
IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
ARBITRATION APPLICATION NO. 249 OF 2024

R D Telinet Pvt. Ltd.

... Applicant

Versus

Reliance General Insurance Co. Ltd.

...Respondent

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Mr. Paresh J. Gada, for Applicant.

Mr. Udayan Mukherjee (through VC) a/w. Mr. Abhishek Vikram and Ms. Aayushi Priya i/b Mr. Pratap L. Nikbankar, for Respondent.

CORAM : SOMASEKHAR SUNDARESAN, J.

Date : January 8, 2025

P. C.

1. This Application has been filed for appointment of an arbitrator under Section 11 of the Arbitration and Conciliation Act, 1996 (“***the Act***”), in connection with disputes and differences that are said to have arisen under an insurance policy issued by the Respondent to the Applicant.

2. The insurance policy was issued for the period between May 27, 2020 and May 26, 2021. Owing to a fire at the Applicant’s premises, an insurance assessment was made by a surveyor of the Respondent, leading to a provisional assessment, in an indicative sum of Rs. 1.4 Crores that was communicated by the Respondent to the Applicant on February 2, 2021.

3. The Applicant contested the assessment, and asserted that the losses to be paid to the Applicant should be in the region of Rs. 2.19 Crores. Consequently, arbitration was invoked, but the Respondent now objects to this dispute being refereed to arbitration on the premise that Clause 13, which contains the arbitration agreement, would not be available to situations where the claim itself is rejected, whereas only disputes on quantum of the loss are arbitrable.

4. Upon a perusal of the record, with the assistance with the Learned Counsel for the parties, it is apparent that *prima facie* it is a dispute over the quantum that lies at the heart of the disputes and differences between the parties. It is seen from the record that the surveyor appointed by the Respondent had come up with the amount of Rs. 1.4 Crores as the provisional value of the loss, but , according to the Applicant, the amount ought to have been Rs. 2.19 Crores.

5. Clause 13 is indeed the determinant of the scope of coverage in the arbitration proceedings by the arbitral tribunal. It is now trite law that the terms of Section 16 of the Act, the arbitral tribunal has jurisdiction to rule on its own jurisdiction. Consequently, the issue being presented by the Respondent is a subject that falls within the domain of the arbitral tribunal. Therefore, without intending to comment on any facet of the merits of the

matter, the only proper recourse would be to allow this Application, to appoint an arbitrator, who would deal with all contentions, including the contention of whether the dispute being referred to the arbitrator falls within the scope of Clause 13 of the insurance policy. Needless to say, the arbitral tribunal will need to assess the record to see if the Respondent rejected the claim in absolute terms or did so because the Respondent disliked the quantum claimed.

6. It is also now trite law that the role of Section 11 Court is to restrict itself to examine the existence of an arbitration agreement in terms of Section 11(6A) of the Arbitration Act. Any adventure beyond such scope is no longer available to this Court under Section 11.

7. In these circumstances, the following order is passed :

- a. Mr. Mandar Soman, an Advocate of this Court, is hereby appointed as the Sole Arbitrator to adjudicate upon the disputes and differences between the parties arising out of and in connection with the Agreement referred to above. The contact are set out below :

Office Address : Office No. 21, 3rd Floor, Bombay
Mutual Building, P M Road, Fort,
Mumbai-400001
Mobile No. : 9967911201
Email: mandar.soman82@gmail.com

- b. A copy of this Order will be communicated to the Learned Sole Arbitrator by the Advocates for the Applicant within a period of one week from today. The Applicant shall provide the contact and communication particulars of the parties to the Arbitral Tribunal along with a copy of this Order;
- c. The Learned Sole Arbitrator is requested to forward the statutory Statement of Disclosure under Section 11(8) read with Section 12(1) of the Arbitration Act to the parties within a period of two weeks from receipt of a copy of this Order;
- d. The parties shall appear before the Learned Sole Arbitrator on such date and at such place as indicated, to obtain appropriate directions with regard to conduct of the arbitration including fixing a schedule for pleadings, examination of witnesses, if any, schedule of hearings etc. At such meeting, the parties shall provide a valid and functional email address along with mobile and landline numbers of the respective Advocates of the parties to the Arbitral Tribunal. Communications to such email addresses shall constitute valid service of correspondence in connection with the arbitration;
- e. All arbitral costs and fees of the Arbitral Tribunal shall be borne by the parties equally in the first instance, and shall be subject to any final Award that may be passed by the Tribunal in relation to costs; and
- f. The parties have agreed that the venue and seat of the arbitration will be in Mumbai. It is clarified that it shall be open to the Arbitral

Tribunal to conduct the proceedings online through electronic mode;.

8. This Application is ***finally disposed of*** in the aforesaid terms.
9. All actions required to be taken pursuant to this order, shall be taken upon receipt of a downloaded copy as available on this Court's website.

[SOMASEKHAR SUNDARESAN, J.]