



2024:DHC:6177



\$~4

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

+ **ARB.P. 446/2024**

MS ROYAL FURNISHERSPetitioner

Through: Mr. Parvinder Chauhan and Ms.
Mahima Anand, Advs.

versus

MULTITEX FILTRATION ENGINEERS LTDRespondent

Through: None

CORAM:

HON'BLE MR. JUSTICE C. HARI SHANKAR

ORDER (ORAL)

14.08.2024

%

1. Though, on the last date of hearing, Mr. Chauhan, learned Counsel for the petitioner, had submitted that there was a possibility of an amicable resolution of the dispute, he submits, today, that the respondent is not forthcoming for a resolution, and prays that the Court may proceed to appoint an arbitrator.

2. This is a petition under Section 11(6) of the Arbitration and Conciliation Act 1996¹ for reference of the dispute between the parties to arbitration.

3. The dispute arises in the context of four work orders, two of which were issued on 31 July 2021 and the other two on 28 February 2022.



2024:DHC:6177



4. All four work orders envisage resolution of disputes arising between the parties by arbitration, in the event of the disputes being unresolved otherwise.

5. Clauses 11 and 12 of the work orders dated 31 July 2021, which are representative of the clauses in the other work orders may be reproduced thus:

“11. Resolution of Dispute/Arbitration:

A. The purchaser and the seller shall make every effort to resolve amicably by direct informal negotiations, any dispute or disagreement arising between them under or in connection with the purchase order.

B. If after 30 days from the commencement of such informal negotiation, purchaser and the seller have been unable to resolve the issue amicably; either party may require that the dispute be referred for resolution of the normal mechanism of Arbitration.

12. Legal Construction and Arbitration:

A. Subject to provision stipulated this purchase order shall in all aspect be constituted and operated as an Indian contract and in accordance with Indian law in force for the time being and is subject to the jurisdiction of the Delhi Courts only.

B. All disputes which cannot be negotiated by mutual agreement shall be referred to and determined by arbitration as per Arbitration & Reconciliation Act-1996 as amended.

C. All awards of the Tribunal shall be final and binding on the Parties

D. Court of jurisdiction will be Delhi Court.”

6. The respondent is unrepresented, despite service having been effected on them. No reply to this petition has been filed either.



2024:DHC:6177



7. Mr. Chauhan, learned Counsel for the petitioner, has drawn my attention to the legal notice dated 8 February 2024 addressed by the petitioner to the respondent, in which it has been categorically stated that several earlier e-mails had been written by the petitioner to the respondent, ventilating its claims, which met with no response and, therefore, seeking reference of the dispute to arbitration. There was no response to this communication either.

8. In these circumstances, applying the law laid down by the Supreme Court in *Demerara Distilleries Pvt Ltd v. Demerara Distillers Ltd*² and *Visa International Ltd v. Continental Resources USA Ltd*³, relegating the parties to the exercise of any negotiated settlement is futile.

9. As there are arbitration clauses in all the four work orders, and as the parties have not been able to arrive at a consensus regarding arbitration, this Court has necessarily to appoint an arbitrator to arbitrate on the dispute between the parties.

10. The total claim of the petitioner against the respondent is stated to be in the region of ₹ 1.3 crores.

11. Accordingly, this Court appoints Mr. Amit Yadav, Advocate (Mob: 9871066059) to arbitrate on the dispute between the parties. The arbitration shall take place under the aegis of the DIAC and shall

² (2015) 13 SCC 610

³ (2009) 2 SCC 55



2024:DHC:6177



abide by its rules and regulations.

12. The arbitrator shall be entitled to fees as per the schedule of fees maintained by the DIAC.

13. The learned Arbitrator is also requested to file the requisite disclosure under Section 12(2) of the 1996 Act within a week of entering on the reference.

14. All questions of fact and law are left open for agitation in the arbitral proceedings.

15. The petition is allowed in the aforesaid terms.

C. HARI SHANKAR, J

AUGUST 14, 2024

dsn

Click here to check corrigendum, if any