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IN THE HIGH COURT OF DELHI AT NEW DELHI

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ARB.P. 499/2025

MAHINDRA AND MAHINDRA FINANCIAL SERVICE LTD

.....Petitioner

Through: Mr. S. K. Sen, Adv.

versus

GLOBAL AUTO SYSTEM & ORS

.....Respondents

Through: Mr Chandan Kumar Singh, Adv.

CORAM:

HON'BLE MR. JUSTICE JASMEET SINGH

ORDER

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11.09.2025

1. This is a petition filed under section 11 of the Arbitration and Conciliation Act, 1996 seeking the appointment of a Sole Arbitrator for adjudication of disputes between the parties arising out of Master Facility Agreement dated 27.09.2023.
2. The respondent No. 1 through its sole proprietor, i.e. respondent No. 2 approached the petitioner for purpose of availing financial assistance for purchasing some machinery. Consequently, the petitioner advanced a loan and above said Agreement was signed between the parties dated 27.09.2023.
3. The said Agreement contains an arbitration clause being Clause No. 23.11 which reads as under:

“23.11 Arbitration

All disputes, differences and/or claims arising out of these presents or in any way concerning the same or as to construction, meaning or effect hereof or as to the right and liabilities of the Parties hereunder shall be settled by arbitration to be held in accordance with the provision of the Arbitration



and Conciliation Act, 1996 or any statutory amendments/replacements thereof and shall be referred to the sole arbitrator to be nominated by the lender. In the event of death, refusal, neglect, Inability or incapability of a person so appointed to act as an arbitrator, the Lender may appoint a new arbitrator. The arbitrator shall not be required to give any reasons for the award and the award of the arbitrator shall be final and binding on all Parties concerned. The arbitration proceeding shall be held at the place mentioned In point no. J of the Loan Summary Schedule.”

4. Since there were disputes between the parties, the petitioner issued loan recall notice dated 21.10.2024 and thereafter the notice invoking arbitration dated 30.12.2024. Hence, the present petition.

5. Mr. Singh, learned counsel for the respondent has filed a reply and states that the respondent is ready and willing to return the machinery.

6. The same is not acceptable to the petitioner who states that the machine is now worthless and the petitioner is entitled to claim the amount of loan advanced with interest in terms of the Agreement.

7. I am satisfied that there is a valid arbitration clause and disputes which needs to be settled through arbitral mechanism.

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

- i) Ms. Chand Chopra (Advocate) (Mob. No.9915907494) 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 parties shall approach the learned Arbitrator within two weeks from today.
9. At this juncture, Mr. Singh, learned counsel for the respondent states that the respondents are also interested in settling the matter.
10. For the said reasons, the parties shall appear before Delhi High Court Mediation and Conciliation Centre on 22.09.2025 at 4:40 P.M. and the Arbitrator shall enter reference after 8 weeks from 22.09.2025 to enable the parties to try and settle the matter.
11. The present petition is disposed of in the aforesaid terms.

JASMEET SINGH, J

SEPTEMBER 11, 2025/AS