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

\# **CNR No. DLHC010335482026**

\+ O.M.P.(I) (COMM.) 303/2026

KISSANDHAN AGRI FINANCIAL SERVICES PRIVATE LTD .....Petitioner

Through: Mr. Prerit Goyal, Advocate.

versus

UP MONEY LIMITED & ORS. .....Respondents

Through: Mr. Gitesh Chopra and Mr. Siddharth Singh, Advocates.

CORAM:
HON'BLE MR. JUSTICE OM PRAKASH SHUKLA

ORDER (ORAL)

% **25.09.2026**

1. The present petition has been filed under Section 9 of the Arbitration and Conciliation Act,1996[1] seeking following reliefs:

> *"1. Grant appropriate interim protection under Section 9 of the Arbitration and Conciliation Act, 1996 to safeguard the subject matter of the dispute and to ensure that the arbitral proceedings and any award rendered therein are not rendered nugatory.*
>
> *2. Pending the commencement and conclusion of the arbitration, restrain the Respondents, their directors, officers, agents, and any person claiming through or under them from alienating, encumbering, disposing of, or in any manner creating third-party rights in respect of their movable and immovable assets, including immovable properties situated in India and abroad, so as to prevent frustration of the Petitioner's claims and the arbitral process.*
>
> *3. Pass such further or other orders under Section 9 of the Arbitration and Conciliation Act, 1996 as this Hon'ble Court may deem fit and proper in the facts and circumstances of the case to protect the Petitioner's security interest and ensure effective*

[1] "the Act" hereinafter

enforcement of any arbitral award that may be passed in its favour."

2. *Vide* order dated 29.07.2026, this Court had granted *ex parte* interim protection in favour of the Petitioner. The same is reproduced hereunder:

*"**LA. 19932/2026 (Exemption from filing originals, clearer copies,***
translated copies, dim/type copy; highlighted copies and left side margin of certain documents)

1. Exemption allowed; subject to all just exceptions.
2. The application stands disposed of.

LA. 19933/2026 (Delay in refiling)

3. For the reasons stated in the application, the delay in refiling is condoned.
4. The application stands disposed of.

O.M.P.(I) (COMM.) 303/2026

5. The present petition has been filed under Section 9 of the Arbitration and Conciliation Act, 1996 seeking interim measures in, aid of arbitral proceedings arising out of Term Loan Agreement dated 28.09.2024, Deed of Hypothecation dated 28.09.2024 and the Deeds of Personal Guarantees executed by Respondent Nos.2 and 3 in favour of the Petitioner.

6. Learned Counsel for the Petitioner submits that Respondent No.l had approached the Petitioner seeking financial assistance, pursuant to which a medium-term loan of Rs.5 crores was sanctioned by Sanction Letter dated 27.09.2024. It is submitted that pursuant thereto, the parties executed the Term Loan Agreement dated 28.09.2024 and the Deed of Hypothecation dated 28.09.2024, whereby Respondent No.l created an exclusive charge over its current assets over an extent of 110% of the loan exposure.

7. It is further submitted that Respondent Nos.2 and 3 executed Deeds of Personal Guarantee, thereby undertaking joint and several liabilities for repayment of the outstanding dues.

8. Learned Counsel for the Petitioner submits that Respondent No.l committed persistent defaults in repayment of the loan. The first instance of default occurred upon dishonour of EMI for the month of August 2025 on account of insufficiency of finds. Despite repeated follow-ups, the Respondents failed to regularise the loan account which constrained the Petitioner to issue a Loan Recall Notice dated 05.09.2025, recalling the entire outstanding dues.

9. Learned Counsel further submits that Respondent Nos.2 and 3 being the personal guarantors were jointly and severally liable under the Deeds of Personal Guarantee.

10. Respondent No.1 as the borrower, as well as the Respondent Nos.2 and 3 in their capacity as personal guarantors, issued various cheques towards discharge of the outstanding liability. However, all such cheques were dishonoured upon presentation. Therefore, Legal Demand Notice dated 29.09.2025 was issued to the borrowers as well as to guarantors.

11. Learned Counsel for the Petitioner further submits that during the course of inquiry, after issuance of the recall notice, Respondent No.3 was found to be untraceable and continues to remain absconding. 12. It is submitted that although Respondent No.2, acting on behalf of Respondent No.1 subsequently remitted a sum of Rs.38 lacs, no further payments were made and no concrete proposal for liquidation of the outstanding dues was furnished.

13. According to the Petitioner, after giving credit for the said payment, a sum of Rs.3,12,88,646.50/- remains due and payable by the Respondents jointly and severally.

14. It is submitted that in view of the continued defaults, dishonour of cheques, the alleged absconding of Respondent No.3 and the failure of the Respondent to satisfy the recalled liability, there exists a genuine apprehension that the Respondents may alienate or encumber their assets/frustrate the arbitral proceedings and any award that may ultimately be passed. The Petitioner thus seeks the following reliefs:

> *"1. Grant appropriate interim protection under Section 9 of the Arbitration and Conciliation Act, 1996 to safeguard the subject matter of the dispute and to ensure that the arbitral proceedings and any award rendered therein are not rendered nugatory.*
>
> *2. Pending the commencement and conclusion of the arbitration, restrain the Respondents, their directors, officers, agents, and any person claiming through or under them from alienating, encumbering, disposing of, or in any manner creating third-party rights in respect of their movable and immovable assets, including immovable properties situated in India and abroad, so as to prevent frustration of the Petitioner's claims and the arbitral process.*
>
> *3. Pass such further or other orders under Section 9 of the Arbitration and Conciliation Act, 1996 as this Hon'ble Court may deem fit and proper in the facts and circumstances of the case to protect the Petitioner's security interest and ensure effective enforcement of any arbitral award that may be passed in its favour."*

15. Learned Counsel for the Petitioner further submits that Respondent No.3 is presently untraceable and the conduct of the Respondents gives rise to a serious apprehension that they may alienate, encumber or otherwise deal with their assets with a view to defeat the Petitioner's legitimate claim and frustrating the arbitral proceedings. It is accordingly prayed that appropriate interim protection be granted under Section 9 of the Act.

