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

% ***Date of Decision: 7th October, 2024***

+ **CM(M) 3551/2024 & CM APPL. 58861-58863/2024**

SMT VANDANA BAGLA

.....Petitioner

Through: **Mr. Vatsal Kumar and Ms. Aayushee
Priya, Advocates**

versus

M/S. M CARS STUDIO AND ORS. (THROUGH ITS PARTNERS)

.....Respondent

Through: **None**

CORAM:

HON'BLE MR. JUSTICE MANOJ JAIN

J U D G M E N T (oral)

CM APPL. 58861/2024 (exemption)

Exemption allowed, subject to all just exceptions.

CM(M) 3551/2024 & CM APPL. 58862-58863/2024

1. Petitioner (plaintiff) had filed a suit seeking recovery of possession and also cost of litigation.
2. According to petitioner, he had agreed to let out suit property i.e. C-576, Ground Floor, Saraswati Vihar, Pitam Pura, Delhi to defendant at a monthly rent of Rs. 90,000/- which was, agreed to be gradually increased as per terms mentioned in the lease agreement.
3. After receiving summons of the suit, defendant filed an application under Section 8 of Arbitration and Conciliation Act, 1996 seeking reference of the matter to the Arbitrator and such application has been allowed by the learned Trial Court.



4. The above-said order dated 08.08.2024 is under challenge.
5. There is no dispute that the lease agreement contained arbitration clause. Such clause i.e. Clause-17 of lease agreement dated 29.10.2020 reads as under: -

"17. That in case any dispute arises between the LESSOR and LESSEE then the said dispute will be referred to mutual agreed by sole arbitrator or through the court of law whose decision will be final and binding on both the parties. "

6. According to learned counsel for the petitioner/plaintiff, the above-said clause contains twin options and it has been left to the parties that either they may get the dispute resolved through a 'mutually agreed Arbitrator' or else they may approach the Court for resolution of their dispute.
7. However, such interpretation seems contrary to the true intention of the parties.
8. It is quite obvious that parties were *ad idem* that the matter be referred to arbitration and the only option for approaching the Court was if there was no consensus with respect to decision about the name of the sole Arbitrator. Thus, true import of the aforesaid clause was that matter was to be referred to sole Arbitrator, who could be appointed by two ways. Firstly, by mutual agreement between the parties and secondly, if such consensus was not possible, then to approach the Court for the limited purpose of appointment of such sole Arbitrator.
9. It cannot be assumed that second part of the aforesaid clause was giving an option to have even the adjudication of disputes by a Court of Law.
10. The observation made in this regard by the learned Trial Court is fully justifiable and to me, it appears to be the only interpretation as the parties could have approached the Court only for limited purpose of appointment of



Arbitration and not for the adjudication of the disputes as such.

11. Therefore, finding no merit and substance in the present petition, same is hereby dismissed.

(MANOJ JAIN)
JUDGE

OCTOBER 07, 2024/dr