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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**% **Date of Decision: 11.05.2026**+ **CONT.CAS(C) 730/2026**

DELHI METRO RAIL CORPORATION LTDPetitioner

Through: Mr. Kunal Mittal, Mr. Shiv Dutt
Kaushik, Mr. Sushant Tripathi,
Advocates.

versus

M/S GARUDA URBAN REMEDIES LTD. & ORS.....Respondents

Through: Mr. Sandeep Bajaj, Soayib Qureshi
and Ms. IshitaSingh, Advocates.

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+ **CONT.CAS(C) 737/2026**

DELHI METRO RAIL CORPORATION LTD.Petitioner

Through: Mr. Kunal Mittal, Mr. Shiv Dutt
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M/S GARUDA URBAN REMEDIES LTD & ORS.....Respondents

Through: Mr. Sandeep Bajaj, Soayib Qureshi
and Ms. IshitaSingh, Advocates.**CORAM:****HON'BLE MR. JUSTICE SACHIN DATTA****SACHIN DATTA, J. (ORAL)**

1. *Vide* order dated 27.04.2026, passed in these proceedings, this Court noted the background of the matter and passed the following order:

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3. The present petitions allege wilful disobedience of the directions contained in the judgment / order dated 23.01.2026 passed in FAO (COMM) 19/2026 and FAO (COMM) No. 20 of 2026 titled as "Delhi Metro Rail Corporation Ltd. v. M/s Garuda Urban Remedies Limited".



4. The background of the matter is that the petitioner/ Delhi Metro Rail Corporation Limited (DMRC) entered into registered License Agreements with the respondent no.1 company (i.e. M/s Garuda Urban Remedies Limited) on 02.06.2023 and 14.09.2023, assigning them licensing rights and possession of Shop Nos.1 and 2 situated at Janpath Metro Station, New Delhi.

5. Following the respondent's failure to pay the requisite license fees and electricity charges, DMRC issued a disconnection notice on 21.08.2025 for outstanding electricity dues of Rs.1,19,792/- and Rs.6,39,835/- respectively, for both the shops.

6. The respondents challenged this notice by way of a petition under Section 9 of the Arbitration and Conciliation Act, 1996.

7. Initially, interim protection was granted on 23.12.2025, against which, the DMRC preferred the aforesaid appeals bearing nos. FAO (COMM) No. 19 of 2026 and FAO (COMM) No. 20 of 2026. *Vide* judgment / order dated 23.01.2026, the said FAOs were disposed of, recording as under:-

"19. At this stage, the learned counsel for the Respondent fairly conceded that the Respondent is liable to pay the entire electricity charges, and undertook that they shall clear the same forthwith.

20. In view thereof, the dispute now only survives with respect to the payment of the license fee.

21. We do not find any reason for the Respondent, while continuing to remain in possession of the licensed premises, to withhold the payment of the license fee. In case, the Respondent succeeds, they would be entitled for damages and even otherwise, if the learned arbitrator ultimately holds that the Respondent was entitled to any adjustment or waiver of license fee, the same can be duly returned or adjusted against future licence fee payable.

22. In view of the foregoing, this Court finds that the Impugned Order, insofar as it permits the Respondent to continue in possession of the licensed premises without payment of license fee, is unsustainable in law. The continuation of interim protection granted by the learned Commercial Court, without securing the Appellant's undisputed contractual entitlement to license fee, results in an inequitable arrangement, permitting the Respondent to enjoy the licensed premises without discharging its corresponding financial and contractual obligations.



