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

\# **CNR No. DLHC010749552025**

\+ ARB.P. 1603/2025

M/S AMIT CREDIT COMPANY PVT. LTD .....Petitioner

Through: Mr. Abhishek Kumar Singh, Advocate.

versus

M/S GOAL BIO OIL PVT. LTD & ORS. .....Respondents

Through: Mr. Misbahuddin Siddiqui, Advocate.

CORAM:
HON'BLE MR. JUSTICE PRATEEK JALAN

O R D E R

% 27.10.2026

1. By way of the present petition, under Section 11(6) of the Arbitration and Conciliation Act, 1996 ["the Act"], the petitioner seeks appointment of an arbitrator to adjudicate the disputes between the parties under an Arbitration Agreement contained in two Letters of Guarantee dated 19.04.2024 ["Letters of Guarantee"] executed between the petitioner and respondent Nos.2 and 3 respectively.

2. I have heard Mr. Abhishek Kumar Singh, learned counsel for the petitioner, and Mr. Misbahuddin Siddiqui, learned counsel for the respondents.

3. Notice was issued in this petition on 06.10.2025, and appearance on behalf of the respondents was first noted in order dated 19.03.2026,

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although fresh notice was issued to respondent No.1 subsequently. By order dated 03.08.2026, it was noted that counsel had accepted notice on behalf of all the respondents.

4. Last opportunity to file a reply was granted by order dated 01.10.2026, but no reply has yet been filed.

5. Although Mr. Siddiqui seeks further time to file a reply to the petition, I am not inclined to grant further time as the respondents have had notice of the petition for a relatively long time and have also not availed of the last opportunity to file their replies.

6. The Letters of Guarantee were issued in connection with a Loan Agreement dated 19.02.2024 ["Loan Agreement"], between the petitioner and respondent No.1, which is a company of which respondent Nos.2 and 3 are Directors.

7. Although the Loan Agreement does not contain an arbitration clause, it refers to guarantees being provided by respondent Nos.2 and 3. Clause 24 of the Letters of Guarantee executed by respondent Nos.2 and 3 provides for disputes to be adjudicated by a Sole Arbitrator, to be appointed by the petitioner herein. Clause 24 further specifies that the arbitral proceedings are to be conducted at New Delhi. By virtue of Clause 25, Courts in Delhi have also been vested with exclusive jurisdiction.

8. According to the petitioner, the respondents failed to make the requisite payment under the Loan Agreement, as a result of which the petitioner, through counsel, addressed a legal notice dated 13.05.2025 to the respondents. By way of the legal notice, the petitioner quantified its outstanding amount at Rs.6,44,45,931.99/-, and sought to invoke

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arbitration under the Letters of Guarantee. It also proposed the name of two persons to act as the arbitrator. As no response was received, the petitioner has filed this petition.

9. The existence of the Arbitration Agreement contained in the Letters of Guarantee and invocation thereof, as between the petitioner and respondent No.2 and 3, is not disputed. However, Mr. Siddiqui specifically requests that respondent No.1 – Company, being the principal borrower, should also be made a party to the arbitral proceedings. He also submits that the respondents have, in fact, paid a substantial part of the alleged outstanding amount to another company at the instance of the petitioner.

10. In view of the above, and with the consent of the learned counsel for the parties, the petition is allowed with the following directions:

a. Hon'ble Ms. Justice Asha Menon, former Judge of this Court [Tel: 9910384664] is appointed as the arbitrator to adjudicate disputes between the petitioner and the respondents under the aforesaid agreements.

b. The arbitration will be held under the aegis of Delhi International Arbitration Centre ["DIAC"] and will be governed by the Rules of DIAC, including as to remuneration of the learned Arbitrator.

c. The learned Arbitrator is requested to furnish a declaration under Section 12 of the Act, prior to entering upon the reference.

11. It is clarified that this Court has not expressed any opinion on the merits of the disputes or on the objections raised by the respondents. All rights and contentions of the parties, including those relating to the arbitrability and maintainability of the claims and the merits of the

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disputes, are left open for adjudication by the learned Arbitrator.

12. The petition stands disposed of in the above terms.

PRATEEK JALAN, J

OCTOBER 27, 2026
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