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

+ **ARB.P. 514/2025**

M/S MONEYWISE FINANCIAL SERVICES

PVT. LTD

.....Petitioner

Through: Ms. Mehvish Khan, Mr. Aman
Choudhary, Advocates

versus

SHREE SAI TRADERS AND ANR

.....Respondents

Through: None

CORAM:

HON'BLE MS. JUSTICE MANMEET PRITAM SINGH ARORA

ORDER

% 29.04.2025

1. This petition has been filed under Section 11(6) of the Arbitration and Conciliation Act, 1996 ('A&C Act') seeking appointment of a Sole Arbitrator to adjudicate the disputes that have arisen between the parties.

2. It is stated in the petition that the disputes between the parties emanate from a Loan Agreement dated 31.08.2023. The arbitration clause is contained in Clause 8.2 of the said agreement. The relevant clause reads as under:

8.2 "Any disputes, differences, controversies and questions directly or indirectly arising at any time hereafter between the Parties or their respective representatives or assigns, arising out of or in connection with this Agreement (or the subject matter of the Agreement), including, without limitation any question regarding its existence, validity, interpretation, construction, performance, enforcement, rights and liabilities of the parties, or termination("Dispute"), shall be referred to



Sole arbitrator duly appointed by the lender. The Language of the arbitration shall be English. The seat of the Arbitration shall be at New Delhi and the language of the proceedings shall be English. The Award shall be in writing and shall set out the reasons for the Arbitrator's decision. The costs and expenses of the Arbitration shall be borne equally by each Party, with each cost and expenses of the Arbitration shall be borne equally by each party, with each party paying for its own fees and costs including attorney fees, except as may be determined by the arbitral tribunal. Any award by the Arbitration tribunal shall be final and binding”

3. It is stated that the Petitioner, a registered NBFC, is engaged in providing credit facilities such as loans against property, SME receivables, medical equipment financing, and business/personal loans.
4. It is stated that the Respondent No.1, is a proprietorship firm having its principal place of business at Vasai, Maharashtra. Respondent No. 1 through its proprietor Mr. Narpat Kumar Talasaram Choudhary and Respondent No. 2 are jointly and severally liable as they signed the loan documents as co-borrowers/guarantors.
5. It is stated that pursuant to representations made by the Respondents for business expansion, the Petitioner disbursed an unsecured loan of Rs. 15,13,394/- to the Respondents vide Loan Agreement dated 31.08.2023, repayable over 36 months in equal monthly instalments of Rs. 54,713/- along with interest @ 18% p.a.
6. It is stated that despite execution of a promissory note and undertaking by the Respondents to comply with the terms of the agreement, they defaulted on EMIs after making a few initial payments and stopped repaying the loan without assigning any reason.



7. It is stated that the Petitioner issued a demand-cum-loan recall notice dated 08.04.2024 calling upon the Respondents to clear the dues within 7 days. Despite receipt, the Respondents failed to make payment.

8. Consequently, the Petitioner issued a notice invoking arbitration under Section 21 of the Arbitration and Conciliation Act, 1996 on 10.03.2025 via e-mail and registered post, proposing appointment of a Sole Arbitrator. The notice was served, but no reply or consent was received from the Respondents.

9. In light of the foregoing facts, the Petitioner has approached this Court for the appointment of a Sole Arbitrator under Section 11(5) of the Act.

10. Learned counsel for the Petitioner states that Respondent has been duly served through e-mail as on 19.03.2025 at the e-mail addresses furnished in Schedule-I of the agreement and the email has not bounced back.

11. She states that attempts made to serve through speed post and courier have not been fruitful and the envelopes have been received back.

12. She however, states that as per clause 8.3 of the loan agreement service through e-mail is acknowledged as a valid service. Relevant part of Clause 8.3 reads as under:

“d) if by electronic mode, when directed to an electronic mode address (such as e-mail, SMS, WhatsApp) provided by the Borrower. Any notice or communication to the Borrower shall be deemed to be a notice or communication to all the Borrower(s).”

13. She states that claim amount is Rs. 18.34 lakhs approximately.

14. This Court has considered the submissions and perused the record.

15. As per the report of the registry as well, notice has been duly served



on the Respondent through e-mails. The Petitioner also served e-notice on the Respondent. Keeping in view the above, this Court is satisfied that the Respondent has been duly served.

16. It is a matter of record that there is a valid arbitration agreement between the parties and this Court has the territorial jurisdiction to entertain this petition.

17. In view of the fact, that there is no appearance on behalf of Respondent despite service; this Court deems it appropriate to appoint a Sole Arbitrator in terms of the afore-referred arbitration clause.

18. Considering the fact, that the amount involved in the present petition, **Mr. Vinam Gupta, Advocate** (D- 1207/2012) (Mob. No. 9953054000; E-mail: vinam.gupta@theguild.co.in) is appointed as a Sole Arbitrator to adjudicate the disputes between the parties.

19. The arbitration will be held under the aegis of the Delhi International Arbitration Centre ('DIAC'). The remuneration of the learned Arbitrator shall be in terms of Schedule IV of the Act of 1990 as amended by the rules of DIAC or as the parties may agree.

20. The learned Arbitrator is requested to furnish a declaration in terms of Section 12 of the Act of 1996 Act 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, any other preliminary objection, as well as claims on merits of the dispute of either of the parties, are left open for adjudication by the learned arbitrator.

22. List the matter before before the Sole Arbitrator on 28.05.2025 at 10:30 A.M. for a preliminary hearing at the DIAC, Delhi High Court, Sher Shah Road, New Delhi.



23. DIAC is directed to issue fresh notice to the Respondents for the hearing dated 28.05.2025.

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

25. The registry is directed to send a copy of this order to Secretary, DIAC and the Sole Arbitrator.

26. 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.

MANMEET PRITAM SINGH ARORA, J

APRIL 29, 2025/mt/akp

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