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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
+ **ARB.P. 332/2025**
TATA CAPITAL LIMITEDPetitioner
Through: Mr. Savyasachi K. Sahai, Mr. Saman
Singhania, Ms. Madhumita Bagchi,
Advs.

versus
DEOKI TECHNOCRAFTS PRIVATE LIMITED & ORS.
.....Respondents

Through:
CORAM:
HON'BLE MR. JUSTICE JASMEET SINGH

% **ORDER**
16.05.2025

1. This is a petition filed under Section 11 of the Arbitration and Conciliation Act, 1996 seeking appointment of an arbitrator to adjudicate the disputes between the parties, arising out of a Master Lease Agreement dated 27.02.2024.
2. The brief facts of the case are that the petitioner *vide* its sanction letter dated 16.02.2024 sanctioned a lease finance facility to the respondents for a total amount of Rs.1,40,77,400/- and a non-cancellable lease term of 48 months and the Master Lease Agreement.
3. Respondent No. 2 and 3 also executed a letter of guarantee on the same date.
4. The respondent No. 1 is the principal borrower and respondent Nos. 2 and 3 are guarantors.
5. The master lease agreement contains an arbitration clause, being clause No. 21.4 read with Clause No. 33 of the Letter of Guarantee, which reads as under:



“Clause 21.4 of the Master Lease Agreement:-

If any dispute, difference or claim arises between any of the Obligors and the Lessor in connection with the Agreement or as to the interpretation, validity, implementation of effect of the Agreement or alleged breach of the terms of this Agreement or anything done or omitted to be done pursuant to the Agreement, the same shall be settled by arbitration to be held at place as set out in the Master Lease Summary Schedule in accordance with the Arbitration and Conciliation Act, 1996, or any statutory amendments thereto and shall be referred to a sole arbitrator to be appointed as per the procedure below:

The Party invoking the arbitration ("Claimant") shall address a notice to the other Party ("Respondent") suggesting the names of not more than three arbitrators, all of whom shall be either retired judges of the District Court, High Court or the Supreme Court or a lawyer having minimum 10 years ' relevant experience. The Respondent shall either:

- i. Confirm in writing acceptance of one amongst the proposed names as the sole arbitrator to the Claimant within a period of ten (10) days from the date of notice ("Notice Period"), or*
- ii. Convey objection, if any, in writing to the Claimant against the proposed names of the sole arbitrator within the said Notice Period.*

However, if the Claimant does not receive any response from the Respondent within the said Notice Period, the Claimant shall be entitled to nominate any one person from amongst the proposed three names as the sole arbitrator and such arbitrator shall be deemed to be appointed by both the Parties.

In the event, the Respondent conveys its objection as per (ii) above then the sole arbitrator will be appointed by a Court having jurisdiction. The arbitration shall be conducted under the provisions of the Arbitration and Conciliations Act, 1996, together with its amendments, any statutory modifications or re-notify on enactment thereof for the time being in force.



The arbitration proceedings shall be conducted in English language. The award of the arbitrator shall be final and binding on all parties concerned. The cost of arbitration shall be borne by the Obligors.”

“Clause 33 of the Letter of Guarantee:-

If any dispute, difference or claim arises, between any of the Guarantor/s and TCL in connection with the Lease Assets under Lease Agreement or as to the interpretation, validity, implementation or effect of the Lease Agreement and/or Guarantee or as to the rights and liabilities or alleged breach of the Lease Agreement an/for the Letter of Guarantee or anything done or omitted to be done pursuant to the Lease Agreement, the same shall be settled by arbitration to be held at the place as mentioned at Item No. 7 of the First Schedule hereto in accordance with the Arbitration and Conciliation Act, 1996, or any statutory amendments thereto and shall be referred to a sole arbitrator to be appointed as per the procedure below:

The Party invoking the arbitration ("Claimant ") shall address a notice to the other Party ("Respondent") suggesting the names of not more than three arbitrators. all of whom shall be either retired judges of the District Court, High Court or the Supreme Court or a lawyer having minimum 10 years ' relevant experience. The Respondent shall either:

- i. Confirm in writing acceptance of one amongst the proposed names as the sole arbitrator to the Claimant within a period of ten (10) days from the date of notice ("Notice Period"); or*
- ii. Convey objection, if any, in writing to the Claimant against the proposed names of the sole arbitrator within the said Notice Period.*

However, if the Claimant does not receive any response from the Respondent within the said Notice Period, the Claimant shall be entitled to nominate any one person from amongst the proposed three names as the sole arbitrator and such arbitrator shall be deemed to be appointed by both the



Parties.

In the event, the Respondent conveys its objection as per (ii) above then the sole arbitrator will be appointed by a Court having jurisdiction. The arbitration shall be conducted under the provisions of the Arbitration and Conciliations Act, 1996, together with its amendments, any statutory modifications or re-enactment thereof, for the time being in force. The award of the arbitrator shall be final and binding on all parties concerned. The arbitration proceedings shall be conducted in English language. The cost of arbitration shall be borne by the Lessee and/or the Guarantors.”

6. Since the respondents defaulted in making the payments, the petitioner terminated the agreement and invoked the arbitration clauses *vide* a legal notice dated 22.01.2025 and thereafter, filed the present petition.
7. The respondents appeared and sought time to file a reply and were granted 2 weeks to file the reply *vide* order dated 21.03.2025 passed by this Court.
8. The reply is not on record and the learned counsel for the petitioner has handed over a copy which is taken on record and I have seen the same, wherein the respondents are disputing the claims on merits.
9. The same is within the jurisdiction of the arbitrator to decide.
10. Additionally, there is nobody appearing on behalf of the respondents today neither in the first call nor in the second call.
11. For the said reasons, the petition is allowed and the following directions are issued:-
 - i) Mr. Rakesh Kumar Dudeja, Advocate (Mob. No. 9810147798) is appointed as a Sole Arbitrator to adjudicate the disputes between the parties.
 - ii) The arbitration will be held under the aegis and rules 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.
12. The present petition is disposed of in the aforesaid terms.

JASMEET SINGH, J

MAY 16, 2025/sp

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