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

+ **FAO(OS) 274/2015**

SARVESH SECURITY SERVICES PVT LTD

..... Appellant

Through : S. Singh

versus

LT GOVERNOR & ANR

..... Respondents

Through : Mr Anuj Aggarwal for R-1.

CORAM:

HON'BLE MR. JUSTICE BADAR DURREZ AHMED

HON'BLE MR. JUSTICE SANJEEV SACHDEVA

ORDER

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19.05.2015

CM 9324/2015

Allowed subject to all just exceptions.

FAO(OS) 274/2015 & CM 9323/2015

We have heard the counsel for the parties. The appeal is against the order dated 30.04.2015 passed by a learned Single Judge in OMP 285/2015, which was an application under Section 9 of the Arbitration and Conciliation Act, 1996.

Without getting into any further details, the only issue is with regard to the forfeiture clause contained in Clause 6.2(c)(iii) of the contract between the parties. *Prima facie*, we are of the view that the dispute with regard to the forfeiture would be covered as an arbitral dispute. The appellant has already invoked arbitration by virtue of its letter dated 27.04.2015. The designated authority is in the process of appointing the arbitrator.

In these circumstances, the impugned order is set aside and we direct that the security deposit be not forfeited. However, this order may be modified by the Arbitral Tribunal under Section 17, on an application moved by either party. The appeal stands disposed of.

Dasti under the signature of the Court Master.

BADAR DURREZ AHMED, J

MAY 19, 2015
SR

SANJEEV SACHDEVA, J