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

CNR No. DLHC010506452026

+ **O.M.P.(I) (COMM.) 491/2026, & I.A. 29213/2026**

AAKASH EDUCATIONAL SERVICES LIMITED Petitioner

Through: Ms. Manasi Chatpalliwar, Mr. Pranav
Proothi and Ms. Nimisha, Advs.

versus

**VAIBHAV GUPTA, SOLE PROPRIETOR OF M/S SHIVREKKHA
CORPORATIONS** Respondent

Through: None

CORAM:

HON'BLE MR. JUSTICE VINOD KUMAR

ORDER

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16.10.2026

I.A. 29212/2026(Exemption)

1. By way of the present application, petitioner is seeking exemption from serving advance copy of the petition
2. For the reason stated in the application, exemption is allowed.
3. The application is disposed of.

O.M.P.(I) (COMM.) 491/2026 & I.A. 29213/2026

4. Issue notice of the petition and application to respondent and notice be handed over *dasti* to the learned Counsel for the petitioner who should get it served upon the respondent or his representative.
5. Renotify on 25.11.2026.

I.A. 29211/2026 in OMP(I)(COMM) 491/2026

Page 1 of 13

For
Y. Shankar
**Court Master
High Court of Delhi
New Delhi**

I.A. 29211/2026 (seeking appointment of a Local Commissioner)

6. The present application has been filed on behalf of the Petitioner under Section 9(1)(ii)(c) and (e) of the Arbitration and Conciliation Act, 1996 (hereinafter, the "Act"), seeking appointment of a Local Commissioner to inspect the premises of the Respondent's erstwhile franchise centre at Gangapur City, Rajasthan, and to preserve the records, documents and electronic data pertaining thereto.

7. Learned counsel for the Petitioner submits that the Petitioner is engaged in the business of providing coaching for school board examinations, medical and engineering entrance examinations and foundation courses under the brand name "Aakash", both directly and through franchisees. It is submitted that the Respondent, being desirous of running a coaching centre under the Petitioner's brand name, entered into a Franchise Agreement dated 24.01.2025, pursuant to which the Respondent was granted a revocable, non-exclusive, limited and non-transferable licence to operate a coaching centre at 1, Aakash Tower, Khasra No. 5752, New Mandi Ke Pass, Karmchari Colony, College Road, Gangapur City, District Sawai Madhopur, Rajasthan – 322201 (hereinafter, the "Franchise Centre").

8. Learned counsel for the Petitioner submits that, in terms of Clause 3.5 of the Franchise Agreement, the Respondent was required to collect fees and security deposits from students on behalf of the Petitioner and deposit the amounts so collected into the Petitioner's designated bank account within 48 hours. It is further submitted that Clauses 4.5 and 7.9 of the Franchise Agreement entitled the Petitioner to inspect and audit the books of accounts, receipts and other records maintained at the Franchise Centre.

for Y. Shankar
Court Master
High Court of Delhi
New Delhi

9. It is submitted that from April 2026 onwards, the Respondent failed to deposit the fees collected from students and did not regularly report the collections to the Petitioner. Learned counsel further submits that the Respondent issued self-generated receipts in the Petitioner's name and failed to furnish complete information regarding the number of students enrolled at the Franchise Centre and the fees collected from them. It is contended that the Respondent has failed to deposit the amounts collected from more than 100 students, in breach of the terms of the Franchise Agreement.

10. Learned counsel for the Petitioner submits that, in June 2026, an amount of Rs.10,00,000/- was processed as an advance against the Respondent's future service-charge payouts, upon the Respondent representing that it was facing a cash crunch. It is submitted that the said advance remains unadjusted. Learned counsel further submits that, as per the Petitioner's records, an amount of Rs.2,30,04,960/- is outstanding against the Respondent, comprising outstanding student fees, the aforesaid advance, outstanding invoices and TDS, after adjustment of the service charges payable to the Respondent.

11. Learned counsel for the Petitioner further submits that a show-cause notice dated 10.08.2026 was issued to the Respondent, setting out various defaults, including non-deposit of student fees, failure to provide student-related information, admissions below the prescribed minimum selling price without approval and failure to respond to the Petitioner's communications. It is submitted that the Respondent, by its reply dated 17.08.2026, attributed the disputes to alleged issues concerning access to the Petitioner's systems and also raised certain claims against the Petitioner. Thereafter, further communications were exchanged between the parties in an attempt to


Court Master
High Court of Delhi
New Delhi

resolve their disputes.

