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

+ O.M.P.(I) (COMM.) 499/2025

CENTRAL ELECTRONICS LIMITED

.....Petitioner

Through: Mr. Jeevesh Mehta and Mr. Bhim Singh, Advs.

versus

ENERGY EFFICIENCY SERVICES LIMITED

.....Respondent

Through: Mr. Samdarshi Sanjay Ms. Monika Sharma Mr. Sushil Kumar Dubey and Mr. Ashish Kumar Sharma, Advs.

CORAM:

HON'BLE MR. JUSTICE SUBRAMONIUM PRASAD

ORDER

17.12.2025

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1. The Petitioner has approached this Court by filing the present Petition under Section 9 of the Arbitration and Conciliation Act, 1996, for a direction to the Respondent restraining it from invoking a Performance Bank Guarantee No. U7ABGPRZ01410006 dated 20.05.2020, arising out of the Contract dated 29.11.2019, and further seeking status quo directions with respect to issuance of fresh default notices, termination actions, etc.

2. The facts of the case as stated in the Petition shows that the Petitioner was awarded a work contract by the Respondent *vide* Letter of Award dated 29.11.2019 for design, engineering, supply, construction, erection, testing, commissioning and O&M of 44 MW Solar Power Generating Systems at various substations in Maharashtra for total contract price of Rs. 2,26,38,55,660/-. It is stated that the Petitioner successfully completed the



installation and commissioning of the solar power plants between December 2020 and November 2021, however, the Respondent has arbitrarily deducted liquidated damages of Rs. 2,30,000/- for alleged delay in commissioning and Rs. 1.84 crores as penalty for alleged lesser generation of power.

3. It is stated that the Respondent issued a Final Default Notice dated 31.01.2023 to the Petitioner, calling upon the Petitioner to take remedial action within 14 days, failing which the contract would be terminated and PBG would be forfeited.

4. Consequently, the Petitioner filed a petition bearing O.M.P.(I) (COMM.) 45/2023 under Section 9 of the Arbitration and Conciliation Act, 1996, for injunction against the invocation of its PBG. *Vide* Order dated 14.02.2023, this Court directed the parties to maintain status quo in respect of termination and invocation of the PBG. It is also stated that the parties attempted to settle the disputes amicably and entered into an MoU dated 03.07.2024, under which the Respondent expressly acknowledged that all sites were functioning properly and O&M services were being satisfactorily performed by the Petitioner. The Respondent agreed to release the outstanding dues within 15 days. The Petitioner, relying upon the Respondent's commitments in the said MOU, withdrew O.M.P.(I) (COMM.) 45/2023 on 09.07.2024. However, the Respondent failed to comply with their obligations. Thereafter, the Petitioner issued a Legal Notice dated 15.10.2025. Instead of complying with the said notice, the Respondent *vide* Letter dated 21.10.2025 rejected the claims of the Petitioner.

5. It is stated that the Petitioner after making every effort to settle the matter amicably, terminated the contract *vide* Termination Letter dated



14.11.2025. The said termination was replied to by the Respondent *vide* e-mail dated 17.11.2025, wherein the Respondent declared the termination invalid. Therefore, the Petitioner has approached this Court by filing the present Petition.

6. The clause 7 of the LOA contains the arbitration clause. As per the said clause, the Courts in Delhi have jurisdiction. Therefore, in view of the nature of the disputes, this Court is inclined to appoint an Arbitrator to adjudicate the disputes between the parties.

7. Accordingly, Mr. Amit Anand Tiwari, Senior Advocate (Mob.: 9312263198) is appointed as the Sole Arbitrator to adjudicate upon the disputes between the parties.

8. The learned Arbitrator shall be entitled to fees as per the fourth Schedule of the Arbitration and Conciliation Act, 1996.

9. 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.

10. The learned Arbitrator is also requested to file the requisite disclosure under Section 12(2) of the 1996 Act within two days of entering on reference.

11. The Arbitrator is requested to consider the present petition filed under Section 9 of the Arbitration and Conciliation Act, 1996 as one filed under Section 17 of the Arbitration and Conciliation Act, 1996 and decide the same in accordance with law, preferably within two weeks from entering the reference.

12. 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.

13. 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.

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

SUBRAMONIUM PRASAD, J

DECEMBER 17, 2025

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