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

+ **ARB.P. 1530/2025**

GAIL (INDIA) LTD

.....Petitioner

Through: Mr. Anshuman Chowdhury,
Advocate.

versus

PIONEER POWER LTD

.....Respondent

Through:

CORAM:

HON'BLE MR. JUSTICE AMIT BANSAL

ORDER

11.12.2025

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1. The present petition has been filed under Section 11 (6) of the Arbitration and Conciliation Act, 1996 [hereinafter 'the Act'] seeking appointment of a Sole Arbitrator for the adjudication of the disputes between the parties arising out of a Gas Sales Agreement dated 5th January, 2016 [hereinafter the 'Agreement'].

2. Counsel for the petitioner states that the Agreement contains an arbitration clause, i.e. Clause 15.9(c), which provides for adjudication of disputes arising between the parties by arbitration. For ease of reference, Clause 15.9(c) is set out below:

15.9 Arbitration

Any Dispute arising in connection with the Existing Contract which is not resolved by the Parties through amicable settlement shall be settled through Arbitration as under:

Where the BUYER is a Government Company or a Central Government Undertaking / Department:

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Where the BUYER is other than a Government Company/Central Government Undertaking/Department

- (c) The disputes shall be settled by Arbitration by a Sole Arbitrator and procedure for appointment of Sole Arbitrators shall be as follows:

On invocation of the Arbitration clause by a Party, GAIL may suggest a panel of three independent and distinguished persons to the other party to select any one among them to act as the sole arbitrator.

In the event of failure of the other party to select the sole arbitrator within 30 days from the receipt of the communication suggesting the panel of arbitrators, the right of selection of sole arbitrator by the other party shall stand forfeited and GAIL shall have discretion to proceed with the appointment of the sole arbitrator. The decision of GAIL on the appointment of Sole Arbitrator shall be final and binding on the parties.

The Award of the Sole Arbitrator shall be final and binding on the parties and unless directed/awarded otherwise by the Sole Arbitrator, the cost of arbitration proceedings shall be shared equally by both the parties. The arbitration proceeding shall be in English language and the venue shall be at New Delhi, India.

Except to the extent as mentioned in Article 15.9, the provisions of Arbitration & Conciliation Act 1996 and the rules framed there under shall be applicable.

This Article 15.9 shall survive the termination or expiry of this Agreement.

The Government Company shall have the same meaning as ascribed in the Company's Act, 1956.

Notwithstanding the above, where Buyer indulges in corrupt/fraudulent/Collusive/Coercive practices and the same is under investigation by CBI or Vigilance or any other investigating agency or government etc., the same shall not be the subject matter of the arbitration or conciliation mechanism.

3. The petitioner sent an Arbitration notice dated 26th January, 2025 to the respondent under Section 21 of the Act, invoking the aforesaid arbitration clause.

4. Since the respondent has not replied to the aforementioned invocation notice, the petitioner has been constrained to approach this Court by way of



the present petition.

5. As per the report of the Registry, respondent has been served through e-mail.

6. None appears on behalf of the respondent despite service.

7. I am satisfied that there exists a valid arbitration agreement and there are disputes which need to be adjudicated through arbitral mechanism.

8. Counsel for the petitioner submits that in another dispute arising out of the same contract between the same parties, Justice (Retd.) G.S. Sistani, Former Judge, Delhi High Court has been appointed as an Arbitrator.

9. Therefore, counsel for the petitioner submits that Justice (Retd.) G.S. Sistani may be appointed as Arbitrator in the present matter as well.

10. Accordingly, the dispute between the parties arising out of the Agreement is referred to the Arbitral Tribunal comprising a Sole Arbitrator.

The following directions are issued in this regard:

a. Justice (Retd.) G.S. Sistani, Former Judge of this Court (Mobile No.: +91- 9871300034) is appointed as a Sole Arbitrator to adjudicate the disputes between the parties.

b. The arbitral proceedings shall be held under the aegis and Rules of the Delhi International Arbitration Centre, Delhi High Court, Sher Shah Road, New Delhi (hereinafter 'DIAC').

c. The remuneration of the Arbitrator shall be in terms of DIAC (Administrative Cost and Arbitrators' Fees) Rules, 2018.

d. The Arbitrator is requested to furnish a declaration in terms of Section 12 of the Act prior to entering into the reference. In the event there is any impediment to the Arbitrator's appointment on that count, the parties are given liberty to file an appropriate application before



this Court.

e. The parties shall approach the Arbitrator within two (2) weeks from today.

11. It is made clear that all the rights and contentions of the parties, including the arbitrability of any of the claims and/ or counter claims, any other preliminary objection, as well as claims on merits of the dispute of either of the parties, are left open for adjudication by the Arbitrator.

12. The petition stands disposed of in the aforesaid terms.

13. Needless to state, nothing in this order shall be construed as an expression of this Court on the merits of the case.

14. The Registry is directed to send a copy of this order to the Secretary, DIAC for information and compliance and the learned Sole Arbitrator.

AMIT BANSAL, J

DECEMBER 11, 2025

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