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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
+ **ARB.P. 1992/2025**
PINNACLE TELESERVICES PRIVATE LIMITEDPetitioner
Through: Mr. Pankaj Kapoor, Mr. Nikhil
Bahri, Mr. Abhishek Tripathi, Advs.
versus
MAHANAGAR TELEPHON NIGAM LIMITED & ORS.
.....Respondents
Through: Mr. Chandan Kumar, Mr. Vikram
Sharma, Advs.
Mr. Amol Sharma, Adv for R2

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+ **O.M.P.(I) (COMM.) 407/2025**
M/S PINNACLE TELESERVICES. PVT. LTD.Petitioner
Through: Mr. Pankaj Kapoor, Mr. Nikhil
Bahri, Mr. Abhishek Tripathi, Advs.
versus
MAHANAGAR TELEPHON NIGAM LIMITED (MTNL) & ORS.
.....Respondents
Through: Mr. Chandan Kumar, Mr. Vikram
Sharma, Advs.
Mr. Amol Sharma, Adv for R2

CORAM:
HON'BLE MR. JUSTICE JASMEET SINGH

ORDER
23.12.2025

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ARB.P. 1992/2025

1. This is a petition filed under Section 11 of the Arbitration and Conciliation Act, 1996 ("*the Act*") seeking appointment of an Arbitrator for adjudication of disputes between the parties.
2. The brief facts of the case are that the petitioner is a bulk SMS provider and entered into two Agreements with the respondent No. 1 dated 24.05.2019 and 21.09.2020. The dispute is regarding illegal encashment of performance



bank guarantee by the respondent No. 1 without any intimation to the petitioner, and in absence of any outstanding dues.

3. Clause No.7 of Agreement dated 21.09.2020 reads as under:

“ARBITRATION

In the event of any question, dispute or differences arising under this agreement in connection therewith (except as to matters the decision of which is specifically provided under this agreement) the same will be referred to the sole arbitrator by the CMD MTNL, (hereinafter referred to as the said officer) or any person nominated by him.

a. There will be no objection to any such appointment that the ARBITRATOR is a Govt. Servant or MTNL employee, If however, the arbitrator is a Government Servant or MTNL employee, he will not be one who had an opportunity to deal with the matter to which the agreement related during the course of his duties and he has expressed his view, on all or any of the matter in dispute of difference.

b. The award of the arbitrator shall be final and binding on the parties.

c. Subject to the aforesaid provision, the Arbitration and Conciliation Act, 1996 and the rules made there under and any stipulation/modification for the time being-In-force shall be deemed to apply to the arbitrator proceeding under this clause.

d. That in case of any dispute under this agreement, the courts at Delhi alone will have the exclusive



Jurisdiction.”

4. The Arbitration Clause in Agreement dated 24.05.2019 reads as under:

“Dispute Resolution

In the event of any question, dispute or difference arising under this agreement or in connection there-with, the same shall be referred to the sole arbitration of the PGM, WS, MTNL, New Delhi, or in case his designation is changed or his office is abolished, then in such cases to the sole arbitration of the officer for the time being entrusted (whether in addition to his own duties or otherwise) with the function of the PGM, WS, MTNL or by whatever designation such an officer may be called (hereinafter referred to as the said officer), and if the PGM, WS, MTNL or the said officer is unable or unwilling to act as such, then to the sole arbitration of some other person appointed by the PGM, WS, MTNL or the said officer. The arbitration proceeding will be held in accordance with the Arbitration and Conciliation Act, 1996.

There will be no objection to any such appointment on the ground that the arbitrator is a MTNL Officer or that he has to deal with the matter to which the agreement relates or that in the course of his duties as an MTNL Officer he has expressed his views on all or any of the matters in dispute. In



the event of such an arbitrator to whom the matter is originally referred being transferred or vacating his office or being unable to act for any reason whatsoever, the PGM, WS, MTNL or the said officer shall appoint another person to act as an arbitrator in accordance with the terms of the agreement, and the person so appointed shall be entitled to proceed from the stage at which it was left out by his predecessor.

The venue of the arbitration proceeding shall be the office of the PGM, WS, MTNL, New Delhi or such other place as the Arbitrator may decide.

The award of the arbitrator shall be final and binding on the parties.

The arbitration clause shall not be attracted for the forfeiture of the PBG due to the breach of the Terms and Conditions of the agreement by M/s Pinnacle Teleservice Pvt. Ltd.”

5. Since there were disputes, the petitioner invoked arbitration *vide* legal notice dated 22.06.2024 and the respondent No. 1 also invoked arbitration on 06.07.2024.
6. The CMD of the respondent No. 1 appointed the Arbitrator but in view of the objection of the petitioner based on the judgement of ***Perkins Eastman***



Architects DPC & Ors. v. HSCC (India) Ltd. (2020) 20 SCC 760 the Arbitrator appointed by the CMD recused himself.

7. In the meanwhile, MTNL has filed a statement of claim before the earlier appointed Arbitrator by the CMD.

8. Mr. Kumar, learned counsel for the respondent No. 1, admits the arbitration clause but states that it is the respondent No. 1 who has amounts due and payable by the petitioner.

9. The same is disputed by Mr. Kapoor, learned counsel for the petitioner.

10. I am satisfied that there is a valid arbitration clause and there are disputes which need to be adjudicated through the arbitral mechanism.

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

- i) Mr. Justice G.S. Sistani (Retired Judge Delhi High Court) (Mob. No. 9871300034) is appointed as a Sole Arbitrator to adjudicate the disputes between the parties.
- ii) The arbitration will be held under the aegis and rules 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 Arbitrator appointed shall consider the Statement of Claim proposed to be filed by the petitioner as well as the Statement of Claim which was filed before the previous appointed Arbitrator, the copy of which will be provided to the respondent as well.

13. The respondent No. 1 is permitted to withdraw the original Statement of Claim and file the same before the Arbitrator appointed.

14. The present petition is disposed of in the aforesaid terms.

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15. This is a petition filed under Section 9 of the Act seeking restraint on encashment of 7 Bank Guarantees.

16. On 26.09.2025, this Court restrained the respondent No. 1 from invoking the aforesaid Bank Guarantees.

17. Since in the Section 11 petition, an Arbitrator has been appointed, the present petition will be treated as an application filed under Section 17 of the Act to be heard and adjudicated by the Arbitrator in accordance with law.

18. The protection of 26.09.2025 shall continue till the application under Section 17 of the Act is heard and disposed of.

19. The petitioner shall renew the Bank Guarantees.

JASMEET SINGH, J

DECEMBER 23, 2025/AS