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IN THE HIGH COURT OF DELHI AT NEW DELHI

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ARB.P. 215/2024& I.A. 3823/2024

SPG INFRAPROJECTS PVT LTD

.....Petitioner

Through: Mr. Gagan Narang, Ms. Urvi Syal,
Mr. Rudraksh Gupta, Advs.

versus

M/S SIGMA ELECTRICALS

.....Respondent

Through:

CORAM:

HON'BLE MR. JUSTICE JASMEET SINGH

ORDER

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24.07.2024

1. This is a petition filed under Section 11(6) of the Arbitration and Conciliation Act, 1996 seeking appointment of a Sole Arbitrator to adjudicate the disputes between the parties.
2. The facts are that the petitioner wanted to procure electrical goods from the respondent for which the petitioner issued a purchase order dated 13.10.2021 containing details of all goods and services which the petitioner sought to procure from the respondent. The respondent accepted the terms and conditions of the purchase order and signed the purchase order.
3. Pursuant to the purchase order, the petitioner also made an advance payment of Rs. 15 lakhs upon the acceptance of the purchase order.
4. Subsequently communications with regard to revision of the prices for certain products as well as change of certain products to be supplied were



made by the respondent.

5. On 14.02.2022, the petitioner cancelled the purchase order and sought refund of Rs. 15 lakhs. Subsequently, petitioner issued a fresh purchase order in favour of another vendor and there was an adjustment of Rs. 6 lakhs out of Rs. 15 lakhs in the fresh purchase order to issued the vendor.

6. Since the balance amount of Rs. 9 lakhs was not paid by the respondent, the petitioner invoked arbitration vide Legal Notice dated 03.06.2023.

7. Hence the present petition.

8. The arbitration clause is Clause 22 of the Purchase order dated 13.10.2021, which reads as under:-

"22. ARBITRATION:

22.1 In the event of any dispute or difference arising between SPG and Vendor touching or Concerning the interpretation or performance of this Purchase Order or relative to this Purchase Order or in connection therewith or the rights and liabilities or either of the parties hereto, the parties shall endeavor to settle the same by mutual agreement.

If the parties hereto should fail to settle such difference or dispute by mutual agreement, the same shall be finally settled by arbitration at the request of either of the parties hereto. The arbitration shall be conducted by a Sole Arbitrator who shall be the Retd. Judge of Delhi High Court.

The Arbitrator shall give a reasoned award. Such arbitration shall be conducted at Delhi in English language and in-accordance with the India Arbitration and Conciliation Act, 1996 governed by Laws of India.

22.2 The parties hereby agree that the decision or award of arbitrator including cost in arbitration to be borne by the respective Party(s) shall be final and binding on both parties.

22.3 The existence of any such proceedings shall not constitute a reason for the suspension of work under the Purchase Order."



9. Notice in the present petition was issued on 19.02.2024 and on 07.05.2024 Mr. Rajiv Jain, learned counsel appearing on behalf of the respondent was granted four weeks to file a reply. The reply has not been filed yet and nobody is appearing for the respondent.

10. I am of the view that there is a valid and legal binding arbitration clause between the parties and there are still disputes pending between the parties.

11. For the said reasons, the present petition is allowed. Since the parties are still having disputes between them, the following directions are issued:-

- i) Mr. Saurabh Seth, Adv (Mob. No. 9811393402) is appointed as a Sole Arbitrator to adjudicate the disputes between the parties.
- ii) The arbitration will be held under the aegis of the Delhi International Arbitration Centre, Delhi High Court, Sher Shah Road, New Delhi (hereinafter, referred to as the 'DIAC'). The remuneration of the learned Arbitrator shall be in terms of the Fourth Schedule of the Arbitration & Conciliation Act, 1996.
- iii) The learned Arbitrator is requested to furnish a declaration in terms of Section 12 of the Act prior to entering into the reference.
- iv) 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 on merits of the dispute of either of the parties, are left open for adjudication by the learned arbitrator.



v) The parties shall approach the learned Arbitrator within two weeks from today.

JASMEET SINGH, J

JULY 24, 2024/NG