$~1

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

\# **CNR No. DLHC010983752024**

\+ ARB.P. 2141/2024

R N SOLUTIONS .....Petitioner

Through: Mr. Amber Sachdeva, Advocate.

versus

DALMIA BIZ BULK PVT LTD & ORS. .....Respondents

Through:

%

Date of Decision: 12th August, 2026

CORAM:
HON'BLE MR. JUSTICE TUSHAR RAO GEDELA

<u>J U D G E M E N T</u>

<u>TUSHAR RAO GEDELA, J : (ORAL)</u>

1. In the order dated 03.07.2026 passed by the learned Joint Registrar (Judicial), it has been noted that the respondent no.1 was served through e-mail on 08.04.2026 and no reply despite time having been granted has been filed till date. Moreover, despite service none had appear on behalf of the respondent and accordingly, the rights of the respondent no.1 to file the reply stood close *vide* the order dated 03.07.2026.

2. Even today, none appears for the respondent no.1. It may be noted that *vide* the order dated 01.05.2025, the respondent nos.2 to 5 were deleted from the array of parties.

3. The present petition has been filed under Section 11(6) of the Arbitration and Conciliation Act, 1996 (hereinafter referred to as "*the Act*") seeking appointment of an Arbitrator. It is stated that pursuant to negotiations the petitioner and the respondent entered into the Non-Exclusive Master Distributor Agreement dated 23.12.2022. It is stated that in accordance with the

Clause 2.2 of the Agreement, the petitioner had to provide a minimum investment of Rs.35,00,000/- in order to start business transaction with the respondent. It is stated that the Agreement clarified that the petitioner did not have any authority over the FMCG products that were stored in the premises of the petitioner without prior permission and influence of the respondent. It is further stated that the respondent through its Commercial Head had given a false representation that the demand for the product of the petitioner is high in the market, and that there would be no issue or difficulty or any impediment in selling the products.

4. Subject to the aforesaid assurance, the petitioner asserts that the products were purchased and kept in warehouse, which also incurred lot of expenses. It was also the term of the Non-Exclusive Master Distributor Agreement dated 23.12.2022 that the respondents were also required to reimburse the rent of the warehouse where the products procured on behalf of the respondent, was kept. That was apart from the salaries to be paid to the salespersons etc.

5. It is stated that however, despite such assurances, there was an unnecessary delay in selling the products by the respondent and since there was no movement of the said products, it resulted in blocking the funds invested by the petitioner in such products.

6. It is stated that the agreement stipulated an expiration of 90 days period of "no business in FMCG products" and in case the respondent did not conduct business in respect of the FMCG products stored by the petitioner, it would enable the petitioner to request for refund of the amount. Consequent thereto, *vide* the letter dated 03.05.2023, giving details of lack of products moving and generating business, the petitioner sought refund of the entire amount which is invested.

7. It is stated that despite such notice, no action was initiated by the

respondent no.1 to resolve the disputes. Perceiving that there was no response or any action to the aforesaid notice and subsequent notices, the petitioner *vide* the legal notice dated 10.12.2024 invoked arbitration under Section 21 of the Act based on Clause 15.12 of the Non-Exclusive Master Distributor Agreement dated 23.12.2022. The said clause is extracted hereunder:-

> *"15.12 Governing Law and Jurisdiction: This Agreement shall be governed by and construed according to the laws of .India. The parties submit all their disputes arising out of or in connection with this Agreement to the exclusive Jurisdiction of the Court of Delhi. If the parties agree to alternate dispute resolution (ADR), such ADR will be held in NOIDA, and be governed by the rules and procedures of the Arbitration and Conciliation Act, 1996, by a sole Arbitrator to be selected by Company"*

8. The petitioner invoked arbitration under notice dated 10.10.2024. The relevant paragraphs therein are extracted hereunder:-

> *"23. That as per clause 15.12 of the Non-Exclusive Master Distributor Agreement dated 23.12.2022 entered into between addressee No.1 through its Authorised Signatory and our client, the dispute if any has to be referred to Sole Arbitrator to be appointed by you the addressee No.1 and be governed by the rules and procedures of the Arbitration and Conciliation Act, 1996. The Clause 15.12 is as under:-*
>
> *"15.12 Governing Law and Jurisdiction: This Agreement shall be governed by and construed according to the laws of .India. The parties submit all their disputes arising out of or in connection with this Agreement to the exclusive Jurisdiction of the Court of Delhi. If the parties agree to alternate dispute resolution (ADR), such ADR will be held in NOIDA, and be governed by the rules and procedures of the Arbitration and Conciliation Act, 1996, by a sole Arbitrator to be selected by Company"*
>
> *Under the abovementioned circumstances, we call upon you, the above addressees, to suggest the name of a Sole Arbitrator who is impartial and has knowledge of the aforesaid laws involved in the aforesaid dispute within 30 days from the receipt of this Notice failing which our client will be restrained to approach the Hon'ble Court for the appointment of Arbitrator as per Arbitration and Conciliation Act, 1996.*
>
> *This is without prejudice to all other legal rights and remedies available to our client for the above-stated purpose.*
>
> *A copy of this Legal Notice is being retained in our office for record and*

future references."

9. It is noted that despite service no reply was forthcoming from the respondent no.1.

10. The Supreme Court in ***SBI General Insurance Company Limited vs. Krish Spinning, (2024) 12 SCC 1*** has categorically held that the Court appointing Arbitrator is only to satisfy itself as to the existence of the arbitration agreement between the parties. The Court exercising such jurisdiction is not required to delve into the disputes on the merits thereof.

11. In terms thereof, this Court is satisfied that an arbitration agreement is encapsulated in Clause 15.12 of the Non-Exclusive Master Distributor Agreement dated 23.12.2022.

12. In view thereof, the petition is allowed.

13. Ms.Aarzu Khattar, Advocate is appointed as an Arbitrator. The remuneration of the learned Arbitrator shall be in terms of Schedule IV of the Arbitration & Conciliation (Amendment) Act, 2015. The parties shall approach the learned Arbitrator within two (02) weeks from date.

14. The petition is disposed of alongwith all pending applications.

TUSHAR RAO GEDELA
(JUDGE)

AUGUST 12, 2026
Sumit