

**HIGH COURT OF JAMMU & KASHMIR AND LADAKH
AT JAMMU**

Arb P No. 78/2023

Reserved on: 06.02.2026

Pronounced on: 13.02.2026

Uploaded on: 13.02.2026

Whether the operative part or full judgment
is pronounced: Full judgment.

Bikram Singh Slathia, Age 46 years,
S/o Late Sh. P. S. Slathia, R/o Ward No. 8
Udhampur.

....Appellant(s)/Petitioner(s)

Through: Mr. Anil Khajuria, Advocate

Vs

- 1. Municipal Council Udhampur** Through
its Chief Executive Officer, Town Hall
Complex, Udhampur.
- 2. Chief Executive Officer**, Udhampur, ... Respondent(s)
Town Hall Complex, Udhampur.
- 3. Director**, Urban Local Bodies, Near Rail
Head Complex, Opposite Petrol Pump
Jammu.

Through: Mrs. Monika Kohli, Sr. AAG

Coram: HON'BLE MR. JUSTICE RAJNESH OSWAL, JUDGE

ORDER

1. Respondent No. 1 invited bids for auction of a multi-purpose hall situated at MH Chowk, Udhampur. The petitioner participated in the process and was declared as highest bidder for his offer of Rs. 11,11,111/- as yearly rentals. His bid was accepted and thereafter, when he inspected the premises, it was observed that the multipurpose hall was in a very bad condition and required huge investment for making it presentable. After making the overall assessment of the amount required for renovation, the petitioner

claims to have addressed several communications to the respondents requesting them to consider the huge investment required for renovation of the multipurpose hall and fresh construction of public utilities, kitchen, parking and flooring in addition to several other expenses. The respondents considered the grievance of the petitioner and consequently decided to extend the period of lease from 5 years to 7 years, subject to the condition that the investments so made by the petitioner shall not be reimbursed by the respondents. Thereafter, lease agreement dated 12.08.2016 was entered into between the parties and registered on 19.08.2016.

2. It is stated by the petitioner that as per terms and conditions of the lease, the period of lease was to commence from the date of handing over of the possession of the multipurpose hall to the petitioner after execution of proper document of handing over and taking over. Clause '2' of the lease deed clarified that the date of commencement of lease *inter se* the parties shall be from the date the vacant possession of the demised premises after removal of all articles belonging to the respondents is handed over to the petitioner. It is contended by the petitioner that the articles were not removed from the demised premises till March 2018 but at the same time the petitioner was permitted to carry on the renovation of the hall in order to make it presentable. Besides, it is contended that because of Covid-19 pandemic in the month of March, 2020, the multipurpose hall was taken over by the District Administration upon the consent so given by the respondents and the same remained with the respondents as well as the Administration till October, 2021 and for initial period of eight months, the multipurpose hall was being used as quarantine/isolation centre for suspect

cases of Covid-19 and the travellers. Thereafter, permanent staff of police had remained deployed in the Hall till October, 2021 and during this period i.e. from March-2020 to October- 2021, not even a single function was held. The petitioner further claims to have addressed separate representations to the respondents highlighting his grievances but to no effect. However, the petitioner was served with a notice dated 04.03.2022 for depositing an outstanding amount of Rs. 4,16,776/-. In the month of March, 2023, the petitioner claims to have deposited Rs. 20.00 lacs with the respondents. It is stated that on 20.07.2023, respondent No. 2 issued another notice calling upon the petitioner to deposit an amount of Rs. 27,83,979/- and the petitioner responded to the same and asked for the details of the time schedule in respect of which the demand was raised. Thereafter, another notice dated 04.08.2023 was issued to the petitioner by respondent No. 2, whereby the petitioner was cautioned that in the event of non-payment of amount, the respondents will be forced to seal and take over the possession of the leased premises. The contention of the petitioner is that the respondents are bound to settle the actual date of commencement of lease and also the settlement of period of Covid-19 pandemic, when the premises were taken over by the respondents.

