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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
+ **ARB.P. 2016/2024**

HERO MOTOCORP LIMITED

.....Petitioner

Through: Mr. Rahul Malhotra, Mr. Rahul
Saxena, Mr. Rishu Kant Sharma, Mr.
Minal Kaushik & Ms. Kashish
Mathur, Advs.

versus

MR PARMANAND BANWANI

.....Respondent

Through: Mr. Dhurv Wadhwa, Adv.

CORAM:

HON'BLE MR. JUSTICE JASMEET SINGH

ORDER

% **25.03.2025**

1. This is a petition filed under section 11(6) of the Arbitration and Conciliation Act, 1996 seeking appointment of an Arbitrator for adjudication of the disputes between the parties arising out of the Authorized Dealer Agreement dated 27.02.2018.

2. The said agreement contains an arbitration clause being clause 23.16 and the same reads as under:

“23.16 Arbitration and Dispute Resolution

- a) Any dispute or difference between the Parties arising out of or in connection with this Agreement, including any question regarding its interpretation, existence, performance, validity, or termination, either during the term of the Agreement or at anytime thereafter, will be settled between the Parties through friendly consultations and negotiations.*
- b) If no settlement can be reached through friendly consultations and negotiations as discussed in Article 23.16 (a) of this*



Agreement within thirty (30) days of one Party delivering a notice of the dispute or difference to the other Party, then such dispute will be finally settled by arbitration in accordance with the provisions of this Article 23.16.

- c) The arbitration proceedings will be conducted in accordance with the provisions of the Arbitration and Conciliation Act, 1996 ("Arbitration Act").*
- d) The dispute or difference will be referred to a panel of three (3) arbitrators, one arbitrator to be appointed by each Party and the third arbitrator to be appointed by the two arbitrators appointed by the Parties. In the event that either Party fails to appoint its arbitrator within fifteen (15) days from one Party submitting a request for appointment of such arbitrators to the other Party or the two arbitrators appointed by the Parties fail appoint the third arbitrator within fifteen (15) days from the date of appointment of the second arbitrator, the single arbitrator or the third arbitrator will be appointed in accordance with the provisions of the Arbitration Act.*
- e) The arbitration proceedings will be held at New Delhi and the language to be used in the arbitral proceedings will be English.*
- f) The prevailing Party in the arbitration proceedings will be awarded reasonable attorney's fees, if any, and all other costs and expenses in relation to the arbitration proceedings unless the arbitrators for good cause determine otherwise.”*

3. The facts are that the respondent was appointed as the non-exclusive



authorised dealer by the petitioner vide Letter of Intent dated 31.03.2015 for the purpose of sale and distribution of products, parts and services of the petitioner in Pune, Maharashtra. Thereafter, the Authorized Dealer Agreement dated 27.02.2018 came to be executed between the parties.

4. Since, there were disputes between the parties, the petitioner invoked arbitration under section 21 of the Arbitration and Conciliation Act, 1996 vide legal notice dated 19.03.2024.

5. Hence, the present petition has been filed.

6. Mr. Wadhwa, learned counsel appears on behalf of the respondent and states that the validity and the existence of the arbitration clause in the Authorized Dealer Agreement is not denied, however, there are chances of the disputes being amicably settled.

7. I am satisfied that there are disputes pending between the parties.

8. The clause 23.16 (d) of the Authorized Dealer Agreement indicates that the disputes shall be referred to a panel of '3 members', however, since the dispute is not involving a substantial amount, the parties are agreeable to appointment of a Sole Arbitrator.

9. For the said reasons, the petition is allowed and the following directions are issued:-

- vii) Hon'ble Mr. Justice P.S. Teji (Retd.) (Mob. No. 9910384615) is appointed as a Sole Arbitrator to adjudicate the disputes between the parties.
- viii) The arbitration will be held under the aegis of the Delhi International Arbitration Centre, Delhi High Court, Sher Shah Road, New Delhi (hereinafter, referred to as the 'DIAC').
- ix) The remuneration of the learned Arbitrator shall be in terms of



DIAC (Administrative Cost and Arbitrators' Fees) Rules, 2018.

- x) The learned Arbitrator is requested to furnish a declaration in terms of Section 12 of the Act prior to entering into the reference.
- xi) It is made clear that all the rights and contentions of the parties, including as to the arbitrability of any of the claim, any other preliminary objection, as well as claims/counter-claims and merits of the dispute of either of the parties, are left open for adjudication by the learned arbitrator.

10. Since the parties are desirous of exploring the possibilities of an amicable settlement, list before the Delhi High Court Mediation Centre on 09.04.2025 at 4:30 pm.

11. In case the matter is not settled before the Delhi High Court Mediation Centre within a period of four weeks starting from 09.04.2025, the Arbitrator, thereafter, shall enter reference and proceed in accordance with the law.

12. The petition is disposed of accordingly.

JASMEET SINGH, J

MARCH 25, 2025/pk

Click here to check corrigendum, if any