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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**# **CNR No. DLHC010440692026**+ **O.M.P. 5/2026, I.A. 25486/2026, I.A. 25487/2026****DR. VAISHALI SHARMA** PetitionerThrough: **Mr. Moni Cinmoy, Adv.**

versus

MRS. HARMOHINDER KAUR & ANR. Respondents

Through:

CORAM:**HON'BLE MR. JUSTICE OM PRAKASH SHUKLA****JUDGMENT(ORAL)**% **22.09.2026**

1. The present petition has been filed under Section 34 of the Arbitration and Conciliation Act, 1996¹, assailing the interim award dated 04.08.2026² passed by the learned Sole Arbitrator.

2. The present matter pertains to a landlord-tenant dispute wherein, by way of the impugned award, the learned Arbitrator decided two applications, i.e., one under Section 17 of the Act relating to interim-relief and the other under Section 31(6) of the Act relating to interim arbitral award.

3. The learned Arbitrator by virtue of the impugned interim award, allowed the application filed by the Respondents under Section 31(6) of the Act and directed the Petitioner to handover the vacant and peaceful possession of the property bearing No. S-345, Panchsheel

¹ "Act" hereinafter

² "impugned award" alternatively



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Park, New Delhi-110017³ to the Respondents on or before 30.09.2026.

4. The Petitioner is aggrieved by grant of final relief of possession by way of the impugned interim award. Hence, the present objection petition under Section 34 of the Act.

5. The disputes between the parties herein pertain to a Lease Deed dated 18.01.2021⁴, whereby the Petitioner is the lessee and the Respondents are the owners/landlords/lessors of the demised premises. The Deed was executed for nine years with a lock-in period of 3 years and a monthly rent of Rs. 2,60,000/-. Clause 8 thereunder provides for termination of the said Lease. It is reproduced as follows:

“08. That after the end of the lock-in-period either LESSORS or LESSEE can terminate the lease by giving a 60 day notice to the other party. However, if the LESSEE, at any time, fails to fulfil any of the terms of this lease, the LESSORS can terminate the lease on giving a 30 day notice.”

6. Therefore, both the Petitioner and the Respondent were at liberty to terminate the Deed with a 60-day notice to the other party after the lock-in period expired. However, an additional ground was granted to the Lessors/Respondents which could only be triggered in case of default of any of the terms of the Deed and in such case, they were entitled to terminate the lease with a 30-day notice.

7. Further, Clause 11 of the Deed provides that if the lessee fails to vacate the premises after expiry or termination of the lease, it shall be liable to penalty of Rs. 20,000/- per day till handing over the

³ “demised premises” hereinafter

⁴ “Deed” hereinafter



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possession. It also clarifies that such occupation will not be deemed as an extension of the lease but the lessee would be construed to be in unauthorised occupation of the demised premises. Clause 11 is reproduced as follows:

“That if the LESSEE fails to vacate the said premises upon the expiry of the lease period i.e., on 20th January 2030 or on early termination of the lease due to provisions of para 4, 8, 9, 10 or 13 of this lease agreements then the LESSEE shall pay, a sum of Rs 20,000/- (Rs Twenty thousand only) per day for use and occupation of the said premises. This penal sum shall be payable till the LESSEE hands over vacant and peaceful possession of the said premises to the LESSORS. Also, such occupation by the LESSEE shall not be treated as an extension of the lease but as unauthorized occupation of the said premises.”

8. Due to certain issues relating to the usage of the demised premises, the Respondents issued a Notice dated 14.08.2024 seeking to terminate the lease and gave a 60-day window to the Petitioner for vacating the demised premises. The Petitioner herein, however contested the validity of the said termination in its reply dated 14.10.2024.

9. On account of the issues remaining unresolved, arbitration was invoked for resolution of dispute between the parties.

10. Mr. Moni Cinmoy, learned Counsel appearing for the Petitioner submits that the impugned award is vitiated by patent illegality and is contradictory as the learned Arbitrator held that the declaratory relief sought by the Petitioner in its counter-claim cannot be granted, while in the same breath, observed that the counter-claim was not being determined at that stage.



