



CR-5352-2025 (O&M)

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**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH**

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**CR-5352-2025 (O&M)
Reserved on:- 11.08.2025
Pronounced on :- 18.08.2025**

M/s Swan Genx Projects Pvt. Ltd.

....Petitioner

VERSUS

Navin Talwar and Others

....Respondents

CORAM : HON'BLE MS. JUSTICE MANDEEP PANNU

Present: Mr. Divanshu Jain, Advocate for the petitioner.

Mr. Aditya Jain, Advocate for the respondents.

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MANDEEP PANNU J.

1. The petitioner/tenant has filed the present revision petition under Article 227 of the Constitution of India for setting aside the impugned order dated 06.05.2025 passed by the learned Rent Controller, Ludhiana, dismissing the petitioner's/tenant's (hereinafter referred to as, 'the tenant') application under Section 9 of the Code of Civil Procedure, 1908 (for short, 'CPC') read with Sections 8 & 9 of the Arbitration and Conciliation Act, 1996 for return/dismissal of the eviction petition for want of jurisdiction.

2. It is argued by the learned counsel for the tenant that the respondents/landlords (hereinafter referred to as, 'the landlords'), *Navin Talwar and others*, filed an eviction petition under Section 20(2)(a) read with Schedule VII of the Punjab Rent Act, 1995 and Section 106 of the Transfer of Property Act, 1882 alleging non-payment of rent, other charges, and subletting. The landlords' case is based entirely on a registered lease deed dated 01.11.2017 executed between the parties, which contains an arbitration clause providing that all disputes



relating to tenancy, if not amicably settled, shall be referred to arbitration under the Arbitration & Conciliation Act, 1996. The tenant alleged persistent deficiencies in maintenance services as per the lease, despite repeated requests and assurances from landlords. On 12.03.2024, the landlords served a legal notice for eviction. The tenant invoked the arbitration clause and issued a notice for arbitration. It is further contended by the learned counsel for the tenant that instead of resolving the dispute through arbitration, landlords proceeded with the eviction petition before the Rent Controller. He further argued that the impugned order ignores the arbitration clause and binding lease covenants. Disputes in both proceedings (arbitration and eviction) essentially involve reciprocal contractual obligations; therefore, eviction proceedings should be stayed until arbitral adjudication is complete.

3. In support of his contentions, learned counsel for the tenant has relied upon the judgment of Hon'ble Supreme Court in the case of *Central Warehousing Corporation & Anr. v. Siddharth Tiles & Sanitary Pvt. Ltd. decided on 21.10.2024*, where the Hon'ble Supreme Court held that arbitration is maintainable despite the existence of special statutory provisions of Public Premises Act, 1971 in certain contexts.

4. Learned counsel for the tenant further argued that the Rent Controller failed to appreciate that the tribunal and the eviction petition deal with interlinked disputes arising from the same contract.

5. I have considered this contention of the learned counsel for petitioner/tenant.

6. It is undisputed that the premises in dispute were leased to the tenant under a registered lease deed containing a comprehensive arbitration clause



stipulating that all disputes relating to tenancy, if not amicably settled, shall be referred to arbitration under the 1996 Act. The landlords have initiated eviction proceedings under Section 20(2)(a) read with Schedule VII of the Punjab Rent Act, 1995 and Section 106 of the TPA, alleging non-payment of rent, other charges, and subletting.

7. Learned counsel for the tenant contends that landlords' claim is contractually bound to be adjudicated through arbitration, whereas the learned counsel for the landlords argue that the Punjab Rent Act is a special enactment overriding the Arbitration Act in eviction matters.

8. The relevant portion of the order dated 29.04.2025 passed by the learned arbitral Tribunal reads as follows:-

"11. Section 16 of the Arbitration and Conciliation Act 1996 (the Act of 1996 for short) provides for the arbitral tribunal to rule on its own jurisdiction, including ruling on any objections with respect to the existence or validity of the arbitration agreement. The jurisdiction of the Arbitral Tribunal is limited to decide the claim and counter claims as filed before it, and presently it is only the claims filed before it that have to be adjudicated upon. Consequently, while disposing of this application, it is held that it is for the Rent Authority, Ludhiana to adjudicate whether or not the application filed under Section 9 of the Code of Civil Procedure and Sections 8 and 9 of the Act, 1996, is maintainable or not.

