

IN THE HIGH COURT OF BOMBAY AT GOA.

APPEAL UNDER ARBITRATION ACT NO. 17 OF 2019

GSGK HOTELS LLP,
REP. BY AUT. REP.,
ROHIT SANGWAN.,

... Appellant.

Versus

TOSHALI TOURS PVT.
LTD., REP. BY DIRECTOR
AND AUT. SIGN., TARNALA
NARSINGH PATRA.,

... Respondent.

Shri Ajit R. Kantak and Shri R. Kantak, Advocates for the
appellant.

Ms. Megha Chandra, Shri Prateik Parija, Shri Terence
Sequeira, Shri Vibhav Amonkar, Advocates for the respondent.

Coram:- DAMA SESHADRI NAIDU, J.

Date:- 2nd January 2020.

P.C.

The appellant is the licensor, and the respondent is the licensee, under a leave and license agreement. That agreement provides for arbitration. In fact, as a prelude to the arbitration proceedings, the respondent invoked Section 9 of the Arbitration and Conciliation Act, 1996; it secured an interim direction from the Principal District Judge, North Goa. The learned District Judge ordered *status quo* regarding possession.

Assailing that order, the licensor has filed this appeal.

2. The District Court, on 16.11.2019, passed the impugned order, and it reads:

18. Application for interim relief dated 24.10.19 at Exbt-5 is partly allowed. The applicant is permitted to approach the Electricity Department for electricity connection. The applicant shall pay all outstanding rent amount to the respondents. The respondent shall be entitled to deduct rent amount from the security deposit of Rs.1 crore. Since possession is with the applicant, respondent shall be entitled to deduct rent amount from the security deposit being the rent for the month of October and November 2019.

3. This Court earlier, on 22.11.2019, directed the licensee to deposit the outstanding arrears of licence fees from June 2019 till that date. Later, the licensee wanted the time extended. Then on 20.12.2019, this Court extended the time till today.

4. Now, the licensee's counsel informs the Court that the respondent has been facing severe financial crises; it is not in a position to pay the amount. Nevertheless, the learned counsel submits that the licensor has Rs.100,00,000/-(Rupees one crore only) with it, as a deposit. According to him, subject to

the outcome of the Arbitration proceedings now pending, the licensor may adjust that amount towards the arrears of rent, including the amount covered by this Court's earlier direction.

5. To vacate the licensed property, the licensee's counsel seeks two weeks' time from today. But he stresses that all the adjustments from the deposit and the licensee's vacating the property are subject to the outcome of the Arbitration Proceedings.

6. On the other hand, the licensor's counsel submits that though the licensee has Rs.100,00,000/- (Rupees one crore only) with the licensor, much of it has already been adjusted. Besides, the licensor suspects that the licensee may have owed money to others, including the State towards statutory dues.

7. As the licensee's counsel has submitted, the licensee should be given reasonable time to vacate the property, where it is running a hotel. I reckon two weeks is justified.

8. I, therefore, hold that two weeks from today, the licensee should hand over the vacant possession of the property to the licensor. If it fails, licensor can produce this order before the police authorities concerned and secure

possession of the property with the police aid.

9. As the licensee has agreed, the licensor will adjust the arrears from the deposit lying with him. All the developments, including the ones mentioned above, shall be subject to outcome of the Arbitration Proceedings.

10. Now, the licensee's counsel provides a firm date; the licensee will hand over the vacant possession on 16.1.2020 by 5.00p.m.

With these observations, I close the Arbitration proceedings.

DAMA SESHADRI NAIDU, J.

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