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

+ **ARB.P. 2068/2024**

CARS 24 FINANCIAL SERVICES PRIVATE LIMITED

.....Petitioner

Through: **Mr. Rit Arora and Mr. Anurag Arora,**
Advocates

versus

NITIN KUMAR BHOJ PROPRIETOR OF M/S NK MOTORS &
ANR.Respondents

Through: **None**

CORAM:

HON'BLE MS. JUSTICE MANMEET PRITAM SINGH ARORA

ORDER

24.04.2025

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1. This petition has been filed under Section 11(5) 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 Credit Facility Agreement dated 05.11.2019. The arbitration clause is contained in Clause 15.2 of the said agreement. The relevant clause reads as under:

15.2 Arbitration: Any dispute under this Agreement shall be settled by binding arbitration conducted in English with the seat of arbitration in New Delhi before a single arbitrator appointed by Lender at its sole discretion, as per the Arbitration and Conciliation Act, 1996.

3. It is stated that the Petitioner is a Non-Banking Financial Company registered with the Reserve Bank of India and a wholly-owned subsidiary of



Cars24 Services Private Limited. It provides lending products to customers including revolving credit facilities under its “UNNATI” scheme for used car dealers.

4. It is stated that the Respondent No. 1 is the sole proprietor of M/s NK Motors and Respondent No. 2 is the co-borrower and signatory to the aforementioned Credit Facility Agreement.

5. It is stated that the Petitioner granted a revolving credit facility to the Respondents, who agreed to repay each tranche of the disbursed amount within 60 days along with applicable interest. A Dealer ID bearing No. 61731 was assigned to the Respondents pursuant to execution of the agreement.

6. It is further stated that despite repeated assurances, the Respondents defaulted in repayment. Consequently, the Petitioner issued a recall notice dated 05.05.2021 terminating the facility and calling upon the Respondents to repay all outstanding dues. No response or payment was received.

7. Subsequently, the Petitioner issued a notice dated 14.08.2024 invoking the arbitration clause (Clause 15.2) of the Credit Facility Agreement and proposed appointment of Mr. Mohit Ramdeo, Advocate, as the Sole Arbitrator. Despite service of the said notice, no reply or cooperation was received from the Respondents.

8. 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.

9. Learned counsel for the Petitioner states that Respondent nos. 1 and 2 are husband and wife. He states that the service effected through post has been received back with an endorsement that Respondents have left the



address. He states that no other physical address is available with the plaintiff.

10. He further states that Respondent nos. 1 and 2 have been served through the email address recorded in the agreement. He states that the e-mail issued on the said address has been served and not bounced back.

11. He states that in the meantime he will also make a fresh attempt to find out alternate physical address of the Respondents by approaching the banker of the Respondents and furnish the same with the statement of the claim.

12. This Court has perused the record.

13. As per the office note of the Registry dated 14.02.2025, service on Respondent No. 1 at the e-mail address furnished in the memo of parties was duly served. The e-mail address furnished in the memo of parties corresponds to e-mail address in the Agreement dated 05.11.2019. Clause 14 of the said agreement records that service on the email address is sufficient. In addition, the Petitioner as well has filed affidavit of service dated 04.04.2025 stating that notice in petition was served on Respondents through e-mail on 02.04.2025. Thus, Respondent No. 1 has been duly served.

14. Vis-à-vis Respondent No. 2 as well the e-mail address furnished is of Respondent no. 1. Moreover, since Respondent No. 1 and Respondent No. 2 are married to each other, it appears that they use a common e-mail address. Thus, Respondent no. 2 is also deemed to have served

15. A perusal of Clause 15.2 of the Credit Facility Agreement dated 05.11.2019 shows that there exists a valid arbitration agreement between the parties and the said clause has been duly invoked by the Petitioner vide



notice dated 14.08.2024. The agreement records that the agreement has been executed at Delhi.

16. The value of the claim is stated to be Rs. 7 lakhs approximately, therefore, it is deemed appropriate to appoint an Advocate as a Sole Arbitrator. The Arbitration will be conducted under the aegis of Delhi International Arbitration Centre ('DIAC').

17. In view of the above, the disputes between the parties under the said agreement are referred to a sole Arbitrator with the following directions:

- a) **Mr. Aseem Chaturvedi, Advocate** (D/831/2008) (Mob. No. 9899682235; E-mail: aseem.chaturvedi@khaitanco.com) is appointed as a Sole Arbitrator to adjudicate the disputes between the parties.
- b) The arbitration will be held under the aegis of the Delhi International Arbitration Centre ('DIAC') and as per DIAC Rules. The remuneration of the learned Arbitrator shall be in terms of Schedule IV of the Act of 1996 as amended by the Rules of DIAC.
- c) The learned Arbitrator is requested to furnish a declaration in terms of Section 12 of the A&C Act before entering into the reference.
- d) 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.

18. The Petitioner is directed to file its statement of claim within four (4) weeks.

19. List the matter before the Delhi International Arbitration Centre, Delhi High Court, Sher Shah Road, New Delhi, on **23.05.2025** at **10:30 A.M.** to be presided over by the sole arbitrator.

20. DIAC is directed to issue fresh notice to the Respondents in the arbitration proceedings.



21. With the aforesaid direction, the petition stands disposed of.
22. Needless to say, nothing in this order shall be construed as an expression of this Court on the merits of the case.
23. The registry is directed to send a copy of this order to Secretary, DIAC and the Sole Arbitrator.
24. 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 24, 2025/hp/akp

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