



\$~4

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

+ **ARB.P. 1924/2025**

KOTAK MAHINDRA PRIME LIMITED

.....Petitioner

Through: Mr. Ajay Uppal, Advocate (through
VC)

versus

AKASH CHOUDHARY & ANR.

.....Respondents

Through: None.

CORAM:

HON'BLE MS. JUSTICE MINI PUSHKARNA

ORDER

27.02.2026

%

1. None appears for the respondents, when the matter is called out.
2. This Court notes that *vide* order dated 10th February, 2026, this Court had recorded as follows:

"1. The Office Noting shows that respondent nos. 1 and 2 have been served through E-mail by the Registry.

2. There are only two respondents. Accordingly, service upon the respondents stands completed.

3. None appears for the respondents when the matter is called out.

4. Accordingly, let replies be filed by the respondents, within a period of 10 days, from today.

5. Rejoinder thereto, if any, be filed within a period of 02 days, thereafter."

3. Thus, learned counsel appearing for the petitioner submits that an Arbitrator be appointed.

4. The present petition has been filed under Section 11(6) of the



Arbitration and Conciliation Act, 1996 (“Arbitration Act”) seeking appointment of a Sole Arbitrator for adjudication of disputes between the parties, arising out of the Loan Agreement dated 30th July, 2022.

5. Learned counsel for the petitioner submits that the respondents approached the petitioner, seeking grant of a vehicle loan and hypothecation financing facility. Subsequently, the parties entered into a Loan Agreement dated 30th July, 2022, whereby, the petitioner had granted a loan of Rs. 13,73,125/- to the respondents.

6. Learned counsel for the petitioner further submits that as per the terms and conditions of the Loan Agreement, the respondents agreed to pay the said loan amount, in 60 Equated Monthly Installments (“EMIs”) of Rs. 28,388/- each.

7. He submits that the respondents in order to secure the loan amount, thereupon, hypothecated the vehicle bearing *Registration No. UK07FF4111*, in favour of the petitioner. As per the mutually agreed terms of the Loan Agreement, the respondents are not entitled to encumber or transfer the said vehicle nor part with the possession thereof.

8. He further submits that the respondents failed to adhere to the terms of the repayment of the Loan Agreement and thus, defaulted and neglected to pay the various EMIs. Consequently, the petitioner was constrained to recall/foreclose the loan facility granted to the respondents, by way of the Loan Recall cum Demand Notice and Invocation Notice dated 11th September, 2025 (“Invocation Notice”).

9. Learned counsel for the petitioner submits that the Loan Agreement dated 30th July, 2022 contains an Arbitration Clause, i.e., *Clause 32*.

10. It is further submitted that the petitioner had also invoked the



Arbitration Clause by the aforesaid Invocation Notice issued as per Section 21 of the Arbitration Act. However, despite the receipt of the Invocation Notice, the respondents have failed to give their consent to the appointment of the Arbitrator. Hence, the present petition came to be filed.

11. This Court notes that the Loan Agreement dated 30th July, 2022 entered into between the parties consists of an Arbitration Clause, i.e., *Clause 32*, which is reproduced as under:

“32. Arbitration:

*All disputes, differences and/or claim arising out of these presents or in any way touching or concerning the same or as to constructions, meaning or effect hereof or as to the rights 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 the **LENDER**. In the event of death, refusal, neglect, inability or incapability of a person so appointed to act as an arbitrator, the **LENDER** may appoint a new arbitrator. The award of the arbitrator shall be final and binding on all parties concerned. The arbitration proceedings shall be conducted in English language and held at the place more particularly mentioned in the **SCHEDULE-I** of the present agreement hereunder.”*

12. This Court further notes the *Schedule-I* of the Loan Agreement, which provides for the address details of the parties, as well as the loan amount of Rs. 13,73,125/-. The said *Schedule – I* of the Loan Agreement, is reproduced as under:



