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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
+ **ARB.P. 459/2025**
M/S. SINGH FINLEASE PVT. LTD.

.....Petitioner

Through: Mr. Murari Kumar, Ms. Pragya
Verma, Mr. Mayank Kumar Verma,
Advts.

versus

M/S. SOUTH CENTER OF ACADEMY PVT. LTD. & ORS.

.....Respondents

Through:

CORAM:
HON'BLE MR. JUSTICE JASMEET SINGH

ORDER
29.08.2025

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1. This is a petition filed under section 11(6) of the Arbitration and Conciliation Act, 1996 seeking appointment of an Arbitrator to adjudicate the disputes between the parties arising out of the Loan Agreement dated 29.11.2022.
2. The facts are that the petitioner advanced a loan of Rs. 1,00,00,000/- to the respondents under the said Loan Agreement. Respondent No. 1 is the principal borrower and respondents No. 2 and 3 are the co-borrowers.
3. The said Loan Agreement contains an arbitration clause being Clause No. 21, which reads as under:

“21. All dispute, differences and/or claim arising out of these presents including any dispute as to any amount outstanding, or in any way touching or as to the right and liabilities of the parties hereunder shall be settled by arbitration to be held in accordance with the provisions of the Arbitration and Conciliation Act, 1996 or any statutory amendments thereof



and shall be referred to the arbitration of a sole arbitrator, to be nominated by SFPL only and borrower shall have no right to object the appointment of said Arbitrator. In the event of death, refusal, neglect, inability or incapability of a person so appointed to act as an arbitrator, SFPL may appoint a new arbitrator. The award of the arbitrator shall be final and binding on all parties concerned. The arbitration shall be final and binding on all parties concerned. The arbitration proceedings shall be held at Delhi and the arbitration shall be conducted in English language.”

4. Since disputes arose between the parties, the petitioner invoked arbitration vide legal notice dated 28.01.2025 and thereafter, filed the present petition.
5. Although the respondents have been served and have previously appeared, only respondent No. 2 has filed a written submission. In the said written submission, the defence of respondent No. 2 is that he never agreed to become a co-borrower in his personal capacity and that his status as a co-borrower in the said Loan Agreement was co-terminus with his directorship of respondent No. 1 company.
6. I am unable to agree with the submissions made by the respondent No. 2, since it is a matter of fact that respondent No. 2 signed the said Loan Agreement in the capacity of a co-borrower. Additionally, the submissions raised by the respondent No. 2 are touching the merits of the matter, which are in the sole domain of the Arbitrator.
7. I am satisfied that respondents have been duly served, however, despite service there is nobody appearing on behalf of the respondents. Further, there is a valid arbitration clause and there are disputes between the parties which need to be settled through arbitration mechanism.



8. For the said reasons, the petition is allowed, with the following directions:
- i) Mr. Kamlesh Bhuchar, Advocate (Mob. No. 9312228630) 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.
9. The petition is disposed of in the aforesaid terms.

JASMEET SINGH, J

AUGUST 29, 2025 / (MS)