



\$~2

*

IN THE HIGH COURT OF DELHI AT NEW DELHI

+

ARB.P. 436/2024

ANTIQUE ART EXPORTS PVT LTD

..... Petitioner

Through: Mr. Shubham Jaiswal, Advocate
alongwith with Ms. Harkirat Kaur, Mr.
Vikrant Singh, Mr. Deepak Singh and
Mr. Vijay Awana, Advocates (M:
8377837039).

versus

**UNITED INDIA INSURANCE COMPANY
LIMITED**

..... Respondent

Through: Mr. Abhishek Gola, Advocate (M:
9958789900).

CORAM:

JUSTICE PRATHIBA M. SINGH

ORDER

%

07.05.2024

1. This hearing has been done through hybrid mode.
2. The present petition has been filed by the Petitioner under Section 11(6) of the Arbitration and Conciliation Act, 1996 seeking appointment of a Sole Arbitrator for adjudication of the disputes.
3. It is stated that disputes in the present matter have arisen between the Petitioner and the Respondent concerning insurance claims following a fire incident that occurred on 22nd September, 2021 at the Petitioner's manufacturing premises at 78 KM Stone, Samalkha, Panipat, Haryana 132103. It is averred that due to the fire, the entire stock of carpets kept in the finished goods store on the first floor got completely burnt. The finished goods store building is stated to have been badly affected/ damaged due to fire. The Petitioner held insurance policies with the Respondent covering



stocks, buildings, plant and machinery, electrical fittings, wooden work, office equipment, and lifts, renewed periodically since 1990.

4. Subsequent to the fire incident, the Petitioner notified the Respondent - United India Insurance Company Limited and requested a survey to assess the loss, estimated at approximately Rs. 5 crores. The Respondent is stated to have appointed a surveyor -Select Insurance Surveyors and Loss Assessors Pvt. Ltd, who visited the Petitioner's premises on 24th September, 2022. The appointed surveyor initially assessed the loss at over Rs. 2 crores, after an inspection. However, it is averred that upon instructions from the Respondent, the surveyor re-assessed the claim to Rs. 75,58,959/- applying a policy condition of imposition of a restrictive sum on the insured limit which was never applicable to the Petitioner.

5. The Petitioner, however, accepted the reduced amount after some protest, due to financial constraints but subsequently invoked the arbitration clause contained in the policy. Despite notice, it is stated that the Respondent failed to provide a satisfactory resolution, leading to the present petition.

6. A reply has been filed by the Respondent-Insurance Company wherein the stand of the Insurance Company is that the claimed amount Rs.73,56,776/- has already been paid to the Petitioner and the said file has been closed.

7. On behalf of the Petitioner, however, it is submitted that the surveyor of the Insurance Company itself states that there is a defect in the issuance of the policy. The claim of the Petitioner is stated to be more than Rs.3 crore and in any case even the principal amount claimed is more than Rs.1.5 crore. The Petitioner made a without prejudice offer to the Respondent. However,



since the file appears to have been closed, the decision on the same cannot be taken at this stage, as per Id. counsel.

8. In this view of the matter, though the panel of three Arbitrators is contemplated in the arbitration Clause, it appears that considering the amount of claims even a Sole Arbitrator can adjudicate the disputes between the parties. The appointment of a Sole Arbitrator is not objected to by either of the parties.

9. Accordingly, **Justice Bhanumathi (Retd.,) (M:7042955477)** is appointed as a Sole Arbitrator to adjudicate upon the disputes which have arisen.

10. In the meantime, Id. Counsel for the Respondent has heard the offer which was made by the Petitioner. If the Insurance Company is inclined to accept the offer which was made by the Petitioner, the Insurance Company may contact the Petitioner.

11. The Arbitration proceedings shall take place under the aegis of the Delhi International Arbitration Centre (hereinafter, 'DIAC'). The arbitration proceedings shall be conducted under the Rules of DIAC. The fee of the Id. Sole Arbitrator shall be as per the Fourth Schedule of the Arbitration and Conciliation Act, 1996, as amended by the DIAC Rules, 2023.

12. List before the DIAC on 30th May, 2024.

13. Let a copy of the present order be emailed to Secretary, DIAC on the email id- delhiarbitrationcentre@gmail.com.

14. Petition is disposed of with all pending applications, if any.

PRATHIBA M. SINGH, J.

MAY 7, 2024/mr/bh