.

13. 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 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.

14. Accordingly, Ms. Ritambhra Kalra, Advocate (Mobile No. +91 9773606577) is appointed as the Sole Arbitrator to adjudicate the disputes between the parties.

15. 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.

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

17. Let the arbitration take place under the aegis of and as per the rules of the Delhi International Arbitration Centre (DIAC). It is directed accordingly.



2024:DHC:9336



18. 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.

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

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

SACHIN DATTA, J

DECEMBER 2, 2024/Gm