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* IN THE HIGH COURT OF DELHI AT NEW DELHI

+ ARB.P. 1045/2024

SANDEEP MANN AND ANR.

.....Petitioners

Through: Mr. Satvik Bansal, Mr. Amitabh
Tiwari & Mr. Himanshu Sehrawat,
Advs.

versus

M/S BHANU INFRABUILD PRIVATE LIMITED

.....Respondent

Through: Mr. Sunil Mund & Mr. Vedant Mund,
Advs.

CORAM:

HON'BLE MR. JUSTICE JASMEET SINGH

ORDER

% **21.05.2025**

1. This is a petition filed under Sections 11(5) and (6) of Arbitration and Conciliation Act, 1996, seeking appointment of an arbitrator for adjudication of disputes, arising out of a Lease Agreement dated 28.03.2012.
2. As per the said Agreement, the petitioners agreed to lease the unit, bearing no. Office-1401-B having area admeasuring approx. 1408.76 sq. ft. in the project called "India Trade Tower" at Mullanpur, purchased by them to the respondent.
3. The Agreement contains an arbitration clause, being Clause 18.2, which reads as under:

"18.2 Arbitration

18.2.1 Subject to Section 18.1, above, any Dispute arising from or in connection with this Agreement shall be referred to arbitration and settled in accordance with Indian Arbitration and Conciliation Act, 1996. Unless



provided herein, the arbitration tribunal shall consist of 3 (three) arbitrators; each Party shall appoint 1 (one) arbitrator within 30 days of the date of the Dispute Notice and the 2 (two) arbitrators thus appointed shall choose the third arbitrator who will act as the presiding arbitrator of the tribunal. If the 2 (two) appointed arbitrators do not agree on the third arbitrator within 14 (fourteen) days as of the date of appointment of the last appointed arbitrators, then such third arbitrator, at the request of both or any one of the appointed arbitrator, shall be appointed by the Hon'ble High Court of Delhi. The Hon'ble High Court of Delhi shall appoint a person as third arbitrator who is not affiliated with any of the Parties. The place of arbitration shall be New Delhi, India and the language of the arbitration shall be English.

18.2.2 When any Dispute is referred to arbitration, except for the matters under Dispute, the Parties shall continue to exercise their remaining respective rights and fulfil their remaining respective obligations under this Agreement.

18.2.3 The arbitrators shall decide any such dispute or claim strictly in accordance with the governing law as specified in Section 19, below.

18.2.4 Each Party shall co-operate in good faith to expedite (to the maximum extent practicable) the conduct of any arbitral proceeding commenced under this Agreement.

18.2.5 The costs and expenses of the arbitration, including, the fees of the third arbitrator, shall be borne equally by each Party to the dispute or claim and each Party shall pay its own fees, disbursements and other charges of its counsel and the arbitrators nominated by it, except as may be otherwise determined by the arbitrators. The arbitrators would have the power to award interest on any sum awarded pursuant to the arbitration proceedings and such sum would carry interest, if awarded, until the



actual payment of such amounts.

18.2.6 Any award made by the arbitrators shall be final and binding on each of the Parties that were parties to the dispute.”

4. Clause 4.1 of the Agreement provides for the period of lease as 10 years from the effective date, which is the date of grant or offer of possession of the subject property.
5. The lease rent was distributed in two phases, that is, an assured rent period and a post-assured rent period.
6. The petitioners were entitled to assured rent for a period of 30 months from the effective date. After a lapse of 30 months, they were entitled to post-assured rent for the remaining period of the Agreement.
7. On 28.03.2012, an addendum was also signed by the parties.
8. The petitioners filed a complaint, bearing No. AdC/1012/2018, with the Punjab Real Estate Regulatory Authority on 31.08.2018, claiming that the unit offered for possession did not match the measurements promised in the Agreement. They sought either a unit measuring 1408.76 sq. ft. or a refund of Rs.7,32,077.54/- along with interest. The Adjudicating Officer partly granted the prayers made in the complaint, ordering the respondent to refund the amount with interest calculated at the highest marginal cost of lending rate plus 2%. Additionally, the petitioners were entitled to assured rent of Rs.33,294/- and post assured rent after 30 months at Rs.37/- per square foot per month.
9. As per the petitioners, despite the said order, the respondent failed to pay any assured rent or post assured Rent. They made a partial payment of Rs.6,69,812/- on 08.03.2022, leaving a balance of Rs.12,67,242.16/- due



as of 28.03.2022.

10. On 21.07.2022, the respondent terminated the Agreement without sufficient cause, which the petitioners claim is illegal and against the termination clause of the Agreement. The petitioners assert they are owed Rs.25,70,345.16/- along with interest at 18%.
11. On 07.01.2024, the petitioners sent a notice to the respondent to invoke the pre-mediation clause as per Clause 18.1 of the Agreement, but the respondent did not respond.
12. Subsequently, on 19.02.2024, they sent another notice invoking Clause 18.2 for the appointment of an arbitrator, which also went unanswered.
13. Hence, the present petition.
14. Mr. Mund, learned counsel for the respondent, has filed a reply and states that there is already an adjudication by the Punjab RERA and the petitioner is seeking to re-agitate the same issues before the arbitrator.
15. I am of the view that the dispute between the parties is regarding the alleged termination of the Agreement on 21.07.2022 and of the lease rent, which is beyond the adjudication made by RERA.
16. The petitioner is not claiming any amounts which have already been adjudicated by RERA.
17. I am satisfied that there is an arbitration clause and there are disputes which need to be settled through the arbitral mechanism.
18. For the said reasons, the petition is allowed and the following directions are issued:-
 - i) Mr. Gaurav Goyal, Advocate (Mob. No. 9899886074) is appointed as a Sole Arbitrator to adjudicate the disputes between the parties.



- ii) The arbitration will be held under the aegis and rules of the Delhi International Arbitration Centre, Delhi High Court, Sher Shah Road, New Delhi (hereinafter, referred to as the 'DIAC').
- iii) The remuneration of the learned Arbitrator shall be in terms of DIAC (Administrative Cost and Arbitrators' Fees) Rules, 2018.
- iv) The learned Arbitrator is requested to furnish a declaration in terms of Section 12 of the Act prior to entering into the reference.
- v) It is made clear that all the rights and contentions of the parties, including as to the arbitrability of any of the claim, any other preliminary objection, as well as claims/counter-claims and merits of the dispute of either of the parties, are left open for adjudication by the learned arbitrator.
- vi) The parties shall approach the learned Arbitrator within two weeks from today.

19. The present petition is disposed of in the aforesaid terms.

JASMEET SINGH, J

MAY 21, 2025/pk

[Click here to check corrigendum, if any](#)