16. Having heard learned Counsel for the Petitioner and upon a prima facie consideration of the material placed on record, this Court is of the view that continued defaults in repayment, the dishonour of cheques issued towards discharge of the outstanding liability, and the allegation that one of the personal guarantors is presently untraceable, coupled with the apprehension that the Respondents may alienate or otherwise deal with their assets, prima facie justify the grant of interim protection.

17. This Court is, therefore satisfied that the Petitioner has made out a prima facie case for grant of limited interim protection. The balance of convenience also lies in preserving the Respondents' assets to the extent of the Petitioner's outstanding claims. In the absence of such protection, there exists a real likelihood of the arbitral proceedings being rendered inefficacious and any award that may ultimately be passed in favour of the petitioner being rendered incapable of effective enforcement.

18. Accordingly, till the next date of hearing, the Respondents shall maintain status quo with regard to their movable and immovable assets to the extent of the Petitioner's outstanding claim and shall not alienate, transfer, encumber, create any third party rights or otherwise deal with such assets in a manner so as to prejudice the rights of the petitioner or frustrate the arbitral proceedings or the enforcement of any arbitral award that may ultimately be passed.

19. Upon Petitioner taking appropriate steps, issue notice to the Respondents through all permissible modes, including electronic means and dasti.

20. Reply be filed within four weeks. Rejoinder thereto, if any, be filed within two weeks thereafter.

21. List on 25.09.2026."

17. Today, learned Counsel appearing for the parties are *ad idem* that the matter may be referred to mediation to explore the possibility of an amicable settlement.

18. Acceding to the same, the matter is referred to Delhi High Court

Mediation and Conciliation *(Samadhan)* and the parties are directed to appear in person or through their authorized representative along with their respective Counsel before the Mediation Centre on 01.10.2026.

19. Six weeks' time is granted for exploring the possibility of settlement through mediation, as prayed.

20. If mediation fails, the parties are also *ad idem* with respect to reference of the disputes to arbitration.

21. Learned Counsel appearing for all the Respondents submits that the existence and applicability of the arbitration agreement *qua* the other Respondent Nos 2 to 6, in their individual capacities, is disputed. However, he is *ad idem* that the matter be referred to arbitration if the settlement talks fail between the parties.

22. The objection raised on behalf of other Respondent Nos 2 to 6 with regard to the existence, applicability and/or binding effect of the arbitration agreement is left open for consideration in accordance with law.

23. Insofar as the existence of the arbitration agreement between the Petitioner and Respondent No.1 is concerned, there is no dispute.

24. In the aforesaid circumstances, this Court finds no impediment in appointing a Sole Arbitrator.

25. Accordingly, Mr. Bishwajit Dubey, Advocate (Mob.

9910224345) is appointed as a learned Sole Arbitrator to adjudicate the disputes arisen between the parties. The learned Sole Arbitrator shall enter upon the reference within three weeks from the date of the mediation report recording failure of settlement.

26. The learned Sole Arbitrator will proceed to the arbitration proceedings subject to furnishing requisite disclosures as required under Section 12(2) of the Act.

27. The arbitration shall be carried under the rules and aegis of Delhi International Arbitration Centre ("DIAC"). The learned Arbitrator shall be entitled to fees as per the Schedule of Fees maintained by the DIAC.

28. Upon constitution of the Arbitral Tribunal, the present petition under Section 9 of the Act shall be placed before the learned Sole Arbitrator and shall be treated as an application under Section 17 of the Act, to be considered and decided by the learned Arbitral Tribunal in accordance with law.

29. At this stage it is also clarified that, the *ad interim* protection granted *vide* order dated 29.07.2026 shall continue, *qua* Respondent No.1, until the learned Arbitral Tribunal considers the matter under Section 17 of the Act and passes appropriate orders thereon.

30. It shall be open to the learned Arbitral Tribunal, upon consideration of the matter on its own merits and in accordance with law, to continue, modify, vary or vacate the aforesaid interim

arrangement.

31. All rights and contentions of the parties are left open. Nothing contained in the present order shall be construed as an expression of opinion on the merits of the disputes between the parties or on the objections raised objection as to arbitrability of the disputes, existence, validity or applicability of the arbitration agreement *qua* any of the Respondents, and misjoinder of parties before the learned Sole Arbitrator who shall decide the same in accordance with law.

32. The Registry is directed to send a receipt of this order to Mr. Bishwajit Dubey, learned Arbitrator through all permissible modes including email.

33. Accordingly, the present petition is disposed of in the above terms.

OM PRAKASH SHUKLA, J

SEPTEMBER 25, 2026/pa