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

+ **W.P.(C) 9300/2025, CM APPL. 39333/2025**

PAICHMUTHU PANDARA THEVAR

.....Petitioner

Through: Ms. Bina Madhavan, Mr. Tushar
Singh and Mr. S. Tridev Singh,
Advocates.

versus

RESIDENT COMMISSIONER TAMIL NADU HOUSE

.....Respondent

Through:

CORAM:

HON'BLE MR. JUSTICE SACHIN DATTA

ORDER

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08.07.2025

CM APPL. 39334/2025

1. Allowed, subject to all just exceptions.
2. Application stands disposed of.

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3. The present petition has been filed by the petitioner against an order dated 02.07.2025 passed by the respondent / Resident Commissioner, Tamil Naidu House, New Delhi, seeking to terminate their contract dated 07.05.2024 with the petitioner. The said contract was entered into between the parties for the purpose of providing catering service in the Podhigai - Tamil Nadu House, located at Plot No. 9, Tikendrajit Marg, Chanakyapuri, New Delhi - 110021.

4. It is noted that an elaborate order dated 02.07.2025 has been passed by the respondent, setting out the rationale for taking the impugned action against the petitioner. The operative portion of the said order reads as under:

“18. Based on the aforementioned facts and circumstances, and upon



careful examination of the High-Level Committee's recommendations, the Resident Commissioner is satisfied that there are sufficient grounds for proceeding against the contractor under clauses 6(vi) and 6(vii) of the agreement, hereby orders the termination of the contract of M/s Balaji caterers for providing catering services at Podhigai – Tamil Nadu House.

19. Accordingly, you are hereby directed to cease all catering operations forthwith, and to vacate and clear the premises within seven (7) days from the date of receipt of this communication. Any equipment, materials, or other items remaining on the premises after the stipulated period shall be deemed abandoned, and will be removed and disposed off by the administration without further notice or liability.

20. You are further instructed to ensure that all the outstanding dues, including the penalties imposed for service deficiencies, if any are settled without delay and no later than the date of vacating the premises.”

5. Learned counsel for the petitioner submits that the decision taken to terminate the contract between the parties is wholly arbitrary and without any justifiable cause. It is submitted that prior thereto, even an opportunity of hearing was not granted to the petitioner.

6. It is submitted that the petitioner has suffered grave prejudice as a result of premature termination of the contract by the respondent, since the contract between the parties was executed for a period of 3 years and the petitioner had accordingly mobilised resources to provide services for the entire duration of the contract.

7. It is further submitted that huge loss may be suffered by the petitioner on account of the said action of the respondent. It is apprehended by the petitioner that the security deposits, which was provided by the petitioner under the said contract, has already been illegally forfeited by the respondent.

8. A bare perusal of the contract between the parties reveals that the same contains an arbitration clause, which reads as under:-



“9. ARBITRATION CLAUSE:

In case of any dispute between the contractor and Tamil Nadu House, all efforts shall be made to resolve the same by mutual conciliation. In case such conciliation fails, the dispute shall be referred within 10 days to the sole arbitrator at Delhi whose decision shall be binding on both the contractor and Tamil Nadu House, New Delhi. The arbitration proceedings shall be governed by the provisions of the Indian Arbitration and Conciliation Acts 1996.”

9. It is also noticed from the impugned order dated 02.07.2025 passed by the respondent that several breaches have been attributed to the petitioner, and there are serious allegations of sub-standard service on the part of the petitioner.

10. It is apparent that there are allegations as well as counter-allegations involving disputed questions of facts.

11. Necessarily, the adjudication of the same requires evidentiary exercise for which it would be apposite for the parties to take recourse to their respective civil remedies. As noticed hereinabove, there also exists an arbitration clause in the contract which can be availed by either party for the purpose of adjudication of their inter-se disputes.

12. Considering the intricate factual nature of the controversy as also the existence of an efficacious remedy in the form of the arbitration clause incorporated in the agreement between the parties, this Court is not inclined to entertain the present petition. However, it is made clear that the petitioner would be at liberty to avail appropriate civil remedies, including by way of invocation of arbitration, for the purpose of seeking appropriate relief/s against the respondent.

13. The present petition stands disposed of in the above terms. Pending application also stands disposed of.

JULY 8, 2025/at

SACHIN DATTA, J