12. Learned counsel for the Petitioner submits that, in exercise of its contractual rights under Clauses 4.5 and 7.9 of the Franchise Agreement, the Petitioner intimated the Respondent by e-mail dated 29.09.2026 that its internal audit team would conduct a physical audit of the Franchise Centre from 29.09.2026 to 30.09.2026, extendable, if required, until 01.10.2026. It is submitted that the proposed audit was to cover student enrolments, fee collections, concessions, banking transactions, outstanding fees, attendance records, study material and inventory.

13. Learned counsel for the Petitioner submits that, when the audit team visited the Franchise Centre on 29.09.2026, the Respondent and its staff obstructed the audit. It is alleged that certain persons present at the premises forcibly took away registers, diaries and audit materials; a laptop containing student information was removed from the premises; the audit team was prevented from examining the relevant records and speaking to students; and the staff refused to furnish the requisite cash, banking and other details. Learned counsel submits that the aforesaid events have been recorded in the contemporaneous e-mails and reports prepared by the audit team, copies whereof have been placed on record.

14. Learned counsel for the Petitioner further submits that the Respondent, by an e-mail dated 30.09.2026, disputed the Petitioner's account of the audit and raised grievances concerning the manner in which the audit was conducted and access to the Petitioner's systems. It is submitted that the Petitioner thereafter issued a second show-cause notice dated 01.10.2026, calling upon the Respondent to explain the alleged defaults and furnish the complete particulars of the outstanding amounts and

student-wise fee deposits. Learned counsel submits that, in its reply dated 03.10.2026, the Respondent disputed its liability for fees allegedly not collected, claimed that the amounts collected had been remitted and attributed the issuance of unauthorised receipts to an unknown individual. It is contended that the Respondent nevertheless failed to furnish the complete student-wise fee-deposition records sought by the Petitioner.

15. Learned counsel for the Petitioner submits that, upon reconciliation of the fees payable by students enrolled at the Franchise Centre against the amounts collected and deposited with the Petitioner, an amount of Rs. 2,13,77,967/- remains outstanding towards student fees. It is contended that the actual number of students enrolled, the fees collected from them and the amounts deposited with the Petitioner can be ascertained only upon examination of the records maintained by the Respondent. Learned counsel submits that the audit could not be completed owing to the alleged obstruction by the Respondent and that the relevant records continue to remain in the Respondent's possession, custody or control.

16. Learned counsel for the Petitioner further submits that the Franchise Agreement was terminated with immediate effect by notice dated 14.10.2026. It is submitted that, by the said notice, the Respondent was called upon to discontinue the use of the Petitioner's brand name and proprietary material, cease collecting fees in the Petitioner's name, hand over the relevant student data and records, preserve the records and electronic data relating to the Franchise Centre, furnish a complete student-wise breakup of the fees collected and deposited, and pay the amounts claimed by the Petitioner.

17. Learned counsel for the Petitioner submits that, in view of the

For 
Court Master
High Court of Delhi
New Delhi

termination of the Franchise Agreement and the events surrounding the audit dated 29.09.2026, the Petitioner has a reasonable apprehension that the Respondent may destroy, delete, alter, conceal or remove the records and electronic data pertaining to the Franchise Centre. It is contended that the said records constitute material evidence for the adjudication of the disputes between the parties and would be required for the effective prosecution of the Petitioner's claims in the arbitral proceedings.

18. Learned counsel for the Petitioner submits that Clause 8.3 of the Franchise Agreement provides for reference of disputes arising out of the agreement to a sole arbitrator under the provisions of the Act, with the arbitration proceedings to be conducted in Delhi. It is submitted that the Petitioner intends to invoke arbitration and undertakes to commence the arbitral proceedings within the period stipulated under Section 9(2) of the Act.

19. In these circumstances, learned counsel for the Petitioner submits that the records sought to be inspected are directly relevant to the disputes between the parties, particularly the question of the fees collected by the Respondent and the amounts deposited with the Petitioner. It is contended that, unless the records are identified, inspected and preserved at the earliest, there is a genuine apprehension that the material required for the arbitral proceedings may be lost or rendered unavailable.

