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

+ **ARB.P. 2095/2024**

M/S. SINGH FINLEASE PVT. LTD.

.....Petitioner

Through: Mr. Shiv Shankar and Mr. Murari
Kumar, Advocates

versus

MR. PHOOL SHAH & ORS.

.....Respondents

Through: Respondent Nos. 1 and 2 in person

+ **ARB.P. 2098/2024**

M/S. SINGH FINLEASE PVT. LTD.

.....Petitioner

Through: Mr. Shiv Shankar and Mr. Murari
Kumar, Advocates

versus

KANGANN EVENTZ & ORS.

.....Respondents

Through: Respondent Nos. 2 and 3 in person

CORAM:

HON'BLE MS. JUSTICE MANMEET PRITAM SINGH ARORA

ORDER

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28.05.2025

ARB.P. 2095/2024

1. This is petition has been filed under Section 11 of the Arbitration and Conciliation Act, 1996 ('A&C Act') seeking appointment of Sole Arbitrator to adjudicate the disputes that have arisen between the parties under the Loan Agreement dated 06.02.2019.
2. It is stated that Respondent No.1 approached the Petitioner for a loan



facility, and pursuant thereto, the Petitioner sanctioned an amount of Rs. 20,52,250/- under Loan No. FW/DEL/LAP/00189 by mortgaging their immovable property. The loan was extended vide Loan Agreement dated 06.02.2019. Respondent No.1 was the principal borrower, Respondents No. 2 and 3 were co-borrowers, and Respondent No. 4 stood as guarantor.

3. It is stated that the Respondents defaulted in repayment of the equated EMIs despite repeated requests and reminders. Due to continuing defaults, the Petitioner issued a Loan Recall Notice dated 19.03.2022, terminating the loan facility and demanding payment of Rs. 34,02,345/- which was due and payable under the Loan Agreement.

4. It is stated that the Loan Agreement contains an arbitration clause at Clause 21 which provides for reference of disputes to arbitration. Accordingly, the Petitioner issued a legal notice dated 18.11.2024 invoking the arbitration clause.

5. In light of the foregoing facts, the Petitioner has approached this Court for the appointment of a Sole Arbitrator under Section 11(6) of the Act.

6. This Court vide order dated 28.02.2025 referred the matter to Delhi High Court Mediation and Conciliation Centre ('Mediation Centre') in order for the parties to attempt and restructure the loan payment.

7. Respondent Nos. 1 and 2, namely Mr. Phool Shah and Mrs. Poonam respectively, are present in person before the Court.

8. Learned counsel for the Petitioner states that mediation proceedings have failed yet again.

9. Respondent No. 1, Mr. Phool Shah states that he continues to remain willing to amicably settle the matter. He submits that his business is seasonal



and he expects to be in a better financial position by September 2025. He submits that his offer letter for restructured payment has not been accepted by the Petitioner.

10. He, however, admits that there exists an arbitration agreement between the parties.

11. A perusal of Clause 21 of the Loan Agreement dated 06.02.2019 shows that there exists a valid and binding arbitration agreement between the parties which has been invoked by the petitioner.

12. Accordingly, the matter is referred to arbitration under the Delhi International Arbitration Centre (DIAC) and the arbitration shall be governed by DIAC Rules.

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13. This petition has been filed under Section 11 of A&C Act seeking the appointment of a Sole Arbitrator to adjudicate the disputes that have arisen between the parties.

14. It is stated in the petition that the disputes between the parties emanate from the Loan Agreement dated 22.08.2019 under which the Respondents availed a loan of Rs. 10,00,000/- under loan no. FW/DEL/LAP/00266 by mortgaging their immovable property. The arbitration clause is contained in Clause 21 of the said agreement.

15. It is stated that upon repeated defaults by the Respondents in repayment of the EMIs, the Petitioner issued a Loan Recall Notice dated 19.03.2022, calling upon the Respondents to pay the outstanding dues amounting to Rs. 16,73,588/-. Despite service, the Respondents failed to clear their liabilities.

16. Thereafter, the Petitioner issued a notice dated 18.11.2024 invoking



arbitration and proposing the appointment of a Sole Arbitrator. However, no response was received from the Respondents. It is stated that the Respondents neither raised any objection to the appointment nor suggested any alternate name.

17. In light of the foregoing facts, the Petitioner has approached this Court for the appointment of a Sole Arbitrator under Section 11(6) of the Act.

18. This Court vide order dated 28.02.2025 referred the matter to Mediation Centre for possible amicable resolution. Thereafter, the parties have failed to settle before the matter before mediation.

19. Respondent nos. 2 and 3 do not dispute the existence of arbitration agreement between the parties.

20. This court has perused the record.

21. A perusal of clause 21 of the loan agreement dated 22.08.2019 shows a valid arbitration agreement between the parties and it has been invoked by the petitioner.

22. With the consent of the parties, the matter is referred to Delhi International Arbitration Centre ('DIAC') to be governed by DIAC Rules.

Same Arbitrator is appointed

23. Keeping in view the commonality of parties, same Arbitrator is appointed in both the petitions. The disputes between the parties under the said agreement are referred to the arbitral tribunal with the following directions:

- a. **Mr. Rohit Gandhi, Advocate (E. No. D/687/2007; Mob No. 9818610321; email: rohitgandhi@gmail.com)** is appointed as the Sole Arbitrator to adjudicate the disputes between the parties.



- b. The arbitration will be held under the aegis of, and as per rules of the DIAC. The remuneration of the learned Arbitrator shall be in terms of Schedule IV of the Act of 1996.
 - c. The learned Arbitrator is requested to furnish a declaration in terms of Section 12 of the Act of 1996 before entering into the reference.
 - d. List the matter before the Ld. Arbitrator for preliminary hearing on 18.07.2025 at 10:30 A.M.
 - e. Statement of claim be filed within a period of six (6) weeks.
 - f. It is made clear that all the rights and contentions of the parties, including as to the arbitrability of any of the claims and/or counter claims, any other preliminary objection including limitation, as well as claims on merits of the dispute of either of the parties, are left open for adjudication by the learned arbitrator.
24. With the aforesaid directions, the captioned petitions stand 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.

MAY 28, 2025/rhc/akp

MANMEET PRITAM SINGH ARORA, J

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