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

+ **ARB.P. 2099/2024**

M/S. SINGH FINLEASE PVT. LTD.

.....Petitioner

Through: **Mr. Murari Kumar and Mr. Rudra
Pratap, Advocates**

versus

M/S. BABITA GROUP & ORS.

.....Respondents

Through: **None**

CORAM:

HON'BLE MS. JUSTICE MANMEET PRITAM SINGH ARORA

ORDER

% **22.04.2025**

1. This petition has been filed under Section 11(6) of the Arbitration and Conciliation Act, 1996 ('the Act of 1996') seeking the 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 Loan Agreement dated 30.01.2020. The arbitration clause is contained in Clause 21 of the aforesaid agreement. The relevant clause reads as under:

"Clause 21. All dispute, differences and/or claim arising out of these presents including any dispute as to any amount outstanding, or in any way touching or as to right and liabilities of the parties hereunder shall be settled by arbitration to be held in accordance with the provision of the Arbitration & Conciliation Act 1996 or any statutory amendments thereof and shall be referred to the Arbitration of the Sole Arbitrator, to be nominated by SFPL only and borrower shall have no right to object to the appointment of the said arbitrator....."

sub-clause 22.1 'It is further agreed by and between the parties hereto that subject to clause 21, the court of Delhi only shall have jurisdiction in respect of any matter....."

3. It is stated that owing to the disputes arisen between the parties, the



Petitioner invoked arbitration agreement clause 21 under the aforementioned agreement vide notice dated 18.11.2024 under Section 21 of the Act of 1996.

4. It is stated that the Petitioner, a registered Non-Banking Financial Company (NBFC) was approached by Respondent Nos. 1, 2 and 3 to avail a loan facility. The Petitioner sanctioned a sum of Rs. 30,49,703/- under loan no. FW/DEL/LAP/00314. Subsequently, the Petitioner entered into a Loan Agreement dated 30.01.2020 with the Respondents, whereby Respondent No. 1 stood as a principal borrower, and Respondent No. 2 & 3 were the Co-borrowers.

5. It is stated that the Respondents have defaulted on repayment of EMIs and have defaulted in adhering to the terms outlined under the Amortization Schedule and Schedule II of the Loan Agreement dated 30.01.2020 and breached the loan agreement under Clauses 3.5, 6.1, 6.8 and Clause 8 of the loan agreement.

6. It is stated that the Petitioner has terminated the existing loan facility under loan no. FW/DEL/LAP/00314 vide Loan Recall Notice dt. 16.08.2021 & 15.03.2022, wherein a sum of Rs. 37,73,052/- stands due and payable under the Loan Agreement dated 30.01.2020.

7. In light of the foregoing facts, the Petitioner is approaching this Court for appointment of a Sole Arbitrator under Section 11(6) of the Act of 1996.

8. It is stated that Notice in the present petition was issued vide order dated 20.12.2024.

9. It is stated that the counsel for the Respondents entered appearance on the last date of hearing i.e., 28.02.2025 and upon his request to try and amicably settle the matter between the parties before initiating arbitral



proceedings, this Court vide order dated 28.02.2025 referred the parties to the Delhi High Court Mediation on 11th March 2022.

10. Learned Counsel for the Petitioner states that the parties have failed to settle their matter amicably through mediation.

11. None appears on behalf of the Respondents and there is no reply on record.

12. This Court has perused the record.

13. A perusal of Clause 21 of the loan agreement shows that there exists a valid arbitration agreement between the parties and the said clause has been duly invoked by the Petitioner vide notices dated 18.11.2024. The value of the claim is stated to be Rs. 63 lakhs approximately. The Respondent has been duly served in these proceedings and has not opposed appointment of the Arbitrator.

14. In these facts, this Court deems it appropriate to refer the parties to arbitration presided over by a sole arbitrator. The Arbitration will be conducted under the aegis of Delhi International Arbitration Centre ('DIAC').

15. In view of the above, the disputes between the parties under the said agreement are referred to the arbitral tribunal with the following directions:

- a) Mr. Sanyam Khetrapal, Advocate (Mob. No. 9873674225, e-mail id sanyam@khetarpal.co.in; E.No. D-1681/2013) is appointed as the Sole Arbitrator to adjudicate the disputes between the parties.
- b) The arbitration will be held as per rules of the DIAC. The remuneration of the learned Arbitrator shall be in terms of Schedule IV of the Act of 1996 or modified by the DIAC Rules.
- 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) 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, as well as claims on merits of the dispute of either of the parties, are left open for adjudication by the learned arbitrator.

- e) The Petitioner shall file its statement of claim within four (4) weeks as per the rules of DIAC.
- f) List the matter before the Delhi International Arbitration Centre, Delhi High Court, Sher Shah Road, New Delhi for a preliminary hearing before the Sole Arbitrator on **21.05.2025** at **10:30 A.M.**
- g) DIAC to issue fresh notice to Respondents for the hearing dated 21.05.2025.

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

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

18. 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 22, 2025/rhc/AKP

Click here to check corrigendum, if any