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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
+ **ARB.P. 429/2025&I.A. 6067/2025**

YOUTHDOSA FOOD SERVICES LLPPetitioner

Through: Mr. Ujjval Gupta, Mr. Joel, Mr.
Sheeshpal Singh, Ms. Preeti Priya, Adv.

versus

GODREJ FINANCE LIMITEDRespondent

Through: Mr. Shankar Sen, Adv.

CORAM:

HON'BLE MR. JUSTICE JASMEET SINGH

ORDER

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23.09.2025

1. This is a petition filed under Section 11 of the Arbitration and Conciliation Act, 1996 seeking appointment of an Arbitrator to adjudicate the disputes between the parties arising out of a Loan Agreement dated 04.08.2023.
2. The said Agreement contains an arbitration clause being Clause No. 23.6 which reads as under:

“23.6 ARBITRATION

23.6.1 All disputes, differences, claims and questions whatsoever arising out of finance Documents or the breach, termination or invalidity hereof between the Parties (“Disputes”) may be settled by arbitration in accordance with the Arbitration and Conciliation Act, 1996, or any statutory amendments thereof which shall be referred to a sole arbitrator to be by the Lender.

23.6.2 The arbitration proceedings shall be held in Mumbai or Delhi or any other branch location as may be advised by the Lender. The language of such arbitration proceedings shall be English.

23.6.3 If the sole arbitrator appointed in accordance with the Clause 23.6.1 above, is unable to effectively discharge the



functions of the arbitrator or conduct the arbitration for any reason whatsoever (such as death or any other incapacity), then any Party may initiate the process to substitute such arbitrator by appointing another sole arbitrator in accordance with the process set out in Clause 23.6.1 above who shall be entitled to proceed with the proceedings from the stage at which it was left by the previous sole arbitrator.

23.6.4 The arbitrator's award shall be: (a) in writing and shall contain reasons for the decision and (b) binding on the Parties and enforceable in any competent court of law. The award shall allocate or apportion the costs of the arbitration as the arbitrator deems fair. The Lender shall be entitled to seek interim relief from the courts of India.

23.6.5 Neither the existence of any Dispute nor the fact that any arbitrator is pending hereunder shall relieve any of the Parties of their respective obligations under Finance Documents. The pendency of Dispute in any arbitration proceeding shall not affect the performance of the obligations under Finance Documents.

23.6.6 The arbitrator so appointed herein above, shall also be entitled to pass an award or any interim orders on the collateral and also on any other securities if furnished by or on behalf of the Borrower(s)/Co-Borrower(s). The arbitrator is further entitled to pass any interim directions with reference to the possession of the collateral, security, assets if any as well as sale of the asset, or any other directions as may be appropriate to protect the interest of the Parties pending resolution of the Dispute. Performance of the obligations under Finance Documents.

23.6.7 The arbitrator so appointed herein above, shall also be entitled to pass an award or any interim orders on the collateral, security and also on any other securities if furnished by or on behalf of the Borrower(s)/Co-Borrower(s). The arbitrator is further entitled to pass any interim directions with reference to the possession of the collateral, security, assets if any as well as sale of the asset, or any other directions as may be appropriate to protect the interest of the Parties pending resolution of the Dispute.



This Clause 23 shall survive the termination of the Loan Agreement.”

3. The petitioner received a letter dated 09.11.2024 from the ‘Office of Sole Arbitrator Sandeep Sain’ with the subject ‘Notice of intention to proceed Ex-Parte’ vide which he was informed about the appointment of Sole Arbitrator. The petitioner objected to unilateral appointment of Arbitrator and thereafter, filed the present petition to appoint a Sole Arbitrator.
4. Even though both the parties are before Delhi High Court Mediation Centre, the learned counsels for the parties state that there is no chance of a mediated settlement and the Court can proceed with the appointment of an Arbitrator.
5. I am satisfied that there is a valid arbitration clause and there are disputes which need to be settled through the arbitral mechanism.
6. For the said reasons, the petition is allowed and the following directions are issued:-
 - i) Mr. Naveen Gupta (Advocate) (Mob. No.9312248478) is appointed as a Sole Arbitrator to adjudicate the disputes between the parties.
 - ii) The arbitration will be held under the aegis and rules of the Delhi International Arbitration Centre, Delhi High Court, Sher Shah Road, New Delhi (hereinafter, referred to as the ‘DIAC’).
 - 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 1996 Act prior to entering into the reference.



- v) 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.
 - vi) The parties shall approach the learned Arbitrator within two weeks from today.
7. The petition is disposed of with the aforesaid directions.

SEPTEMBER 23, 2025/AS

JASMEET SINGH, J