



2025:DHC:8290



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

+ **ARB.P. 808/2025**

Date of Decision: **09.09.2025**

IN THE MATTER OF:

1. MR. SIMRANJIT SINGH GANDHI
S/O. MR. AWAR SINGH GANDHI
R/O. C-99 NEW RAJENDER NAGAR,
NEW DELHI-1 10060

2. MR. RAVINDER PAL SINGH GANDHI
S/O MR. HAVELA SINGH GANDHI
R/O. A-18, GROUND FLOOR,
NEW RAJENDER NAGAR,
NEW DELHI-1 10060.

..... PETITIONERS

Through: Mr.Kulwinder Singh and Ms.Pooja
Tiwari, Advocates.

Versus

1. M/S CIDP BIOTECH INDIA PVT LTD
THROUGH IT'S DIRECTORS,
32B, THIRD FLOOR, RAJENDER NAGAR,
PUSA ROAD, NEW DELHI.I 10005.

2. CLAIRE ELISE WONNE BLAZY
DIRECTOR
M/S. GIDP, BIOTECH INDIA PVT. LTD.
32B, THIRD FLOOR, RAJENDER NAGAR,
PUSA ROAD, NEW DELHI-110005.

3. ANNIE JAIN
DIRECTOR



M/S. CIDP, BIOTECH INDIA PVT. LTD.
32B, THIRD FLOOR, RAJENDER NAGAR,
PUSA ROAD, NEW DELHI-110005.

.... RESPONDENTS

Through: Appearance not given.

HON'BLE MR. JUSTICE PURUSHAINDRA KUMAR KAURAV

JUDGEMENT

PURUSHAINDRA KUMAR KAURAV, J. (ORAL)

1. The present petition has been filed under Section 11(6) of the Arbitration and Conciliation Act, 1996 (the 1996 Act) by the petitioner, seeking appointment of an Arbitrator, to adjudicate upon the disputes that have arisen between the parties under the Lease Deed dated 16.04.2024.

2. The facts of the case would indicate that a dispute has arisen between the parties hereto regarding the lease agreement of certain premises. The petitioners are individuals and joint owners of the suit premises in question. The respondent No. 1 is a company incorporated under the Companies Act, 1956, and engaged in the research of dermatology and beauty-related products, with respondents No. 2 and 3 serving as its directors and respondent No. 4 as the Managing Director and Authorized Signatory. The parties entered into a Lease Deed dated 16.04.2024, wherein the respondents agreed to pay monthly lease rent and abide by certain terms and conditions, including a lock-in period and prohibition on structural alterations. However, it is contended that the respondents failed to pay rent from September 2024 onwards and made unauthorized structural changes, causing water leakage and damage to the premises. Furthermore, the respondents



allegedly engaged in defamatory conduct against the Petitioners and provoked other tenants to leave the property.

3. Further the petitioners stated that despite several communications, including emails and legal notices exchanged between the parties, the respondents continued to occupy the premises without paying the due rent and refused to comply with the lease terms. The petitioners even had to repair the water leakage at their own expense, although such maintenance was the respondents' responsibility under the lease agreement. The respondents sought early termination of the lease and demanded the refund of their security deposit without settling the arrears. The petitioners, in turn, issued notices for rent recovery and invoked the arbitration clause in the lease deed to resolve the disputes amicably. Due to the respondents' failure to respond or cooperate, the petitioners have now filed the present petition seeking the appointment of a Sole Arbitrator to adjudicate the disputes arising out of the breach of the lease agreement and related claims for arrears and damages. The valuation of the claims of the petitioner/applicant is calculated on the basis of the arrears of the monthly lease rent amounting to Rs.22,00,000/- (Rupees Twenty Two Lakh Only).

4. During the course of arguments, learned counsel appearing on behalf of the respondents contends that she has no objection if the Arbitrator is appointed. However, liberty is granted to her to raise all objections.

5. The Court takes note of Clause 30 of the Lease Deed dated 16.04.2024, which reads as under:-



“30. That in case of any dispute relating to any matter herein, the parties shall try to resolve the same amicably by the intervention of the well-wishers of the parties failing which through arbitration being so appointed by the consent of both the parties under the Arbitration & Conciliation Act, 1996 or any statutory amendment thereof by a mutually agreed SOLE Arbitrator.”