Agreement Schedule - I	
Place of Arbitration Delhi	
Agreement details	
Agreement Date	30 Jul 22
Date of execution of agreement	
Place of execution of agreement	DEHRADHUN
Address of the concerned branch office	City Centre, 56, First Floor Rajpur Road, Opposite Mayur Auto DEHRADHUN - 248001 Uttaranchal - India
Customer Details	
Borrowers Name & Address	56296083 - Akash Choudhary D-274 3rd Floor Gali No 11 Near Laxmi Nagar Metro Station Laxmi Nagar Delhi - 110092 Delhi - India
Co-Borrowers Name & Address	56296070 - Mukesh Devi Jhabiran Saharanpur Saharanpur - 247232 Uttar Pradesh - India
Guarantors Name & Address	
Loan details	
Loan Amount in figures	Rs. 13,73,125.00
Loan Amount in words	Rupees Thirteen Lacs Seventy-Three Thousand One Hundred Twenty-Five Only
Number of tranche schedules	1
Interest parameters	
Rate of Interest/Assets Discount	8.77% / Rs. 0
For Kotak Mahindra Prime Ltd.	
 Authorised Signatories (Lender)	 Borrower (2)
	 Co-Borrower
	 Guarantor
Car Finance Agreement L.N. 2.0	
TRUE COPY	

13. A perusal of the aforesaid *Schedule-I* shows that even though the Loan Agreement has been executed in Dehradun, however, the stamp on the same mentions the place of the arbitration as Delhi.



14. This Court further notes that all the parties, i.e., the petitioner, as well as the respondents, are residents of Delhi. In this regard, the Memo of Parties, as placed before this Court, is reproduced as under:

MEMO OF PARTIES

**KOTAK MAHINDRA PRIME LIMITED.
HAVING ITS OFFICE AT:
6TH FLOOR, AMBADEEP BUILDING,
K.G. MARG, CONNAUGHT PLACE, DELHI-110001
REPRESENTED BY ITS AUTHORISED
REPRESENTATIVE MS. RICHA TUTEJA**

...PETITIONER

Versus

1. **AKASH CHOUDHARY
S/O SH. SANJAY CHOUDHARY
D-274, 3RD FLOOR, GALI NO 11 NEAR LAXMI
NAGAR, METRO STATION LAXMI NAGAR,
EAST DELHI, DELHI-110092**

**Also At-
SKY LIGHT CLASSES
TOP FLOOR, D60, D62A, GALI NO.-4
LAXMI NAGAR, EAST DELHI, DELHI-110092**

**Also At-
H.NO.- 175, JHABIRAN, SAHARANPUR,
UTTAR PRADESH - 247232**

MOBILE NO - 7786070235

E-MAIL ID - AKASH.CHOUDHARY841@GMAIL.COM

2. **MUKESH DEVI
W/O SH. SANJAY
D-274, 3RD FLOOR, GALI NO 11 NEAR LAXMI
NAGAR, METRO STATION LAXMI NAGAR,
EAST DELHI, DELHI -110092**

**Also At-
H.NO.- 175, JHABIRAN, SAHARANPUR,
UTTAR PRADESH - 247232**

MOBILE NO - 9716903741

E-MAIL ID - AKASH.CHOUDHARY841@GMAIL.COM

...RESPONDENTS



15. This Court also takes note of the fact that Invocation Notice dated 11th September, 2025 was issued by the petitioner invoking the Arbitration Clause in terms of Section 21 of the Arbitration Act. The said Invocation Notice along with proof of service, has been placed before this Court.

16. This Court is satisfied that there exists a valid Arbitration Clause between the parties and there are disputes between the parties, which shall be adjudicated by an Arbitrator. Accordingly, this Court finds no impediment in appointment of an Arbitrator.

17. The approximate claim, as raised by the petitioner, is to the tune of Rs. 15,81,718.70/-.

18. At this stage, learned counsel appearing for the petitioner submits that the arbitration under the aegis of Delhi International Arbitration Centre (“DIAC”).

19. Accordingly, the following directions are issued, in this regard:

- i) Ms. Sandhya Gupta, Advocate (Mob: +91- 9312280288) is appointed as the Sole Arbitrator to adjudicate the disputes between the parties.
- ii) The arbitration proceedings shall be held under the aegis and Rules of 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 Arbitration Act prior to entering into the reference. In the event of any impediment to the Arbitrator’s appointment on that Count, the parties are given liberty to file an appropriate application before this Court.
- v) It shall be open to the respondent to raise counter-claims, if any, in



arbitration proceedings.

- vi) 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.
 - vii) The parties shall approach the learned Arbitrator within two (02) weeks from the date of appointment of the Arbitrator.
20. It is made clear that this Court has not expressed any opinion on the merits of the case.
21. Accordingly, the present petition is disposed of in the aforesaid terms.
22. The Registry is directed to send a copy of this order to the learned Sole Arbitrator, as well as, Secretary, DIAC for information and compliance.

MINI PUSHKARNA, J

FEBRUARY 27, 2026

ak