



IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 26TH DAY OF FEBRUARY, 2026

BEFORE

THE HON'BLE MR. JUSTICE ASHOK S.KINAGI

CIVIL MISC. PETITION NO. 681 OF 2025

BETWEEN:

M/S SETEC GAS PROJECTS PRIVATE LIMITED
A COMPANY INCORPORATED UNDER
THE COMPANIES ACT, 2013
HAVING ITS REGISTERED OFFICE AT NO.155/A,
13TH B MAIN GOKUL, 1ST STAGE
1ST PHASE MATHIKERE
BENGALURU 560 052
REP. BY ITS DIRECTOR
MR. VENKATESH RAO

...PETITIONER

(BY SRI. MOHAMMED MUJASSIM.,ADVOCATE)

AND:

M/S MAHENDRA 5IVE PILLARS LLP
A LIMITED LIABILITY PARTNERSHIP
HAVING ITS REGISTERED OFFICE
AT NO.51, 12TH MAIN ROAD
SECTOR 6, HSR LAYOUT
BENGALURU 560 102
REP. BY ITS VICE PRESIDENT
AUTHORISED SIGNATORY
MR. MAHINDRA

... RESPONDENT

(BY SRI.Y.S. HANUMANTHA REDDY.,ADVOCATE)





THIS CIVIL MISC. PETITION IS FILED UNDER SEC.11 (6) OF THE ARBITRATION AND CONCILIATION ACT, 1996, PRAYING TO APPOINT A SOLE ARBITRATOR TO ENTER UPON REFERENCE, ARBITRATE AND ADJUDICATE UPON THE DISPUTES AS RAISED BY THE PETITIONER AGAINST THE RESPONDENT HEREIN AND ARISING OUT OF THE MEMORANDUM OF UNDERSTANDING DATED 11.11.2024 VIDE ANNEXURE B AS PER CLAUSE 18 'H'.

THIS PETITION, COMING ON FOR ADMISSION, THIS DAY, ORDER WAS MADE THEREIN AS UNDER:

CORAM: HON'BLE MR. JUSTICE ASHOK S.KINAGI

ORAL ORDER

1. This Civil Miscellaneous petition is filed under Section 11(6) of the Arbitration and Conciliation Act,1996 (for short, 'the Act') for the appointment of an arbitrator to resolve the dispute between the petitioner and the respondent in accordance with Clause 18(h) of the Memorandum of Understanding dated 11.11.2024 vide Annexure-B.
2. Brief facts, leading rise to the filing of this petition are as follows:
3. The petitioner and the respondent entered into a legally binding agreement-Memorandum of



Understanding dated 11.11.2024. The petitioner was granted exclusive rights to supply, install, operate and maintain the gas line infrastructure of the commercial property of the respondent, known as "M5 E-city Mall". The petitioner based on the Memorandum of Understanding invested a sum of ₹44,00,000/- in the project towards material, installation, design, and commissioning costs, including the labour and technical consultation.

4. On 29.07.2025, the petitioner sent a letter requesting the respondent to pay the balance amount and enter into an amended agreement. On 16.10.2025, the petitioner issued a legal notice calling upon the respondent to refer the dispute to the Arbitral Tribunal and proposed the name of the sole arbitrator. The respondent did not agree with the name proposed by the petitioner, and the respondent has proposed the name of Hon'ble Sri.Justice Ajth J. Gunjal, former Judge, High Court



of Karnataka as sole arbitrator to adjudicate the dispute. The petitioner also did not agree with the name proposed by the respondent. Hence, this petition.

5. Heard the learned counsel for the petitioner and the learned counsel for the respondent.
6. Learned counsel for the respondent submits no objection to allow the petition.
7. Perused the records and considered the submissions of the learned counsel for the parties.
8. The point that would arise for consideration is as follows:

"Whether the petitioner has made out a ground to refer the dispute to the arbitrator in terms of Clause 18(h) of the Memorandum of Understanding dated 11.11.2024 as per the



***provisions of the Act and the
Rules?"***

9. It is an undisputed fact that the petitioner and the respondent have entered into a Memorandum of Understanding dated 11.11.2024, wherein the petitioner was granted exclusive rights to supply, install, operate and maintain the gas-line infrastructure at the M5 Ecity Mall. The petitioner based on the terms and conditions of the Memorandum of Understanding dated 11.11.2024 invested a sum of ₹44,00,000/- in the said project. The dispute arose between the petitioner and the respondent regarding the payment of the amount of ₹44,00,000/-. The petitioner sent a demand notice on 29.07.2025 calling upon the respondent to pay the said amount. The respondent failed to pay the said amount.



10. There is an arbitration Clause in the Memorandum of Understanding at Clause 18(h), which reads as follows:

"18(h) Resolution of Disputes: All disputes or differences arising between the parties that cannot be settled amicably shall be referred to arbitration. The arbitration shall be conducted in accordance with the provisions of the Arbitration and Conciliation Act, 1996 or any statutory modifications thereof. The award rendered by the arbitrator shall be final and binding on both parties. Arbitration proceedings shall take place in Bangalore and shall be conducted in the English language. The courts in the City of Bangalore shall have exclusive jurisdiction to entertain any suit, application, or other proceeding regarding any claim or dispute arising under this Memorandum of Understanding (MOU)."

11. From the perusal of the aforesaid clause, it is clear that, all the disputes or differences, arising between the parties that cannot be settled amicably, shall be



referred to arbitration. The arbitration shall be conducted in accordance with the provisions of the Act.

12. As there is an arbitration clause, the petitioner invoking the said arbitration clause issued an arbitration notice under Section 21 of the Act. However, in the said notice, the provision is mentioned as Section 8 of the Act. Mere wrong mentioning of the provision itself is not a ground to decline the notice under Section 21 of the Act. The respondent replied to the arbitration notice vide Annexure-F, wherein the respondent proposed the name of Hon'ble Sri Justice Ajith J. Gunjal, former Judge, High Court of Karnataka. The petitioner did not agree with the name of the arbitrator proposed by the respondent.

13. Admittedly, there exists an arbitration agreement and the arbitral dispute arose between the petitioner



and the respondent, and the said dispute has to be resolved through an arbitration. The petitioner has made out a ground to refer the arbitral dispute to the arbitration.

14. In view of the submission made by the learned counsel for the respondent, and for the foregoing discussion, I answer the point in the affirmative.
15. In view of the above discussion, I proceed to pass the following order:

ORDER

- (i) The Civil Miscellaneous petition is ***allowed.***
- (ii) Sri A.V. Vaidya, learned retired Senior Civil Judge is nominated as an arbitrator to resolve the dispute between the parties as per the provisions of the Act and the Rules.
- (iii) The Registry is directed to communicate this order to the learned Arbitrator and the Director of the



Arbitration and Conciliation Center,
Bangalore.

- (iv) All the contentions of the parties are kept open.
- (v) The Registry is directed to return the original and/or certified copies, if produced, to the respective parties who have produced it/them, by following the due procedure.
- (vi) Pending applications, if any, shall stand disposed off accordingly.

**Sd/-
(ASHOK S.KINAGI)
JUDGE**

RK
List No.: 1 Sl No.: 49