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

+ **ARB.P. 607/2026**

**HARSH SARDANA HUF**

.....Petitioner

Through: Mr. Pulkit Aggarwal, Adv. (through  
VC)

versus

**RAUSHAN PRIYA & ORS.**

.....Respondents

Through: Mr. Sangam Panghal, Mr. Arpit  
Kumar and Mr. Ankit Vashisht, Adv.  
Mob: 9510168662

Email:

[advsangampanghal@gmail.com](mailto:advsangampanghal@gmail.com)

**CORAM:**

**HON'BLE MS. JUSTICE MINI PUSHKARNA**

**ORDER**

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**15.05.2026**

1. The present petition has been filed under Section 11(6) of the Arbitration and Conciliation Act, 1996 ("Arbitration Act"), seeking appointment of a Sole Arbitrator, for adjudication of the disputes between the parties, arising out of the non-fulfilment of the terms of Settlement Agreement dated 20<sup>th</sup> June, 2025 and the dishonour of cheques therein, by the respondents.

2. It is the case of the petitioner that the petitioner is the lawful owner of the premises bearing No. 8C/10, Abdul Aziz Road, WEA, Karol Bagh, New Delhi-110005. The respondent no. 2 is a private limited company, being run by respondent nos. 1 and 3.



3. Learned counsel for the petitioner submits that the petitioner and respondent no. 1 entered into a Rent Agreement (“Rent Agreement-I”) dated 23<sup>rd</sup> November, 2023, whereby, respondent no. 1 took on rent the ground, first, second, third and fourth floors of the property in question, for a period of 11 months, i.e., from 15<sup>th</sup> July, 2023 till 14<sup>th</sup> June, 2024, for running an IAS coaching centre under the name of “Perfection IAS”. The total monthly rent for the property in question was Rs. 6,49,000/- (Rupees Six Lakhs Forty-Nine Thousand Only).

4. He submits that respondent no. 1 defaulted in the timely payment of the rent amount under the Rent Agreement-I. Thereafter, in June, 2024, respondent no. 1 requested the petitioner to transfer the tenancy under the Rent Agreement-I, in favour of respondent no. 2 and assured that the outstanding rent amount under Rent Agreement-I as well as the future rent amount shall be duly paid by respondent no. 2. Accordingly, a Rent Agreement (“Rent Agreement-II”) dated 05<sup>th</sup> September, 2024 was executed between the petitioner and respondent no. 2, with respect to the property in question for a period of 11 months, i.e., 15<sup>th</sup> June, 2024 to 14<sup>th</sup> May, 2024 at a total monthly rent amount of Rs. 6,49,000/- (Rupees Six Lakhs Forty-Nine Thousand Only).

5. Learned counsel for the petitioner submits that despite the leniency extended by the petitioner, the respondents failed to clear all the arrears of rent as per the agreed terms as the cheques issued by the respondents were dishonoured. Consequently, the Rent Agreement-II was terminated on 25<sup>th</sup> March, 2025, and the respondents handed over the possession of the property in question to the petitioner on the same date.



6. He further submits that the parties engaged in negotiations for settlement of the outstanding dues and entered into a Settlement Agreement dated 26<sup>th</sup> June, 2025, whereunder the respondents undertook to pay the entire outstanding amount of Rs. 51,02,966/- (Rupees Fifty-One Lakhs Two Thousand and Nine Hundred Sixty-Six Only) in 12 instalments by cheques. However, five of the cheques issued by the respondents were dishonoured on the ground of insufficient funds.

7. Learned counsel for the petitioner submits that despite the dishonour of the five cheques, the respondents have not made paid the outstanding amounts *via* any alternative method. Therefore, in view of the aforesaid, the entire outstanding amount of Rs. 51,02,966/- has become immediately due and payable by the respondents, along with interest at the rate of 24% per annum, till the date of actual realisation.

8. Learned counsel for the petitioner has brought the attention of this Court to the Arbitration Clause, i.e., Clause 6 as contained in the Settlement Agreement. He submits that the Arbitration Clause has been invoked by the petitioner *vide* notice dated 29<sup>th</sup> October, 2025 issued to the respondents, in terms of Section 21 of the Arbitration Act.

