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

+ **ARB.P. 1041/2024**

M/S ENERO EXPORTS PVT. LTDPetitioner

Through: Mr.Praval Arora, Mr. Aditya, Advs.

versus

M/S GLOBAL KNITFAB LTDRespondent

Through: Mr. Rishub Kapoor, Adv.

CORAM:

HON'BLE MR. JUSTICE JASMEET SINGH

ORDER

21.03.2025

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1. This is a petition filed under section 11(6) of the Arbitration and Conciliation Act, 1996 seeking appointment of an Arbitrator for adjudication of disputes between the parties arising out of the Lease Agreement dated 27th September 2021.

2. The arbitration clause is contained as clause 19 of the Lease Agreement, which reads as under:

“19) ARBITRATION. All disputes, differences, claims and questions, whatsoever, which shall arise either during the subsistence of this Agreement or afterwards between the parties and/or their respective representatives touching these presents or any clause or thing herein, contained or otherwise in any way relating to or arising from these presents shall be referred to the arbitration of two Arbitrators, one to be appointed by each party



to the dispute and such arbitration shall be in accordance with and subject to the provisions of the Arbitration and Conciliation Act, 1996 or any statutory modification or re-enactment thereof for the time being in force.”

3. The facts are that the petitioner, vide Lease Agreement dated 27.09.2021, entered into an arrangement with the respondent for procuring socks knitting machines for a period of six months, with the objective of manufacturing high-quality socks. In furtherance of the said agreement, the petitioner issued a security cheque of Rs 3.5 crores in favour of the respondent. However, being aggrieved by the non-functionality of the machines, the petitioner terminated the lease agreement on 31.12.2021.
4. Thereafter, the petitioner invoked arbitration vide legal notice dated 27.01.2023.
5. Hence, the present petition has been filed.
6. Mr. Kapoor, learned counsel appears for the respondent and objects to the territorial jurisdiction of this Court to entertain the present petition on the ground that the respondent has its office in Chandigarh and no part of cause of action has arisen in Delhi.
7. Admittedly, in the present case, the arbitration clause does not contain the venue or seat of arbitration. Even the Lease Agreement dated 27.09.2021 does not talk about the courts having exclusive jurisdiction to try the disputes between the parties.
8. For the said reasons, the procedure prescribed under section 16 to 20 of the Code of Civil Procedure will have to be seen to determine the territorial jurisdiction to entertain the present petition.
9. In the present case, even though the respondent is operating from its



office in Chandigarh, there are delivery *challans* issued by the respondent which show that the knitting machines have been delivered to the petitioner at A-19, FIEE Complex, Okhla Phase-2, New Delhi-110020. Additionally, there are *challans* by the transporter which shows that the knitting machines were transported from the address of the respondent at Dera Bassi, Chandigarh to A-19, FIEE Complex, Okhla Phase-2, New Delhi-110020, which is the address of the petitioner. It is these machines which are the subject matter of the arbitration dispute.

10. For the said reasons, I am satisfied that a part of cause of action has arisen within the territorial jurisdiction of this Court.

11. For the said reasons, the petition is allowed and the following directions are issued:-

- (i) Ms. Shilpa Ohri, Adv. (Mob. No. 9871900539) is appointed as a Sole Arbitrator to adjudicate the disputes between the parties.
- (ii) The arbitration will be held under the aegis of the Delhi International Arbitration Centre, Delhi High Court, Sher Shah Road, New Delhi (hereinafter, referred to as the 'DIAC').
- (iii) The remuneration of the learned Arbitrator shall be in terms of DIAC (Administrative Cost and Arbitrators' Fees) Rules, 2018.
- (iv) The learned Arbitrator is requested to furnish a declaration in terms of Section 12 of the Act prior to entering into the reference.
- (v) It is made clear that all the rights and contentions of the parties, including as to the arbitrability of any of the claim, any other preliminary objection, as well as claims/counter-claims and merits of the dispute of either of the parties, are left open for adjudication by the learned arbitrator.



- (vi) The parties shall approach the learned Arbitrator within two weeks from today.
12. The present petition is disposed of in the aforesaid terms.

JASMEET SINGH, J

MARCH 21, 2025/pk

Click here to check corrigendum, if any