3. The petitioner had also filed an application under Section 9 of Arbitration and Conciliation Act, 1996 before Principal District Judge, Udhampur and the Principal District Judge, Udhampur vide order dated 12.09.2023, directed the respondents-authorities not to dispossess the petitioner from the demised premises without adopting due procedure of law. Thereafter, the petitioner sent a notice dated 12.08.2023 to the respondents for appointment

of an Arbitrator and when despite the notice, the respondents failed to appoint the Arbitrator, the petitioner filed this petition for appointment of an independent Arbitrator for adjudicating the disputes arise between the parties, arising out of the registered lease deed dated 12.08.2016.

4. The respondents have come up with their response by asserting that the lease agreement dated 12.08.2016 was entered into between the petitioner and respondent No. 2 and the allotment was made in his favour vide letter dated 18.08.2016 w.e.f. 12.08.2016. Soon after the allotment, the possession of the hall was handed over to the petitioner, who immediately after taking over the possession, started renovation of the hall and on 22.11.2016, the premises was inaugurated by then Deputy Chief Minister, of erstwhile State of J&K. It is further averred that the petitioner also deposited the yearly premium for the period 2016-17 on 29.06.2016, for the year 2017-18 in the month of March, 2018 and on 27.06.2019, for the year 2018-19 on 02.04.2019 and for the year 2019-20 on 27.03.2020, and till that time, he never raised any dispute qua the handing over of the possession of the premises. It is also averred that the petitioner made several representations with the respondent Nos. 2 and 3, wherein he requested for extension of lease period because of Covid-19 pandemic, and he never raised any dispute regarding the handing over the possession of the premises in the said representations. The said representations were examined by the respondents and as a policy decision, were not considered favourably and rejected. It is contended by the respondents that the multipurpose hall is a public property but at present the same is in illegal occupation of the petitioner.

5. Heard learned counsel appearing for the parties and perused the record.
6. The respondents have admitted the execution of lease agreement dated 12.08.2016 between the petitioner and respondent No. 2. It is the contention of the petitioner that the possession of the premises was required to be handed over to him after the removal of the articles in terms of Clause '2' of the agreement, whereas the respondents have disputed the said contention by asserting that the possession was handed over to the petitioner on 12.08.2016 only and that is why the petitioner got the multipurpose hall inaugurated by then Deputy Chief Minister of erstwhile State of J&K. The petitioner further claims that the premises remained in occupation of the District Administration w.e.f. March, 2020 to October, 2021 and this period was required to be settled for the purpose of calculating the period of lease. The respondents in turn have contended that they have rejected the representations submitted by the petitioner for granting him the benefit of extension of lease in view of the Covid-19 pandemic. These issues are the disputed questions of fact, which are required to be adjudicated by an Arbitrator. But this is also a fact that even if the contention of the petitioner is accepted that the possession of the premises was handed over to him in March, 2018 and further, even if his contention is accepted that in view of the period of Covid-19 pandemic from March, 2020 till October, 2021, the lease is required to be extended for the said period, still the petitioner cannot remain in possession beyond the extended period which may expire in 2027.
7. Be that as it may, Clause '10' of the lease agreement provides that in the event of any dispute or difference arising out of and between the parties or

related to the construction of this agreement, the same shall be referred to the Director Urban Local Bodies, who shall be the sole arbitrator.

8. In view of subsequent amendment, the Director Urban Local Bodies cannot be appointed as an Arbitrator. The petitioner has categorically stated that notice dated 12.08.2023 was served upon the respondents and the respondents in reply to Para '20' of the petition, wherein reference to notice dated 12.08.2023 has been made, have stated that the contents of Para 20 are matter of record, meaning thereby, there is admission on their part that notice was served upon them by the petitioner. In so far as the contention of the respondents that the petitioner has no right to remain in occupation as he is in unauthorized and illegal possession of the property is concerned, the respondents can file their counter claim and may also seek relief of mesne profits before the learned Arbitrator.
9. In view of the above, I appoint Mr. Deepak Sethi, Retired District and Sessions Judge as sole Arbitrator, who shall proceed in the matter in accordance with the provisions of the Act. The Arbitrator shall, after hearing both the parties, make an award within the time provided in the Act itself after charging the prescribed fee, to be shared by the parties.
10. Registry to inform the above-named Arbitrator about his appointment as an Arbitrator in this matter.
11. **Disposed of.**

(RAJNESH OSWAL)
JUDGE

Jammu
13.02.2026
Neha-II

Whether the order is speaking:	Yes/No.
Whether the order is reportable:	Yes/No.