20. Learned counsel for the Petitioner submits that the records sought to be inspected are directly relevant to the disputes between the parties, particularly the question of the fees collected by the Respondent and the amounts deposited with the Petitioner. It is contended that, unless the records are identified, inspected and preserved at the earliest, there is a

Sd/-
Shankar
Court Master
High Court of Delhi
New Delhi

genuine apprehension that the material required for the arbitral proceedings may be lost or rendered unavailable. It is, therefore, prayed that a Local Commissioner be appointed to visit the Franchise Centre and carry out the inspection and preservation exercise in terms of the accompanying application.

21. I have considered the submissions advanced on behalf of the Petitioner and perused the material placed on record.

22. Section 9(1)(ii)(c) of the Act empowers the Court to grant interim measures for the detention, preservation or inspection of any property or thing which is the subject matter of the dispute in arbitration or as to which any question may arise therein. The provision further authorises the Court to permit a person to enter upon any land or building in the possession of a party for the purposes specified therein, including obtaining information or evidence which may be necessary or expedient for the effective adjudication of the dispute.

23. The scope of the aforesaid provision came to be considered by a Division Bench of this Court in ***Prima Developers v. Lords Co-operative Group Housing Society Ltd.***, FAO(OS) No. 164/2009, decided on 08.05.2009, reported as **ILR (2009) V Delhi 840**. In the said case, the dispute arose out of a construction contract, and the question before the Court concerned the appointment of a Local Commissioner for recording measurements of the work executed at the site.

24. The Division Bench, while considering the scope of Section 9 of the Act, observed in paragraph 7 as follows:

"Section 9, thus, expressly permits the inspection of the property which is the subject matter of dispute for obtaining full information or evidence. Thus, what was denied by the learned Single Judge was

So V Shankar
I.A. 29211/2026 in OMP(I)(COMM) 491/2026
Court Master
High Court of Delhi
New Delhi

specifically permitted by Section 9. In fact, Section 9 even permits obtaining of evidence which practice was frowned upon by the learned Single Judge as being impermissible in a Section 9 application. Accordingly, we are of the view that denial of the appointment of a local commissioner has been occasioned by the learned Single Judge losing sight of the clear mandate of Section 9 of the Act and cannot be sustained. The appointment of a local commissioner in respect of a construction dispute was not only permissible in law but indeed desirable."

25. The aforesaid judgment recognises that appointment of a Local Commissioner for inspection and recording of material relevant to the disputes between the parties is within the powers of the Court under Section 9 of the Act.

26. In the present case, the records sought to be inspected comprise student registers, admission forms, attendance records, receipt books, cash diaries, daily fee collection reports, bank-deposit records, books of accounts, correspondence and electronic data relating to the Franchise Centre. The Petitioner alleges that the Respondent collected fees from students but failed to deposit the same with the Petitioner, and that the complete particulars of such collections and deposits have not been furnished.

27. It is also material to note that, according to the Petitioner, the amount claimed is based on its own records and remains subject to verification of the records maintained by the Respondent. The Petitioner further alleges that its attempt to conduct an audit on 29.09.2026 was obstructed and that certain registers, diaries and a laptop containing student information were removed from the premises. These circumstances, if considered in conjunction with the nature of the records sought to be preserved, provide a basis for an independent inspection to safeguard the material relevant to the


Court Master
High Court of Delhi
New Delhi

contemplated arbitration.

28. In view of the nature of the records sought to be preserved, their relevance to the disputes between the parties and the circumstances pleaded by the Petitioner concerning the attempted audit, this Court is of the view that appointment of a Local Commissioner for the limited purpose of inspection and preservation of the relevant records is warranted. Such an exercise would be consistent with the scope of Section 9(1)(ii)(c) of the Act and the principles laid down by the Division Bench in *Prima Developers* (supra).

