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

\# **CNR No. DLHC010240452026**

\+ ARB.P. 957/2026

SATMANI SILVER SCREEN LLP .....Petitioner
Through: Mr. Preetish Sahu, Advocate.

versus

PICTURE TIME DIGIPLEX PVT LTD .....Respondent
Through: Ms. Anushka Anand, Advocate.

CORAM:
HON'BLE MR. JUSTICE TUSHAR RAO GEDELA

O R D E R

% 03.11.2026

1. This is a petition under Section 11(6) of the Arbitration and Conciliation Act, 1996 (hereinafter referred to as "*the Act*") seeking appointment of an Arbitrator for adjudication of the disputes that are alleged to have arisen between the parties in relation to a Termination and Settlement Deed dated 10.11.2025.

2. It is stated that the disputes arise in relation to the commercial relationip between the parties commencing from the Franchise Agreement dated 09.06.2023. It is stated that under the said agreement, the respondent appointed the promoters of the petitioner entity as franchisee for setting up and operating a Mobile Digital Movie Theater (hereinafter referred to as "*MDMT*") at Khatima, Uttrakhand. It is stated that pursuant thereto, the petitioner/Satmani Silver Screen LLP was incorporated on 10.08.2023 and on 27.10.2023, the petitioner acquired 100% ownership of the said MDMT upon making a full payment as per the franchisee agreement.

3. On account of certain developments, the petitioner claims to have

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proposed to sell the MDMT to the respondent sometime in March, 2025. It is stated that the respondent itself completed the depreciated value of the assets and quantified the payable amount at Rs.43,11,720/-.

4. On such assessment and the assurances given by the respondent, the respondent was permitted to take over possession, operation and control of the site. It is claimed that despite such takeover, the respondent failed to discharge the financial obligations.

5. Subsequent thereto, the parties are claimed to have executed a Termination and Settlement Deed dated 10.11.2025, whereby the respondent unequivocally agree to repay Rs.43,11,720/- to the petitioner through structured installments. The said deed is stated to contain a valid and binding arbitration clause under the Act with the venue specified at Delhi.

6. The said arbitration clause is encapsulated in Clause 9 of the termination and settlement deed which is extracted hereunder:

> *"**9. Dispute Resolution***
>
> - *Negotiation within 30 days.*
> - *Arbitration under Arbitration & Conciliation Act, 1996.*
> - *Venue: New Delhi, Language: English"*

7. Consequent thereto, the petitioner claims to have issued a notice under Section 21 of the Act invoking arbitration under clause 9 on 26.02.2026.

8. The relevant paragraphs of the said notice is extracted herender:

> *"12. That the Termination and Settlement Deed dated 10.11.2025, duly executed and notarized between the parties, contains a binding dispute resolution clause providing that disputes shall first be attempted to be resolved through negotiation within 30 days and failing such resolution, shall be referred to arbitration under the Arbitration and Conciliation Act, 1996, with venue at New Delhi and language English. The Deed further provides that Indian law shall govern and courts at New Delhi shall have exclusive jurisdiction. Relevant clauses are reproduced herein for ready reference:*
>
> > *"9. Dispute Resolution*
> >
> > *• Negotiation within 30 days.*
> > *• Arbitration under Arbitration & Conciliation Act, 1996.*
> > *• Venue: New Delhi, Language: English.*

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10. Governing Law & Jurisdiction

This Deed is governed by Indian law. Courts at New Delhi have exclusive jurisdiction."

13. That despite execution of the binding Deed and takeover of the site and business benefits, your company has failed to make any payment whatsoever till date. The default is continuing, admitted by conduct, and constitutes a material breach of the settlement contract.

14. That it is further placed on record that your company, through counsel, issued a legal notice dated 03.12.2025 to my client raising allegations which are denied and have been duly replied to by my client through a detailed reply notice dated 26.12.2025. Thereafter, my client also issued a formal legal notice dated 17.01.2026 calling upon your company to cure the admitted payment defaults and discharge outstanding liabilities under the Termination and Settlement Deed dated 10.11.2025 and connected transactions.

15. That despite service of the said notices and exchange of communications, your company has failed to make payment of the admitted dues and has not taken any effective steps toward resolution of disputes. The contractual negotiation window contemplated under the dispute resolution clause thus stands exhausted and rendered futile.

16. That in light of the above breaches, my client is constrained to invoke arbitration proceedings under Section 21 of the Arbitration and Conciliation Act, 1996.

17. We propose the appointment of Sole Arbitrator to adjudicate upon the disputes. You are, therefore, requested to confirm your consent to the appointment of Sole Arbitrator within a period of 15 days from the receipt of this notice.

18. In the event you fail to respond or do not concur with the appointment of the Arbitrator within the stipulated time, we shall be constrained to take appropriate steps for the appointment of an Arbitrator through the Hon'ble High Court, at your risk as to cost and consequence.

19. This notice is being issued without prejudice to our rights and claims under the said agreement and law.

20. You are requested to treat this as a notice under Section 21 of the Arbitration and Conciliation Act, 1996."

9. Since no response was received to the said notice, the petitioner is constrained to file the said petition.

10. Learned counsel appearing for the respondent Ms. Anushka Anand, states that she has no objections for appointment of an arbitrator, however, on merits she disputes the claim.

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11. Learned counsel for the parties requests that the proceedings be initiated under the aegis of the Delhi International Arbitration Centre (hereinafter referred to as "*DIAC*").

12. Having regard to the fact that the Court while appointing an arbitrator under Section 11 of the Act, is only to required to satisfy itself as to the existence of a valid and existing arbitration agreement, and having regard to the fact that there is no objection on behalf of the respondent, the petition is allowed.

13. So far as the *inter se* disputes on merits is concerned, the tribunal to be constituted would have the exclusive domain to deal with the matters in terms of the judgement of the Supreme Court in ***SBI General Insurance Company Limited vs. Krish Spinning, (2024) 12 SCC 1***.

14. Having regard thereto, the application stands allowed.

15. The petition is allowed and the following directions are passed:

16. Having regard thereto, the petition is allowed and the following directions are passed:

i) Mr. Sachin Mohan, Advocate (Mob. No. 9884911093) 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 DIAC, Delhi High Court, Sher Shah Road, New Delhi.

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

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of the dispute of either of the parties, are left open for adjudication by the learned arbitrator.

vi) The petitioner shall approach the learned Arbitrator within two weeks from today.

17. The petition is allowed and disposed of.

TUSHAR RAO GEDELA, J

NOVEMBER 3, 2026
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