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

% ***Date of Decision: 10th October, 2025***

+ **ARB.P. 474/2025**

G.N.G. AUTO AIDS PVT LTDPetitioner

Through: **Mr. Vidhan Malik, Advocate.**

versus

JUST FUNKY INDIA TRADING PVT LTDRespondent

Through: **Mr. Sumit Mehta, Ms. Ritakshi, Mr. Aditya Sharma, Mr. Bhavishya Sandhu, Advocates.**

CORAM:

HON'BLE MR. JUSTICE AMIT BANSAL

AMIT BANSAL, J. (ORAL)

1. This petition has been filed under Section 11(6) of the Arbitration and Conciliation Act, 1996 (hereinafter 'the Act') for appointment of a Sole Arbitrator to adjudicate disputes arising out of lease deed dated 30th November, 2019.
2. The petitioner is lawful owner of the property bearing no. SF-1, Second Floor, Centre Point, A Block, Sushant Lok-1, Gurugram-122001, Haryana (hereinafter 'the subject property'). The authorised representative of the respondent approached the petitioner for taking the lease of the subject property. Thereafter, the parties entered into a lease agreement dated 30th November, 2019 for a period of 36 (thirty-six) months commencing from 1st December, 2019 (hereinafter the 'lease deed').
3. It is the case of the petitioner that the respondent paid the rent amount



to the petitioner for only 3 months since the commencement of the lease period i.e. from December 2019 to February 2020. From March 2020, the respondent, in violation of the terms of the lease deed, discontinued payment of the monthly rent amount owed to the petitioner and continued to be in possession of the subject property as an unauthorized occupant.

4. The petitioner, through its counsel, issued a legal notice dated 28th August, 2020 to the respondent calling upon the respondent to comply with the terms of the lease deed. Since, the respondent failed to reply to the said notice, the petitioner was constrained to file a petition under Section 13 of the Haryana Urban (Control of Rent and Eviction) Act, 1973, before the Court of Rent Controller, Gurugram seeking eviction of the respondent from the subject property.

5. On 3rd March, 2022, the Court of Rent Controller, Gurugram passed an order of eviction against the respondent. Thereafter, the petitioner filed an execution petition and the possession of the subject property was finally delivered to the petitioner with the assistance of the court appointed bailiff and the local police on 29th July, 2022.

6. It is stated that the respondent was in the unauthorized occupation of the subject property for a period of 29 months starting from March 2020 to July 2022, without payment of any amount towards the discharge of its obligations under the lease deed. Hence, the respondent is contractually obligated to pay the arrears of rent, electricity and maintenance charges along with interest on the total amount to the tune of Rs. 1,18,17,234, to the petitioner.

7. On 17th October, 2022, the petitioner instituted a suit for recovery of money before the Court of Civil Judge, Gurugram claiming the said



outstanding amount. During the course of the suit proceedings, the respondent raised a preliminary objection to the maintainability of the suit since there was an arbitration clause in the lease deed. Accordingly, the petitioner decided to withdraw the suit to initiate arbitration proceedings in accordance with the lease deed.

8. It is stated that the lease deed contains an arbitration clause, i.e. Clause 9, which provides for adjudication of disputes arising between the parties by arbitration.

9. The petitioner sent a notice of invocation of arbitration under Section 21 of the Act on 28th January, 2025, calling upon the respondent to pay an amount of Rs.1,18,17,234/-. The aforesaid notice was duly acknowledged by the respondent on 18th February, 2025.

10. Since the petitioner did not receive any effective reply to the aforesaid notice of invocation, the present petition was filed seeking appointment of an Arbitrator under Section 11 of the Act.

11. Notice was issued in the present petition on 7th April, 2025.

12. Reply has been filed on behalf of the respondent stating that this Court does not have the territorial jurisdiction to entertain the present petition as the cause of action has arisen in Gurgaon, Haryana.

13. Reliance has also been placed on the judgment of the Supreme Court in *Kusum Ingots & Alloys Ltd. v. Union of India*, (2004) 6 SCC 254, to submit that by way of an agreement, parties cannot confer jurisdiction to a Court which otherwise does not have the jurisdiction.

14. On the aspect of jurisdiction, the counsel for the petitioner has placed reliance on the judgments of this Court in *Vedanta Limited v. Shreeji Shipping* (2024) SCC OnLine Del 4871 and *Tata Capital Housing Finance*



Limited v. Beena Sharma and Another, (2024) SCC OnLine Del 7859.

15. I have heard the counsel for the parties.

16. In **BGS SGS SOMA JV v. NHPC Limited**, (2020) 4 SCC 234, the Supreme Court has categorically held that, where a place has been designated as the venue of the Arbitration and there is no designation of an alternate place as the seat of Arbitration, the venue shall be treated as the seat of Arbitration.