23. *The learned Commercial Court has further erred in restricting the direction of payment only to electricity charges, while overlooking the equally binding obligation to pay license fee, which arises from continued possession and use of the premises. The existence of arbitral proceedings does not, by itself, absolve the Respondent of its obligation to comply with the terms of the License Agreement during the interregnum.*

24. *Accordingly, the Impugned Order is set aside and it is directed that the Respondent shall pay the entire license fee due from the date of possession, as well as the outstanding electricity charges.*

25. *Any claim with regard to the entitlement of the Respondent with regard to the same, can be raised in the arbitration proceedings which shall be decided by the learned arbitrator.*

26. *With the aforesaid observations, the present appeal is disposed of.*

27. *It has been brought to our attention that the due amount is now to a tune of more than Rs. 2,00,00,000/-.*

28. *In view thereof, it is provided that the electricity dues shall be cleared within a period of one month from today. The outstanding license fee due till date shall also be cleared in three equal installments within a period of three months.*

29. *The license fee and the electricity charges falling due hereafter shall be paid regularly and without default, strictly in accordance with the terms of the license agreement."*

8. An SLP came to be filed against the aforesaid order, which was disposed of by the Supreme Court vide order dated 23.03.2026, in the following terms:

"1. After hearing learned counsel for the parties, we are not inclined to entertain the present special leave petition. However, all the contentions of the parties are left open to be raised on the application filed under Section 17 of the Arbitration and Conciliation Act, 1996 which may be considered and decided uninfluenced by the order passed by the High Court.

2. Accordingly, the special leave petitions are dismissed. Pending applications, if any, shall stand disposed of."



9. Learned counsel for the petitioner submits, that despite the aforesaid, the respondents have not paid the outstanding electricity dues as well as the license fee.
10. Issue notice.
11. Learned counsel, as aforesaid, accepts notice on behalf of the respondent no.1.
12. Issue notice to the respondent nos.2 and 3, through all permissible modes, including electronically. *Dasti* in addition.
13. Let reply be filed by the respondents within a period of one week from today.
14. In the meantime, the respondents are directed to comply with the directions contained in the judgment / order dated 23.01.2026 passed in FAO (COMM) 19/2026 and FAO (COMM) 20/2026, and accordingly pay the requisite/outstanding charges to the petitioner.
15. As already directed by the Supreme Court *vide* order dated 23.03.2026, the same shall be subject to the further orders passed by the learned Arbitrator seized of the application under Section 17 of the Arbitration and Conciliation Act, 1996.
16. List for reporting compliance on 11.05.2026, in the category of "*Supplementary Matters*".
17. In case the aforesaid directions remain uncomplied, the respondent nos.2 and 3 shall remain present in Court on the next date of hearing.
18. Order *dasti*.

2. It transpires that subsequently, the matter was considered by the learned Arbitrator on two occasions. On 27.04.2026, the following order came to be passed in the arbitral proceedings:

ORDER

1. The additional Application u / s 17 of the Arbitration and Conciliation Act, 1996 filed by the Claimant and the Order passed by the Hon'ble High Court of Delhi are taken on record.



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2. The Hon'ble High Court in Contempt Case No. 730 / 2026 and 737 / 2026 vide order dated 27.04.2026 has issued direction to the Respondent (Claimants herein) to comply with the direction contained in Judgment / Order dated 23.01.2026 passed in FAO (COMM) 19 / 2026 and 20 / 2026. It is further observed that the same will be subject to further order passed in application u / s 17 of the Act as per the direction of the Hon'ble Supreme Court in order dated 23.03.2026.
3. Arguments heard in part on Application u / s 17 of the Act.
4. During the course of arguments, the counsel for the Claimant, on the instruction of Mr. V.K Seth, AR of Claimant Company who has also joined the proceedings submitted that the 2 bank guarantees of sum of Rs. 10,88,308 (Ten Lac Eighty-Eight Thousand Three Hundred and Eight) and Rs. 8,68,184 (Eight Lac Sixty-Eight Thousand One Hundred and Eighty-Four) is already encashed by the Respondent DMRC.
5. The Ld. Counsel for Respondent confirms that the bank guarantees have been encashed and total outstanding towards the Claimant is Rs. 2,00,00,000 (Two Crores) for both Shops.
6. The Claimant further submits that an amount of Rs. 37,74,125 (Thirty-Seven Lac Seventy-Four Thousand One Hundred and Twenty-Five) was deposited on 19.05.2023 for Shop No.1 in the Union bank of India A/c No. 307801110050003 with the Respondent-DMRC and Rs. 33,29,506 (Thirty-Three Lac Twenty-Nine Thousand Five Hundred and Six) was deposited on 07.08.2023 for Shop No. 2 against LOA 31.05.2023.
7. The Ld. Counsel for Claimant upon instructions further submit that he will deposit an amount of Rs. 1,00,00,000 (One Crore) with the Respondent on or before 02.05.2026 (Saturday) and will produce the receipt on the next date.