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11. Mr. Cinmoy further challenges the impugned award on the ground that it simultaneously directs the Petitioner to vacate the premises and also directs the Petitioner to continue to pay rent to the Respondent. According to the learned Counsel, these two directions cannot co-exist.

12. It is contended on the strength of Section 113 of the Transfer of Property Act, 1882⁵ that the termination notice stands waived in view of the demand and receipt of rent after expiry of the notice period.

13. It was submitted that the learned Arbitrator, *vide* order dated 07.08.2026 framed six issues and decided the issue of possession without leading evidence. Mr. Cinmoy vehemently challenges the aforesaid procedure followed by the learned Tribunal, particularly since the Petitioner had categorically disputed the validity of the termination notice.

14. Mr. Cinmoy submits that the termination notice was disputed primarily because the Respondents alleged breaches on part of the Petitioner in the said notice. The learned Counsel also seeks to challenge the stipulation of 57 days by the learned Arbitrator to hand over possession. According to him, the same is arbitrary and lacks cogent basis.

15. Mr. Cinmoy seeks to distinguish the facts of the present case from ***Getwell Healthcare (P) Ltd. v. Santosh Sahi (Dr)***⁶ on three

⁵ “TPA” hereinafter

⁶ 2026 SCC OnLine Del 5537



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counts: (i) The Petitioner continues to pay rent at the stipulated rates, (ii) there is a specific challenge to the termination notice by the Petitioner and, (ii) evidence was not led before the impugned award was rendered.

16. I have heard the learned Counsel for the Petitioner and perused the material on record. I am not inclined to allow the present objection petition for the reasons to follow.

17. At the outset, Section 31(6) of the Act along with ***IFFCO Ltd. v. Bhadra Products***⁷ and ***MCM Worldwide (P) Ltd. v. Construction Industry Development Council***⁸ clarify that the learned Arbitrator is empowered to render an interim award under Section 31(6) of the Act at any stage of the arbitral proceedings on any subject matter. An award would identify as an interim award if the subject matter so decided cannot be re-adjudicated by the Tribunal at the stage of the final award. Such an award is undoubtedly amenable to challenge under Section 34 of the Act.

18. Moving further, in the considered opinion of this Court, the instant matter does not warrant interference at this stage. It is trite that under Section 34 of the Act, this Court does not sit in appeal over the decision of the Arbitrator and cannot substitute its view merely because another view is plausible. This Court undoubtedly cannot re-appreciate evidence and it is the Arbitrator who is the final authority on questions of facts.

⁷ (2018) 2 SCC 534

⁸ 2026 SCC OnLine SC 717



19. The TPA defines “lease” under Section 105 as follows:

“105. Lease defined.—A lease of immoveable property is a transfer of a right to enjoy such property, made for a certain time, express or implied, or in perpetuity, in consideration of a price paid or promised, or of money, a share of crops, service or any other thing of value, to be rendered periodically or on specified occasions to the transferor by the transferee, who accepts the transfer on such terms.”

20. Section 108 of the TPA stipulates the rights and liabilities of a lessor and lessee. With respect to the lessee, it explicitly mandates as follows:

“(q) on the determination of the lease, the lessee is bound to put the lessor into possession of the property.”

21. In the present case, there is an admitted relationship of lessor and lessee between the Petitioner and the Respondents. Further, the existence of the termination clause under Clause 8 of the Deed is not disputed. While the Petitioner contested the termination notice, the learned Arbitrator held that the termination notice was held to be valid and found that no sufficient ground existed to vitiate the said notice.

22. Before the learned Arbitrator, the Petitioner challenged the validity of the termination notice and also contended that it made significant financial investment in the demised premises. The Petitioner further urged that negotiations were underway for execution of a Memorandum of Understanding for further development and expansion of the demised premises.

23. In this light, the learned Arbitrator returned the following



findings:

“24. Before advertizing to the rival legal submissions, it would be apposite to notice certain foundational facts which are either admitted by the parties or emerge from the record without any substantial dispute. The execution of the Lease Deed dated 18.01.2021, the relationship of lessors and lessee between the parties, the existence of Clause 8 of the Lease Deed, and the issuance of the Notice dated 14.08.2024 are not in dispute. It is also not disputed that the Respondent received the said Notice and furnished a detailed reply dated 14.10.2024 challenging the legality of the termination. Accordingly, the controversy before this Tribunal does not concern the existence or receipt of the Notice of Termination but the legal consequences flowing therefrom.

