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* IN THE HIGH COURT OF DELHI AT NEW DELHI

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Date of Decision: 20.07.2026+ **ARB.P. 1176/2026**

ENGINEERING SYSTEMS INCORPORATIONSPetitioner

Through: Mr. Pramod Padam, Mr. Amit
Mishra, Advs. along with plaintiff.

versus

THE INDIAN LABOUR CO-OPERATIVE SOCIETY LTD

.....Respondent

Through: Ms. Aditi Sharma, Adv. (through v/c).

CORAM:**HON'BLE MR. JUSTICE SACHIN DATTA****SACHIN DATTA, J. (ORAL)**

1. The present petition filed by the petitioner under Section 11(6) of the Arbitration and Conciliation Act, 1996 (hereinafter referred to as "A&C Act") seeks appointment of a Sole Arbitrator to adjudicate the disputes arising out of the Agreement dated 06.12.2025 (hereinafter referred to as "the agreement") executed between the parties.

2. The petitioner is a partnership firm carrying on the business of supply, installation, testing and commissioning of fire alarm systems, fire suppression systems and public address/voice alarm systems, having its registered office at Delhi.

3. The parties entered into an Agreement dated 06.12.2025 whereby the petitioner was engaged as a Vendor/Business Associate for execution of works relating to supply, installation, testing and commissioning of fire alarm systems, fire suppression systems and public address/voice alarm systems at the project site of Indian Potash Limited situated at Rohana



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Kalan, Muzaffarnagar, Uttar Pradesh.

4. The said Agreement contains an arbitration clause, which provides that disputes between the parties shall be referred to arbitration by a Sole Arbitrator and that the venue of arbitration shall be New Delhi. The said Arbitration Clause reads as under:

“13. ARBITRATION AND GOVERNING LAW

*13.1 Any dispute or difference arising between ILCS and the ESI in relation to or in connection with this Agreement, which cannot be amicably resolved, shall be referred to arbitration by a sole arbitrator. The Parties agree that, for consistency with the Main Contract, the arbitration shall be conducted in accordance with the Arbitration and Conciliation Act, 1996 (as amended), and the **venue of arbitration shall be New Delhi**, mirroring the provision in the principal client’s **work order** that stipulates arbitration in New Delhi for disputes relating to the purchase / work order.*

13.2 The language of arbitration shall be English, and the arbitral award shall be final and binding on the Parties.

13.3 This Agreement shall be governed by and construed in accordance with the Laws of India, and subject to the foregoing arbitration clause, the courts having jurisdiction over New Delhi shall have jurisdiction over any matters arising hereunder, in alignment with the jurisdiction clause in the ILCS’ Principal Client’s general terms that refer disputes to the court of jurisdiction pertaining to the unit while arbitration is in New Delhi.”

5. It is the case of the petitioner that it duly supplied and installed the articles in terms of the Agreement. However, despite performance of its contractual obligations, an amount of Rs.29,25,790/- allegedly remains outstanding and payable by the respondent. Consequently, disputes have arisen between the parties.

6. Further, the respondent is stated to have terminated the agreement by an e-mail dated 23.04.2026. Thereafter, the petitioner invoked the arbitration agreement by issuing a notice dated 29.04.2026 under Section 21 of the A&C Act. The respondent, *vide* reply dated 04.05.2026, declined to concur



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with the appointment of the proposed arbitrator. Significantly, in the said reply, the respondent did not dispute the existence or validity of the arbitration agreement.

7. Issue notice.

8. Learned counsel, as aforesaid, accepts notice on behalf of the respondent.

9. Since there is no controversy as regards the existence of the arbitration clause, and the fact that the disputes between the parties are required to be adjudicated by way of arbitration, respective counsel accedes that an independent Sole Arbitrator be appointed by this Court to adjudicate the said disputes between the parties.

10. Accordingly, at joint request, Ms. Ritika Jhurani, Advocate (Mob. No. +91 9910699943) is appointed as sole arbitrator to adjudicate the disputes between the parties.

11. The learned Sole Arbitrator may proceed with the arbitration proceedings subject to furnishing to the parties requisite disclosures as required under section 12 of the A&C Act; and in the event there is any impediment to the appointment on that count, the parties are given liberty to file an appropriate application in this court.

12. It is jointly prayed that the arbitration shall take place under the aegis of and under the rules of Delhi International Arbitration Centre (DIAC).

13. 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.

14. 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.



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15. The present petition stands disposed of in the above terms.

SACHIN DATTA, J

JULY 20, 2026/cl