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8. List on **04.05.2026 (Monday) at 4:30 p.m.** for further arguments on Application u / s sec 17 of the Act. The hearing shall be taken up virtually and the Claimant is directed to make necessary arrangements. The link for the same shall be circulated on or before 03.05.2026. Parties to ensure their presence.
9. The Counsel for the Claimant will produce the receipt of the amount deposited as undertaken by him and Mr. V.K Seth, AR of the Claimant Company.
10. Interim stay to continue till 04.05.2026.

3. Thereafter, *vide* order dated 04.05.2026, the learned Arbitrator disposed of the application filed by the claimant (respondent no.1 herein) under section 17 of the Arbitration and Conciliation Act, 1996, in the following terms:

ORDER

1. Heard the Parties.
2. The Ld. Counsel for the Claimant in terms of the previous order dated 27.04.2026 has submitted that an amount of Rs. 1,00,00,000 (One Crore) stands deposited with DMRC. This fact is acknowledged by Ld. Counsel for the Respondent. However, it is submitted that as per para 58 of the Application, the Claimant itself stated that it will clear the arrears, with effect from the order dated 25.03.2026 passed by the Hon'ble Supreme Court of India and Rs. 10,00,000 (Ten Lakh) more is to be deposited. The counsel for the Claimant submits that this amount will be deposited within 7 days from today i.e. on or before 11.05.2026.



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3. The Counsel for the Respondent further submits that after encashing two bank guarantees, the Claimant be directed to deposit the same again. In reply, the counsel for the Claimant submitted that an amount of about 70 lakhs is lying security deposit with Respondent for both the shops. The counsel further submits that he may be permitted to file amended Statement of Claim to recover back certain amount as the Respondent is claiming higher / panel rate of interest and same can be decided at time of final adjudication of proceeding.
 4. The Ld. counsel for the Respondent stated that he will file Statement of Defense thereafter.
 5. Both the parties are ad-idem that, if the Claimant undertakes to deposit the future lease money regularly, subject to parties complying with their respective obligation as per the lease agreement, this application can be disposed of at this stage with a right to both the parties either to revive or move an application for vacations of stay.
 6. Accordingly, this Application is disposed of, and it is directed that the interim stay order dated 22.04.2026 will continue during the present Arbitration Proceeding subject to the respective undertakings given by the parties as noted above, without prejudice to their legal rights in any manner.
 7. Nothing observed herein will have any bearing on the merits of the case which will be decided independently.
 8. List on **21.05.2026 (Thursday)** at **04:30 p.m.** via virtual conferencing. The Claimant is directed to make all necessary arrangements and circulate the link for the hearing on or before 20.05.2026.
 9. The amended Statement of Claim will be filed within one week from today with advance copy to the Respondent, who will file the Statement of Defense before the next date of hearing.
4. Learned counsel for DMRC submits that although interim protection



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has been granted to the respondents, requisite amount/s that the respondents were obliged to pay towards the arrears of license fee has not yet been paid.

5. Needless to say, the petitioner would be at liberty to apprise the learned Arbitrator of this aspect and move an appropriate application for further orders in the arbitral proceedings.

6. The said application shall necessarily be decided by the learned Arbitrator on its own merits, without being influenced by the present order.

7. The present petitions are disposed of in the above terms.

SACHIN DATTA, J

MAY 11, 2026/at/ss