



\$~89

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

+ **O.M.P.(I) (COMM.) 347/2025**

ARMAB INSURANCE WORKS LLC

.....Petitioner

Through: Mr. Mayank Wadhwa, Mr. Ravi Chawla, Ms. Arsheiya Munjal, Mr. Digvijay Singh, Ms. Eccha Shukla, Mr. Himanshu Sood, Mr. Daksh Tikoo and Ms. Aakarshika Chawla, Advs.

versus

THE ORIENTAL INSURANCE COMPANY LIMITED

.....Respondent

Through: Mr. Joy Basu, Sr. Adv. with Mr. Abhishek Gola, Mr. Anshul Mehral, Mr. Yoshit Sahni, Mr. Anoop George, Ms. Anchal Bansal, Advs.

CORAM:

HON'BLE MR. JUSTICE JASMEET SINGH

ORDER

17.09.2025

%

1. This is a petition filed under Section 9 of the Arbitration and Conciliation Act, 1996 seeking the following reliefs against the respondents:

- a. *“Restrain the Respondent from declaring the Dubai Operations “run-off” and/or from terminating the appointment of the Chief Agent under the Agency Agreement dated 09.05.2012 in any wrongful manner; and*
- b. *Restrain the Respondent from proceeding ahead with and implementing the resolution passed at the 496th Board of*



- Directors meeting held on 24.07.2025 vide which the operations of the Petitioner were declared “run-off”’; and*
- c. Direct the Respondent to adhere to the Agency Agreement dated 09.05.2012 and to provide an opportunity to the Petitioner to rectify any alleged deficiencies in compliance with the regulatory laws of the CBUAE; and*
 - d. Grant the Petitioner an opportunity to be heard and to present its profitability and compliance plan to the Respondent and to the CBUAE as per the principles of natural justice and accordingly to continue operations; and*
 - e. Pass ad-interim Orders in terms of the prayers mentioned above in favor of the Petitioner; and*
 - f. Pass any other further Orders as this Hon’ble Court may deem fit and proper in the given facts and circumstances of the present case, may be awarded in favour of the petitioner and against the respondent, in the interest of justice, equity and fair play.”*
2. The brief facts of the case are that the petitioner is a citizen of the United Arab Emirates and is carrying on business in Dubai, UAE and is the chief agent as well as official partner of the Respondent.
 3. Respondent entered into an Agency Agreement with the petitioner dated 20.06.1983 which was subsequently amended on 25.05.2007 and 09.05.2012.
 4. Central Bank of the UAE (hereinafter “**CBUAE**”) introduced a set of regulatory requirements for insurance companies, pursuant to which



the petitioner was granted a Bank Guarantee of AED 173 million *vide* internal note dated 15.01.2019. However, the same was rejected by CBUAE due to the it not being in strict compliance with CBUAE guidelines. Hence, while the reinsurance recoveries were routed to the Head Office of the Respondent Company, they were not credited back to the Petitioner branch despite the fact that all the claims were paid from Dubai itself.

5. Consequently, solvency deficit in Dubai operations arose which disallowed the petitioner from being fully compliant with the CBUAE regulations despite the petitioner branch still being profitable.
6. The CBUAE thereafter commenced an enforcement review with respect to petitioner and suspended Motor Business of the petitioner branch vide Enforcement Notification dated. 17.07.2025
7. It was immediately brought into the respondent's notice and all motor insurance business were suspended with immediate effect. Consequently, Board of Directors of the Respondent in its 496th meeting passed a resolution declaring its Dubai operations as "Run-off" with immediate effect.
8. Mr. Wadhwa, learned counsel for the petitioner submits that the respondent cannot declare the petitioner's operation as run-off and give effect to the resolution passed by the 496th Board of Directors meeting held on 24.07.2025 and therefore the respondent be restrained from giving effect to the said resolution.
9. Additionally, the petitioner seeks direction to the respondent to adhere to the Agency Agreement dated 09.05.2012.
10. Admittedly, the petitioner is an agent of the respondent and carries



insurance business in Dubai as an agent of the respondent. The obligations of the party are contained in the Agreement dated 09.05.2012.

11. It is the submission of the learned counsel for the petitioner that the respondent owes substantial money in the form of commissions payable to the petitioner and since the respondent does not want to make the payment, the impugned decision has been taken.
12. Additionally, the respondent was to make good the statutory liabilities of the petitioner and also give 3 months notice, prior to the termination. Hence, the present petition is filed.
13. Mr. Basu, learned senior counsel appearing on behalf of the respondent states that the petitioner is only an agent of the respondent (principal) and once the respondent comes to a conclusion that it is not viable to run insurance business in Dubai, no fetters can be put on the decision of the respondent.
14. I have heard learned counsels for the parties.
15. The learned counsel for the petitioner states that there is no provision for declaring the petitioner as run-off and run-off is synonymous with termination.
16. In the present case, the petitioner is an agent of the respondent and once the respondent comes to a conclusion that it is not viable to run a business, respondent cannot be compelled to do so. However, the learned senior counsel for the respondent states that the respondent has not yet terminated the Agency Agreement. It is further stated by the learned senior counsel on instructions that the respondent will work along with the petitioner to wind up the operations of the petitioner in a



systematic manner. The petitioner shall cooperate with the respondent in this regard.

17. Taking the said statement of the respondent on record and binding the respondent to the same, the petition is disposed of.
18. The parties are at liberty to initiate arbitral proceedings in accordance with law and as and when the Arbitral Tribunal is constituted, the disputes between the parties shall be adjudicated uninfluenced by any observations made in the Order passed today.
19. The petition is disposed of.

JASMEET SINGH, J

SEPTEMBER 17, 2025/sp