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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
+ O.M.P.(I)(COMM.) 64/2025 & I.A. 5389/2025, I.A. 6411/2025
JAILAXMI ENTERPRISES PVT LTDPetitioner
Through: Appearance not given.
versus
BRIGHT WESTECH SOLUTION PVT LTD & ORS.

.....Respondents

Through: Mr. Gyan Shankar Ojha, Adv.

CORAM:

HON'BLE MR. JUSTICE JASMEET SINGH

ORDER

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28.04.2025

1. This is a petition filed under Section 9 of the Arbitration and Conciliation Act, 1996 seeking ex parte directions against the respondent to secure an amount of Rs.6,80,99,896.84/- as on 13.12.2024 along with interest @ 24% p.a. by way of bank guarantee or fixed deposit until the pronouncement of the arbitral award and its enforcement thereof.
2. The brief facts of the case are that from 01.04.2022 to 31.03.2023, the petitioner supplied various raw materials for manufacturing of LED lights and other products as per the business requirements of respondent No. 1.
3. The petitioner supplied the raw materials to the respondent by raising invoices and there were large amounts outstanding against the respondents.
4. With a view to settle the disputes, the parties entered into a Settlement Agreement dated 05.10.2023 at Delhi, wherein the respondents admitted an amount of Rs.4,18,44,303.50/- as due and payable to the



petitioner.

5. The said settlement contained an arbitration clause, being Clause No. 7, which reads as under:

“7. Any dispute, difference, controversy or claim arising out of or relating to or in connection with this Agreement (the “Dispute”) shall be settled by Arbitration in Delhi International Arbitration Center located at Delhi High Court in accordance with the provisions set forth under the Delhi International Arbitration Center Arbitration Rules, by a sole arbitrator, appointed in compliance with the Rules. The Parties herein agrees and confirms that the Award rendered by the sole arbitrator shall be final and binding upon the parties. The entire arbitration shall be governed by the rules of DIAC.”

6. Since there were disputes between the parties, the petitioner invoked arbitration *vide* legal notice dated 16.11.2024 and thereafter, filed the present petition.
7. Mr. Ojha, learned counsel appearing on behalf of the respondents, objects to the jurisdiction of this Court on the ground that respondent No. 1 carries on business at Uttar Pradesh, respondent Nos. 2 and 3 (the guarantors) are residents of Uttar Pradesh and hence, this Court will not have territorial jurisdiction to entertain and try the present petition.
8. However, he has no objection to the appointment of an arbitrator.
9. I have heard learned counsel for the parties and perused the material available on record.
10. A perusal of clause No. 7 shows that the arbitration was to be under the



DIAC Rules and was to be settled by arbitration in DIAC located at Delhi High Court.

11. My attention has also been drawn to Rule No. 23.1 of the DIAC Rules which reads as under:

“23.1 Unless the parties expressly agree otherwise, the seat of arbitration shall be New Delhi.”

12. Additionally, the Settlement Agreement, from which the disputes have arisen, was also entered into at Delhi.
13. For the said reasons, I am of the view that this Court has the territorial jurisdiction to entertain and try the present petition.
14. The appointed arbitrator shall treat the present petition as a petition under Section 17 of the Arbitration and Conciliation Act, 1996 and shall expeditiously dispose of the same.
15. For the said reasons, the petition is allowed and the following directions are issued:-
- i) With consent of parties, Mr. Justice (Retd.) Vipin Sanghi, Former Chief Justice, Uttarakhand High Court (Mob. No.: +91 9871300037) is appointed as a Sole Arbitrator to adjudicate the disputes between the parties.
 - ii) The arbitration will be held under the aegis and rules of the Delhi International Arbitration Centre, Delhi High Court, Sher Shah Road, New Delhi (hereinafter, referred to as the ‘DIAC’) and as per Rules of DIAC.
 - iii) The remuneration of the learned Arbitrator shall be in terms of DIAC (Administrative Cost and Arbitrators’



Fees) Rules, 2018.

- iv) The learned Arbitrator is requested to furnish a declaration in terms of Section 12 of the Act prior to entering into the reference.
 - v) 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 and merits of the dispute of either of the parties, are left open for adjudication by the learned arbitrator.
 - vi) The parties shall approach the learned Arbitrator within two weeks from today.
16. Since in the settlement agreement dated 05.10.2023, the respondents admitted that the amount due and payable to the petitioner is Rs. 4.18 crores, the respondents shall keep unencumbered assets to the tune of Rs. 4.18 crores, till the next date of hearing before the learned arbitrator.
17. The present petition is disposed of in the aforesaid terms.

JASMEET SINGH, J

APRIL 28, 2025/sp

Click here to check corrigendum, if any