



\$~8

*

IN THE HIGH COURT OF DELHI AT NEW DELHI

+

ARB.P. 1839/2024

PHARMACEUTICAL AND MEDICAL DEVICES BUREAU OF
INDIA (PMBI)Petitioner

Through: Mr. Yogesh Dubey with Mr. Anand
Kumar Pandey, Advs.

versus

SMART MEDICOS THROUGH ITS PROPRIETORRespondent

Through: Mr. Leo Rommel. S., Adv.

CORAM:

HON'BLE MR. JUSTICE JASMEET SINGH

ORDER

%

26.05.2025

1. This is a petition filed under Section 11(6) of the Arbitration and Conciliation Act, 1996, seeking appointment of an arbitrator to adjudicate the dispute between the parties, arising out of an Agreement for Distributor dated 16.05.2017.
2. Pursuant to the said Agreement, several medicines were supplied to the respondent by the petitioner and an amount of Rs.1,35,69,120/- was outstanding against the same.
3. The said Agreement contains an arbitration clause being Clause No. 22, which reads as under:-

“xxii) In the event of any dispute or difference between the parties arising out of or in connection with or in relation to this agreement, the same shall be referred to the sole arbitrator of CEO, BPPI or his nominee and his decision shall be final and binding on both the parties. The provisions of Arbitration and Conciliation Act, 1996 shall apply.”

4. It is stated that the petitioner has amounts due and payable from the



respondent as per the said Agreement.

5. Since there were disputes between the parties, the petitioner initiated arbitration *vide* legal notice dated 18.04.2023 and thereafter, filed the present petition.
6. Mr. Rommel, learned counsel for the respondent, has handed over the copy of the reply which is taken on record.
7. He states that the claims raised by the petitioner are barred by limitation.
8. In the present case, the cause of action arose when the first legal demand notice was issued by the petitioner to the respondent on 12.02.2020. Thereafter, the legal notice invoking arbitration was issued on 18.04.2023 and the present petition was filed on 20.11.2024.
9. In view of the judgments of ***In Re: Cognizance for Extension of Limitation, (2022) 3 SCC 117*** and ***M/s Arif Azim Co. Ltd. v. M/s Aptech Ltd., (2024) 5 SCC 313***, the period from 15.03.2020 to 28.02.2022 is to be excluded for the purposes of calculation of the limitation period.
10. *Prima facie*, the claim of the petitioner seems to be within the period of limitation.
11. Additionally, the issue whether the Department of Health, Government of Manipur is a veritable party to the said Agreement is also left open to be decided by the Arbitrator in terms of the decision of this Court in ***Indraprastha Power Generation Company Ltd. v. Hero Solar Energy Pvt. Ltd., 2024 SCC OnLine Del 6080***.
12. With these directions, the petition is allowed and the following



directions are issued:-

- i) Mr. Swastik Singh, Advocate (Mob. No. 9717419767) 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').
 - 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.
13. The present petition is disposed of in the aforesaid terms.

MAY 26, 2025/pk

JASMEET SINGH, J

[Click here to check corrigendum, if any](#)