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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
+ **ARB.P. 2140/2024**

CARGILL INDIA PVT. LTD.

.....Petitioner

Through: Mr. Rajeev K. Agarwal, Advocate.
versus

K R FOODS LIMITED

.....Respondent

Through: Ms. Gauri Puri, Advocate.

CORAM:

HON'BLE MS. JUSTICE JYOTI SINGH

ORDER

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15.04.2025

1. Matter is taken up today as 14.04.2025 was declared a holiday.
2. This petition is filed under Section 11(6) of Arbitration and Conciliation Act, 1996 ('1996 Act') for appointment of a Sole Arbitrator.
3. As set out in the petition, it is the case of the Petitioner that it is the company in the business of processing, importing and trading of various agricultural commodities, including edible oil, Vanaspati and industrial products while Respondent is in the business of manufacturing, processing and packaging various type of oils, including edible oils in different quantities. Parties entered into an External Manufacturing Agreement which was executed and signed on 15.12.2020 ('Agreement'), wherein Respondent was under an obligation to process raw material i.e., refined Palm Oil and supply finished goods i.e., Vanaspati, after packaging the same.
4. Petitioner avers that it sold 259.04 MT of raw material worth Rs. 3,25,76,980/- to the Respondent under various invoices and also supply packaging material worth Rs.6,75,792/-. Respondent in turn supplied 241.56 MT of finished goods worth Rs.3,21,53,266/- to the Petitioner. Petitioner



transferred Rs.1,90,810/- on 14.07.2021 to the Respondent for left over packaging material as the same was lying with the Respondent and was to be purchased back by the Petitioner as per the Agreement. In order to partially discharge its liability, on 18.08.2021, Respondent made payment of Rs.4 lacs. Disputes having arisen on account of outstanding payments allegedly due to the Petitioner, it sent a demand notice on 27.10.2023 demanding an amount of Rs.8,90,315/-.

5. Learned counsel for the Petitioner submits that since Respondent failed to pay the outstanding amount, Petitioner invoked Clause 23 of the Agreement and appointed two of its senior designated Representatives to meet the Representatives of the Respondent in order to resolve the disputes, however, this exercise failed and finally, Petitioner invoked the arbitration clause for appointment of an Arbitrator under the aegis of Delhi International Arbitration Centre (DIAC). Respondent failed to respond to the notice dated 08.11.2024 and Petitioner has filed the present petition.

6. Ms. Gauri Puri, learned counsel for the Respondent fairly does not dispute the existence of the arbitration agreement between the parties and on instructions submits that the Sole Arbitrator be appointed by this Court.

7. There is no dispute between the parties with regard to the existence of an Arbitration Agreement for adjudicating the disputes arising under the Agreement dated 15.12.2020. The arbitration clause reads as follows:-

“23.3 Dispute Resolution

23.3.1 If such representatives do not resolve a matter referred to them within thirty (30) days after reference of this matter, the matter will be resolved by arbitration conducted in English in New Delhi by sole arbitrator appointed by CIPL and in accordance with the Arbitration & Conciliation Act, 1996. Unless otherwise ordered by the arbitrator(s), the parties will bear their respective costs incurred in connection with any arbitration arising out of this Agreement.



23.4 Jurisdiction

23.4.1 The parties irrevocably agree that the courts of New Delhi shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this Agreement or its subject matter or formation (including non-contractual disputes or claims). For the avoidance of doubt, the commencement of the dispute resolution procedure set out in clause 23(3.1) above, shall not prevent the parties from commencing or continuing court proceedings.”

8. Accordingly, with the consent of the parties, Mr. Sameer Sharma, Advocate (Mob. No. 9213857759) is appointed as Sole Arbitrator to adjudicate the disputes between the parties. Arbitration proceedings will be held under the aegis of DIAC and as per its Rules. Fee of the Arbitrator shall be as per the DIAC (Administrative Cost and Arbitrators' Fees) Rules, 2018.
9. Learned Arbitrator shall give disclosure under Section 12 of the 1996 Act before entering upon reference.
10. It is made clear that this Court has not expressed any opinion on the merits of the case and all rights and contentions of the respective parties are left open.
11. Petition is disposed of in the aforesaid terms.

JYOTI SINGH, J

APRIL 15, 2025/S.Sharma/shivam