



2024:DHC:7104



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IN THE HIGH COURT OF DELHI AT NEW DELHI

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ARB.P. 752/2024

KEYSTONE SOLUTIONS

.....Petitioner

Through: Mr. Chetan Roy, Mr. Amandeep Singh, Mr. Pawan Kant Singh and Ms. Ariba Kadri, Advocates

versus

K7 GROUP HOSPITALITY PVT. LTD. & ORS.

.....Respondents

Through: Mr. Mohnish Nirwan, Ms. Mansi Sharma, Mr. Yash Tewari, Advs.

CORAM:**HON'BLE MR. JUSTICE C. HARI SHANKAR****ORDER (ORAL)****11.09.2024**

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1. Mr. Mohnish Nirwan appears and seeks time to file reply.
2. Notice in this petition was issued as far back as on 27 May 2024.
3. The Supreme Court has held, in its recent decision in ***SBI General Insurance Co Ltd v Krish Spinning***¹ that, while exercising jurisdiction under Section 11(5) or 11(6) of the Arbitration and Conciliation Act 1996², the Court has only to examine whether there exists an arbitration agreement between the parties and whether the Section 11 petition has been filed within three years of the notice

¹ 2024 SCC OnLine SC 1754

² "the 1996 Act", hereinafter



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under Section 21 of the 1996 Act.

4. Mr. Chetan Roy, learned Counsel for the petitioner has drawn my attention to Clause 12 of a Work Order dated 1 October 2022, executed between the respondents and the petitioner. The work order contains the following clause envisaging resolution of dispute by arbitration:

“12. Arbitration

Any dispute arising out of or in connection with this contract, including any question regarding its existence, validity of termination, shall be referred to and finally resolved by arbitration under the Arbitration rules, which rules are deemed to be incorporated by reference into this clause incorporated by reference into this clause.”

5. Clause 13 of the work order also confers jurisdiction on courts in Delhi in all matters relating to the contract.

6. The word “Arbitration Rules”, employed in Clause 12, submits Mr. Roy, is an inelegant reference to the provisions of the 1996 Act. He submits that, as the work order was executed by people who are legally not trained, the expression “arbitral rules” actually intends to refer to the applicable statutory provisions governing arbitration.

7. The respondents issued a legal notice to the petitioner on 20 February 2024, raising certain demands. The petitioner, by way of response dated 29 February 2024, disputed the demands and sought reference of the dispute to arbitration.

8. The petitioner also suggested the name of two advocates, from



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whom the respondents were called upon to select one as the arbitrator.

9. The respondents not having communicated any further, the petitioner has approached this Court under Section 11(6) of the 1996 Act.

10. As already noted, no reply has been filed to this petition.

11. Learned Counsel for the respondents is also not able to provide any substantial opposition to this petition.

12. The claim of the respondents against the petitioner is in the region of Rs. 3.5 crores.

13. The total of claim of the respondents against the petitioner and the counter claim of the petitioner against the respondents is in the region of ₹ 3.5 cores.

14. Accordingly, this Court appoints Ms. Raji Gururaj, Advocate (Tel. 9704847263) as the arbitrator to arbitrate on the disputes between the parties.

15. The arbitrator shall be entitled to charge fees as per the Fourth Schedule to the 1996 Act.

16. The learned arbitrator is also requested to file the requisite disclosure under Section 12(2) of the 1996 Act within a week of entering on the reference.



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17. All questions of fact and law are left open to be urged before the learned arbitrator.

18. The petition is allowed in the aforesaid terms.

C. HARI SHANKAR, J.

SEPTEMBER 11, 2024

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Click here to check corrigendum, if any