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

+ **ARB.P. 1220/2024**

AXALTA COATING SYSTEMS INDIA LIMITEDPetitioner

Through: **Mr. Armaan Verma, Advocate**

versus

HAR AUTO PVT. LTD.Respondent

Through: **Mr. Rishub Kapoor, Advocate**

CORAM:

HON'BLE MR. JUSTICE SUBRAMONIUM PRASAD

ORDER

15.01.2025

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1. The present petition has been filed under Section 11(5) of the Arbitration and Conciliation Act, 1996 by the Petitioner seeking appointment of an Arbitrator to adjudicate upon the disputes which have arisen between the parties under the Supply Agreement dated 05.08.2019.

2. It is stated that the Respondent agreed to achieve a minimum purchase commitment of Rs.1,20,00,000/- during the tenure of the Supply Agreement dated 05.08.2019 and the Petitioner had agreed to provide a total upfront investment and discount support of Rs.51,00,000/-. It is stated that the Respondent has failed to achieve the Minimum Purchase Commitment in accordance with terms of the said Agreement.

3. Since the Respondent has failed to achieve the Minimum Purchase Commitment, the Petitioner vide notice dated 10.06.2024, demanded a sum of Rs.27,11,457/-. However, the Respondent did not reply to the said notice and thereafter the Petitioner was constrained to invoke the Dispute Resolution Clause of the Supply Agreement dated 05.08.2019.

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4. Clause 12.3 of the Supply Agreement dated 05.08.2019 contains an Arbitration Clause, which reads as under:-

“12.3 All disputes or differences whatsoever arising between the parties out of or relating to the construction, meaning and operation or effect of this Agreement or the breach thereof shall be settled amicably. If, however, the Parties are not able to resolve them amicably within a period of thirty days or any longer period as agreed upon by the Parties from the date of commencement of such negotiation the same would be resolved by arbitration. The dispute may be referred to the arbitration by either Party after issuance of thirty days' notice in writing to other clearly mentioning the nature of the dispute/differences. Such arbitration shall be conducted by a Sole Arbitrator to be appointed by Parties hereto by mutual consent. The Arbitration and Conciliation Act, 1996 or any statutory modification thereof shall apply to the arbitration proceedings and the venue for the arbitration proceedings shall be New Delhi, India. All the arbitration proceedings shall be carried out in English language.”

5. Clause 12 of the Supply Agreement dated 05.08.2019 defines the governing law, jurisdiction and dispute resolution between the parties. The said Clause provides that all disputes or claims arising out of or relating to the said Agreement shall be subject to the exclusive jurisdiction of the Courts at New Delhi.

6. In view of the fact that disputes have arisen between the Parties and the Supply Agreement dated 05.08.2019 contains arbitration clause, this Court is inclined to appoint an Arbitrator to adjudicate upon the disputes between the Parties.

7. Accordingly, Mr. Gautam Shiv Shankar, Advocate, (Mobile No.7042516008) is appointed as an Arbitrator to adjudicate upon the



disputes between the Parties.

8. The arbitration would take place under the aegis of the Delhi International Arbitration Centre (DIAC) and would abide by its rules and regulations. The learned Arbitrator shall be entitled to fees as per the Schedule of Fees maintained by the DIAC.

9. 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 reference.

10. All rights and contentions of the parties in relation to the claims/counter-claims are kept open, to be decided by the learned Arbitrator on their merits, in accordance with law.

11. Needless to say, nothing in this order shall be construed as an expression of this Court on the merits of the contentions of the parties.

12. The present petition stands disposed of in the above terms along with pending application(s), if any.

SUBRAMONIUM PRASAD, J

JANUARY 15, 2025

RJ