
**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
ARBITRATION APPLICATION NO. 241 OF 2024**

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Kwality Chemicals Industries Private
Limited and Anr.

.. Applicants

Vs.

Kwalichem Private Limited and Ors.

.. Respondents

Mr. Malhar Zatakia a/w. *Mr. Shreyas Maheswari, Ms. Sourabhi Waknis and Mr. Jaydatta Koche i/b White & Brief Advocates and Solicitors, for Applicants.*

Ms. Swati Singh i/b *Kumar and Associates, for Respondents.*

CORAM : SOMASEKHAR SUNDARESAN, J.

Date : July 3, 2025

Order :

1. This Application has been filed under Section 11 of the Arbitration and Conciliation Act, 1996 (*“the Act”*), seeking appointment of an arbitrator in connection with disputes and differences that are said to have arisen between the parties under the Family Arrangement, dated October 15, 2020 [*“Agreement”*]. The arbitration agreement is contained in Clause 27 (found at Page 58 of the Application). In the interest of brevity, the arbitration agreement is not being extracted here. Suffice it to say that this matter falls within the jurisdiction of this Court.

2. It is apparent from the record that the arbitration agreement was invoked by the Applicants on January 22, 2024. Learned Counsel for the Respondents has entered appearance and accepts notice.

3. The scope of review under Section 11 is explicitly set out in Section 11(6A) of the Act. It is now trite law, with particular regard to the decisions of a seven-judge bench in the *Interplay Judgement*¹ followed by multiple others, including *SBI General*² and *Patel*³ that the Section 11 Court ought not to venture beyond examining the existence of a validly existing arbitration agreement that has been formally executed. Even questions of existential substance is a matter that falls squarely in the domain of the arbitral tribunal, in view of Section 16 of the Act.

4. Being satisfied that an arbitration agreement is validly in existence, and that arbitration has been duly invoked, it is in the fitness of things to refer the disputes and differences between the parties in connection with the aforesaid Agreement to arbitration by a Sole Arbitrator.

¹ *In Re: Interplay Between Arbitration Agreements Under Arbitration and Conciliation Act, 1996 & Stamp Act, 1899 – (2024) 6 SCC 1*

² *SBI General Insurance Co. Ltd. v. Krish Spinning – 2024 SCC OnLine SC 1754*

³ *Ajay Madhusudan Patel v. Jyotrindra S. Patel – 2024 SCC OnLine SC 2597*

5. The disputes and differences between the parties obviously relate to a family arrangement. It is now trite law that Courts must do their best to uphold and enforce family arrangements and not treat them like any other contact. In this view of the matter, it cannot be lost sight of that Respondent No. 1 was non-existent at the time of execution of the family arrangement. *Prima facie*, it is an entity formed for purposes of implementing the division transactions envisaged in the family arrangement. In these circumstances, Respondent No. 1 being a non-signatory could not stand in the way of parties to these proceedings being referred to arbitration in connection with the family arrangement dated October 15, 2025.

6. In these circumstances, this Application is hereby ***finally disposed of***, appointing an Arbitrator, in terms of the following order:

A] Mr. Rajesh Datar, a Learned 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;

Office Address:- 2, Blaze Business Centre, First Floor, Birla Mansion, near Commerce House, 134, N M Road, Fort, Mumbai 400 023.

Email : rajeshdatar@yahoo.co.in

B] A copy of this Order will be communicated to the Learned Sole Arbitrator by the Advocates for the Applicants within a period of one week from the date on which this order is uploaded on the website of this Court. The Applicants 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 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 Arbitral Tribunal in relation to costs.

7. Needless to say, nothing contained in this order is an expression of an opinion on merits of the matter or the relative strength of the parties. All issues on merits are expressly kept open to be agitated before the Arbitral Tribunal appointed hereby.

8. 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.]