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

+ **ARB.P. 486/2025**

HOTEL HANS PRIVATE LIMITED AND ORSPetitioners

Through: Mr. Ajay Sondhi, Mr. Harsh Singhal,
Ms. Ananya Bhardwaj and Mr. Raghav Sharma,
Advocates.

versus

K7 GROUP HOSPITALITY PRIVATE LIMITED AND ORS

.....Respondents

Through: None.

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+ **O.M.P.(I) (COMM.) 80/2025**

HOTEL HANS PRIVATE LIMITED & ORS.Petitioners

Through: Mr. Ajay Sondhi, Mr. Harsh Singhal,
Ms. Ananya Bhardwaj and Mr. Raghav Sharma,
Advocates.

versus

K7GROUP HOSPITALITY PRIVATE LIMITED & ORS.

.....Respondents

Through: None.

CORAM:

HON'BLE MS. JUSTICE JYOTI SINGH

ORDER

31.07.2025

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1. This petition is filed on behalf of the Petitioners under Section 11(6) of the Arbitration and conciliation Act, 1996 ('1996 Act') for appointment of the Sole Arbitrator.



2. To the extent necessary, case of the Petitioners is that a Lease Deed was executed between the Petitioners and Respondent No. 1 on 05.07.2022 for a period of 9 years for using part of the 3rd Floor and terrace of plot Nos. 1, 2, 3, 4, 5, 6 & 7 at LSC, Lado Sarai, New Delhi for the sole purpose of running and operating a restaurant by the name 'Silly'. Lease Deed was duly registered on 11.07.2022 and two separate Deeds of Guarantee were executed by Respondents No. 2 and 3 in favour of the Petitioners.

3. It is averred in the petition that in October, 2023, Respondent No. 1 requested the Petitioners to extend the time for paying the monthly rent for October, 2023 and to deposit the PDCs for October, 2023 in the month of November, 2023. In November, 2023, Respondents again reached out to the Petitioners seeking further time to pay the rent and other charges for the two months stating that they were unable to make payments till end of December, 2023/January, 2024. Petitioners later deposited 8 PDCs signed by Respondent No. 3 on behalf of Respondent No. 1 and all the cheques were dishonoured on presentation with the remark 'funds insufficient'.

4. Petitioners aver that a statutory notice was sent to the Respondents on 14.12.2023 under Section 138 of Negotiable Instruments Act, 1881 read with Section 141 on account of dishonour of cheques, to which reply was sent on 21.12.2023 by the Respondents, setting up false defences. Between 19.12.2023 and 22.12.2023, Respondents paid the outstanding dues for the months of October/November, 2023 but again defaulted in paying the rent for March, 2024. Finally, the rent was paid on 24.04.2024. The defaults continued for subsequent months also and finally Petitioners invoked the arbitration clause incorporated in the Lease Deed by sending an invocation notice on 01.02.2025, proposing the name of a former Judge of this Court to



be the Sole Arbitrator and also filed a petition under Section 9 of 1996 Act to secure the amounts due towards rent, mesne profits etc. There was no response from the Respondents and hence the present petition was filed.

5. Notice was issued to the Respondents on 18.03.2025, returnable on 09.04.2025 on which date despite service through Speed Post and courier as also through electronic mode, Respondents did not appear. In the interest of justice, fresh notice was issued, returnable on 16.05.2025, however, on the returnable date, there was no appearance on behalf of the Respondents, despite service. In the interest of justice, adverse order was deferred, making it clear that if Respondents were unrepresented on 31.07.2025, they shall be set *ex parte*.

6. None appears for the Respondents even today. It is apparent that they are not interested in contesting the petition and are set *ex parte*.

7. The Lease Deed executed between the parties contains an arbitration clause 10.1 envisaging reference of disputes arising out of the said agreement to arbitration by a Sole Arbitrator to be appointed with the mutual consent of the parties. Petitioner invoked arbitration by notice dated 01.02.2025 under Section 21 of 1996 Act proposing the name of a former Judge of this Court to be the Sole Arbitrator. However, despite service, Respondents failed to agree to Arbitrator. Since Respondents have chosen to remain absent from the proceedings, existence of arbitration clause is undisputed. In light of the judgment of the Supreme Court in ***SBI General Insurance Co. Ltd. v. Krish Spinning, 2024 SCC OnLine SC 1754***, Court finds no impediment in appointing a Sole Arbitrator to adjudicate the disputes between the parties.



8. Accordingly, Mr. Justice M.L. Mehta, former Judge of this Court (Mobile No. 9910384620) is appointed as Sole Arbitrator. Fee of the Arbitrator shall be fixed as per Fourth Schedule of 1996 Act.

9. Learned Arbitrator shall give disclosure under Section 12 of the 1996 Act before entering upon reference.

10. It is made clear that this Court has not expressed any opinion on the merits of the case and all rights and contentions of the respective parties are left open.

11. Petition is disposed of in the aforesaid terms.

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12. This petition is filed on behalf of the Petitioners under Section 9 of the 1996 Act seeking certain interim reliefs.

13. Without expressing any opinion on the merits of the case, this petition is disposed of requesting the learned Arbitrator to treat this petition as an application under Section 17 of 1996 Act and take up the same for consideration as expeditiously as possible after entering upon reference.

14. Digital record of this petition will be transmitted to the learned Arbitrator by the Registry within three weeks from today.

JYOTI SINGH, J

JULY 31, 2025/shivam