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

+ **ARB.P. 258/2024**

M/S EDUCOMP SOLUTIONS LIMITEDPetitioner

Through: **Mr.Aayush Agrawal, Advocate**

versus

PUNJAB EDUCATION DEVELOPMENT BOARD.....Respondent

Through: **Ms.Savi Nagpal, Advocate**

CORAM:

HON'BLE MR. JUSTICE JASMEET SINGH

ORDER

29.05.2025

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1. This is a petition filed under section 11 of Arbitration and Conciliation Act, 1996 seeking appointment of an Arbitrator in terms of Clause 2(ii) of the Agreement dated 30.03.2010 to adjudicate the disputes between the parties.
2. In the present case, the petitioner and the respondent entered into an Agreement for construction, management and operation of a school namely i.e. Government Edustar Adarsh Senior Secondary School at Kalewal District, SAS Nagar, Mohali, Punjab. As per the terms and conditions of the Agreement, the expenses were shared in proportion of 70:30 wherein the petitioner was liable to pay 30%.
3. The said Agreement contained an arbitration clause being clause 2(ii) which reads as under:-

“...2(ii) That at any time if any question, suspicion, or dispute arise on the condition of this agreement and lease deed then that will be entrusted to a three-member arbitration panel.



Each party will appoint their arbitrator, and both the arbitrators will appoint a third arbitrator. This will be under the Arbitration and Conciliation Act 1996, and both parties will be bound to accept the decision of the arbitration. But, for ever the first party and the second party have been used in the 'words' with which they have agreed, for clarification/interpretation whenever required, then to make this agreement effective and to fulfill the desired aim, their representative, administrator, and representative will join...”

4. The petitioner was under CIRP proceedings and an RP was appointed. The petitioner-Company is still under insolvency. Since, there were disputes between the parties, the petitioner issued legal notice on 14.07.2020 to invoke the arbitration clause and thereafter, filed the present petition.

5. Mr. Agrawal, learned counsel for the petitioner has relied upon paras 2 & 3 of the reply on merits which read as under:-

“2. That at the outset, it is submitted that Adarsh Schools have been established under the provisions of the Punjab Education Development Act, 1998, under Public Private Partnership (PPP) mode in an effort to provide better quality education. As per the same, and according to applicable guidelines, terms and conditions, the complete administrative control of the schools is vested with the private partner who is solely responsible for recruitment of staff and enters into agreements with them. The Punjab Education Development Board is only liable for reimbursement of operational expenditure in the ratio of



70:30 (Punjab Education Development Board : Private Partner) and capital expenditure in the ratio of 50:50, subject to verification of the bills.

3. That the administration of the school in question was given to the Mis Educomp Solutions Limited, petitioner, vide agreement dated 31.03.20210, which was under the provisions of the said Act and applicable rules. This agreement was terminated by the petitioner vide letter dated 03.12.2018 on the ground that the National Company Law Tribunal, Principal Bench, New Delhi has initiated insolvency proceedings against the petitioner under the Insolvency and Bankruptcy Code, 2016.”

6. Ms. Nagpal, learned counsel for the respondent disputes the territorial jurisdiction of this Court.
7. I have heard learned counsel for the parties.
8. Admittedly, the Agreement dated 30.03.2010 was executed in Punjab. The Agreement was for construction and management of the school situated at Kalewal District, SAS Nagar, Mohali, Punjab.
9. The arbitration clause does not contemplate the jurisdiction/seat of the arbitration proceedings. The Agreement also does not assign any particular Court with exclusive jurisdiction. Hence, the only recourse available is sections 16 to 20 of the CPC for determining the jurisdiction of the Court.
10. As already stated, no part of cause of action has arisen within the territorial jurisdiction of this Court.
11. The only argument of the petitioner is that the payment was made by the respondent - Punjab Education Development Board, which the petitioner



received in Delhi.

12. To my mind, the other factors which constitute cause of action are all within the territorial jurisdiction of Punjab, namely:-

- a) the Agreement being executed at Punjab
- b) the respondent being residents of Punjab
- c) the School, which is the subject matter of the arbitral dispute, being situated in Punjab.

13. Even assuming some payment was received to the petitioner in Delhi, the fact remains that the respondent - Punjab Education Development Board has made the payment that was to be made for the administration of the school which is situated at Punjab, the same, to my mind, does not constitute a cause of action in Delhi.

14. For the said reasons, I am unable to entertain the present petition on account of lack of territorial jurisdiction.

15. The petitioner is at liberty to approach the competent Court of territorial jurisdiction and nothing observed hereinabove shall be construed as an adjudication of merits.

16. Accordingly, the petition stands disposed of.

JASMEET SINGH, J

MAY 29, 2025

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