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

+ **ARB.P. 922/2025**

SUMRIT GUPTA

.....Petitioner

Through: Mr. Siddharth S. Chapalgaonkar, Ms. Sneha Botwe and Mr. Akash Tripathi, Advocates.

versus

OPEN ADVANCED TECHNOLOGIES LLP

.....Respondent

Through: Ms. Aayushi Sharma Khazanchi, Ms. Anshala Verma and Ms. Pooja Deepak, Advocates.

CORAM:

HON'BLE MS. JUSTICE JYOTI SINGH

ORDER

25.09.2025

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1. This petition is filed on behalf of the Petitioner under Section 11(6) of Arbitration and Conciliation Act, 1996 ('1996 Act') seeking appointment of a Sole Arbitrator to adjudicate the disputes between the parties.
2. Case of the Petitioner as set forth in the petition is that Petitioner was appointed as Quantitative Researcher with the Respondent vide appointment letter dated 20.04.2022 with a fixed CTC of Rs.30,00,000/- per annum and Rs.8,00,000/- as bonus after one year, with one time signing bonus of Rs.2,00,000/-. On 25.04.2022, Petitioner executed the Trading, Invention, Assignment, Confidentiality and Non-Compete Agreement (Agreement) with the Respondent, Clause 11 whereof is the arbitration agreement with a designated seat.
3. It is averred in the petition that on 20.06.2023, Petitioner submitted his resignation for personal reasons, which was accepted on 23.06.2023,



subject to the condition that Petitioner will serve 3 months' notice and will abide by the non-compete clause. Petitioner sent a legal notice dated 23.07.2023 to ascertain how the non-compete clause will work and despite assurance by the Respondent that Petitioner would continue to receive full salary and the non-compete formalities will be explained during the exit process, no formal letter was issued to explain the non-compete clause or payment plan.

4. It is further averred that on 07.08.2023 Petitioner received only part salary of Rs.95,228/- for July, 2023 as against the regular monthly salary of Rs.2,32,720/-. Despite multiple e-mails sent by the Petitioner, the outstanding dues were not released and consequently by e-mail dated 21.08.2023, Petitioner terminated the contract with immediate effect citing breach of salary obligations. When the dues were not released despite several reminders, Petitioner sent notice invoking arbitration dated 06.03.2024 under Section 21 of the 1996 Act, proposing the name of an Arbitrator, however, there was no response.

5. Learned counsel for the Respondent opposes the appointment of the Arbitrator on the ground that the limited dispute raised by the Petitioner, which is sought to be referred to arbitration is for the balance salary, allegedly unpaid by the Respondent, which is outside the scope of arbitration clause 11, incorporated in the agreement, which was executed in relation to terms pertaining to trading, invention, assignment, confidentiality and non-compete. This agreement has no connection with the salary and emoluments of the Petitioner and at the highest, Petitioner may have other remedies to ventilate his grievance for non-payment of salary, but recourse cannot be taken to arbitration.



6. Learned counsel for the Petitioner, on the other hand, submits that the appointment letter dated 20.04.2022 incorporated a termination clause which provided that services of the Petitioner were liable to be terminated by giving a written three months' notice and in case the Petitioner desired to leave the services of the company at any time, he was bound to give a written prior three months' notice. The clause further provided that during the notice period of three months, employee shall be entitled to last drawn basic salary only and that in the event the management accepted the resignation, Petitioner would compulsorily observe the mandatory three months' notice period and continue to be on the rolls of the company on the last drawn basic salary. The argument is that the agreement executed between the parties also deals with '*Duration and Termination of Employment*' and therefore, if any question arises with respect to interpretation and/or validity of termination clause, the same will be referable to arbitration under Arbitration Clause 11, incorporated in the Agreement. Hence, claim of the Petitioner for unpaid salary upon resignation be referred to arbitration.

7. Having heard counsels for the parties and on perusal of the terms of the Agreement as also the appointment letter dated 20.04.2022, I am of the view, that there is merit in the objection of the Respondent. Broadly understood, the case of the Petitioner is that while accepting the resignation of the Petitioner, he was informed that the same was subject to his serving a three months' notice and post-employment non-compete obligations lasting 12 months. While the Petitioner reminded the Respondent several times to explain non-compete obligations as also to pay outstanding salary, the Respondent failed in fulfilling both the obligations. In other words,



Petitioner questions the non-release of his salary stated to be outstanding as also damages for alleged mental agony due to non-payment thereof. During the course of hearing, Court had pointedly put to the counsel for the Petitioner whether the dispute sought to be referred to arbitration is restricted to alleged outstanding salary and the answer was in the affirmative. For ready reference, the arbitration clause in the Agreement is as follows:-

“Clause 11 Arbitration and Equitable Relief:

A. Arbitration. Except as provided in Section 10(B) below, the Employee agrees that any dispute or controversy arising out of or relating to any interpretation, construction, performance or breach of this Agreement, shall be settled by arbitration to be held in accordance with the rules then in effect under the Indian Arbitration and Conciliation Act, 1996. The decision of the arbitrator shall be final, conclusive and binding on the parties to the arbitration. The arbitration proceedings shall be conducted by a Sole Arbitrator only, he having been appointed by the Company herein. The employee shall not have any objection, if the Sole arbitrator, for the purposes of settling the disputes amongst them, is appointed by the Company itself. The arbitrator shall be appointed after giving a due notice of 30 days to the other party. The seat of arbitration shall be at New Delhi and the official language of the proceedings shall be in English. The court at Delhi only shall have the exclusive jurisdiction to entertain all disputes arising out of such arbitration.”

8. A bare reading of the arbitration clause shows that Petitioner agreed that any dispute or controversy arising out of or relating to any interpretation, construction, performance or breach of the Agreement shall be settled by arbitration. The arbitration agreement does not envisage reference of dispute relating to non-payment of salary, owing to acceptance of conditional resignation submitted by the Petitioner. The appointment letter incorporates terms and conditions of employment including termination and resignation and consequences thereof and does not contain an arbitration clause. The Agreement contains an arbitration clause but does



not deal with issues of salary, emoluments or other service conditions of the Petitioner. The Agreement is specifically for trading, invention, assignment, confidentiality and non-compete obligation and incorporates Clause 1, which only deals with duration and termination of employment but the termination envisaged therein is by the employer and there is no clause relating to resignation or termination of the contract by the employee. Hence, the dispute pertaining to alleged non-payment of salary of the Petitioner cannot be referred to arbitration being outside the scope of arbitration agreement.

9. For the aforesaid reasons, this petition is dismissed. It is, however, made clear that this Court has not expressed any opinion on the merits of the case and it is open to the Petitioner to take recourse to other legal remedies with respect to grievances ventilated in the present petition.

JYOTI SINGH, J

SEPTEMBER 25, 2025

S.Sharma