27. A plain reading of the aforesaid clause indicates that the parties consciously incorporated two distinct contractual mechanisms for determination of the Lease Deed. The first confers a reciprocal contractual right upon either the Lessors or the Lessee to terminate the Lease Deed after expiry of the lock-in period by serving a notice of sixty (60) days upon the other party. The second enables the Lessors to terminate the Lease Deed upon thirty (30) days' notice in the event of failure on the part of the Lessee to comply with the terms of the Lease Deed.

28. These two stipulations operate in entirely different fields. While the first stipulation is predicated solely upon the expiry of the lock-in period and the issuance of a sixty (60) days' notice, the second is founded upon an alleged breach of the terms of the Lease Deed by the Lessee. The conditions governing the exercise of the two contractual rights are, therefore, materially distinct and cannot be conflated.

30. At the outset, the Respondent contended that the arbitration agreement had been invoked prior to the expiry of the lock-in period and, therefore, the Lease Deed could not have been terminated. I find no merit in the said contention. Clause 8 provides an independent contractual right to terminate the Lease Deed and cannot be linked to the timing of invocation of the arbitration agreement. The prior invocation of arbitration has no bearing on the validity of the termination effected by the Claimants under Clause 8 of the Lease Deed.



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32. It is true that the Notice dated 14.08.2024 narrates various allegations made by the Claimants against the Respondent in relation to the use of the Demised Premises and the alleged breaches of the Lease Deed. However, the operative portion of the Notice specifically states that "as a matter of abundant caution and without getting into the aspect of breach of the Lease Deed, for the moment," the Lease Deed stood terminated and would come into effect upon expiry of sixty (60) days from the date of the Notice.

33. Notwithstanding the factual narration contained in the earlier part of the Notice, the operative act of termination was not made contingent upon proof of the alleged breaches. The contractual right actually exercised by the Claimants was the right of termination available under the first limb of Clause 8 of the Lease Deed.

34. The Claimants clearly elected the contractual remedy available to them under the first limb of Clause 8, notwithstanding the other allegations.

35. It is also not in dispute that the Notice dated 14.08.2024 was received by the Respondent. The Respondent, in fact, furnished a detailed reply dated 14.10.2024 dealing with the allegations contained therein. Consequently, neither the issuance nor the receipt of the Notice of Termination constitutes a disputed question before this Tribunal."

24. Therefore, it is evident from the impugned award that the following were not in dispute:

- (i) Existence of the Lease Deed dated 18.01.2021;
- (ii) Clause 8 for termination under the Deed;
- (iii) Relationship of lessor and lessee *inter se* the parties; and
- (iv) Issuance and receipt of the termination notice dated 14.08.2024 by the Respondents to the Petitioner.



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25. Therefore, the question before the learned Arbitrator was only with respect to validity of the aforesaid termination notice and its consequential effects in law.

26. In this regard, the learned Arbitrator examined whether there existed any cogent defences to the said termination and found as follows:

“38. A careful examination of the Statement of Defence, the Counter Claim, the Reply dated 14.10.2024 to the Notice of Termination and the written submissions filed on behalf of the Respondent shows that the Respondent has consistently challenged the legality and propriety of the termination. The Respondent has pleaded that the termination is wrongful, illegal and liable to be declared null and void. It has further been contended that substantial investments were made in the Demised Premises. The Claimants were aware of and encouraged the expansion and commercialization undertaken by the Respondent and the Respondent has suffered and would continue to suffer grave prejudice if possession of the Demised Premises is directed to be handed over.

39. The aforesaid pleadings undoubtedly disclose disputes between the parties which shall require adjudication during the course of the arbitral proceedings. However, the existence of disputes, by itself, does not conclude the enquiry before this Tribunal. The Tribunal is required to examine whether the disputes so raised constitute a legal impediment to the operation of the contractual right of termination exercised by the Claimants under Clause 8 of the Lease Deed.

