HC-KAR
NC: 2026:KHC:61534
CMP No. 540 of 2026
CNR: KAHC010644382026

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 5TH DAY OF NOVEMBER, 2026

BEFORE

THE HON'BLE MR. JUSTICE H.T. NARENDRA PRASAD

CIVIL MISC. PETITION NO. 540 OF 2026

BETWEEN:

M/S ATX SYSTEMS PVT LTD
HAVING OFFICE AT
NO.160/2, AAKARSH ARCADE
MAHADEVAPURA, BENGALURU
REP. BY ITS AUTHORIZED SIGNATORY
MR SASIDHARAN.K
AGED ABOUT 62 YEARS.

...PETITIONER

(BY MS. ARCHANA T V, ADVOCATE FOR
SRI. T N VISWANATHA.,ADVOCATE)

AND:

M/S AJITH INDUSTRIES
NO.14/6, CHEEMSANDRA VILLAGE
BIDARAHALLI HOBLI
BENGALURU -560 049
REPRESENTED BY ITS PROPRIETOR
JAYACHANDRAN C N.

...RESPONDENT

(RESPONDENT SERVED AND UNREPRESENTED)

THIS CMP IS FILED UNDER SECTION 11(6) OF ARBITRATION AND CONCILIATION ACT 1996, PRAYING TO ALLOW THE ABOVE CIVIL MISCELLANEOUS PETITION BY APPOINTING ONE OF THE ARBITRATOR FROM THE PANEL OF ARBITRATORS FOR NON-DISCLOSURE AGREEMENT DATED 19.09.2024 AS PER CLAUSE 20, VIDE ANNEXURE - B AND ALSO SUGGESTED BY THE PETITIONER VIDE NOTICE DATED 14.07.2026, IN ORDER TO ADJUDICATE THE CLAIM BY THE

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PETITIONER, IN ACCORDANCE WITH LAW AND TO PASS AWARD UNDER THE PROVISIONS OF THE ARBITRATION AND CONCILIATION ACT, 1996 IN THE INTEREST OF JUSTICE AND EQUITY.

THIS PETITION, COMING ON FOR ADMISSION, THIS DAY, ORDER WAS MADE THEREIN AS UNDER:

CORAM: HON'BLE MR. JUSTICE H.T. NARENDRA PRASAD

ORAL ORDER

1. This petition is filed under Section 11(6) of the Arbitration and Conciliation Act, 1996 (for short, "the Act"), seeking appointment of a sole Arbitrator for adjudication of the disputes that have arisen between the parties under the Non-Disclosure Agreement dated 19.09.2024, particularly in terms of Clause 20 thereof, produced at Annexure-B.

2. The brief facts of the case are that petitioner is a company engaged by the Ministry of Defence under Defence Innovation Organization Contract for Design and Development of equipment for the Indian Airforce. Petitioner engaged the services of the respondent to provide mechanical and fabrication design and support for manufacture of simulators for air crafts for defence

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purpose only. Accordingly, the parties entered into a Spark Grant Agreement for mechanical work to be provided by the respondent for simulator programs being developed by the petitioner for the India Air Force and executed a Non-Disclosure Agreement dated 19.09.2024 (Annexure-B) in relation to the same. Subsequently, disputes arose between the parties in relation to the said Agreement.

3. As the disputes arose between the parties, the petitioner, invoking the arbitration clause contained in the Non-Disclosure Agreement, issued a notice dated 14.07.2026 vide Annexure-J, to the respondent under Section 21 of the Act. The said arbitration clause 20 reads as under:

> *"20 DISPUTE RESOLUTION*
>
> *20.1*
> *Any dispute arising out of or in connection with the present Agreement that the Party fall to resolve amicably within a time period of two (2) months as of its notification, shall be finally settled under the Rules of Arbitration of the Indian Law in in accordance with the said Rules. The arbitration shall be conducted in the English language. The award decision of the arbitral panel shall be final and*

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binding on the Parties who waive the right to any appeal under any system of law. The award shall be enforceable before any court of competent jurisdiction upon the application to such court by either Party.

20.2
The place of arbitration shall be India

The existence and content of the arbitral proceedings and any ruling or award shall be kept confidential except: (i) to the extent that disclosure may be required of a Party to fulfill a legal duty. protect or pursue a legal right, or enforce or challenge an award in bona fide legal proceedings before a state court or other judicial authority; or (il) with the written consent of all Parties.

20.3
Notwithstanding the above, each Party may be entitled to seek injunctive relief as deemed proper by a court of competent jurisdiction."

4. The respondent sent a reply dated 07.08.2026 vide Annexure-K to the said notice. Being dissatisfied with the reply, the present petition is filed seeking appointment of a sole Arbitrator.

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5. Notice issued by this Court has been duly served upon the respondent. However, there is no representation on behalf of the respondent.

6. Having regard to the existence of the arbitration clause contained in the Agreement, which provides for resolution of disputes arising between the parties, and the fact that the petitioner has duly invoked the said arbitration clause by issuing notice under Section 21 of the Act, this Court is of the opinion that a Sole Arbitrator is required to be appointed for adjudication of the disputes between the parties.

7. Accordingly, the following:

ORDER

a) Civil Miscellaneous Petition is **allowed**.

b) Sri.J.S.Somashekara, retired District Judge, is appointed as the Sole Arbitrator in the present case to arbitrate the disputes between the parties at the Arbitration and Conciliation Centre (Domestic & International), Bengaluru,

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as per the Rules governing the said Arbitration Centre.

c) All the claims and contentions of the parties are left open.

d) Registry is directed to communicate this order via e-mail to the Arbitration and Conciliation Centre (Domestic & International), Khanija Bhavan, Bengaluru, and also to the learned Arbitrator.

e) Registry is directed to return all the original documents produced by any of the parties after obtaining Photostat copies of the same.

f) Parties are directed to appear before the Director, Arbitration and Conciliation Centre, Bengaluru, on 17.12.2026 at 11:30 a.m.

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(H.T. NARENDRA PRASAD)
JUDGE

DM
LIST NO.: 1 SL NO.: 56