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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
+ **ARB.P. 143/2025**

M/S SANDHU MOTOR FINANCE PVT LTDPetitioner
Through: **Ms. Sonali Arora, Advocate**

versus

JITENDER SAINIRespondent
Through: **None**

CORAM:
HON'BLE MS. JUSTICE MANMEET PRITAM SINGH ARORA

ORDER

% **06.05.2025**

1. This is a petition filed under Section 11(5) of the Arbitration and Conciliation Act, 1996 ['Act of 1996'] seeking appointment of the Sole Arbitrator for the adjudication of disputes between the parties arising out of the loan agreement dated 25.06.2018 ['the Loan Agreement'] executed between the parties.
2. It is stated that the Petitioner company granted a loan of Rs. 61,850/- to the Respondent vide the Loan Agreement. It is stated that since the Respondent defaulted in making timely EMI payments, the Petitioner issued a demand notice dated 11.12.2018 to the Respondent, thereby calling upon the Respondent to pay a sum of Rs. 73,984/-.
3. It is stated that the Arbitration Agreement is Clause 10.14 of the Loan Agreement as applicable to the parties herein. Since, there was no response from the Respondent to the said demand notice, the Petitioner invoked arbitration vide letter dated 18.02.2019.
4. It is stated that the said notice has not been responded to by the



Respondent and in these circumstances, the Petitioner has been constrained to approach this Court under Section 11(5) of the Act of 1996.

5. Learned counsel for the Petitioner states that the value of the claims of the Petitioner will be approximately Rs. 5,82,110/-. She prays that a Sole Arbitrator be appointed by this Court.

6. None appears on behalf of the Respondent.

7. This Court has heard the learned counsel for the Petitioner and perused the record.

8. The Arbitration clause i.e., Clause 10.14 of the Loan Agreement clearly stipulates that all claims or disputes arising out of the Loan Agreement shall be resolved through Arbitration. The said Clause 10.14 reads as under: -

“10.14 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 Arbitration of the person appointed by the financier. The Arbitration proceedings shall be conducted in accordance with Arbitration & Conciliation Act 1966 & 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.”

(Emphasis Supplied)

9. This Court, vide Order dated 18.03.2025, issued notice to the Respondent. As per the report of the Registry, the Respondent has been served through ordinary mode. In view of the aforesaid service report of the



Registry, the Respondent is accordingly deemed to be served.

10. In view of the fact that today, there is no appearance on behalf of Respondent despite being served and in terms of the Arbitration Agreement in the Loan Agreement, this Court deems it appropriate to appoint a sole arbitrator. Accordingly, **Mr. Karan Luthra, Advocate** [Mob. No. 9810259213, E. No. D/1629/2010, E-mail ID. karan@karanluthra.co.in] is appointed as the Sole Arbitrator to adjudicate the disputes between the parties.

11. The disputes between the parties under the said Loan Agreement are referred to the sole arbitral tribunal, with the following directions: -

- a) The arbitral proceedings will be held under the aegis of the DIAC. The arbitral proceedings will be governed by the rules of DIAC.
- b) The remuneration of the Sole Arbitrator shall be in terms of Schedule IV of the Act of 1996, as amended by the Rules of DIAC.
- c) The learned Arbitrator is requested to furnish a declaration in terms of Section 12 of the Act of 1996 before entering into the reference and in the event, there is any impediment to the appointment of on that count, the parties are given liberty to file an appropriate application in this Court.
- d) The parties are directed to appear before the learned Arbitrator for preliminary hearing at DIAC on **09.07.2024 at 10:30 A.M.**
- e) DIAC will issue fresh notice to the Respondent.
- f) The statement of claim will be filed within four (4) weeks.

12. It is clarified that all rights and contentions of the parties, including on maintainability/arbitrability of the claims and on merits, are left open for



adjudication by the learned Arbitrator and nothing said in this order is an expression on the merits of the case.

13. Copy of this order be sent to the learned Arbitrator and Organizing Secretary, DIAC for information and compliance.

14. With the aforesaid directions, this petition stands disposed of.

15. The digitally signed copy of this order, duly uploaded on the official website of the Delhi High Court, www.delhihighcourt.nic.in, shall be treated as a certified copy of the order for purpose of ensuring compliance. No physical copy of order shall be insisted by any authority/entity or litigant.

MAY 6, 2025/rhc/MG

MANMEET PRITAM SINGH ARORA, J

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