40. In this regard, it is significant to note that the Respondent has not disputed the execution of the Lease Deed or the existence of Clause 8. It is also not the Respondent's case that the lock-in period had not expired on the date of issuance of the Notice of Termination. Equally, the Respondent has not denied receipt of the Notice dated 14.08.2024; rather, the same was replied to vide communication dated 14.10.2024.

41. More importantly, no plea has been raised by the Respondent that the contractual right contained in the first limb of



Clause 8 stood extinguished, modified or rendered inoperative by any subsequent agreement between the parties. There is no plea of novation of the Lease Deed, waiver of the contractual right of termination or modification of the termination mechanism incorporated under Clause 8. Likewise, no case has been set up that the contractual requirement of issuance of sixty (60) days' notice was not complied with.

42. Much emphasis has been placed by the Respondent on the discussions that allegedly took place between the parties regarding the execution of a fresh Memorandum of Understanding for further development of the Demised Premises and expansion of the existing clinic into a hospital. However, the said discussions do not advance the Respondent's case. Admittedly, no subsequent Memorandum of Understanding was ever executed and the negotiations did not fructify into any binding agreement.

43. On the contrary, the very fact that the Respondent was actively negotiating for a fresh arrangement governing the future development and use of the Demised Premises indicates that the Respondent was conscious that the existing Lease Deed did not confer an absolute or indefeasible right to continue in occupation for the entire nine-year period irrespective of its terms. The negotiations, therefore, do not dilute the contractual right of determination expressly reserved under the Lease Deed; rather, they reinforce the understanding that the continuation of the relationship beyond the agreed contractual framework was dependent upon a fresh consensus between the parties, which admittedly never came into existence. Therefore, the Claimants were entitled to invoke the first limb of Clause 8.

44. In view of Clause 6 of the Lease Deed, the fit-out works undertaken by the Respondent formed part of the contractual arrangement between the parties and cannot, by themselves, constitute the basis for any independent claim for reimbursement beyond what is stated in the Lease Deed, which alone determines the relationship between the parties.

45. The principal thrust of the Respondent's challenge is that the termination is unjustified in view of the surrounding circumstances, including the investments made by the Respondent, the alleged assurances extended by the Claimants, the conduct of the parties during the subsistence of the Lease Deed and the allegations of breach made against the Respondent. These are undoubtedly matters which may have a bearing upon the Respondent's claims for declaration, damages and other consequential reliefs. However, they do not, by themselves,



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constitute a contractual defence to the exercise of the independent right of termination available to either party under the first limb of Clause 8.

48. In *Naseem Ahmed v. Deepak Singh*, relied upon by the Claimants, the Hon'ble Court held that the foundational facts necessary for the determination of possession are, namely:

- a. the existence of the jural relationship of lessor and lessee between the parties;
- b. the determination of the tenancy or lease in accordance with law or the terms governing the relationship between the parties; and
- c. the continued occupation of the premises by the lessee notwithstanding such determination.

Once these foundational facts stand established and no substantial contractual defence survives in relation thereto, the issue of possession becomes capable of independent adjudication, leaving the remaining disputes between the parties to be decided during the course of the arbitral proceedings.

50. The Claimants have also placed reliance upon *Rajasthan Breweries Ltd. v. Stroh Brewery Company and Overnite Express Limited v. Delhi Metro Rail Corporation*, 2020 SCC OnLine Del 2093. The principle emerging therefrom is that rights arising under determinable contracts ordinarily cannot be specifically enforced once the contractual right of determination has been validly exercised. The observations contained therein lend support to the proposition that where the contract itself confers a right of determination upon the parties, the consequences flowing from the valid exercise of such contractual right must ordinarily be given effect to in accordance with the terms of the agreement. The parties are bound by the contractual rights and obligations negotiated and agreed between them, and the consequences flowing from the exercise of an agreed right of termination must ordinarily follow.

53. I have examined the Statement of Defence, the Counter Claim, the Reply dated 14.10.2024 to the Notice of Termination and the written submissions filed on behalf of the Respondent in their entirety. The disputes raised by the Respondent principally concern



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the alleged conduct of the Claimants, the representations said to have been made, the investments undertaken by the Respondent in the Demised Premises and the monetary consequences flowing from the termination. However, I do not find any plea which, prima facie, displaces the operation of the contractual right of termination contained in the first limb of Clause 8 of the Lease Deed. The Respondent has neither disputed the expiry of the lock-in period nor pleaded novation, waiver, modification of the Lease Deed or any contractual circumstance rendering the first limb of Clause 8 inoperative.”