12. Consequently, the application is disposed."

9. The crux of the matter is whether the eviction petition under the Punjab Rent Act, 1995 is barred by the arbitration clause contained in the lease



deed. The Hon'ble Supreme Court in *Central Warehousing Corporation's case (Supra)* held that where disputes involve reciprocal contractual obligations, arbitration may proceed despite other statutory remedies.

10. The Co-ordinate Bench of this Court in *M/s Super Papers and Others Vs. Hitesh Kumar Sahni and Others, [2025(1) R.C.R (Rent) 672]*, has held as under:-

"9. Now the question arises for consideration is as to whether the eviction petition would be filed before the Court of learned Rent Controller or before the Arbitrator. The question is no longer res integra and has been settled by the Supreme Court of India in the case of 'Vidya Drolia and Others v. Durga Trading Corporation', 2021(2) SCC 1 and 'Booz Allen and Hamilton Inc. v. SBI Home Finance Limited and Others', (2011) 5 SCC 532. In the case of 'Vidya Drolia and Others v. Durga Trading Corporation' (supra), the Supreme Court of India has held as under:

"48. Landlord-tenant disputes governed by the Transfer of Property Act are arbitrable as they are not actions in rem but pertain to subordinate rights in personam that arise from rights in rem. Such actions normally would not affect third-party rights or have erga omnes affect or require centralized adjudication. An award passed deciding landlord-tenant disputes can be executed and enforced like a decree of the civil court. Landlord-tenant disputes do not relate to inalienable and sovereign functions of the State. The provisions of the Transfer of Property Act do not expressly or by necessary implication



bar arbitration. Transfer of Property Act, like all other Acts, has a public purpose, that is, to regulate landlord tenant relationships and the arbitrator would be bound by the provisions, including provisions which enure and protect the tenants.

49. In view of the aforesaid, we overrule the ratio laid down in Himangni Enterprises and hold that landlord-tenant disputes are arbitrable as the Transfer of Property Act does not forbid or 63 foreclose arbitration. However, landlord-tenant disputes covered and governed by rent control legislation would not be arbitrable when specific court or forum has been given exclusive jurisdiction to apply and decide special rights and obligations. Such rights and obligations can only be adjudicated and enforced by the specified court/forum, and not through arbitration."

10. Keeping in view the law laid down by the Supreme Court of India and the fact that the instant dispute is governed by the 1995 Act and the Court of Rent Controller has been given the exclusive jurisdiction to decide such disputes, it will be the Rent Controller who will have the jurisdiction to deal with the eviction petition and the matter would not be required to be referred for arbitration. The Court of learned Rent Controller, Ludhiana dealt with the matter from the correct perspective and while noticing that out of Rs. 1.40 Crores which was outstanding, not even a single penny had been paid and by also referring to the settled law on the subject, rejected the application



moved under Section 8 of the 1996 Act. I do not find any illegality or jurisdictional error in the said order warranting interference. The fact that parties had earlier gone in for Arbitration would not also foreclose the filing of an eviction petition in the Court of the Rent Controller as the previous matter was only as regards recovery of rent.

11. Keeping in view the law laid down by the Hon'ble Apex Court and the fact that the Punjab Rent Act is a self-contained code providing for eviction, recovery of rent, and allied matters, and expressly vests such jurisdiction in the Rent Controller, the petitioner's contention that both proceedings involve overlapping issues does not alter the statutory mandate, while financial claims and loss-of-business disputes may be referable to arbitration, the relief of eviction is inherently within the statutory forum's domain. The two proceedings may be parallel but independent.

12. In view of the discussion made herein-above, this Court finds no illegality or perversity in the impugned order dated 06.05.2025 warranting interference under Article 227.

13. Accordingly, the revision petition is dismissed.

14. Pending application(s), if any, also stand disposed off.

August 18, 2025
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(MANDEEP PANNU)
JUDGE

Whether speaking/non-speaking : Speaking
Whether reportable : Yes/No