



\$~2

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

+ **ARB.P. 185/2025**

ASPIRE CITY LLP

.....Petitioner

Through: Mr. Ashish Mohan Sr. Adv with Mr.
Sumeher Bajaj, Mr. Aveak Ganguly
& Mr. Samarth Chowdhary,
Advocates

versus

YPS DEVELOPERS PRIVATE LIMITED & ORS.Respondents

Through: None

CORAM:

HON'BLE MS. JUSTICE MANMEET PRITAM SINGH ARORA

ORDER

% **02.04.2025**

1. The present petition under Section 11(6) of the Arbitration and Conciliation Act, 1996 ('Act of 1996'), has been filed by the Petitioner-Aspire City LLP, seeking appointment of an Arbitral Tribunal comprising of a Sole Arbitrator, to adjudicate the disputes between the parties in terms of Clause 9 of the Memorandum of Understanding ('MoU') dated 09.05.2024, as applicable to the parties herein.

2. It is stated that the Petitioner and the Respondent No. 1 executed a MoU dated 09.05.2024 for the development of a plotted residential housing society project on the subject land i.e., Khasra no. 729, 738, 739, and 750 at Village Sadarpur, Ghaziabad, Uttar Pradesh-201002. The said MoU is duly registered.

3. It is stated that despite receiving the entire consideration of Rs. 3 Crores from the Petitioner as contemplated under the MoU dated



09.05.2024, the Respondent no. 1 has willfully neglected, omitted and failed to comply with or fulfil any of the obligations stipulated therein. It is stated that therefore, some disputes arose between the parties and as a result, the Petitioner vide notice dated 22.12.2024 invoked the arbitration agreement in terms of Clause 9 of the MoU dated 09.05.2024. It is stated that the said notice has not been responded to by Respondent No. 1 and in these circumstances, the Petitioner has been constrained to approach this Court under Section 11(6) of the Act of 1996.

4. Learned senior counsel for the Petitioner states that the monetary value of the claims of the Petitioner will be approximately Rs. 50-60 crores. He prays that a Sole Arbitrator be appointed by this Court. He states that the Petitioner would pray for an appointment of a former Judge of High Court, as the Sole Arbitrator.

5. He fairly submits that Respondent nos. 2 and 3 are not party to the arbitration agreement and have been impleaded in their capacity as Directors of Respondent no. 1. He states that therefore no relief for appointment of Arbitrator qua said Respondents is being prayed for.

6. None appears on behalf of the Respondents.

7. The matter was passed over in the pre-lunch session; none appears on behalf of Respondents even in the post lunch session.

8. This Court has heard the learned senior counsel for the Petitioner and perused the record.

9. The Arbitration clause i.e., Clause 9 of the MoU dated 09.05.2024 clearly stipulates that all claims or disputes arising out of the Agreement shall be resolved through Arbitration. The seat of Arbitration is at Delhi.

10. The said Clause 9 reads as under: -



“9. In the event of any dispute, differences, claims etc. of any nature whatsoever between the parties arising out of or in relation to this Agreement, the same shall be solely and exclusively referred to the Sole Arbitrator who shall be mutually appointed by the parties. The arbitration shall be conducted in accordance with the provisions of Arbitration and Conciliation Act, 1996 as amended from time to time. The decision of the sole arbitrator shall be final and binding upon the parties. **The seat and venue of arbitration shall be at Delhi.** The Courts at Ghaziabad shall have exclusive jurisdiction with respect to subject matter of this agreement.”

(Emphasis Supplied)

11. This Court, vide Order dated 24.01.2025, issued notice to the Respondents. The matter was thereafter listed on 06.03.2025, on which date the counsel for the Respondents entered appearance and sought time to file reply, which was granted. However, till date the Respondents have failed to file their reply to the present petition. Moreover, there is no appearance on behalf of Respondents. The Respondents are accordingly deemed to be served.

12. The MoU dated 09.05.2024 has been executed between Petitioner and Respondent No. 1.

13. Respondent Nos. 2 and 3 are Directors of Respondent no. 1. Thus, there can be no reference of Arbitration qua Respondent Nos. 2 and 3. In fact, there is no pleading also in the petition vis-à-vis existence of arbitration agreement with Respondent Nos. 2 and 3.

14. This order of appointment of Arbitrator is thus only for disputes between Petitioner and Respondent No. 1.

15. In the aforementioned facts there is no dispute with respect to the existence of Arbitration agreement between Petitioner and Respondent No. 1, in terms of the arbitration clause in the MoU dated 09.05.2024, this Court deems it appropriate to appoint Justice Rekha Palli, Former Judge, High Court of



Delhi [Mob. No. 9810380823 of Mr. Shiblal Khandal, the clerk of the Arbitrator] as the Sole Arbitrator to adjudicate the disputes between the parties.

16. The disputes between the parties under the said agreement are referred to the sole Arbitrator, with the following directions:

- a) The arbitral proceedings will be held under the aegis of the Delhi International Arbitration Centre, Delhi High Court, Sher Shah Road, New Delhi ('DIAC'). The arbitral proceedings will be governed by the Rules of DIAC.
- b) The remuneration of the Sole Arbitrator shall be in terms of Schedule IV of the Act of 1996, as amended by the Rules of DIAC.
- c) The learned Arbitrator is requested to furnish a declaration in terms of Section 12 of the Act of 1996 before entering into the reference and in the event, there is any impediment to the appointment of on that count, the parties are given liberty to file an appropriate application in this Court.
- d) The parties are directed to appear before the learned Arbitrator for preliminary hearing on 17.04.2025 at 04:30 PM.
- e) The statement of claim will be filed within four (4) weeks.
- f) DIAC will issue fresh notice to the Respondent no. 1 in arbitral proceedings and also for the proceeding dated 17.04.2025.

17. It is clarified that all rights and contentions of the parties, including on maintainability/arbitrability of the claims and on merits, are left open for adjudication by the learned Arbitrator and nothing said in this order is an expression on the merits of the case.



18. This Court by a separate order passed today in O.M.P.(I)(COMM) 440/2024 has also referred the petition under Section 9 of the Act of 1996 to be heard and adjudicated by the learned Arbitrator as a petition under Section 17 of the Act of 1996.

19. Copy of this order be communicated by the Registry to the Respondents through email.

20. Copy of the order be sent to the learned Arbitrator and organizing secretary DIAC for information and compliance.

21. With the aforesaid directions, this petition stands disposed of.

22. The digitally signed copy of this order, duly uploaded on the official website of the Delhi High Court, www.delhihighcourt.nic.in, shall be treated as a certified copy of the order for purpose of ensuring compliance. No physical copy of order shall be insisted by any authority/entity or litigant.

MANMEET PRITAM SINGH ARORA, J

APRIL 2, 2025/hp/MG

[Click here to check corrigendum, if any](#)