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

CNR No. DLHC010060592026

+ **ARB.P. 324/2026**

INCRED FINANCIAL SERVICES LTDPetitioner
Through: **Mr. Aakash Kumar, Advocate.**

versus

UDAI LAL GURJAR & ORS.Respondents
Through: **None.**

CORAM:
HON'BLE MR. JUSTICE TUSHAR RAO GEDELA

ORDER
12.08.2026

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1. As per the office report, all the respondents have been served. Additionally, learned counsel for the petitioner has also filed the affidavit of service affirming effecting of service upon the respondents *vide* an e-mail mentioned in the memo of parties. The said affidavit of service also discloses service by the petitioner upon all the four respondents through speed post and the tracking report has also been enclosed therewith confirming the delivery of the notices.

2. Despite service by various mode, none has appeared for the respondents today. Since the petitioner seeks appointment of an arbitrator under Section 11(6) of the Arbitration & Conciliation Act ("*the Act*"), 1996 in terms of the Term Loan Facility which was availed by the respondents, there is no impediment in case this Court proceeds to appoint the arbitrator.

3. As per the petitioner, the respondents had applied for a Term Loan Facility in the month of July, 2022, pursuant thereto the petitioner company sanctioned a Term Loan Facility of Rs.18,36,151/- to the respondents and the



Loan Agreement was executed between the petitioner and the respondents on 30.08.2022 under the Loan Account bearing no.LNJAI31522-235583844.

4. It is stated that post availment of the Term Loan Facility, the respondents had defaulted the repayment of the same many times. Pursuant thereto, *vide* the notice dated 15.11.2025, the petitioner recalled the loan facility and required the respondents to make the payment of outstanding amount of Rs.18,85,703.09 as on 14.11.2025 within seven days. Simultaneously, in the very said notice, arbitration was invoked in accordance with Section 21 of the Act on failure of the payment within seven days of the receipt of such loan recall notice.

5. It is stated that the petitioner had requested “SETLEN Arbitration and Dispute Resolution Forum”, which is an arbitral institution, for appointment of a sole arbitrator for adjudicating the disputes between the parties. The said Dispute Resolution Forum is stated to have referred the matter to an advocate on 20.12.2025 requesting him to act as an arbitrator. It is further stated that *vide* a communication dated 30.12.2025, the said advocate accepted the reference.

6. However, consequently, by the application dated 23.01.2026 the arbitration proceedings which were pending before the advocate were withdrawn by the petitioner with permission to initiate fresh arbitration proceedings.

7. Accordingly, the present petition is filed.

8. The issue of appointment of an arbitrator under Section 11(6) of the Act by the Court is no more *res integra* in view of the authoritative pronouncement of the Supreme Court in ***SBI General Insurance Company Limited vs. Krish Spinning, (2024) 12 SCC 1***. It has been held therein that the Court appointing an arbitrator is only to satisfy itself as to the existence of an arbitration agreement between the parties. It is also further held that the Court appointing an arbitrator is not required to consider or dwell into the merits of the disputes,



which is the sole jurisdiction of the arbitrator to be appointed.

9. Following the aforesaid ratio, it is noted that the arbitration agreement between the parties is encapsulated in Clause 18.11 of the Loan Agreement, which is extracted hereunder:

“18.11 Dispute Resolution: Any dispute or difference or claims that arises between the Parties or any of them concerning the Loan/Transaction Documents or any condition herein contained or as to the rights, duties or liabilities of Parties hereto or any of them either during the continuance of the Loan/Transaction Documents or after termination or purported termination hereof shall be referred to the sole arbitrator to be appointed by the Lender. The venue of the arbitration shall be at Delhi or Mumbai at the sole discretion of the Lender and the arbitration proceedings shall be conducted in English language. The parties agree and confirm that the arbitration proceedings shall be conducted in accordance with the Arbitration and Conciliation Act, 1996, as amended from time to time. It is agreed between the Parties, hereto that nothing contained in Section 17 of Arbitration & Conciliation Act, 1996, shall in any way, affect the right of any of Lender or preclude the Parties Lender to / from seek / seeking such interim relief/s in any Court of competent jurisdiction, including interim relief under section 9 of the Arbitration & Conciliation Act, 1996, and the rules framed thereunder. The award of the Arbitrator shall be a written award and shall be final, conclusive & binding on all the Parties whether on question of law or of fact.”

10. On a query regarding the jurisdiction of this Court to adjudicate the present disputes between the parties, learned counsel for the petitioner seeks a short passover.

TUSHAR RAO GEDELA, J

AUGUST 12, 2026/kct

At 04:45 PM

11. At this stage, learned counsel for the petitioner seeks some more time to place on record the relevant judgements in support of the contention that, if there are two seats of jurisdiction for the arbitration mentioned in the agreement, the Court ordinarily must confer the same on a place, which is



convenient to both the parties.

12. Accordingly, list on 14.08.2026.

TUSHAR RAO GEDELA, J

AUGUST 12, 2026/anj