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

+ ARB.P. 1853/2025

AGGARWAL WELFARE SOCIETY (REGD.)Petitioner

Through: Ms. Chanchal Sharma and Mr.
Aditya, Advocates (through VC)

versus

SHIVESH SULTANIARespondent

Through: Mr. Ritesh Agrawal, Mr. Sohel
Rishabh, Ms. Priyanshi Sharma, Mr.
Argh B. Sharma, Advocates (through
VC)

CORAM:

HON'BLE MS. JUSTICE MINI PUSHKARNA

ORDER

% **22.01.2026**

1. The present petition has been filed under Section 11(6) of the Arbitration and Conciliation Act, 1996 (**“Arbitration Act”**), thereby, seeking appointment of a Sole Arbitrator for adjudication of the disputes between the parties, arising out of the Lease Deed dated 12th May, 2018 (**“Lease Deed”**).

2. The parties had entered into the Lease Deed, wherein, the petitioner granted a lease in favour of the respondent in relation to the shop admeasuring 225 Sq. Feet on the Ground Floor, Front Side, at D-Block, Ashok Vihar, Phase-I, Delhi – 110052, for running a chemist shop by the respondent, under the name and style of ‘Shree Pharma’.

3. In pursuance to the Lease Deed, which was executed for a period of five (5) years, the respondent was liable to pay the amounts of Rs.



51,87,000/- as rent, Rs. 9,33,660/- as Goods and Service Tax (“GST”) and Rs. 2,58,948/- as electricity charges, to the petitioner.

4. Learned counsel for the petitioner submits that the respondent has only paid an amount of Rs. 37,50,000/- and Rs. 1,59,600/- TDS refund, towards the rent payable to the petitioner. Further, the respondent has failed to pay the remaining amount along with the applicable GST and electricity charges totaling Rs. 24,70,008/-, along with 15% interest per annum.

5. It is further submitted that on account of the persistent defaults and non-payment by the respondent, the petitioner issued a notice dated 13th May, 2025 to the respondent, under Section 21 of the Arbitration Act and in pursuance to the arbitration clause, i.e., Clause 24 of the Lease Deed, seeking appointment of an arbitrator. However, *vide* reply dated 18th June, 2025, the respondent denied the appointment of the proposed arbitrator. Therefore, present petition came to be filed.

6. Learned counsel appearing for the respondent does not dispute the arbitration clause in the Lease Deed, and admits that there are disputes between the parties, and an arbitrator can be appointed to resolve the disputes.

7. This Court notes that the Lease Deed contains an arbitration clause, i.e., Clause 24, which reads as under:

“xxx xxx xxx

24) That in case any dispute arises in respect of above Lease Deed, the matter shall be decided by an Arbitrator to be appointed or Nominated by Party No. 1 and Party No. 2 whose decision shall be final and binding on both parties.

xxx xxx xxx”

8. This Court is satisfied that there exists a valid arbitration clause and there are disputes between the parties which need to be adjudicated through



arbitral mechanism.

9. At this stage, learned counsel appearing for the respondent submits that the matter be referred to mediation.

10. The aforesaid submission is opposed by learned counsel appearing for the petitioner, who submits that though the respondent had agreed for payment of due amount to the petitioner, however, the due amount has still not been paid to the petitioner.

11. Considering the nature of disputes between the parties and the amount involved in the dispute, this Court is of the view that in the first instance, the parties be referred to mediation, before reference to an Arbitrator.

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

- i. The matter is referred to Delhi High Court Mediation and Conciliation Centre, to be listed before the mediator on 29th January, 2026.
- ii. In case the matter is not resolved through the process of mediation within a period of eight weeks from the first meeting with the Mediator, the present matter shall be referred and continued before the Arbitrator.
- iii. Mr. Naveen Gupta, Advocate, (Mob: 9312248478) is appointed as a Sole Arbitrator to adjudicate the disputes between the parties.
- iv. The Arbitrator shall enter reference only if the mediation process between the parties has failed.
- v. The parties shall approach the Arbitrator within two (2) weeks of the finalization of the mediation process, in case the mediation process fails.
- vi. The remuneration of the Arbitrator shall be in terms of Schedule IV of



the Arbitration Act.

- vii. The 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 there is any impediment to the Arbitrator's appointment on that count, the parties are given liberty to file an appropriate application before this Court.
 - viii. It shall be open to the respondent to raise counter-claims, if any, in arbitration proceedings.
 - ix. It is made clear that all the rights and contentions of the parties, including, the arbitrability of any of the claims and/or counter-claims, any other preliminary objection, as well as claims on merits of the dispute of either of the parties, are left open for adjudication by the learned Arbitrator.
13. Needless to state, nothing in this order shall be construed as an expression of this Court on the merits of the case.
14. The petition is disposed of in the aforesaid terms.
15. A copy of this order shall be sent to Delhi High Court Mediation and Conciliation Centre, forthwith.

MINI PUSHKARNA, J

JANUARY 22, 2026

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