6. The law with respect to the scope and standard of judicial scrutiny under Section 11(6) of the Act has been fairly well settled. This Court in **Pradhaan Air Express Pvt Ltd v. Air Works India Engineering Pvt Ltd**¹, as well, has extensively dealt with the scope of interference at the stage of Section 11. Furthermore, this Court, recently, in **Axis Finance Limited Vs. Mr. Agam Ishwar Trimbak**² has held that the scope of inquiry under Section 11 of the Act has been limited to a *prima facie* examination of the existence of an arbitration agreement. Further, it was also reiterated that the Objections relating to the arbitrability of disputes are not to be entertained by a referral Court acting under Section 8 or 11 of the Act. The relevant extract of the aforesaid decision reads as under: -

19. In In Re: Interplay, the Supreme Court confined the analysis under Section 11 of the Act to the existence of an arbitration agreement and under Section 8 of the Act to the existence and validity of an arbitration agreement. Under both the provisions, examination was to be made at the touchstone of Section 7 of the Act. Further, issues pertaining to the arbitrability of the dispute fell outside the scope of both Section 11(6A) and Section 8 of the Act. The material part of the judgement of the Supreme Court in In Re: Interplay reads as under:

164. The 2015 Amendment Act has laid down different parameters for judicial review under Section 8 and Section 11. Where Section 8 requires the referral Court to look into the prima facie existence of a valid arbitration agreement. Section 11 confines the Court's jurisdiction to the examination of the

¹ 2025 SCC OnLine Del 3022

² 2025:DHC:7477



existence of an arbitration agreement. Although the object and purpose behind both Sections 8 and 11 is to compel parties to abide by their contractual understanding, the scope of power of the referral Courts under the said provisions is intended to be different. The same is also evident from the fact that Section 37 of the Arbitration Act allows an appeal from the order of an arbitral tribunal refusing to refer the parties to arbitration under Section 8, but not from Section 11. Thus, the 2015 Amendment Act has legislatively overruled the dictum of *Patel Engineering (supra)* where it was held that Section 8 and Section 11 are complementary in nature. Accordingly, the two provisions cannot be read as laying down a similar standard. 165. The legislature confined the scope of reference under Section 11(6A) to the examination of the existence of an arbitration agreement. The use of the term “examination” in itself connotes that the scope of the power is limited to a *prima facie* determination. Since the Arbitration Act is a self-contained code, the requirement of “existence” of an arbitration agreement draws effect from Section 7 of the Arbitration Act. In *Duro Felguera (supra)*, this Court held that the referral Courts only need to consider one aspect to determine the existence of an arbitration agreement – whether the underlying contract contains an arbitration agreement which provides for arbitration pertaining to the disputes which have arisen between the parties to the agreement. Therefore, the scope of examination under Section 11(6A) should be confined to the existence of an arbitration agreement on the basis of Section 7. Similarly, the validity of an arbitration agreement, in view of Section 7, should be restricted to the requirement of formal validity such as the requirement that the agreement be in writing. This interpretation also gives true effect to the doctrine of competence-competence by leaving the issue of substantive existence and validity of an arbitration agreement to be decided by arbitral tribunal under Section 16. We accordingly clarify the position of law laid down in *Vidya Drolia (supra)* in the context of Section 8 and Section 11 of the Arbitration Act. 166. The burden of proving the existence of arbitration agreement generally lies on the party seeking to rely on such agreement. In jurisdictions such as India, which accept the doctrine of competence-competence, only *prima facie* proof of the existence of an arbitration agreement must be adduced before the referral Court. The referral Court is not the appropriate forum to conduct a mini-trial by allowing the parties to adduce the evidence in regard to the existence or validity of an arbitration agreement. The determination of the existence and validity of an



arbitration agreement on the basis of evidence ought to be left to the arbitral tribunal. This position of law can also be gauged from the plain language of the statute. 167. Section 11(6A) uses the expression “examination of the existence of an arbitration agreement.” The purport of using the word “examination” connotes that the legislature intends that the referral Court has to inspect or scrutinize the dealings between the parties for the existence of an arbitration agreement. Moreover, the expression “examination” does not connote or imply a laborious or contested inquiry. On the other hand, Section 16 provides that the arbitral tribunal can “rule” on its jurisdiction, including the existence and validity of an arbitration agreement. A “ruling” connotes adjudication of disputes after admitting evidence from the parties. Therefore, it is evident that the referral Court is only required to examine the existence of arbitration agreements, whereas the arbitral tribunal ought to rule on its jurisdiction, including the issues pertaining to the existence and validity of an arbitration agreement. A similar view was adopted by this Court in *Shin-Etsu Chemical Co. Ltd. v. Aksh Optifibre Ltd.*” [Emphasis supplied]

20. The effect of *In Re: Interplay* was further explained by a Three Judge Bench of the Supreme Court in *SBI General Insurance Co. Ltd. v. Krish Spinning*³ wherein the Court declared *Vidya Drolia* and *NTPC Ltd.*’s findings qua scope of inquiry under Section 8 and Section 11 of the Act to no longer be compatible with modern principles of arbitration. The material portions of the judgement read as under:

