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

+ **ARB.P. 2112/2024**

M/S. SINGH FINLEASE PVT. LTD.

.....Petitioner

Through:

versus

MR. ANIL MALIK & ORS.

.....Respondents

Through: **Mr. Manoj Panday, Adv.**

CORAM:

HON'BLE MR. JUSTICE JASMEET SINGH

ORDER

07.04.2025

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1. This is a petition filed under Section 11(6) of the Arbitration and Conciliation Act, 1996 seeking appointment of an Arbitrator for adjudication of disputes between the parties arising out of the Loan Agreement dated 27.02.2019.

2. The facts are that the respondent no.1 being the principal borrower along with respondent nos. 2 and 3 (co-borrowers), approached the petitioner for availing a loan facility of Rs 41,04,500/-. Consequently, the Loan Agreement dated 27.02.2019 came to be executed between the parties.

3. Since the respondent failed to make timely payments in terms of the Loan Agreement dated 27.02.2019, the petitioner terminated the Loan Agreement and issued a Loan Recall Notice dated 16.08.2021. Thereafter, the petitioner invoked arbitration vide legal notice dated 10.09.2021.

4. The petitioner appointed a Sole Arbitrator in accordance with the arbitration clause, being clause no. 21 of the Loan Agreement, which reads



as under:

“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 the right and liabilities of the parties hereunder shall be settled by arbitration to be held in accordance with the provisions of the Arbitration and Conciliation Act, 1996 or any statutory amendments thereof and shall be referred to the arbitration of a sole arbitrator, to be nominated by SFPL only and borrower shall have no right to object the appointment of said Arbitrator. In the event of death, refusal, neglect, inability or Incapability of a person so appointed to act as an arbitrator, SFPL may appoint a new arbitrator. The award of the arbitrator shall be final and binding on all parties concerned. The arbitration shall be final and binding on all parties concerned. The arbitration proceedings shall be held at Delhi and the arbitration shall be conducted in English language.”

5. An arbitral award came to be passed in favour of the petitioner on 31.03.2022.
6. However, in view of the judgment passed by the Hon’ble Supreme Court in ***Perkins Eastman Architects DPC & Anr. Vs HSCC (India) Ltd.*** (2020) 20 SCC 760, the award passed on 31.03.2022 is a nullity. The petitioner also withdrew its execution petition being EXE-479/2023.
7. Hence, the present petition has been filed.
8. Mr. Panday, learned counsel appears for the respondents and has no



objection to present petition being allowed.

9. For the said reasons, the petition is allowed and the following directions are issued:-

- I. DIAC (Delhi International Arbitration Centre) will appoint an Arbitrator out of the Panel of the Advocates maintained by the DIAC.
 - II. The arbitration will be held under the aegis of the DIAC, Delhi High Court, Sher Shah Road, New Delhi.
 - 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 DIAC within two weeks from today.
10. The present petition is disposed of in the aforesaid terms.

JASMEET SINGH, J

APRIL 7, 2025/pk

Click here to check corrigendum, if any