17. For ease of reference, clauses 9.1, 9.2 and 15.5 of the lease deed dated 30th November, 2019 are set out below:

*“9.1 The parties shall attempt in the first instance to resolve any dispute or difference arising in any way or manner out of, in relation to or in connection with this Lease by conciliation. If such a dispute is not resolved through conciliation within thirty (30) days after commencement of discussions, the same shall be decided by arbitration by an arbitrator appointed by the mutual consent of the Parties. The arbitration proceedings shall be conducted in accordance with the Arbitration and Conciliation Act, 1996. Arbitration proceedings shall be conducted in English Language. **The place of arbitration shall be New Delhi/Gurgaon. The Courts at New Delhi/Gurgaon shall have exclusive jurisdiction to entertain the matter.***

9.2 Each party shall bear its costs of such arbitration. When any dispute is under arbitration, except for the matter under dispute, the parties shall continue to exercise their remaining respective rights and fulfil their remaining respective obligations under this Lease Deed.

15.5 Applicable Law: This Lease Deed and the rights and obligations of the parties under or arising out of this lease Deed shall be construed and enforced in accordance with the laws of India and courts of Delhi shall have the exclusive jurisdiction in respect of any dispute arising out of this agreement.”

[Emphasis supplied]

18. It is a settled position of law that the seat of arbitration could be a neutral place which does not have a connection with the cause of action. A



perusal of the provisions set out above clearly shows that the parties wanted either New Delhi or Gurgaon to be the seat of arbitration. Additionally, the usage of the word “shall” for the place of arbitration and the fact that there is an exclusive jurisdiction clause shows that the parties intended that New Delhi/ Gurgaon will not merely be the venue of arbitration but rather be the seat of arbitration.

19. Now, I shall proceed to discuss the judgments relied upon by the parties. The relevant extracts of the Arbitration Clause, which was the subject matter of the decision of this Court in ***Vedanta Limited*** (supra), is set out below:

“(ii) The language of the mediation of arbitration proceedings shall be English. The seat of arbitration shall be [Local Jurisdiction in Goa/Local Jurisdiction Karnataka/Delhi], India.”

20. The relevant findings of the Court as stated in paragraph 17 of the said judgment are set out below:

“17. In the present case, the arbitration clause clearly stated that the seat of arbitration is Goa, Karnataka or Delhi. It merely gives a choice to the parties to invoke the jurisdiction of either of these courts. There is no ambiguity in the clause, as it intended for the parties to choose either of these jurisdictions to govern the arbitration proceedings invoked by the parties. The same is certain, or is capable of being made certain. Hence, I am of the view that arbitration clause is not hit by Section 29 of the ICA.”

21. In ***Tata Capital*** (supra), the relevant extracts of the Arbitration Clause, which is *para materia* with the Arbitration Clause in the present case, is set out below:

*“(13) **Place of Arbitration** Delhi/Chennai/Mumbai/Kolkata/Bangalore.
14) **Jurisdiction** Delhi/Chennai/Mumbai/Kolkata/Bangalore.”*



22. The Court came to a similar conclusion that since the Arbitration Clause itself provides 5 places as places of arbitration, party has a choice to invoke the territorial jurisdiction of either of these courts. Paragraph 17 of the said judgment is set out below:

“17. In the present case, the jurisdiction as well as the place of Arbitration clause contemplates the place of Arbitration as well as the jurisdiction of the Court to be either of the 5 places, namely, Delhi, Chennai, Mumbai, Kolkata or Bangalore. It gives a choice to the parties to invoke the territorial jurisdiction of either of these Courts. There is no ambiguity in the said clause. The parties are at liberty to choose either of these jurisdictions to govern the Arbitration proceedings.”

23. The ratio of the aforesaid judgments is fully applicable to the facts and circumstances of the present case.

24. Reliance placed by the respondent on the judgment in ***Kusum Ingots*** (supra) is completely misplaced as the said judgment was in the context of writ jurisdiction and not in the context of arbitration proceedings.

25. In view of the discussion above, it is held that this Court has the arbitral jurisdiction to entertain the present petition.

26. Accordingly, the dispute between the parties under the lease deed is referred to the Arbitral Tribunal comprising of a Sole Arbitrator. The following directions are issued in this regard:

- a. Ms. Gurmeet Bindra (Mobile No.: 9810155549) is appointed as a Sole Arbitrator to adjudicate the disputes between the parties.
- b. The arbitral proceedings shall be held under the aegis of the Delhi International Arbitration Centre, Delhi High Court, Sher Shah Road, New Delhi (hereinafter ‘**DIAC**’).
- c. The remuneration of the Arbitrator shall be in terms of DIAC



(Administrative Cost and Arbitrators' Fees) Rules, 2018.

d. The Arbitrator is requested to furnish a declaration in terms of Section 12 of the Act prior to entering into the reference. In the event there is any impediment to the Arbitrator's appointment on that count, the parties are given liberty to file an appropriate application before this Court.

e. The parties shall approach the Arbitrator within two (2) weeks from today.

27. It is made clear that all the rights and contentions of the parties, including the arbitrability of any of the claims and/or counter claims, any other preliminary objection, as well as claims on merits of the dispute of either of the parties, are left open for adjudication by the Arbitrator.

28. The petition stands disposed of in the aforesaid terms.

29. Needless to state, nothing in this order shall be construed as an expression of this Court on the merits of the case.

AMIT BANSAL, J

OCTOBER 10, 2025

Vivek/-