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

+ O.M.P. (T) (COMM.) 11/2025 and I.A. 1745/2025

UNION OF INDIA

.....Petitioner

Through: Dr. B. Ramaswamy, CGSC.

versus

MS NARESH TEXTILES

.....Respondent

Through: Mr. Ashish Khorana Advocate.

CORAM:

HON'BLE MS. JUSTICE JYOTI SINGH

ORDER

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01.08.2025

1. This petition is filed on behalf of the Petitioner under Sections 14 and 15(2) of the Arbitration and Conciliation Act, 1996 ('1996 Act') for terminating the mandate of the Sole Arbitrator.
2. Disputes arose between the parties relating to a Letter of Intent issued on 26.06.2014 in favour of the Petitioner for a contract value of Rs.3,96,47,301.90/- followed by a contract executed on 07.11.2014. Invocation notice was issued by the Respondent on 26.07.2018 and on failure of the Petitioner to appoint the Arbitrator, Respondent filed ARB.P. 748/2018 in this Court, which was allowed on 24.09.2019 and Sole Arbitrator was appointed. However, at the stage of filing the Statement of Defence, Arbitrator recused herself for personal reasons. On 03.09.2020, this Court substituted the Arbitrator directing that the proceedings will be held under the aegis of Delhi International Arbitration Centre ('DIAC'). There was, however, no progress for a substantial period in the arbitral



proceedings on account of Pandemic COVID-19. On 01.07.2024, DIAC issued notice fixing the date of hearing on 09.07.2024.

3. Learned counsel for the Petitioner submits that the mandate of the Arbitrator be terminated as there has been no progress in the arbitral proceedings for four years between 03.09.2020 to 01.07.2024 when DIAC issued a notice for hearing. It is argued that Section 29A(1) of 1996 Act mandates that arbitral award shall be made within 12 months from the date of completion of pleadings under Section 23(4) and *albeit* there is no doubt that the mandate can be extended by the Court but the extension can only be if sufficient cause is shown. There is no plausible explanation for the gap between 2020 and 2024 within which period no proceedings were held. Learned counsel submits that the whole purpose of arbitration gets defeated if it is unduly prolonged and in the bargain the Petitioner has also suffered.

4. Learned counsel for the Respondent, on the other hand, submits that in fact no one can be faulted for the arbitral proceedings not being held between 2020 to 2024 as large part of the period was covered by Pandemic COVID-19 and thereafter there were issues in holding the proceedings on account of shifting of DIAC as also there being no empanelment of Deputy Counsels. He further submits that the Sole Arbitrator is now proceeding diligently after entering upon reference on 01.07.2024. Pleadings are completed and the arbitral proceedings are at the stage of cross-examination of Respondent's witness for which the Arbitrator has fixed the date of 11.08.2025. Date for examination of Petitioner's witness has been scheduled for 19.08.2025. It is also submitted that Respondent has deposited the fee of the Arbitrator, which is one of the grievances of the Petitioner.



5. Having heard learned counsels for the parties, this Court is satisfied that no ground is made out for terminating the mandate of the Arbitrator. On receiving notice from DIAC, learned Arbitrator entered upon reference and arbitral proceedings are now at the stage of recording of evidence.

6. The petition is accordingly dismissed. However, learned Arbitrator is requested to expedite the proceedings considering the fact that the first Arbitrator was appointed in 2019. Pending application also stands disposed of.

JYOTI SINGH, J

AUGUST 1, 2025/shivam/S.Sharma