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

+ **ARB.P. 545/2024**

PUNJAB NATIONAL BANK

..... Petitioner

versus

STATE BANK OF INDIA

..... Respondent

+ **ARB.P. 548/2024**

PUNJAB NATIONAL BANK

..... Petitioner

versus

CANARA BANK

..... Respondent

Appearance:-

Mr. Debesh Panda, Mr. Anant Upadhyay & Mr. Kanishk Aggrawal, Advocates for Punjab National Bank in ARB.P. 545/2024 and ARB.P. 548/2024

Mr. Ankur Mittal & Mr. Devesh Mittal, Advocates for State Bank of India in ARB.P. 545/2024.

Ms. Manisha Singh, Mr. Ashu Pathak, Mr. George Pathan Poothicote, Mr. Shubham kr. Deo & Ms. Jyoti Singh, Advocates for Canara Bank in ARB.P. 548/2024.

Mr. Rajiv Kapur, Mr. Akshit Kapur, Mr. Aditya Saxena & Ms. Riya Sood, Advocates for State Bank of India in ARB.P. 548/2024 [M:-9811300200]

CORAM:

HON'BLE MR. JUSTICE PRATEEK JALAN

ORDER

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27.05.2024

1. The petitioner-bank has filed these two petitions against other



public sector banks for appointment of an arbitrator to adjudicate disputes between them under separate letters of undertaking dated 28.03.2018.

2. The letters of undertaking admittedly contained arbitration clauses which provided for resolution of disputes by arbitration. New Delhi is designated as the venue of arbitration and exclusive jurisdiction has also been vested in the competent Courts of New Delhi.

3. According to the petitioner, the respondents failed to comply with the terms of the undertaking.

4. The petitioner therefore invoked arbitration by separate communications dated 25.03.2023 addressed to the respondents. State Bank of India [respondent in ARB.P. 545/2024] responded on 17.05.2023, contending that no arbitrable dispute had arisen as, according to it, it had complied with the obligation under the undertaking to supply certain information to the petitioner. Ms. Manisha Singh, learned counsel, who appears for Canara Bank [respondent in ARB.P. 548/2023], states that Canara Bank had also responded on 15.05.2023, although that response has not been placed on record. A copy of the letter is handed up in Court and is taken on record. The objection of Canara Bank is similar to that of State Bank of India.

5. Learned counsel for the respondents submit that, in these circumstances, there are no arbitral disputes requiring adjudication.

6. Mr. Debesh Panda, learned counsel for the petitioner, submits that several such undertakings were given by different banks to Punjab National Bank at the relevant time. In disputes similar to the present one, the Court has appointed arbitrators by orders dated 12.03.2021 and 09.04.2021 in *Punjab National Bank v. Axis Bank Limited* [ARB.P.



686/2023]; 02.09.2022 in *Punjab National Bank v. Bank of India* [ARB.P. 243/2020]; and order dated 31.01.2024 in *Punjab National Bank v. Union Bank of India* [ARB. P. 144/2023].

7. In the said orders, the Court has noted that the existence of an arbitration agreement is not disputed, and that the matters may be referred to arbitration as similar arbitrations with other banks are pending. I am also of the view that the arbitral tribunal would be in the best position to decide whether or not the material has been provided in terms of the undertaking.

8. Having regard to the aforesaid orders, the petitions are allowed and the disputes between the parties are referred to arbitration of Hon'ble Mr. Justice Shiavax Vazifdar, former Chief Justice of Punjab and Haryana High Court [Tel: 9820102088], who is in seisin of other similar disputes.

9. At the request of learned counsel for the parties, it is directed that learned arbitrator may fix his own remuneration, in consultation with the parties at a preliminary hearing, in accordance with the judgment in *Oil and Natural Gas Corporation Ltd. v. Afcons Gunanusa Jv* [2022 SCC OnLine SC 1122].

10. The learned arbitrator is requested to furnish a declaration under Section 12 of the Arbitration and Conciliation Act, 1996 ["the Act"], prior to entering upon the reference.

11. All rights and contentions of the parties, including on the question of existence of arbitral disputes, are left open for adjudication by the learned Arbitrator.

12. At the request of Mr. Singh, it is made clear that the seat of Arbitration will be New Delhi, as agreed between the parties. However,



the learned Arbitrator may fix the venue of the proceedings in accordance with principle of Section 20(2) of the Act.

13. The petitions stand disposed of in these terms.

PRATEEK JALAN, J

MAY 27, 2024

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