**Delhi HC Upholds Arbitration Awards in Windmill Sale Dispute**

**Case Title:** INTEX TECHNOLOGIES INDIA LTD versus RUGBY RENERGY PVT LTD

**Case No.:** ARB. A. (COMM.) 19/2022

**Dated on:** FEBRUARY 29, 2024

**Coram:** HON’BLE MR. JUSTICE PRATEEK JALAN

**Facts**:

In this case, Rugby Renergy Pvt Ltd ("Rugby") and Intex Technologies India Ltd ("Intex") along with its promoter Narendra Bansal (collectively "the Vendors") entered into two agreements on 7th and 9th May 2019 for the sale of three windmills. Disputes arose, leading to arbitration proceedings where Rugby sought specific performance of the agreements, and the Vendors raised counterclaims. The arbitrator's decision on 1st September 2021 partially favored Rugby by dismissing two of the Vendors' counterclaims. Both parties challenged various aspects of the arbitration outcomes, resulting in multiple petitions under Sections 34 and 37 of the Arbitration and Conciliation Act, 1996. Attempts for an amicable settlement failed, and the High Court of Delhi heard the case on merits, reserving judgment on the challenges to the arbitration awards dated 1st September 2021 and 2nd June 2022.

**Issues framed by the Court:**

* Whether the arbitrator's decision dated 01.09.2021, which disposed of the pending applications under Section 17 of the Arbitration and Conciliation Act, 1996 ("the Act") and Rugby's application under Section 16 of the Act, was valid.
* Whether the arbitrator's final award dated 02.06.2022, which decided the Vendors' remaining counterclaims in their favor, was valid.
* Whether the learned arbitrator had jurisdiction to entertain two of the Vendors' counterclaims, as challenged by Rugby under Section 16 of the Act.
* Whether Rugby's claim for specific performance of the agreements dated 07.05.2019 and 09.05.2019 was justified and enforceable.
* Whether the consensus reached during the initial hearing, which later saw a withdrawal of consent by Rugby, could have led to an amicable settlement of the disputes.

**Legal Provisions:**

Section 34 of the Arbitration and Conciliation Act, 1996: Application for setting aside arbitral award.

Section 37 of the Arbitration and Conciliation Act, 1996: Appealable orders.

Section 16 of the Arbitration and Conciliation Act, 1996: Competence of arbitral tribunal to rule on its jurisdiction.

Section 17 of the Arbitration and Conciliation Act, 1996: Interim measures ordered by arbitral tribunal.

**Contentions of the Appellants:**

In this case, the appellants, Rugby Renergy Pvt Ltd, contended that the arbitrator's decisions were flawed on several grounds. They argued that the arbitrator lacked jurisdiction to entertain two of the counterclaims raised by Intex Technologies and Narendra Bansal, which were improperly dismissed under Section 16 of the Arbitration and Conciliation Act. Rugby also sought specific performance of the agreements dated 07.05.2019 and 09.05.2019, claiming the arbitrator erred in dismissing their claims. Additionally, they challenged the interim orders dated 01.09.2021 and 21.05.2022, asserting these orders were unjust and failed to address their concerns adequately. Rugby's main contention was that the arbitration awards were unjust and should be set aside, requesting a de novo arbitration proceeding if their petition to set aside the award succeeded.

**Contentions of the Respondents:**

The respondents, contended that the arbitration proceedings and subsequent decisions were valid and should be upheld. They argued that the arbitrator correctly dismissed Rugby Renergy Pvt Ltd's claims for specific performance and rightly adjudicated their counterclaims. They defended the arbitrator's jurisdiction and decisions under Sections 16 and 17 of the Arbitration and Conciliation Act, 1996. Additionally, they asserted that the interim orders and the final award were justified based on the merits of the case and should not be set aside. However, the respondents maintained that Rugby's challenges were unfounded and that the arbitrator's findings were fair and appropriate under the contractual agreements.

**Court’s Analysis & Judgement:**

The Court analyzed the arbitration proceedings and decisions, focusing on the arbitrator's jurisdiction and the merits of the claims and counterclaims. It examined the validity of the interim orders and final awards, considering the arguments from both parties. The Court noted that the arbitrator's decision on jurisdiction under Section 16 of the Arbitration and Conciliation Act, 1996, was correct, and the interim orders under Section 17 were justified. The Court found no grounds to set aside the final awards dated 01.09.2021 and 02.06.2022, as the arbitrator had adequately addressed the issues and provided a fair adjudication. Consequently, the Court dismissed Rugby's petitions, upheld the arbitrator's decisions, and confirmed the enforceability of the awards in favor of the respondents, Intex Technologies and Narendra Bansal.

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**Judgement Reviewed By- Shramana Sengupta**