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

+ **ARB.P. 518/2026**

VEDANT BOTTLERS PRIVATE LIMITEDPetitioner

Through: Ms. Prachi Grover, Mr. Akash
Agarwal Mr. Ashish Choudhary, Mr.
Abhishek Arora & Mr. Anand Kamal,
Advs.

versus

PANACHE SPIRITS PRIVATE LIMITEDRespondent

Through: Mr. Yogesh Goel & Mr. Sanjay
Gautam, Advs.

CORAM:

HON'BLE MR. JUSTICE AVNEESH JHINGAN

ORDER

27.04.2026

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1. The present petition is filed under Section 11 of the Arbitration and Conciliation Act, 1996 (for short 'the Act') for appointment of an arbitrator.
2. The brief facts are that the parties to the *lis* entered into a Brand Promotion and Distribution Agreement on 13.12.2021. The petitioner appointed the respondent as a brand promoter and sales agent in northern and southern India to promote its product. The agreement was for ten years, commencing from 13.12.2021 to 12.12.2031. For carrying out the contract, label registration and licenses for market operations were required. On 27.04.2022, the respondent approached the petitioner and conveyed its inability to commence the business. On 28.04.2022, the petitioner issued an email expressing concern regarding the delay in starting the venture. On 20.06.2022, the respondent issued an email stating that it does not wish to



continue with the business with the petitioner and that there is breach of the agreement. In an attempt to resolve the issues, a meeting was held on 25.06.2022 wherein the petitioner provided a detailed breakdown of the claim for demurrage. In view of the dispute on 16.02.2023 the respondent intimated the petitioner that steps are being taken for encashing the two security cheques given by the petitioner. On presentation, the cheques got dishonoured and a complaint was filed under Section 138 of the Negotiable Instruments Act, 1881. On 07.03.2025, the petitioner issued a notice under Section 21 of the Act. Clause 10 of the agreement provides for dispute resolution through arbitration and is reproduced as under:-

“10. Arbitration and Jurisdiction:

a. It is agreed between the Parties that if any dispute/s with regard to or arising out of or by virtue of this Agreement shall be first resolved by referring to the Executive Directors or persons nominated by the Parties. If it is not resolved amicably, the same will be resolved by way of Arbitration. The Arbitration proceedings shall be subject to provisions of Indian Arbitration and Conciliation Act, 1996 and the venue of arbitration shall be Delhi, India and language of the arbitration shall be English. Parties will endeavour to agree upon Sole Arbitrator, failing which such arbitrator shall be appointed under the Arbitration and Conciliation Act, 1996. The Parties agree to abide by the Award of the Arbitrator(s). Without prejudice to arbitration as contained herein above, all disputes arising out of or in connection with this Agreement shall be subject to the exclusive jurisdiction of the appropriate courts at Delhi, India only.

b. This Agreement shall be construed under and governed by the laws of India and each party hereby expressly and



irrevocably submits itself to the exclusive jurisdiction of Courts of competent jurisdiction at Delhi, India.”

3. Learned counsel for the respondent contends that the petition filed is time barred. The respondent had offered arbitration by email dated 13.01.2023 whereas this petition has been filed in February, 2026. It is contended that the claim for demurrage is not provided in the contract and the dispute is not arbitrable.
4. Learned counsel for the petitioner contends that the agreement was of December, 2021 and correspondence was exchanged between the parties. It is submitted that only the respondent backed out from the agreement. On 20.06.2022, the cause of action arose and notice under Section 21 of the Act was issued within three years i.e. 07.03.2025 and thereafter this petition was filed.
5. Heard learned counsel for the parties.
6. From the perusal of the arbitration clause, it is evident that it is widely worded and covers dispute arising out of and relating to the agreement. The merits of the claim need not be gone at this stage of a petition under Section 11 of the Act and this court has to only satisfy with regard to the prima facie existence of the arbitration clause and whether the dispute between the parties is covered by the clause.
7. The contention of learned counsel for the respondent that the petition is time barred lacks merit. The cause of action arose to the petitioner on 20.06.22, on the refusal of the respondent to continue with the business as per the agreement. Within three years a notice was issued under Section 21 of the Act and within one year thereafter the present petition has been filed.
8. Accordingly, the petition is allowed by appointing Mr. Kunal Vajani,



Advocate (Mobile No. 9167230001) as the sole arbitrator for adjudication of the disputes which have arisen between the parties.

9. The fees of the learned Arbitrator will be governed by Schedule IV of the Act. Before entering upon reference, the learned Arbitrator will comply with Section 12 of the Act.

10. It is made clear that since this Court has not expressed any opinion on the merits of the rival claims of the parties, it will be open for the parties to file their respective claims/counter claims before the learned Arbitrator which will be considered in accordance with law.

11. A copy of this order be forwarded to the learned Arbitrator for information.

AVNEESH JHINGAN, J

APRIL 27, 2026
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