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

+ **ARB.P. 386/2025 & I.A. 5067/2025**

CARS24 SERVICES PRIVATE LIMITED

.....Petitioner

Through: **Mr. Rit Arora, Advocate (Through VC)**

versus

FAROOK ALI K S PROPRIETOR OF M/S SA CARS

.....Respondent

Through: **None**

CORAM:

HON'BLE MS. JUSTICE MANMEET PRITAM SINGH ARORA

ORDER

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08.04.2025

I.A. 5067/2025 (for exemption)

1. This is an application filed by the plaintiff seeking exemption from filing fair and typed copies of the dim documents, which have been filed with the suit.
2. Subject to the plaintiff filing fair typed, clear and legible copies of the dim documents within four weeks from today, exemption is granted for the present.
3. Accordingly, the captioned I.A stands disposed of.

ARB.P. 386/2025

4. The present petition has been filed under Section 11(5) of the Arbitration and Conciliation Act, 1996 ('Act of 1996') seeking appointment of Arbitrator for adjudication of disputes between the parties in terms of the Credit Program Agreement dated 22.02.2019 ('Credit Program Agreement')



executed between the parties. It is stated that the Credit Program Agreement contains Arbitration Clauses as Clauses 8.1 and 8.2, applicable to the parties herein.

5. It is stated that the Respondent approached the Petitioner Company to avail revolving credit facility for the purchase of used cars from M/s Cars24 Services Private Limited under the UNNATI Scheme.

6. It is stated that the Petitioner Company extended the credit facility to the Respondent and got executed a Credit Program Agreement. It is stated that pursuant to the said execution of the Credit Program Agreement, the Respondent was assigned a Dealer ID bearing No. 61223. It is stated that as per the terms of the Agreement the Respondent had agreed to repay each of the tranches within 60 days from the date of disbursement of every tranche together with the interest charges.

7. It is stated that since the Respondent did not adhere to the financial discipline, the Petitioner Company issued a Credit Recall Notice dated 06.11.2024.

8. It is stated that since the Respondent did not reply to the above said notice, the Petitioner Company had to issue notice invoking arbitration dated 18.11.2024.

9. It is stated that in light of these facts the Petitioner Company is approaching this Court for appointment of Sole Arbitrator.

10. It is stated that Petitioner Company has evaluated the claim to the tune of Rs. 5,58,907/- on account of total foreclosure as on 08.02.2025.

Arguments of the Petitioner Company

11. Learned counsel for the Petitioner Company contends that the service in the present petition on the Respondent has been served on WhatsApp by



the Petitioner Company. He states that the said service by Petitioner Company is duly evidenced from the affidavit of service filed by the Petitioner Company on 08.04.2025.

The Petitioner has handed over a copy of the affidavit of service. He is directed to ensure that the same is e-filed and brought on record within one (1) week.

12. He states that the arbitration may be conducted under the aegis of the Delhi International Arbitration Centre (DIAC) and since the quantum of amount is nominal, an Advocate be appointed as an Arbitrator considering the value of the claim amount involved.

Decision

13. Notice in the present petition was issued on 06.03.2025 and the Respondent was directed to file reply to the petition. Due service on the Respondent by the Petitioner Company through WhatsApp is reflected from the affidavit of service filed by the Petitioner Company. The affidavit records that service through speed post has been refused on 07.04.2025. Refusal of service is also deemed service in law. Further, the Respondent has also been served by the Registry of this Court through email, which is evidenced from the office noting. However, none has appeared on behalf of the Respondent in these proceedings.

14. In these facts, the Respondent is deemed to have been served.

15. A perusal of Clause 8.1 of the Credit Program Agreement shows that there exists arbitration agreement between the parties and the said clause had been duly invoked by the Petitioner Company by issuing the notice invoking arbitration dated 18.11.2024.

16. Vide the order dated 06.03.2025 this Court has already observed that



in absence of specific mention of *Seat* of arbitration in Clause ‘8.1’, and where only *Venue* is mentioned, *Venue* may be considered to be *Seat*, in absence of any *contrary indicia*.

17. In view of the aforesaid submissions, considering the fact that the arbitration agreement forms part of the Credit Program Agreement and it is mentioned in the said Credit Program Agreement that a Sole Arbitrator is to be appointed for adjudication of the disputes, therefore, the present petition is allowed with the following directions:

18. Mr. Nikhil Singhvi, Advocate [Mobile No.: 8826130600, Email ID: nikhilsinghvi@gmail.com] is appointed as a Sole Arbitrator.

19. The arbitration will be held under the aegis of the DIAC. The remuneration of the Sole Arbitrator shall be in terms of the Schedule IV of the Act of 1996.

20. The Sole Arbitrator is requested to furnish a declaration in terms of Section 12 of the Act of 1996 before entering into the reference.

21. It is made clear that all the rights and contentions of the parties, including as to the arbitrability of any of the claims or counter claims, any other preliminary objection, as well as claims on merits of the dispute of either of the parties, are left open for adjudication of the Sole Arbitrator.

22. Learned Counsel for the Petitioner Company states that the Statement of Claim will be duly filed within four (4) weeks.

23. List for preliminary hearing to be presided over by the Sole Arbitrator on 14.05.2025 at 10:30 AM.

24. The DIAC is directed to issue fresh notice to the Respondent for hearing dated 14.05.2025.

25. With the aforesaid direction, the petition stands disposed of.



26. The registry is directed to send a copy of this order to Secretary, DIAC for information and compliance and to the Sole Arbitrator.

27. 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 the purpose of ensuring compliance. No physical copy of order shall be insisted by any authority/entity or litigant.

APRIL 8, 2025/sk

MANMEET PRITAM SINGH ARORA, J

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