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

+ **O.M.P.(I) (COMM.) 12/2025 & I.A. 919/2025**

COIMBATORE REFINISHES

.....Petitioner

Through: Mr.Kirtiman Singh Sr. Adv with Mr.
Umang Tyagi, Mr. Nikhil Palli, Mr.
Siddharth Sharma, Ms. Nikita Anand
Advocates

versus

M/S AKZO NOBLE INDIA LTD

.....Respondent

Through: Mr. Ashim Sood, Mr. Pallav Shukla,
Mr. Aayush Chandra, Ms. Srishti
Khare, Mr. Keerthivasan Srinivasan,
Advts.

CORAM:

HON'BLE MR. JUSTICE SUBRAMONIUM PRASAD

ORDER

% **20.01.2025**

1. The present petition under Section 9 of the Arbitration and Conciliation Act, 1996 has been filed by the Petitioner seeking interim Order directing the Respondent to withhold the claim amount of Rs.7,65,00,000/- with any nationalized bank to secure the claims of the Petitioner till the final adjudication of the disputes between the parties.
2. It is stated that a Distribution Agreement dated 21.01.2023 was entered into between the Petitioner and the Respondent for distribution of the Respondent's products with the promise of assured returns of Rs.1 crore per month. It is stated that the Petitioner herein invested huge amount of money in purchasing the stock, disposables, etc. and also gave a security deposit of Rs.20,00,000/-. It is stated that when the Petitioner was not able to



earn any profit, the Respondent herein asked the Petitioner to shift its business from Coimbatore to Chennai. It is stated that in order to shift all the business from Coimbatore to Chennai, the Petitioner and the Respondent entered into a Second Dealership Agreement dated 16.12.2023. It is also state that the Petitioner herein also gave a bank guarantee of Rs.65 lakhs to the Respondent herein at the time of signing of the Second Dealership Agreement. The Second Dealership Agreement provides for Arbitration. It is stated that disputes arose between the parties. It is stated that the Respondent herein vide Notice dated 18.12.2024 terminated the Dealership Agreement and threatened the Petitioner to either clear its dues otherwise the bank guarantees deposited by the Petitioner would be encashed by the Respondent. The Petitioner has, thereafter, approached this Court.

3. It is stated by the learned Counsel for the Petitioner that they have approached this Court by filing the present petition under Section 9 of the Arbitration and Conciliation Act, 1996 for a direction restraining the Respondent from invoking the Bank Guarantees.

4. Today, learned Counsel for the parties submit that settlement talks were going on between the parties and the Arbitrator be appointed after a period of 60 days in case, the settlement talks failed.

5. This petition is referred to the DIAC for the purpose of appointment of an Arbitrator. The arbitration would take place under the aegis of the Delhi International Arbitration Centre (DIAC) and would abide by its rules and regulations. The learned Arbitrator shall be entitled to fees as per the Schedule of Fees maintained by the DIAC.

6. The learned Arbitrator is also requested to file the requisite disclosure under Section 12(2) of the Arbitration & Conciliation Act within a week of



entering on reference.

7. All rights and contentions of the parties in relation to the claims/counter-claims are kept open, to be decided by the learned Arbitrator on its own merits, in accordance with law.

8. It is made clear this Court has not made any observation on the merits of the case.

9. The present petition stands disposed of in the above terms along with pending application(s), if any.

SUBRAMONIUM PRASAD, J

JANUARY 20, 2025

Rahul