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

% ***Date of decision: 26.10.2021***

+ **ARB.P. 924/2021**

OYO HOTELS AND HOMES PVT. LTD. Petitioner
Through: Mr. Saurabh Bindal, Advocate

Versus

ZREYAH SEMICONDUCTORS PVT LTD. Respondent
Through: Mr. Shekhar Vyas, Advocate

CORAM:
HON'BLE MR. JUSTICE SURESH KUMAR KAIT

J U D G M E N T (oral)

1. The present petition has been filed by petitioner seeking appointment of Sole Arbitrator under the provisions of Section 11 of the Arbitration and Conciliation Act, 1996.

2. On the last date of hearing, learned counsel for the respondent had submitted that the matter can be resolved outside court. However, learned counsel for the petitioner today submits that matter could not be settled and therefore, the present petition be heard and allowed.

3. Petitioner company is registered under the Companies Act, 2013 and is engaged in the business of managing hospitality establishments and claims to be world's leading chain of hotels, homes, and spaces. The premise

of the present petition is Vendor Agreement dated 23.12.2019 entered with respondent for the purpose of purchase of electronic components and products as detailed in Schedule - A of the Vendor Agreement.

4. According to petitioner, in terms of the Vendor Agreement dated 23.12.2019, petitioner placed an order for 52,360 switches for an amount of INR. 10,34,89,540/-, payment for which was to be made within 30 days of receipt of undisputed invoices, subject to Clause 3.2 of the Vendor Agreement, which specified that the products were to be first delivered as per the agreed delivery date under the purchase orders. However, petitioner released substantial advance of 50% of the Purchase Order value i.e. INR. 5,17,00,000/- on 25.10.2019 upon representation of the respondent that it would deliver 52,360 switches within the prescribed timeline i.e. by January 2020. However, despite, the receipt of advance payment and follow-up on delivery schedules, the respondent failed to deliver a single product in terms of the purchase order. However, certain disputes arose between the parties with regard to packing, dispatch of the units, etc. and a few communications were exchanged between the parties, which could not be resolved and so, petitioner issued a Termination Notice vide email dated 06.01.2021 to the respondent. Despite receipt of the Termination Notice, respondent insisted

upon the petitioner to make payments.

5. Further submitted that petitioner invoked the Dispute Notice dated 15.03.2021, which was received by the respondent on 15.03.2021, and therefore, the 15 days period for amicable settlement of the disputes elapsed on 30.03.2021 and therefore, the preset petition has been filed.

6. Learned counsel appearing on behalf of respondent has disputed the claims raised on behalf of petitioner, however, existence of Vendor Agreement dated 23.12.2019 and invocation of arbitration is not disputed.

7. Accordingly, the present petition is allowed and Mr. Justice (Retd.) A.K. Pathak is appointed sole Arbitrator to adjudicate the dispute between the parties.

8. The fees of the learned Arbitrator shall be according to Fourth Schedule of the Arbitration and Conciliation Act, 1996.

9. With aforesaid directions, the present petition is accordingly disposed of.

10. A copy of this order be sent to the learned Arbitrator for information.

(SURESH KUMAR KAIT)
JUDGE

OCTOBER 26, 2021

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