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* IN THE HIGH COURT OF DELHI AT NEW DELHI

+ ARB.P. 1785/2025

DEVI DAYAL GARG

.....Petitioner

Through: Mr.Himanshu Garg, Advocate.

versus

GAURAV JINDAL & ORS.

.....Respondents

Through: Mr. Vivek Punia, Advocate.

CORAM:

HON'BLE MR. JUSTICE VIKAS MAHAJAN

ORDER

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27.02.2026

1. The present petition has been filed under Section 11(6) of the Arbitration and Conciliation Act, 1996 [in short, 'Act'] seeking appointment of an Arbitrator to adjudicate the disputes between the parties under the following Loan Agreements: (i) Loan Agreement No. IN-DL87090639075794S dated 30.09.2020 for an amount of Rs. 1,05,00,000/- [hereinafter "Agreement 1"], (ii) Loan Agreement No. IN-DL98361528983978S dated 26.10.2020 for an amount of Rs. 51,00,000/- [hereinafter "Agreement 2"], (iii) Loan Agreement No. IN-DL98324815280109S dated 26.10.2020 for an amount of Rs.95,00,000/- [hereinafter "Agreement 3"] and, (iv) Loan Agreement No. IN-DL31595197791871T dated 16.01.2021 for an amount of Rs.99,00,000/- [hereinafter "Agreement 4"].

2. The said loan agreements provide for resolution of disputes by arbitration. Clause 7 of the said loan agreements is an arbitration clause which is *para materia* to one another and reads thus:

"7. Dispute settlement: *It is agreed upon between the Parties that any claim, dispute, differences arising between the*



Parties, out of the present Loan Agreement, shall be referred for adjudication to a Sole Arbitrator to be appointed by the First Party and the proceedings shall be done in terms of the Arbitration and Conciliation Act, 1996, as amended upto date. The seat of the Arbitration shall be in New Delhi. The Award of the Arbitrator shall be binding on both the parties.”

3. Notice in the present petition was issued *vide* order dated 28.10.2025 and reply thereto has been filed by the defendants on 09.12.2025.

4. Mr. Vivek Punia, learned counsel appearing on behalf of the respondents submits that though the original agreements contained arbitration clause, but the Agreement 2 and Agreement 3 which were extended *vide* two separate Loan Extension Agreements, both dated 07.06.2022 do not have a separate arbitration clause. He therefore submits that the said issue may be kept open.

5. On the other hand, Mr. Himanshu Garg, learned counsel appearing on behalf of the petitioner submits that the Agreement 2 and Agreement 3 were extended *vide* two separate Loan Extension Agreements, both dated 07.06.2022, therefore, the said Extension Agreements only extends the original agreements and all the terms and conditions of the original agreements have to be read along with the said Loan Extension Agreements.

6. At this stage, the Court has to only see *prima facie* the existence of arbitration clause from the material on record.

7. The Agreement 1 and Agreement 4 were extended *vide* two separate Loan Extension Agreements, both dated 07.06.2022. The said Extension Agreements specifically incorporate an arbitration clause identical to the arbitration clause contained in the original agreements. The clause reads as follows:



“4. Dispute settlement: *It is agreed upon between the Parties that any claim, dispute, differences arising between the Parties, out of the present Loan Agreement, shall be referred for adjudication to a Sole Arbitrator to be appointed by the First Party and the proceedings shall be done in terms of the Arbitration and Conciliation Act, 1996, as amended upto date. The seat of the Arbitration shall be in New Delhi. The Award of the Arbitrator shall be binding on both the parties.”*

8. As noted above, the Agreement 2 and Agreement 3 were also extended *vide* two separate Loan Extension Agreements, both dated 07.06.2022. While these extension agreements do not have separate arbitration clause, but they include corresponding provision explicitly reaffirming the terms of the original contracts. The relevant clause reads thus:

“WHEREAS, all the clauses contained in the loan agreement including compound interest at the same rate as 6% Per Month, Due Monthly, Monthly Payable / or Monthly Compoundable as mentioned in the loan agreement dated 26.10.2020 *remains intact* and the Second Party has issued new PDCs (Post-Dated Cheques’) for repayment of the principal loan and all due interest.”

(emphasis supplied)

This clause *prima facie* establishes the parties' intent that the extension agreements are to be read conjunctively with original Agreement 2 and Agreement 3. Consequently, the arbitration clauses from the parent agreements remain fully intact, operative, and legally binding.

9. *Prima facie*, this Court is of the view that the original Loan Agreements contain an arbitration clause and the Loan Extension Agreements dated 07.06.2022 were only an extension of the original Loan



Agreements and hence, have to be read conjointly with the terms and conditions mentioned in the original Loan Agreements.

10. The agreements were executed in Delhi and the arbitration clause also mentions that the seat of arbitration shall be in New Delhi.

11. The dispute having arisen between the parties, the petitioner invoked the arbitration by giving a notice dated 22.08.2025.

12. A perusal of the original Loan Agreements i.e. Agreement 1, Agreement 2, Agreement 3 and Agreement 4 *prima facie* shows the existence of arbitration clause in the said agreements, and the respondent is also not averse to the matter being referred to arbitration. Therefore, the petition is allowed.

13. Accordingly, the dispute between the parties is referred to arbitration of Mr. Najmi Waziri, former Judge of this Court [Mobile no. 9810097311].

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

15. Learned sole arbitrator shall be entitled to a fee in accordance with the Fourth Schedule of the Act; or as may otherwise be agreed to between the parties and the learned Sole Arbitrator.

16. Petition stands disposed of.

17. It is made clear that all rights and contentions of the parties, including but not limited to existence of arbitration clause, are left open for adjudication by the learned Arbitrator.

VIKAS MAHAJAN, J

FEBRUARY 27, 2026/jg