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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
+ **ARB.P. 1906/2024**
MONEYWISE FINANCIAL SERVICES PRIVATE LIMITED

.....Petitioner

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

versus

**AKAAL DESIGNS THROUGH ITS PROPRIETOR MR MANDEEP
SINGH KHURANA AND ORS.**

.....Respondents

Through: None.

CORAM:

HON'BLE MR. JUSTICE JASMEET SINGH

ORDER

% **21.05.2025**

1. This is a petition filed under Section 11 of Arbitration and Conciliation Act, 1996, seeking appointment of an arbitrator to adjudicate the disputes between the parties, arising out of a Master Loan Agreement dated 02.11.2020.
2. Pursuant to the said Agreement, the petitioner advanced a loan of Rs.15,25,837/- to the respondents.
3. The respondents were obligated to repay the said amount in 36 equal installments of Rs.55,931/-.
4. Respondent No.1 is the proprietorship concern, respondent Nos. 2 and 3 are the co-borrowers and respondent no. 4 is the guarantor.
5. The said Agreement contains an arbitration clause, being Clause No. 10.1, which reads as under:-

“10.1. Arbitration: 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 this 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 a 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 proceedings shall be English. The award rendered 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 Party paying for its own fees and costs including attorney fees, except as may be determined by the arbitration tribunal. Any award by the arbitration tribunal shall be final and binding.”

6. Respondent no. 4 also executed a Deed of Guarantee dated 02.11.2020, containing an arbitration clause, being Clause No. 7, which reads as under:

“7. DISPUTE RESOLUTION

7.1. Any dispute, controversy or claims arising out of or relating to this Deed of Guarantee or the breach, termination or invalidity thereof, shall be settled by arbitration by a sole arbitrator. The Chairman of Moneywise shall nominate any person as the sole arbitrator. In the event, the person so nominated by the Chairman of Moneywise is unable to act as an arbitrator, the Chairman of Moneywise shall nominate another person as the sole arbitrator as deemed fit by the Chairman of Moneywise.

7.2. The Arbitration and Conciliation Act, 1996 or any modification, amendment, consolidation or re-enactment thereof shall govern the arbitration. The arbitrator will have power to regulate his/her/its own procedure,



including summary powers.

7.3. The seat of arbitration shall be Delhi

7.4. The language of the arbitration proceedings shall be English.

7.5. The award of the arbitrator shall be final and conclusive and binding upon the Parties, and the Parties shall be entitled to enter judgment thereon. The Parties further agree that such enforcement shall be subject to the provisions of the Arbitration and Conciliation Act, 1996.”

7. Since there were disputes between the parties, the petitioner issued a loan recall notice dated 10.06.2021 and notice for invocation of guarantee dated 16.09.2024. Subsequently, the notice invoking arbitration was issued *vide* legal notice dated 04.10.2024.
8. The respondents were not being served through the ordinary process, the petitioner was permitted to serve the respondents through a substituted process *vide* the order dated 19.02.2025 passed by this Court.
9. Pursuant to the said order, the respondents have been served by substituted process through publication in ‘The Statesman’ and ‘Punjab Kesri’.
10. I am satisfied that the respondents have been served. However, nobody has appeared for the respondents despite service.
11. For the said reasons, I am of the view that there are disputes pending, which have to be resolved through the arbitral mechanism.
12. For the said reasons, the petition is allowed and the following directions are issued:-
 - i) Mr. Gaurav Goyal, Advocate (Mob. No. 9899886074) 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.

13. The present petition is disposed of in the aforesaid terms.

MAY 21, 2025/pk

JASMEET SINGH, J

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