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

+ **ARB.P. 2136/2024**

GUJRAL ESTATES PRIVATE LIMITEDPetitioner

Through: Mr. Ashok Chhabra, Mr. Alok
Prakash and Mr. B. Shekhar, Advs.

versus

S AND A HOSPITALITY & ORS.Respondents

Through: Mr. Rajesh Gogna, Mr. Mohd. Bilal,
Ms. Priya Singh and Mr. Nishant
Sharma, Advs.

CORAM:

HON'BLE MR. JUSTICE PURUSHAINDR KUMAR KAURAV

ORDER

17.03.2025

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1. On the last date of hearing i.e. 03.02.2025, the Court noted that there seems to be a possibility of an amicable settlement and accordingly, the hearing was deferred till today.
2. Today when the matter is called out, learned counsel appearing for the parties fairly state that endeavours were made but they could not fructify in any result. They, however, agreed to the appointment of an Arbitrator.
3. The facts of these cases indicate that the parties had entered into an agreement dated 20.02.2019 for running a restaurant in a commercial premise. The respondent issued a cheque dated 20.02.2019 of Rs. 3,71,165/- as the security deposit of 2 months' rent of the commercial premises, to the petitioner. Various disputes arose when the possession of the premises was vacated by the respondents and was handed over to the petitioner. As per



the petitioner, the respondents further made a promise that the due amount of rent shall be paid in the near future, but the same has not been paid till date. According to the petitioner, Rs. 32,00,400/- is due to be paid by the respondents excluding the security deposit already paid by the respondents. Clause 36 of the Agreement specifically provides for the dispute resolution mechanism to be Arbitration and the same is reproduced hereunder:-

“All or any dispute arising out of or touching upon or in relation to the terms of this Lease Deed including the interpretation and validity of the terms thereof and the respective rights and obligation of the parties shall be settled amicably by mutual discussion failing which the same shall be settled only through the arbitration. The arbitration shall be governed by the Arbitration and Conciliation Act or any statutory amendments/modification thereto for the time being in force. The seat of arbitration proceedings shall be at an appropriate location in New Delhi by a Sole Arbitrator who shall be appointed mutually by the Lessor and Lessee and whose decision shall be final and binding upon the Parties.

The courts at Delhi alone shall have the jurisdiction to entertain any dispute arising out of or relating to the present transaction to the exclusion of all other courts.

That this Lease Deed and the rights and obligations of the parties under or arising out of this Deed shall be construed and enforced in accordance with the law of India.”

4. In view of the aforesaid, the Court appoints Mr. S.C. Malik, Additional District & Sessions Judge, Delhi (Retd.) (Mob No.: +91 9910384635, Email: accessscm@yahoo.co.in) as the Sole Arbitrator to adjudicate the dispute between the parties.
5. The Sole Arbitrator may proceed with the arbitration proceedings, subject to furnishing to the parties, requisite disclosures as required under Section 12 of the Arbitration and Conciliation Act, 1996 (hereinafter referred as “A&C Act”).
6. The Sole Arbitrator shall be entitled to fee in accordance with the IVth



Schedule of the A&C Act; or as may otherwise be agreed to between the parties and the learned Sole Arbitrator.

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

8. All rights and contentions of the parties in relation to the claims/counterclaims are kept open, to be decided by the Sole Arbitrator on their merits, in accordance with law.

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

10. Accordingly, the instant petition stands disposed of.

PURUSHAINdra KUMAR KAURAV, J

MARCH 17, 2025/P/MJO

Click here to check corrigendum, if any