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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
+ **ARB.P. 1034/2024**
SANDHU MOTOR FINANCE PVT LTDPetitioner

Through: Ms. Sonali Arora, Adv.

versus

RAHUL KUMAR & ANR.Respondent
Through:

CORAM:
HON'BLE MR. JUSTICE JASMEET SINGH

ORDER
13.05.2025

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1. This a petition filed under Section 11(5) of the Arbitration and Conciliation Act, 1996 seeking appointment of an Arbitrator for adjudication of disputes between the parties.
2. The respondent No. 1 approached the petitioner for personal loan and accordingly an agreement was entered into dated 30.06.2018, wherein the respondent No. 1 was the principal borrower and the respondent No. 2 was the guarantor.
3. Since there were disputes between the parties, the petitioner issued a legal notice dated 24.11.2018 and thereafter, appointed a sole arbitrator.
4. However, since it was a case of unilateral appointment, the arbitral award was set aside.
5. The Loan Agreement contains an arbitration clause being clause No. 17 which reads as under:

“17. Arbitration and Dispute Settlement



- a) All disputes, differences and/or claims, arising out of this Agreement, whether during its subsistence or thereafter, shall be settled by arbitration in accordance with the provisions of the Arbitration and Conciliation Act, 1996 or any other statutory modification or re-enactment for the time being in force and shall be conducted by a sole arbitrator to be appointed by the Lender. The applicable law shall be Indian laws. In the event of incapacity or resignation or death of the sole arbitrator so appointed, the Lender shall be entitled to appoint another arbitrator in place of the earlier arbitrator, and the proceedings shall continue from the stage at which the predecessor had left*
- b) The award given by the arbitrator shall be final and binding on the parties to this Agreement. The cost of the Arbitration shall be borne with by the Party/les, in accordance with the Award passed by the Arbitrator.*
- c) The venue of Arbitration shall be as specified in Schedule 1 hereto and the proceedings shall be conducted in English language.”*
6. Since the respondents were not served in the ordinary course, the Joint Registrar *vide* order dated 22.04.2025 was pleased to permit the respondents to be served by way of publication in newspapers, namely "Statesman" and "Rashtriya Sahara", having circulation in Delhi.
7. The respondents have been served and the copies of the newspapers have been filed.
8. Despite service, there is nobody appearing on behalf of the respondents.
9. I am of the view that the disputes between the parties need to be adjudicated through the arbitral mechanism.
10. For the said reasons, the petition is allowed and the following directions are issued:-



- i) Mr. Rishi Manchanda (Advocate) (Mob. No. 9911681178) 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.
12. The present petition is disposed of in the aforesaid terms.

JASMEET SINGH, J

MAY 13, 2025/sp

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