

ARB-51-2023(O&M)

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IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH

ARB-51-2023(O&M)
Date of decision:-31.01.2024

Rajnish Aggarwal and others

...Petitioners

Versus

M/s Knitcraft Apparels International Pvt. Ltd. and another

...Respondents

CORAM : HON’BLE MR. JUSTICE SUVIR SEHGAL

Present : Mr.Gaurav Chopra, Senior Advocate with
Mr.Abhinav Goel, Advocate
for the petitioners..

Mr.Sanjiv Pabbi, Advocate
for the respondents.

SUVIR SEHGAL, J.(ORAL)

CM-19789-CII-2023

Prayer in the application is for placing on record copy of
legal notice dated 20.12.2022 as well as the postal receipts.

Application is allowed, as prayed for.

Annexures A1 and A2 are taken on record.

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1. By way of instant petition filed under Section 11 (6) of the

Arbitration and Conciliation Act, 1996 (for short “the Act”), petitioner has approached this Court for appointment of a sole Arbitrator to adjudicate the dispute between the parties.

2. Upon notice, respondents have filed a reply contesting the petition primarily on the ground that the cause is barred by time.

3. Replication has been filed by the petitioners controverting the stand taken in the reply.

4. I have heard counsel for the parties and considered their respective submissions.

5. A lease deed dated 27.09.2016, Annexure P1, was entered into between the parties, whereby an industrial plot was leased out to the respondents for a period of 9 years, at lease rent of Rs.11 lakhs per month. There is a dispute regarding the payment of the lease amount from January, 2020 till October, 2020. A legal notice dated 19.01.2021, Annexure P4 was served upon the respondents claiming an amount of Rs.2.38 crores as arrears, damages, etc. besides interest. A civil suit, Annexure P5, for recovery of the amount was instituted and upon being served, respondents filed an application dated 17.11.2021, Annexure P6 under Section 8 of the Act. A statement of the parties was recorded by the Civil Judge (Sr.Divn.), Gurugram on 14.12.2022 whereby the suit preferred by the petitioners was permitted to be withdrawn. Order dated 14.12.2022 passed by the trial Court deserves to be noticed and is reproduced as under:

“Today the case was fixed for filing reply to the application under Section 8 of Arbitration and Conciliation Act. However, at this stage, the Ld. counsel for the defendants submitted that

defendants have no objection in case the present matter is decided through the Arbitrator as per the Arbitration Act. The learned counsel for the plaintiff suffered his separate statement to the effect that he wants to withdraw the present suit with liberty to file a fresh before Arbitrator and has prayed to refund the Court fee.

Heard. *Considering the statement suffered by learned counsel for the plaintiff, the present suit is hereby dismissed as withdrawn. Court fee be refunded as per rules. File be consigned to record room after due compliance.”*

6. Petitioners served a legal notice dated 20.12.2022, Annexure A1 invoking the arbitration clause, to which the respondents did not submit any reply.

7. From the facts narrated above, it is evident that a lease agreement was executed between the parties and a dispute has arisen. Petitioner has served a legal notice invoking the arbitration clause. Difference has arisen between the parties over some payments. In view of the arbitration clause in the lease deed, this Court is of the view that the matter deserves to be referred to an Arbitrator for resolution. Prayer made in the application, therefore, deserves to be accepted.

8. Accordingly, petition is allowed. Mr. Justice Tejinder Singh Dhindsa, a former Judge of this Court, r/o House No. 123, Sector 8, Chandigarh, M: 7837049208 is appointed as the sole Arbitrator to adjudicate the dispute between the parties, subject to declaration to be made under Section 12 of the Act with regard to his independence and impartiality.

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9. Parties are directed to appear before the learned Arbitrator on the date, time and place to be fixed and communicated by the learned Arbitrator at his convenience. Liberty is given to the parties to make a request before learned Arbitrator for conducting the proceedings through the medium of video conferencing.
10. Copy of the order be sent to the appointed Arbitrator.

(SUVIR SEHGAL)
JUDGE

31.01.2024

Brij

Whether reasoned/speaking : Yes/No
Whether reportable : Yes/No