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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
+ **ARB.P. 1984/2024**

CNHINDUSTRIAL INDIA PRIVATE LIMITED

.....Petitioner

Through: Mr. Niraj Singh, Mr. Deepak Jaiswal,
Advs.

versus

SHRI BHARAT MACHINERY STORE & ANR.

.....Respondents

Through: Mr. Ankur Mittal, Mr. Abhay Gupta,

Advvs.

CORAM:

HON'BLE MR. JUSTICE JASMEET SINGH

ORDER

% **06.05.2025**

1. This is a petition filed under Section 11(5) of the Arbitration and Conciliation Act, 1996 seeking appointment of an arbitrator for adjudication of disputes between the parties, arising out of a Dealership Agreement dated 10.01.2022.
2. The brief facts are that the petitioner issued Letter of Intent ('LoI') on 30.07.2020 to enter into a Definitive Dealer Agreement at a future date and appointed the respondent as its authorised dealer on principal to principal basis.
3. Subsequently, as per the petitioner, a Dealer Agreement was signed and entered into on 10.01.2022, effective from 28.01.2022 and valid till 27.01.2025.
4. The said Agreement contained the arbitration clause being clause No. 30, which reads as under:-



“30. Dispute Resolution

30.1 Except for any actions to enforce or to collect credit instruments or forfeiture of the security deposit maintained by the Dealer with the Company in pursuance to the terms of this Agreement, Parties agree that all dispute between the Parties arising out of or in relation to this Agreement will be settled between the Parties through friendly consultations and negotiations. For the above, the Parties undertake to hold such consultation and negotiation in good faith, and shall ensure that the same is attended by persons with decision making authority regarding the dispute. If no settlement can be reached through friendly consultations and negotiations within 30 (Thirty) days of one Party delivering a notice of the dispute to the other Party, then such dispute will be finally settled by arbitration in accordance with the provisions of this Clause 30.

30.2 The arbitration proceedings will be conducted in accordance with the provisions of the Arbitration and Conciliation Act, 1996 as amended from time to time ("Arbitration Act"). The proceedings shall commence upon issuance of an arbitration notice ("Arbitration Notice") after following the procedure set out in clause 30.1 above.

30.3 The arbitration proceedings will be conducted in accordance with the provisions of the Arbitration and Conciliation Act, 1996 as amended from time to time



("Arbitration Act"). The arbitration shall be conducted by a single arbitrator ("Sole Arbitrator"), selected by the Dealer from a panel of three (3) persons not lower than the rank of retired district court judge, nominated by the Managing Director of the Company for the purpose of such selection, and should the Dealer fail to select the Sole Arbitrator within 15 (Fifteen) days of the panel of names of such nominees being furnished by the Managing Director of the Company for the purpose, the Sole Arbitrator shall be selected by the Managing Director of the Company out of the said panel and such an appointment by the Company shall be binding on the Parties.

30.4 New Delhi will be the seat of arbitration. The arbitration proceedings will be held at New Delhi and the language to be used in the arbitral proceedings will be English. The cost of arbitration proceedings including the fees of the arbitrator shall and apportioned and equally shared between the Parties. The arbitrator will decide any dispute strictly in accordance with the governing Law specified in Clause 29 of this Agreement. Any award made by the arbitrator will be final and binding on each of the Parties to the dispute”

5. On 27.10.2023, the petitioner issued termination letter and on 05.10.2024, issued notice invoking arbitration and thereafter, the present petition has been filed.
6. Mr. Mittal, learned counsel for the respondents, states that the Agreement itself is a forged and fabricated document and in view of the



same, there is no valid and legal arbitration agreement between the parties and hence, the present petition is not maintainable.

7. However, he fairly concedes that he has no objection to the appointment of an arbitrator and requests that the appointed arbitrator will decide the factum of the Agreement having been signed by the respondent or not, as a preliminary issue in the arbitral proceedings.
8. The said course is agreeable to Mr. Singh, learned counsel for the petitioner.
9. In view of the same, it is directed that Mr. Amrit Pal Gambhir, Advocate (Mob. No. 9810082347 / 9999983935) is appointed as a Sole Arbitrator who shall first decide the issue whether the Agreement dated 10.01.2022 is signed by respondent No. 2 on behalf of respondent No. 1.
10. The fee of the appointed arbitrator to adjudicate the preliminary issue is fixed at Rs. 1.5 lakhs (Rs. 75,000/- each to be paid by the petitioner and the respondent).
11. In case, the issue is decided in favour of the petitioner, the arbitrator will proceed with the arbitration and thereafter, the DIAC (Administrative Cost and Arbitrators' Fees) Rules, 2018 will apply (after adjusting the amount of Rs. 1.5 lakhs paid).
12. The arbitration will be held under the aegis and rules of the DIAC.
13. The learned Arbitrator is requested to furnish a declaration in terms of Section 12 of the Act prior to entering into the reference.
14. The parties shall approach the learned Arbitrator within two weeks from today.
15. Needless to state that the order is based on the Agreement of the parties and no legal rights of either of the parties have been interdicted in any



way or manner.

16. The petition is allowed and is disposed of in the aforesaid terms.

JASMEET SINGH, J

MAY 6, 2025 / (MS)

Click here to check corrigendum, if any