“114. In view of the observations made by this Court in *In Re : Interplay* (supra), it is clear that the scope of enquiry at the stage of appointment of arbitrator is limited to the scrutiny of prima facie existence of the arbitration agreement, and nothing else. For this reason, we find it difficult to hold that the observations made in *Vidya Drolia* (supra) and adopted in *NTPC v. SPML* (supra) that the jurisdiction of the referral Court when dealing with the issue of “accord and satisfaction” under Section 11 extends to weeding out ex-facie non-arbitrable and frivolous disputes would continue to apply despite the subsequent decision in *In Re : Interplay* (supra). ... 118. Tests like the “eye of the needle” and “ex-facie meritless”, although try to minimise the extent of judicial interference, yet they require the referral Court to examine contested facts and appreciate prima facie evidence (however limited the scope of enquiry may be) and thus are not in

³ 2024 SCC OnLine SC 1754



conformity with the principles of modern arbitration which place arbitral autonomy and judicial non-interference on the highest pedestal.” [Emphasis supplied]

21. Similarly, in *BGM and M-RPL-JMCT (JV) v. Eastern Coalfields Ltd*⁴ the Supreme Court succinctly explained the effect of *In Re: Interplay on a Referral Court’s* powers under Section 11 of the Act. The relevant part of the judgement is as under:

15. ...

(a) Section 11 confines the Court's jurisdiction to the examination regarding the existence of an arbitration agreement.

(b) The use of the term “examination” in itself connotes that the scope of the power is limited to a *prima facie* determination.

(c) Referral Courts only need to consider one aspect to determine the existence of an arbitration agreement — whether the underlying contract contains an arbitration agreement which provides for arbitration pertaining to the disputes which have arisen between the parties to the agreement. Therefore, the scope of examination under Section 11(6-A) should be confined to the existence of an arbitration agreement on the basis of Section 7. Such a legal approach will help the Referral Court in weeding out *prima facie* non-existent arbitration agreements.

(d) The purport of using the word “examination” connotes that the legislature intends that the Referral Court has to inspect or scrutinise the dealings between the parties for the existence of an arbitration agreement. However, the expression “examination” does not connote or imply a laborious or contested inquiry.

(e) The burden of proving the existence of arbitration agreement generally lies on the party seeking to rely on such agreement. Only *prima facie* proof of the existence of an arbitration agreement must be adduced before the Referral Court. The Referral Court is not the appropriate forum to conduct a mini-trial by allowing the parties to adduce the evidence in regard to the existence or validity of an arbitration agreement. The determination of the existence and validity of an arbitration agreement on the basis of evidence ought to be left to the Arbitral Tribunal.

(f) Section 16 provides that the Arbitral Tribunal can “rule” on its jurisdiction, including the existence and validity of an

⁴ 2025 SCC OnLine SC 1471



arbitration agreement. A “ruling” connotes adjudication of disputes after admitting evidence from the parties. Therefore, when the Referral Court renders a prima facie opinion, neither the Arbitral Tribunal, nor the Court enforcing the arbitral award is bound by such a prima facie view. If a prima facie view as to the existence of an arbitration agreement is taken by the Referral Court, it still allows the Arbitral Tribunal to examine the issue in depth.

[Emphasis supplied]

22. Thus from the above-mentioned authorities it is clear that a Court’s scope of inquiry under Section 11 of the Act has been limited to a prima facie examination of the existence of an arbitration agreement while the adjudication under Section 8 is to be made for both existence and validity. Further, the examination so undertaken under both the said provisions must be within the confines of Section 7 of the Act. Objections relating to arbitrability of disputes are not to be entertained by a referral Court acting under Section 8 or 11 of the Act.”

9. In view of the fact that disputes have arisen between the parties and there is an arbitration clause in the contract, this Court appoints Mr. Shubam Shukla, Advocate (Mobile No. 8182005532, e-mail id: office.advshubhamshukla@gmail.com) as the sole Arbitrator.

10. The Sole Arbitrator may proceed with the arbitration proceedings, subject to furnishing to the parties the requisite disclosures as required under Section 12 of the Arbitration and Conciliation Act.

11. The Sole Arbitrator shall be entitled to fee in accordance with the IVth Schedule of the Arbitration and Conciliation Act or as may otherwise be agreed to between the parties and the learned Sole Arbitrator.

12. The parties shall share the arbitrator's fee and arbitral cost, equally.

13. All rights and contentions of the parties in relation to the



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claims/counter claims are kept open, to be decided by the Sole Arbitrator on their merits, in accordance with law.

14. Needless to state, nothing in this order shall be construed as an expression of opinion of this Court on the merits of the controversy. All rights and contentions of the parties in this regard are reserved. Let the copy of the said order be sent to the appointed Arbitrator through the electronic mode as well.

15. Accordingly, the instant petition stands disposed of.

PURUSHAINDRA KUMAR KAURAV, J

SEPTEMBER 9, 2025

Nc/sph