9. He further submits that *vide* order dated 27<sup>th</sup> February, 2026 in *O.M.P(I)(COMM.) 150/2026* filed by the petitioner before the Tis Hazari Courts, the respondents herein were directed to jointly and severally deposit a sum of Rs. 63,74,066/- (Rupees Sixty-Three Lakhs Seventy-Four Thousand Sixty-Six Only) before the said Court. However, the respondents have failed to comply with the said directions.

10. This Court notes that the Arbitration Clause, i.e., Clause 6 of the Settlement Agreement between the parties, reads as under:



**“6. Arbitration Clause:**

6.1 All disputes arising out of this Agreement shall be referred to arbitration under the Arbitration and Conciliation Act, 1996.

6.2 The arbitration shall be conducted by a sole arbitrator mutually appointed by the parties. In case of disagreement, the arbitrator shall be appointed as per the provisions of The Arbitration and Conciliation Act, 1996.

6.3 **The arbitration proceedings shall be conducted in English and shall be held in New Delhi. The Seat and venue of arbitration shall remain Delhi for all purposes including for jurisdictional purposes.** The decision of the arbitrator shall be final and binding on both parties.”

*(Emphasis Supplied)*

11. Perusal of the aforesaid Clause shows that there exists a valid arbitration agreement between the parties, whereby, any dispute between the parties shall be resolved by way of arbitration. Further, the seat of arbitration is at Delhi.

12. Learned counsel for the respondents appears on advance notice, and submits that they have recently been engaged. Upon a pointed query by this Court, he submits that they do not dispute the existence of the Arbitration Clause between the parties.

13. At this stage, learned counsel appearing for the petitioner submits that the arbitration proceedings be conducted under the aegis of the Delhi International Arbitration Centre (“DIAC”). He further submits that the matter be also referred to mediation so that the parties can try to resolve their disputes, and that the petitioner has an approximate claim of Rs. 65,92,466/- (Rupees Sixty-Five Lakhs Ninety-Two Thousand Four Hundred Sixty-Six Only).

14. Accordingly, this Court is satisfied that there is valid Arbitration Clause governing the relation between the parties.

15. However, this Court is of the view that in the first instance, the parties



be referred to mediation, before reference to arbitration.

16. Accordingly, considering the submissions made before this Court, the following directions are issued:

- i. The matter is referred to the Delhi High Court Mediation and Conciliation Centre, for the purpose of resolution of disputes by way of mediation, to be listed before the learned Mediator on 25<sup>th</sup> May, 2026.
- ii. In case, the disputes between the parties are not resolved within a period of four weeks from the date of taking up the matter by the learned Mediator, the matter shall be referred to Arbitration.
- iii. The parties shall approach the Arbitrator within two (2) weeks of the finalization of the mediation process, in case, the mediation process fails.
- iv. Mr. Gaurav Sharma, Advocate (Mob: +91-9990116727) is appointed as the Sole Arbitrator to adjudicate the disputes between the parties.
- v. The arbitration proceedings shall be held under the aegis and Rules of DIAC, Delhi High Court, Sher Shah Road, New Delhi.
- vi. The Arbitrator shall not enter reference for a period of four weeks, till the report is received from the Delhi High Court Mediation and Conciliation Centre.
- vii. The remuneration of the learned Arbitrator shall be in terms of DIAC (Administrative Cost and Arbitrators' Fees) Rules, 2018.
- viii. The learned Arbitrator is requested to furnish a declaration in terms of Section 12 of the Arbitration Act prior to entering into the reference. In the event of any impediment to the Arbitrator's



appointment on that count, the parties are given liberty to file an appropriate application before this Court.

- ix. It shall be open to the respondents to raise counter-claims, if any, in arbitration proceedings.
  - x. 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 all the parties, are left open for adjudication by the learned Arbitrator.
17. Accordingly, the present petition is disposed of in the aforesaid terms.
18. A copy of this order shall be sent to the Delhi High Court Mediation and Conciliation Centre, the learned Arbitrator, as well as the DIAC, forthwith, for information and compliance.

**MINI PUSHKARNA, J**

**MAY 15, 2026/da**