

IN THE HIGH COURT OF PUNJAB AND HARYANA AT
CHANDIGARH

FAO-CARB-10-2021 (O&M)
Date of Decision:15.09.2021

M/s All About Outdoor Pvt limited

...Appellant

Versus

M/s Endure Reality Pvt. Limited

...Respondent

CORAM: HON'BLE MR. JUSTICE JASWANT SINGH
HON'BLE MR. JUSTICE SANT PARKASH

Present: Mr. Vaibhav Sharma, Advocate,
for the appellant.

Mr. Viraj Gandhi, Advocate
for the caveator-respondent.

[The aforesaid presence is being recorded through video conferencing since the proceedings are being conducted in virtual court.]

SANT PARKASH, J.

By way of filing the present appeal, the appellant is praying for setting aside the impugned order dated 07.07.2021 passed by the learned Additional District Judge-cum-Presiding Judge, Exclusive Commercial Court, Gurugram, on the ground of the matter having been settled between the parties.

The facts, which are not in dispute, are that the appellant, who is engaged in the business of outdoor advertisement and the respondent, who has the rights for giving outdoor space in retail commercial mall entered into an agreement dated 24.02.2018 (A-3) pertaining to the advertisement space in the building namely Good Earth City Centre located at Sector-50, Gurugram. As per the agreement dated 24.02.2018 (A-3), the respondent provided certain advertisement spaces to the appellant for

displaying/exhibiting advertisements on the terms and conditions as detailed in the agreement dated 24.02.2018 (A-3). From the onset of pandemic Covid-19, certain disputes arose between the parties with regard to the payment of the monthly fee amongst other things.

The respondent filed an application under Section 9 of the Arbitration & Conciliation Act, 1996 Act (for short 'the 1996 Act') before the learned Additional District Judge-cum-Presiding Judge, Exclusive Commercial Court, Gurugram, which was allowed on 07.07.2021. The operative part thereof reads as under:-

- “i It is hereby ordered that the Respondent shall furnish a suitable security in the shape of bank guarantee to the tune of Rs.5,21,75,506/-. On furnishing of requisite security, the accounts of the Respondent shall be forthwith de-frozen.*
- ii It is further ordered that in case, requisite bank guarantee is not furnished in time, the accounts of the Respondent remain attached to the extent of aforesaid amount of Rs.5,21,75,506/-.*
- iii. It is clarified that this order shall initially remain effective for a period of 90 days from the date of the order and within this time, applicant shall invoke arbitration. If this is done, the order shall remain operative till conclusion of arbitration. However, failure on the part of the applicant to invoke arbitration within given time would not entitle it to seek further extension of this order.”*

It is stated that a settlement/agreement dated 16.08.2021 (A-1) has been entered into, which has brought an end to the disputes between the parties.

Learned counsel for the appellant submits that the parties have

settled all their disputes and have entered into a valid and binding settlement agreement dated 16.08.2021 (A-1). He refers to the provisions as contained in Sections 73 and 74 of the 1996 Act, wherein it is provided that the settlement agreement has the same status and effect as if it is an arbitral award rendered by an arbitral Tribunal. In this respect, he relied upon a judgment of the Hon'ble Supreme Court in **Mysore Cements Limited versus Svedala Barmac Limited (2003) 10 SCC 375**.

Learned counsel for the caveator-respondent affirms and verifies the above-said factual matrix.

In view of the above, the present appeal is allowed in view of the terms and conditions of the settlement dated 16.08.2021 (A-1) arrived at between the parties and the impugned order dated 07.07.2021 passed by the learned Additional District Judge-cum-Presiding Judge, Exclusive Commercial Court, Gurugram is hereby set aside. The settlement dated 16.08.2021 (A-1) shall form part of this order. However, it is made clear that the parties shall remain bound by the terms and conditions of the said settlement. Pending application, if any, shall also stand disposed of.

(JASWANT SINGH)
JUDGE

(SANT PARKASH)
JUDGE

15.09.2021
mks

Whether Speaking/Reasoned: YES / NO
Whether Reportable: YES / NO