



2024:DHC:6174



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

+ **ARB.P. 1093/2024**

HITESH CHHABRA & ANR.

.....Petitioners

Through: Mr. Saikumar, Sr. Advocate
with Mr. Manishi Pathak, Mr Deepam
Rangwani and Ms. Ahona Chatterjee, Advs.

versus

SANDEEP CHHABRA

.....Respondent

Through: Mr. Rajat Aneja, Ms. Alka
Dwivedi, Ms. Garima Saxena and Mr. Aman
Kapoor, Advs.

Mr. Sumeet Batra, Ms. Roopanshi Batra and
Mr. Rishabh Jain, Advs. for Karup Vysya
Bank

Mr. R K Sinha, Adv for SBI

+ **ARB.P. 1107/2024**

HITESH CHHABRA & ANR.

.....Petitioners

Through: Mr. Saikumar, Sr. Advocate
with Mr. Manishi Pathak, Mr Deepam
Rangwani and Ms. Ahona Chatterjee, Advs.

versus

SANDEEP CHHABRA

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2024:DHC:6174



CORAM:
HON'BLE MR. JUSTICE C.HARI SHANKAR

JUDGMENT (ORAL)

14.08.2024

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ARB.P. 1093/2024

1. This is a petition under Section 11(6) of the Arbitration and Conciliation Act, 1996 (“the 1996 Act”) for reference of the disputes between the parties to arbitration.

2. Mr. Sai Kumar, learned Senior Counsel for the petitioners has drawn my attention to the Partnership Deed dated 22 April 2006, executed between the petitioners and the respondent, para 14 of which envisages resolution of disputes by arbitration and reads thus:

“14. That any controversy or claim arising out of or relating to the contract or breach shall be settled by Arbitration under the Arbitration Act then in force. The decision given thereunder shall be binding on all the partners.”

3. As disputes had arisen among the parties, the petitioners, by notice dated 16 May 2024 under Section 21 of the 1996 Act, invoked Clause 14 of the Partnership Deed and sought reference of the disputes to arbitration. Mr. Aneja, learned Counsel for the respondent submits that the notice for invocation of arbitration does not set out the particulars of the petitioners’ claims and merely baldly avers that there were disputes between them.

4. The recitals in this petition, seen with the documents filed with



2024:DHC:6174



the petition, indicate that the Section 21 notice is merely a culmination of earlier communications between the parties which, according to the petition, delineate the issue in controversy.

5. The recent decision of the Supreme Court in ***SBI General Insurance Co Ltd v. Krish Spinning¹*** has restricted the scope of examination by a Court exercising jurisdiction under Section 11(6) of the 1996 Act. The Court is only required to examine whether there exists an arbitration agreement between the parties and *nothing else*, as specifically held by the Supreme Court in para 114 of the report. The only other aspect which the Court exercising jurisdiction under Section 11(6) can examine is whether the petition under Section 11(6) has been filed within three years of issuance of Section 21 notice invoking arbitration. That condition is satisfied in the present case.

6. In that view of the matter, the disputes between the parties stand referred to arbitration. As the parties have not been able to arrive at any consensus regarding arbitration, this Court is duty bound to step in and exercise jurisdiction under Section 11(6) of the 1996 Act. Accordingly, the Court appoints Mr. Romy Chacko, Senior Advocate (Mob: 9810125529) as the arbitrator to arbitrate on the disputes between the parties.

7. The arbitration would take place under the aegis of the Delhi International Arbitration Centre (DIAC) and would abide by its rules and regulations. The learned arbitrator shall be entitled to fees as per

¹ 2024 SCC OnLine SC 1754



2024:DHC:6174



the schedule of fees maintained by the DIAC.

8. 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 reference.

9. This Court has not expressed any opinion either on the jurisdiction of the arbitrator to deal with the matter or on any other aspect preliminary or final. It is a settled position that even the jurisdiction of the arbitration can be agitated before the Arbitral Tribunal under Section 16(2) of the 1996 Act.

10. The petition stands disposed of in the aforesaid terms.

ARB.P. 1107/2024

11. This case, too, emanates out of the Partnership Deed between the parties dated 15 October 2013.

12. For the reasons stated in the aforesaid order passed herein in Arb. P. 1093/2024, the disputes between the parties stands referred to arbitration.

13. As the parties have not been able to arrive at any consensus regarding arbitration, this Court is duty bound to step in and exercise jurisdiction under Section 11(6) of the 1996 Act. Accordingly, the Court appoints Mr. Romy Chacko, Senior Advocate (Mob:



2024:DHC:6174



9810125529) as the arbitrator to arbitrate on the disputes between the parties.

14. The arbitration would take place under the aegis of the Delhi International Arbitration Centre (DIAC) and would abide by its rules and regulations. The learned arbitrator shall be entitled to fees as per the schedule of fees maintained by the DIAC.

15. 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 reference.

16. This Court has not expressed any opinion either on the jurisdiction of the arbitrator to deal with the matter or on any other aspect preliminary or final. It is a settled position that even the jurisdiction of the arbitration can be agitated before the Arbitral Tribunal under Section 16(2) of the 1996 Act.

17. The petition stands disposed of in the aforesaid terms.

C.HARI SHANKAR, J

AUGUST 14, 2024

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Click here to check corrigendum, if any