29. Accordingly, Mr. Sidharth Kuhar, Advocate, (Enrolment No. D/6756/2018 having Mobile No. 9871897460 and e-mail ID sidharth.kuhar@gmail.com) is appointed as Local Commissioner to visit the Franchise Centre situated at 1, Aakash Tower, Khasra No. 5752, New Mandi Ke Pass, Karmchari Colony, College Road, Gangapur City, District Sawai Madhopur, Rajasthan – 322201, for the purpose of inspecting, identifying and preserving the records and material pertaining to the Petitioner's franchise centre with the following mandate and directions:

- I. Learned Local Commissioner shall record the names, designations and contact particulars of all persons present at the premises, including the Respondents' proprietor and the persons named in the audit report dated 29.09.2026.
- II. Learned Local Commissioner shall search for, identify and prepare a detailed inventory of the Records, namely all student registers, admission forms, attendance registers, cash diaries, fee receipt books (including any self-generated or unauthorised receipts in the name of the Petitioner), daily fee collection

reports, bank deposit slips, books of accounts, test and result records, and all other documents relating to the operations of the Franchisee Centre since 01.04.2026, wherever found at the premises, including in locked rooms, cupboards, lockers and vehicles, and to break open any lock if access is denied and to take the same into his custody or in the alternative to make copies of all the record so found.

- III. Direct the Local Commissioner to inspect the laptops, desktops and storage devices found at the premises and used for the operations of the Franchisee Centre and to copy therefrom, on to a blank external storage media supplied by the Petitioner, all data relating to the Franchisee Centre, including student, attendance and fee data, spreadsheets and accounting data, in the presence of the Respondent or its representative.
- IV. Local Commissioner shall take photographs and record all QR codes, UPI IDs, bank account details and payment links displayed or used at the premises for collection of fees from students.
- V. Local Commissioner shall record the particulars of every bank account, UPI ID and payment application into which fees from students of the Franchisee Centre have been received since 01.04.2026.
- VI. Local Commissioner shall obtain the CCTV/DVR system installed at the Franchisee Centre, copies of the recordings from 13.09.2026 until the date of execution of the commission, to seal the same, and, if copies cannot be made on site, to seal the

Y. Shankar
Court Master
High Court of Delhi
New Delhi

DVR/hard disk and take the same into custody for deposit with the Registrar General of this Hon'ble Court.

VII. Local Commissioner shall record, photograph and videograph the state of the premises, including whether classes are being conducted, the number of students, teachers and staff present and the batches being run, and to record the statement of any person present who is willing to make one.

VIII. Local Commissioner shall videograph the entire execution of the commission, and to record in the report any refusal, obstruction, non-cooperation or removal or concealment of Records or devices by the Respondent, its proprietor, employees or agents, along with the names of the persons concerned.

IX. The Station House Officer, Police Station, District Sawai Madhopur, Rajasthan, and the Superintendent of Police, Sawai Madhopur shall render all assistance and protection to the Local Commissioner and the Petitioner's representatives for the execution of the commission, including by deputing adequate police personnel at the premises for the duration of the execution.

X. For the execution of the commission, the Local Commissioner shall be entitled to a lum-sum fee of Rs.4,00,000/- (Rupees Four Lakhs only) in addition to any out-of-pocket and other expenses towards travel, lodging and boarding etc. as may be required to be incurred for the execution of the commission. All such expenses incurred by the Local Commissioner shall be

Dr. Zhankeel
Court Master
High Court of Delhi
New Delhi

borne and paid for by the Petitioner, including any other miscellaneous expenses that may arise. The Petitioner shall make all requisite arrangements for travel, lodging and boarding of the Local Commissioner, as may be required, at the Petitioner's cost and expense.

- XI. The Local Commissioner's fee shall be paid in advance before the execution of the commission.
 - XII. The commission shall be executed within a period of two weeks from today and a report shall be filed within two weeks thereafter, with a copy to the Petitioner's Counsel.
 - XIII. If the Respondent does not cooperate with the Local Commissioner, the Local Commissioner would be authorized to seize laptops, desktops, CPUs, hard drives, payment devices and other storage device, electronic gadget used for storing and maintaining the business records of the Respondent as well as all the account books, ledgers, deposit slips, test result records and all other relevant documents and seal them under his signature and then he shall hand over the same to Respondent on *superdari*.
 - XIV. Local Commissioner shall make an inventory of all the aforesaid articles so seized and handed over a copy of the same to the respondent or his representative. The Respondent shall keep the said articles in his custody and shall produce the same without tempering before this Court or before the arbitrator as and when required or directed.
30. The application is accordingly allowed.

for
Shankar
Court Master
High Court of Delhi
New Delhi

31. Copy of the order be given *dasti* under the signatures of Court Master.

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VINOD KUMAR, J

OCTOBER 16, 2026/ss

By 
Court Master
High Court of Delhi
New Delhi