27. This Court is in agreement with the findings of the learned Arbitrator.

28. The Deed explicitly provides that the relationship between the Petitioner and Respondents is of lessee and lessor. It is further evident from a plain reading of Clause 8 of the Deed that termination could be done in two ways. The first being after expiry of the lock-in period i.e. 3 years, either party could terminate the lease with a 60-day notice. Pertinently, this route was not dependent or contingent on any pre-requisite or future event. The second route was available solely to the lessors/Respondents i.e. in case of any breach by the lessee, they would be entitled to seek termination with a 30-day notice. It is evident from the termination notice that the Respondent exercised the first option which is not contingent on any condition. The relevant portion of the termination notice is as follows:

“4. As per the Lease Deed, a lock-in period of 3 years was contemplated from 18 January 2021 till 17 January 2024, which has already expired. After the expiry of the lock-in period, any party to the Lease Deed was at liberty to terminate the lease by giving a 60 days’ notice period to the other party. However, the Lease Deed also provided that if You, the Noticee, does not fulfil any of the terms of the Lease Deed, then Our Clients can terminate



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the lease by giving a 30 days' notice period.

5. It is also pertinent to state here that as per the Lease Deed, any structural additions or modifications or any alteration of temporary nature had to be made after taking prior written approval from Our Clients. Further, the Lease Deed provided that You, the Noticee, shall use the demised premises only for residential purposes and for permissible professional activities as per applicable laws, bye laws, rules and regulations of Municipal Corporation of Delhi ('MCD') and other concerned authorities.

6. It is a matter of record that:

a. You, the Noticee, carried out construction without any approval of Our Clients and in contravention of the terms of the orders of the High Court of Delhi. To that end, an application for disobedience of the injunctive order is pending;

b. You, the Noticee violated are continue to be in violation of the bye laws of MCD by running a clinic well over the permissible limit as per the said bye laws.

8. As a matter of abundant caution and without getting into the aspect of breach of the Lease Deed, for the moment, Our Clients hereby terminate the Lease Deed which would come into effect after a period of 60 days. Should you not vacate the demised premises, Our Clients would claim mesne profits and all consequential damages, in accordance with law."

(emphasis supplied)

29. Therefore, even though the Respondents allege certain breaches on behalf of the Petitioner, they ultimately exercise their right under the first prong of the termination clause, which was not contingent on any breach or default by the Petitioner. This is also evident by the grant of 60 days instead of 30 days, wherein breach was required to be specified by the lessor.

30. Accordingly, this Court is of the view that the termination



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notice dated 14.08.2024 was valid in terms of the Deed.

31. With respect to the consequences to follow after termination of lease, the Supreme Court in ***Payal Vision Ltd. v. Radhika Choudhary***⁹ held that to determine the question of possession, it would be suffice to establish the existence of lessor-lessee relationship and the termination of the lease, in the following words:

“7. In a suit for recovery of possession from a tenant whose tenancy is not protected under the provisions of the Rent Control Act, all that is required to be established by the plaintiff landlord is the existence of the jural relationship of landlord and tenant between the parties and the termination of the tenancy either by lapse of time or by notice served by the landlord under Section 106 of the Transfer of Property Act. So long as these two aspects are not in dispute the court can pass a decree in terms of Order 12 Rule 6 CPC, which reads as under:

“6. Judgment on admissions.—(1) Where admissions of fact have been made either in the pleading or otherwise, whether orally or in writing, the court may at any stage of the suit, either on the application of any party or of its own motion and without waiting for the determination of any other question between the parties, make such order or give such judgment as it may think fit, having regard to such admissions.

(2) Whenever a judgment is pronounced under sub-rule (1) a decree shall be drawn up in accordance with the judgment and the decree shall bear the date on which the judgment was pronounced.””

