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* IN THE HIGH COURT OF DELHI AT NEW DELHI

% Date of Decision: 20th January, 2026

+ ARB.P. 1781/2025

M/S AL NAUREEN EXPORTSPetitioner

Through: Ms. Sanya Kumar, Mr. Harsh Jain
and Mr. S. Abinaya, Advs.
M: 9818335779
Email:
sanya@sanyalawchambers.com

versus

M/S AL NOOR EXPORTS & ORS.Respondents

Through: Mr. Rushab Aggarwal, Receiver for
R-1 (Through VC)
M: 9810057173
Email: receiver@rushabaggarwal.com
Mr. Pranay Mohangovil and Ms.
Priya Katare, Advs. for R-2 to 4
M: 9958860135
Email:
pranaymohangovil@gmail.com
Mr. Sanchit Gawri, Adv. for R-5
M: 9711746674

CORAM:

HON'BLE MS. JUSTICE MINI PUSHKARNA

MINI PUSHKARNA, J (ORAL):

1. The present petition has been filed under Section 11(6) of the Arbitration and Conciliation Act, 1996 ("Arbitration Act"), thereby, seeking appointment of a Sole Arbitrator for the adjudication of the disputes



between the parties, arising out of three Processing Agreements dated 05th March, 2023, 04th March, 2024 and 05th April, 2024 (“**Processing Agreements**”).

2. Learned counsel for petitioner submits that the petitioner entered into the Processing Agreements with the respondents to use the manufacturing facility of respondent no. 1, including, the complete infrastructure built within the said facility.

3. It is the case of the petitioner that the Processing Agreements dated 04th March, 2024 and 05th April, 2024, were executed between the parties as extensions and in similar terms as the Processing Agreement dated 05th March, 2023. Further, in pursuance to the Processing Agreements the petitioner had made several advance payments to the respondents.

4. It is submitted that respondent no. 1 is a partnership firm and all the respondents are parties to an arbitration proceeding relating to the management, affairs and assets of respondent no. 1, wherein in the arbitration proceedings, the Arbitral Tribunal *vide* order dated 28th June, 2021 in *Matter No. 16/2021* titled as “*Mr. Sunil Sud and Ms. Priya Sud Partners M/s Al Noor Exports Versus Mr. Ajay Sud, Partner M/s Al Noor Exports*”, had appointed a Receiver with regard to the management of the assets and business of respondent no. 1.

5. It is submitted that on 28th May, 2024, *vide* notice dated 24th May, 2024, the Uttar Pradesh Pollution Control Board directed closure of the plant/facility, wherein, the petitioner was operating, and therefore, the petitioner was constrained to shut all operations since closure, and labor was stopped from 31st May, 2024, as well.

6. Thus, on account of the closure, the petitioner *vide* email dated 06th



June, 2024, called upon the respondents to refund/return the advance amounts paid by the petitioner and clear the outstanding in terms of the ledger attached with the email along with interest. In reply dated 09th June, 2024, respondent no. 2 denied the allegations of the petitioner, and faulted the petitioner for closure of the plant/facility.

7. It is submitted that the petitioner on account of the reply dated 09th June, 2024 by respondent no. 2, was constrained to issue a notice *vide* email dated 12th September, 2024, calling upon respondent nos. 2 and 5, to make the payment of the amount of Rs. 2,13,97,737.87/- along with interest @ 18% per annum, however, no reply to the said notice has been received from the respondents.

8. Therefore, the petitioner issued a notice dated 15th February, 2025 invoking arbitration under Section 21 of the Arbitration Act. However, reply was received only from respondent nos. 2 to 4 *vide* reply dated 17th March, 2025, wherein, the respondent nos. 2 to 4, *inter-alia* contended that there is no arbitration agreement between the petitioner and respondent nos. 2 to 4, in relation to Processing Agreement dated 05th April, 2024.

9. Thus, it is submitted that, as the parties are unable to mutually agree to the appointment of the Sole Arbitrator, the present petition has been filed.

10. Learned receiver on behalf of respondent no.1 puts in appearance and submits that he has no objection if an Arbitrator is appointed.

11. Learned counsel appearing for respondent no. 5 also submits that he has no objection to appointment of an Arbitrator and that his submission already stands recorded in the previous order dated 28th October, 2025 passed by this Court.

12. Learned counsel appearing for respondent nos. 2 to 4, submits that



though he had certain objections, however, *vide* order dated 28th October, 2025, it has already been recorded that all the objections as raised on behalf of respondent nos. 2 to 4, can be raised before the learned Arbitrator. Thus, learned counsel appearing for respondent nos. 2 to 4 submits that he has no objection to appointment of Arbitrator, subject to the objections being raised by respondent nos. 2 to 4 being considered by the learned Arbitrator.

13. Learned counsel appearing for the petitioner submits that the claim amount is approximately Rs. 2,13,91,738.87/-.

14. Learned counsel appearing for respondent nos. 2 to 4 submits that proceedings be held under the aegis of Delhi International Arbitration Centre (“**DIAC**”).

15. It is noted that all of the Processing Agreements contain an arbitration clause, i.e., Clause 15, which also clearly enumerates that disputes arising out of the said Agreements, during the subsistence of the Agreements or any time after, shall be subject to resolution by the manner indicated in Clause 15 of the said Agreements. The said Clause 15 is reproduced as under:

“xxx xxx xxx

15. That the dispute and differences, if do arise, pertaining to any of the terms and conditions of this Agreement or in relation to interpretation thereof, whether during the subsistence of this Agreement and/or at any time thereafter, shall first be attempted to be resolved by negotiations between the parties to this Agreement. In the event the Parties are unable resolve dispute by negotiations even after a period of ten (10) working days of commencement of such negotiations, the same shall be referred to the Arbitration of a Sole Arbitrator, which Arbitration shall be conducted in accordance with the provisions of the Arbitration & Conciliation Act, 1996, or any other law for the time being in force. The place and seat of arbitration shall be New Delhi.

xxx xxx xxx”

16. This Court is satisfied that there exists a valid arbitration clause and



there are disputes between the parties, which need to be adjudicated through arbitral mechanism.

17. Accordingly, the dispute between the parties arising out of the Processing Agreements is referred to the Arbitral Tribunal comprising a Sole Arbitrator. The following directions are issued in this regard:

- i. Mr. Nikhilesh Krishnan, Advocate (Mob: 9810683803) is appointed as the Sole Arbitrator to adjudicate the disputes between the parties.
- ii. The arbitration proceedings shall be held under the aegis and Rules of DIAC, Delhi High Court, Sher Shah Road, New Delhi.
- iii. The remuneration of the learned Arbitrator shall be in terms of DIAC (Administrative Cost and Arbitrators' Fees) Rules, 2018.
- iv. The learned Arbitrator is requested to furnish a declaration in terms of Section 12 of the Arbitration Act prior to entering into the reference. In the event of any impediment to the Arbitrator's appointment on that Count, the parties are given liberty to file an appropriate application before this Court.
- v. It shall be open to the respondents to raise counter-claims, if any, in arbitration proceedings.
- vi. 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.
- vii. The parties shall approach the learned Arbitrator within two (02) weeks from today.

18. It is made clear that this Court has not expressed any opinion on the



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merits of the case.

19. The petition is disposed of in the aforesaid terms.
20. The Registry is directed to send a copy of this order to the learned Sole Arbitrator, as well as, Secretary, DIAC for information and compliance.

MINI PUSHKARNA, J

JANUARY 20, 2026/KR