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

+ **O.M.P.(I) (COMM.) 539/2025**

SREE VENAKTESWARA ENTERPRISES

.....Petitioner

Through: Mr. Tushar Sharma, Mr. Tarun Verma, Advs.

versus

**INDIAN RAILWAY CATERING AND TOURISM
CORPORATION LTD & ANR.**

.....Respondents

Through: Mr. Lalit Chauhan, Ms. Laxmi Chauhan, Mr. Anth Johnsan. Mr. Rustam S Chauhan, Ms. Nikita Chauhan, Advs.
Mr. Sandeep Kumar Mahapatra, CGSC with Mr. Sarthak Rana, G. P with Ms. Mrinmayee Sahu, Mr. Tribhuvan, Advs.

**CORAM:
HON'BLE MR. JUSTICE JASMEET SINGH**

ORDER
24.12.2025

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1. This is a petition filed under Section 9 of the Arbitration and Conciliation Act, 1997 seeking the following prayer, amongst other prayers:

“1. Pass an ad-interim injunction restraining Respondents No. 1 and 2, their officers, servants, agents or assigns, from auctioning, selling, alienating, transferring, or creating any third-party interest in the Petitioner’s Water Vending



Machines situated in Cluster No. 81 (Guntakal) and Cluster No. 86 (Danapur), or any other cluster operated by the Petitioner, the same being ultra vires the NIT and License Agreements;”

2. The facts are that the petitioner was granted licenses pursuant to Open Tender No. 2016/IRCTC/RNP/WVM/OT-02 dated 18.02.2016 for installation, operation and maintenance of Water Vending Machines (“WVMs”) and separate agreements were executed between the petitioner and the respondent No.1 on 28.07.2016 and 26.08.2016 for cluster No. 81 (Guntakal Division) and Cluster No. 86 (Danapur Division).
3. The Tender Document contained an arbitration clause being Clause No. 10.1 which reads as under:

“10. Arbitration

In the event of any dispute or difference arising under these conditions of Licence or in connection with this Licence (except as to any matters, the decision of which is specifically provided for by these or the special conditions) the same will be resolved by Arbitration, as per the provisions of 'The Arbitration and Conciliation Act - 1996. The venue of the Arbitration shall be Delhi. All questions, disputes and or differences arising under or in connection with this agreement or in touching or relating to or concerning the construction, or affect of presents (excepts as to matters the decision whereof is other-wise herein before, expressly provided for) shall be referred to the sole



arbitration of the officer/officers or persons nominated by the Managing Director/IRCTC whose decision in this regard shall be binding on the Licensee.”

4. Mr. Sharma, learned counsel for the petitioner, states that petitioner invested substantial capital for procurement and commissioning the WVMs but petitioner suffered losses due to respondent's failure to provide water and electricity connections timely.
5. Since there were defaults, the respondents terminated the Contract of Guntakal cluster and on 10.12.2025. pursuant to this a petition under Section 9 of the Arbitration and Conciliation Act, 1997 being O.M.P.(I)(COMM.) 442/2025 was filed, where this Court recorded that the petitioner is not selling any WVMs of the petitioner in Cluster No. 81 pursuant to the order dated 26.09.2025 in W.P. (Civil) 15097/2025 where the Writ Court recorded that no action was being taken until the final decision was being made by the respondents. Based on the said statement, W.P.(C) 15097/2025 as well as O.M.P.(I)(COMM.) 442/2025 was disposed of.
6. Today the learned counsel for the respondents, who appears on advance notice, states that on 17.10.2025, the Court recorded the statement of the respondent. The same reads as under:

“Mr. Sridharan, learned counsel who appears on behalf of the respondent No. 1 and on instructions, states that pursuant to an Order dated 26.09.2025 passed in W.P (Civil) 15097/2025, the respondent No. 1 is not selling any water vending machines installed in Cluster No. 81 (Guntakal Division) and Cluster No. 86 (Danapur Division)



of the petitioner. Hence, for the time being, the petition is not maintainable.

4. The statement of Mr. Sridharan, learned counsel is taken on record and the respondents are bound by the same.”

7. Subsequently, on 10.12.2025, the respondent after considering the show cause notice, has terminated the contract and also directed that the petitioner would not be allowed to remove its machines till the overdue license fee/ dues are cleared by him.
8. Mr. Sharma, learned counsel, states that the petitioner cannot auction the said water vending machines.
9. In the present case, Mr. Johnsan, learned counsel for the respondent, has drawn my attention to clause No. 8.2 of the License Agreement which reads as under :

“8.2 Termination of Licence on other events of defaults

The licensor shall also be entitled at any time forthwith to terminate the Licence without notice in any of the following events, that is to say (a) in the event of the Licensee being convicted by a court of law under the provisions of criminal procedure code or any other law (b) in the event of the Licensee being an individual or, if a firm, any partner in the Licensee firm being at any time be adjudged insolvent or a receiving order or order for administration of his estate made against him or shall take any proceeding for liquidation or composition under any insolvency Act for the time being in force or make any conveyance or assignment of his interest or enter into any agreement or composition



with his creditors for suspended payment, or if the firm be dissolved under the partnership Act or, in the event of Licensee being a company, if the company shall pass any resolution to be wound up either compulsorily or voluntarily (c) Repudiation of agreement by Licensee or otherwise evidence of intention not to be bound by the agreement. (d) Failure to adhere to any of the due dates of payment specified in the terms and conditions. Immediately on the determination of this agreement the Licensee shall peacefully vacate the premises and hand over to the licensor/railway administration all articles in the custody or possession of the Licensee and shall remove all his stores and effects from the said premises. In default the licensor shall be entitled to enter and take possession of the said premises and to lock up the same or remove the furniture or other articles of the Licensee that may be lying there and to dispose of the same by sale or otherwise without being liable, for any damage, and all expenses incurred in connection therewith, shall be deducted by the licensor from the sale proceeds or from the Security Deposit or pending bills of the Licensee.

10. As per the said clause, the petitioner is in default of the license fee and the respondent in that scenario, has a right to remove the articles of the licensee and dispose of the same by sale or otherwise. Hence, the prayer sought for by the petitioner cannot be granted at this stage.
11. The respondent shall strictly comply with the terms of the Contract



and the Order is passed only with regard to Cluster No. 81, namely, Guntakal Cluster. As regards Cluster No. 86 is concerned, the license expires only on 25.12.2025 and any steps which are taken required to be taken, would be taken post that date.

12. The petition is disposed of.
13. The petitioner is free to avail all its legal rights under the Contract and nothing stated in the Order dated shall be read as affecting the merits of the arbitration, as and when initiated by the parties.

JASMEET SINGH, J

DECEMBER 24, 2025/sp