(emphasis supplied)

32. Evidently, the aforesaid two conditions are met in the present case.

33. As a matter of fact, before this Court as well, the Petitioner does not dispute the execution of the Deed, the jural relationship, the existence of Clause 8 to the said Deed which envisages termination

⁹ (2012) 11 SCC 405



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and the receipt of the termination notice dated 14.08.2024 issued by the Respondents with a 60-day notice period.

34. Though the Petitioner challenged the validity of the termination of the Deed, the learned Arbitrator duly examined the contentions and arrived at a cogent conclusion, which cannot be faulted. This Court while exercising limited jurisdiction under Section 34 cannot re-appreciate evidence or re-interpret the contract or substitute the learned Arbitrator's view without just cause.

35. Accordingly, in view of the cogent and plausible finding of the learned Arbitrator that the termination notice was valid and the defences advanced by the Petitioner were not sufficiently tenable, the lease stands duly terminated. Upon such valid termination, a lessee turns into an illegal occupant.

36. In the aforesaid view of the matter, this Court in ***Getwell Healthcare (supra)*** held that “...the lease deed stands duly revoked, rendering the Petitioner an illegal occupant. Such wrong cannot be perpetuated merely on account of pendency of proceedings.”

37. Accordingly, in my considered view, the learned Arbitrator was correct in holding that the termination notice was legally valid and once termination is found to be valid, the consequences in law must follow i.e., handing over the possession. Thus, this Court is in full agreement with the direction of the learned Arbitrator.

38. Therefore, while the Petitioner may be entitled to other remedies under law, no ground under Section 34 of the Act is made



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out such as patent illegality going to the root of the matter or violation of public policy of India, etc.

39. That being said, this Court is of the considered view that the impugned interim award does not merit interference once the learned Arbitrator has arrived at a plausible view after considering the material on record before him.

40. Adverting to the submissions advanced on behalf of the Petitioner, Mr. Cinmoy asserted that the learned Arbitrator ought to have led evidence before granting the final relief of possession, the same is not of any avail particularly since the learned Arbitrator arrived at his conclusion after considering the material on record, written submissions and the oral arguments including the Petitioner's challenges to the validity of the termination. It is trite that the learned Arbitrator possesses wide mandate under Section 19 of the Act to conduct arbitral proceedings. In the considered view of this Court, there is no such violation of the principles of natural justice to warrant interference.

41. Further, the Petitioner's challenge to the stipulation of 57 days for handing over vacant and peaceful possession by the learned Arbitrator does not go to root of the matter to enable this Court to intervene under Section 34 of the Act.

42. The reliance placed on Section 113 of TPA by the Petitioner is misconceived since mere payment and/or receipt of rent is not sufficient to constitute waiver of termination; the intention to treat the



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lease as subsisting is material. Accordingly, the surrounding circumstances must be taken into account as well, such as the continued pursuit of eviction, which is evident in the present case from the filing of application under Section 17 and Section 31(6) of the Act by the Respondents.

43. In the present case, the impugned award is restricted to the question of possession and leaves the questions pertaining to damages, compensation, mesne profits open for adjudication by the Learned Arbitrator. Therefore, such direction by itself does not go to root of the learned Arbitrator's finding that the termination was valid and therefore, the Petitioner ought to hand over possession of the demised premises. Accordingly, the same does not fall under ambit of Section 34 of the Act.

44. In view of the foregoing discussion, this Court finds no ground to intervene with the impugned interim award dated 04.08.2026.

45. The petition is, accordingly, dismissed. Pending application(s), if any, also stand disposed of. No order as to costs.

46. Needless to state that the aforesaid observations do not pertain to the learned Arbitrator's decision under the Section 17 application and are only restricted to the interim award under Section 31(6) since the former is not amenable to challenge under Section 34 of the Act.

47. Before parting, with respect to the submission that the learned Arbitrator erroneously directed handing over possession "subject to continued payment of rent", it appears from a perusal that the arbitral



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award is not clear on this aspect and appears to be a typographical error.

48. Parties are at liberty to seek appropriate clarification before the learned Arbitrator and liberty is granted to assail this particular finding before appropriate forum in accordance with law.

OM PRAKASH SHUKLA, J

SEPTEMBER 22, 2026/gunn