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

+ **ARB.P. 70/2025**

M/S SANDHU MOTOR FINANCE PVT LTDPetitioner

Through: **Ms. Sonali Arora, Adv.**

versus

HARJIT SINGH & ANR.Respondents

Through:

CORAM:

HON'BLE MR. JUSTICE JASMEET SINGH

ORDER

17.03.2025

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1. This is a petition filed under Section 11 of the Arbitration and Conciliation Act, 1996 seeking appointment of a Sole Arbitrator for adjudication of disputes between the parties arising out of the Loan Agreement dated 21.08.2019.

2. The said agreement contains the arbitration clause being clause 10.14 which reads as under:

*“Any difference or dispute arising between the parties out the operation of this Agreement or renewal there of or in any way relating to the Rights and Liabilities of the Parties here under the same shall be referred to the sole Arbitrator of the person appointed by the financier. The Arbitration proceedings shall be conducted in accordance with Arbitration and Conciliation Act, 1996 & Rule made there under as amended from time to time.
The Venue of Arbitration shall be Delhi, Courts at Delhi shall*



have exclusive jurisdiction in all matters arising under this Agreement.”

3. The facts are that the petitioner is a Non-Banking Financial Company, engaged in the business of providing personal loans, home loans, vehicle loans and business loans. In the year 2019, the respondent no.1 along with respondent no. 2 approached the petitioner for a loan in order to buy TVS Jupiter. Thereafter, the respondents and the petitioner entered into the Loan Agreement dated 21.08.2019, whereby the petitioner sanctioned a loan of Rs 51,500 to the respondent no. 1. As per the Loan Agreement, the respondent no. 1 is the borrower and the respondent no. 2 stood as the guarantor.

4. The said loan of Rs. 51,500/- was advanced to the respondents for a period of 12 months payable in 12 equal monthly instalments of Rs.5,708/- each effective from 21.09.2019.

5. Since the respondent no. 1 failed to pay the loan amount, the petitioner invoked arbitration in terms of clause 10.14 of the Loan Agreement vide legal notice dated 18.07.2022.

6. Hence, the present petition came to be filed.

7. Notice in the present petition was issued on 14.01.2025. As per the service report, the respondents have been served through ordinary mode. Despite service, there is nobody appearing on behalf of the respondents. I am satisfied that there is a valid arbitration clause under the Loan Agreement dated 21.08.2019 and there are disputes between the petitioner and the respondents.

8. For the said reasons, the petition is allowed and the following directions are issued:-

i) Mr. Rizwan, Adv. (Mob. No. 9643349576) is appointed as a



- Sole Arbitrator to adjudicate the disputes between the parties.
- ii) The arbitration will be held under the aegis of the Delhi International Arbitration Centre, Delhi High Court, Sher Shah Road, New Delhi (hereinafter, referred to as the 'DIAC').
 - iii) The remuneration of the learned Arbitrator shall be in terms of DIAC (Administrative Cost and Arbitrators' Fees) Rules, 2018.
 - iv) The learned Arbitrator is requested to furnish a declaration in terms of Section 12 of the Act prior to entering into the reference.
 - v) It is made clear that all the rights and contentions of the parties, including as to the arbitrability of any of the claim, any other preliminary objection, as well as claims/counter-claims and merits of the dispute of either of the parties, are left open for adjudication by the learned arbitrator.
 - vi) The petitioner shall approach the learned Arbitrator within two weeks from today.
9. The present petition is disposed of in the aforesaid terms.

JASMEET SINGH, J

MARCH 17, 2025/DM

[Click here to check corrigendum, if any](#)