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

% ***Date of decision: 13.01.2022***

+ **ARB.P. 506/2021**

M/S MBD PRINTOGRAPHICS PVT LTD Petitioner

Through **Mr. Harsh Vardhan Sharma and Mr.
Ashutosh Kumar Pandey, Advs.**

versus

M/S PARAGON PAPER INDUSTRIES & ORS. Respondents

Through **Mr. Mridul Jain and Ms. Neha Goel,
Advs.**

**CORAM:
HON'BLE MR. JUSTICE SURESH KUMAR KAIT**

J U D G M E N T (oral)

I.A. 9063/2021 (u/O. 1 R. 10 r/w S. 151 CPC)

I.A. 9061/2021 (u/O. 1 R. 10 r/w S. 151 CPC)

1. The present applications have been filed by the applicants/respondent Nos.6 and 7, respectively, seeking striking off their names from the array of the parties.

2. Notice issued.

3. Learned counsel for petitioners accepts notice and submits that he has no objection if the present applications are allowed.

4. Accordingly, the present applications are allowed and respondent



Nos.6 and 7 are deleted from the array of the parties.

5. Petitioner is directed to file amended memo of parties within three days.

6. Accordingly, the present applications stand disposed of.

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7. The present petition has been filed under Section 11(6) (A) of the Arbitration and Conciliation Act, 1996 seeking appointment of sole Arbitrator to adjudicate the disputes inter-se b/w the parties.

8. As per the averments made in the present petition, petitioner is a company engaged in the business of paper and paper products. Respondent No. 1 is a partnership firm formed vide partnership deed dated 08.10.2018. Respondent Nos.2 and 3 are involved in the business of paper and paper products. The Respondent No. 4 & 5 are companies run and managed by the partners of respondent No.1 having same office address and operated with the same set of management.

9. It is further averred in the present petition that respondent No.1 through respondent Nos.2 & 3, approached the petitioner for the purpose of processing the raw materials thereby manufacturing of paper and paper products from the paper mill of the petitioner on the terms and conditions set



out in agreements signed between petitioner and respondents. On 11.10.2018, the petitioner and respondents executed a Job Work agreement. Parties also entered into another Agreement, i.e. Improvement Plan Agreement, on the same date. Petitioner also entered into two more separate agreements with respondent No.4 and respondent No.5, i.e. Project Management Agreement and Agreement for Sale Purchase of Paper and Paper Products, respectively. Petitioner and Respondents agreed on the terms set out in the respective agreements for further smooth conduct of their businesses.

10. It is further averred that in the agreements dated 11.10.2018, it is abundantly clear that in the event of any default/breach of terms and conditions under the agreements, the respondents shall indemnify the petitioner.

11. Further , all the four agreement dated 11.10.2018 executed between the parties abovementioned separately prescribed at Clause 17 .1 & 17 .2 in the Agreement for Job Work, Clause 10.1 & 10.2 in the Improvement Plan Agreement, Clause 15.1 & 15.2 of the Project management Agreement and Clause 15.1 & 15.2 of the Agreement for Sale Purchase of Paper and Paper Products that in the event of any dispute of whatsoever nature is incapable of



being resolved amongst the parties amicably then and in that event the parties have agreed to refer all dispute to the sole Arbitrator.

12. Further, petitioner approached the respondent Nos. 1, 2 & 3 vide notice dated 03.06.2020 subjected: "Demand letter cum notice of Invocation of Termination for material default in payments of commitment charges and other payables taxes as stipulated under the agreement for Job work dated 11.10.2018."

13. Respondents and the Petitioner had discussions on several occasions to resolve the dispute between them and on 05.10.2020, respondent No.3 in the capacity of Partner/Managing Director of respondents/ institutions had ensured and undertaken the modalities to resolve the dispute/claim against each other however, no steps have been taken by the respondents to fulfil the commitment.

14. Learned counsel for petitioner submits that the petitioner sent notices dated 01.12.2020 and 17.2.2021 to the respondents for invocation of arbitration regarding dispute of unpaid operational debt to the tune of Rs.8,52,03,262/- to the proposed learned sole Arbitrator Mr. Osama Suhail, Advocate in terms of arbitration clauses mentioned in the aforesaid agreements. However, respondents declined the request of the petitioner for



appointment of sole arbitrator. Hence, the present petition has been filed.

15. During the course of hearing, learned counsel appearing on behalf of respondents has not objected to the appointment of Sole Arbitrator to adjudicate the dispute between the parties, however, has submitted that since there are four agreements executed between the petitioner and respondents, therefore, sole Arbitrator so appointed may adjudicate the dispute through three different arbitration proceedings and also that all issues be kept open before the learned Arbitrator.

16. The aforesaid submission made by learned counsel for respondents is acceptable to counsel for petitioner.

17. Accordingly, the present petition is allowed and **Mr.Sachin Datta, Senior Advocate (Mobile:9810032822)** is appointed sole Arbitrator to adjudicate the dispute between the parties.

18. Learned Arbitrator shall adjudicate the dispute through three different arbitration proceedings, i.e. one qua Agreement for Job Work and Improvement Plan Agreement; second qua Project Management Agreement and third, qua Agreement for Sale Purchase of Paper and Paper Products, with the concerned parties to the Agreements.

19. The fee of the learned Arbitrator shall be governed by the Fourth



Schedule of the Arbitration and Conciliation Act, 1996.

20. The learned Arbitrator shall ensure compliance of Section 12 of Arbitration and Conciliation Act, 1996 before commencing the arbitration.

21. The present petition stands disposed of accordingly.

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

JANUARY 13, 2022/rk

**(SURESH KUMAR KAIT)
JUDGE**

