



2025:DHC:9895



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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
+ **O.M.P.(I) (COMM.) 421/2025 and I.A. 25217/2025**

Date of Decision: **03.11.2025**

IN THE MATTER OF:

POONAWALLA FINCORP LIMITED

OFFICE AT: PLOT NO 11, 5TH FLOOR,
PREM DOHIL SADAN, RAJENDRA PLACE,
NEW DELHI -110008

HAVING ITS REGISTERED OFFICE AT:

201 AND 202, 2ND FLOOR,
AP81, KOREGAON PARK ANNEX,
MUNDHWA, PUNE, MAHARASHTRA – 411036
(THROUGH ITS AUTHORIZED REPRESENTATIVE)
MR. VIKAS YADAV

..... PETITIONER

Through: Mr. Asheesh Jain, Sr. Advocate with
Mr. Shankar Senand Mr. Kush Gupta,
Advocates.

Versus

1. UP MONEY LIMITED

(THROUGH ITS DIRECTOR MR. AJIT SINGH CHAWLA)
SHOP NO.16/5, FRIENDS COLONY,
NEAR OLD FARIDABAD METRO STATION,
MAIN MATHURA ROAD, FARIDABAD,
HARYANA-121002

REGISTERED OFFICE AT:

13 & 23, NEHRU SIDHANT KENDRA
FEROZE GANDHI MARKET,
LUDHIANA, PUNJAB, INDIA, 141001



.... RESPONDENT NO.1

2. UP MONEY CORE INVESTMENT PRIVATE LIMITED
(THROUGH ITS DIRECTOR MR. AJIT SINGH CHAWLA)
REGISTERED OFFICE AT:
23, NEHRU SIDHANT KENDRA,
FEROZE GANDHI MARKET, LUDHIANA,
PUNJAB, INDIA, 141001.

.... RESPONDENT NO.2

3. MR. AJIT SINGH CHAWLA
S/O MR. SARDUAL SINGH
HOUSE NO. 127, GURDEV NAGAR,
BHARAT NAGAR CHOWK LUDHIANA,
PUNJAB 141001

.... RESPONDENT NO.3

4. MR. SUMEL SINGH CHAWLA
S/O MR. AJIT SINGH CHAWLA
HOUSE NO. 127, GURDEV NAGAR,
BHARAT NAGAR CHOWK LUDHIANA,
PUNJAB 141001

.... RESPONDENT NO.4

Through: Mr. Kunal Tandon, Sr. Advocate with
Mr. Abhinav Agnihotri, Mr. Gitesh
Chopra, Mr. Siddharth Singh and
Ms. Natasha, Advocates.

HON'BLE MR. JUSTICE PURUSHAINDRA KUMAR KAURAV

JUDGEMENT

PURUSHAINDRA KUMAR KAURAV, J. (ORAL)

The present petition has been filed under Section 9 of the Arbitration and Conciliation Act, 1996 (*the Act*), seeking interim relief.



2. The facts of the case would reveal that the petitioner and respondent no.1 are Non-Banking Finance Company (NBFC). Respondent nos. 2 to 4 are the Corporate Guarantors and Personal Guarantors. A term loan facility of Rs. 10 Crores was sanctioned by the petitioner on 13.09.2024, pursuant to a Facility-cum-Hypothecation Agreement dated 18.09.2024 (*hereinafter referred to as "the Facility Agreement"*). It is the case of the petitioner that the respondents have committed breaches of their contractual obligations under the Facility Agreement, including failure to make timely repayments and to maintain the stipulated security cover. It is further stated that as on 08.09.2025, an amount of ₹6,71,08,251/- remains outstanding and payable by the respondents. The record also indicates that the petitioner issued a Loan Recall-cum-Demand Notice dated 08.09.2025, followed by the invocation of the Deed of Guarantee through a notice dated 15.09.2025.

3. Therefore, the instant petition came to be filed essentially to secure hypothecated assets at least to the extent of 1.10 times of the total due payable, pending invocation of arbitration.

4. *Vide* order dated 10.10.2025, the Court issued notice and directed the respondent to place on record the updated revised certificate from the Chartered Accountant after 27.05.2025. The same has been placed on record as Annexure R8.

5. Moreover, by way of a reply, respondent No.1 has raised various objections. Besides the objections on merits, it is stated in paragraph no. 6 of the paragraph-wise reply that, in terms of Clauses 12.1 and 12.2 of the Facility Agreement, the facility was secured by a first and exclusive charge



by way of hypothecation over the receivables classified as “0 DPD” with a security cover of 1.10 times the outstanding principal. It is further stated by Mr. Tandon, learned senior counsel for Respondent No.1, that Respondent No.1 has an overall book of Rs. 400 Crores and there is no reason to apprehend that, in the event the Petitioner succeeds, the awarded amount would not be recoverable.

6. More importantly, during the course of arguments, the parties are *ad idem* for the appointment of an arbitrator to adjudicate the dispute which has arisen between the parties.

7. Thus, upon consideration of the facts and circumstances of the case, and after taking note of the submissions advanced by the parties, the Court is of the view that all questions arising in the matter are amenable to be adjudicated by the Arbitrator.

8. Furthermore, the instant petition, along with the reply filed thereto, shall be placed before the learned Arbitrator, who shall deal with the same in accordance with law. The present petition shall be treated as an application under Section 17 of the Act.

9. Accordingly, in view of the aforesaid, this Court appoints Justice Rajul Bhargava (Retd.) (Mobile No: +91-9839053626; Email: rajulbhargava18@gmail.com) as the sole Arbitrator.

10. The arbitration would take place under the aegis of the Delhi International Arbitration Centre (DIAC) and would abide by its rules and regulations. The learned Arbitrator shall be entitled to fees as per the



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Schedule of Fees maintained by the DIAC.

11. The learned arbitrator is also requested to file the requisite disclosure under Section 12 (2) of the Act within a week of entering on reference.

12. All rights and contentions of the parties in relation to the claims/counter-claims are kept open, to be decided by the learned Arbitrator on their merits, in accordance with law.

13. Needless to say, nothing in this order shall be construed as an expression of opinion of this Court on the merits of the controversy between the parties.

14. Let a copy of this order be sent to the Arbitrator through electronic mode as well.

15. Accordingly, the instant petition, along with pending application, stand disposed of.

PURUSHAINDR KUMAR KAURAV, J

NOVEMBER 3, 2025

Nc/mj