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IN THE HIGH COURT OF DELHI AT NEW DELHI

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ARB.P. 782/2025

RUPA GUJRAL & ANR.

.....Petitioners

Through: Ms. Shreya Sethi, Mr. Anirudh
Bhatia, Advs.

versus

SANJIV KOHLI

.....Respondent

Through: Mr. Saurav Agrawal, Adv.

CORAM:

HON'BLE MR. JUSTICE JASMEET SINGH

ORDER

25.09.2025

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1. This is a petition filed under Sections 11(5) & (6) of the Arbitration and Conciliation Act, 1996 seeking appointment of a Sole Arbitrator to adjudicate the disputes between the parties arising out of the Partnership Deed dated 18.08.1975 and the Retirement Deed dated 28.11.1990.
2. The brief facts are that the petitioners and the respondent were partners in a firm running a restaurant under the name and style of "M/s Moti Mahal Delux" to be carried on at E-32, NDSE-II, New Delhi – 110049
3. The Partnership Deed was dissolved and a Retirement Deed dated 28.11.1990 was executed, wherein the petitioners retired from the Partnership Deed.
4. The Retirement Deed and Partnership Deed contain arbitration clauses, being Clause Nos. 8 and 19, respectively, which read as under:



Clause 8 of the Retirement Deed:

“8. That the Continuing and Retiring Partners shall co-operate with each other relating to the business of the firm that are mutually beneficial. Any dispute that may arise between the Continuing Partners and Retiring Partners about the interpretation of the deed or their rights thereunder or in relation to any other matter whatsoever touching the partnership firm shall be referred to Shri T.R. Chadha, Chartered Accountant, New Delhi under the provisions of the Indian Arbitration Act that is in force at the applicable time and the award of the Arbitrator shall be fully binding on all the parties. In the event of Mr. T.R. Chadha, Chartered Accountant not being available, the matter shall be referred to the sole arbitration of Mr. Santosh Gadia, Chartered Accountant whose decision shall be final and binding on all the parties.”

Clause 19 of the Partnership Deed:

“19. All disputes which shall arise between the partners or their legal representatives about the interpretation of the Deed or their rights or liabilities thereunder or in relation to any other matter whatsoever touching the partnership affairs shall be referred to Shri T.R. Chadha, Chartered Accountant, New Delhi under the provisions of the Indian Arbitration Act and in the event of his being not available to such other person who may be mutually agreed upon by the



partners.

5. It is the contention of Ms. Sethi, learned counsel for the petitioners, that a perusal of the Retirement Deed contemplates that the respondent would take over the firm and would not carry on any business of restaurant or catering the premises, i.e. E – 32, NDSE - II, New Delhi – 110049. Additionally, the respondent was to take over the assets and liabilities of the partnership firm to ensure complete liquidation and closure of financial matters.
6. It is only in March 2023 that the petitioners became aware that, contrary to the contractual terms contained in the Retirement Deed, the respondent was continuing with the restaurant business.
7. Mr. Agarwal, learned counsel for the respondent, has filed a reply, wherein besides the disputes on merits, objection has been taken with regard to the petition being barred by delay and laches.
8. He states that the Retirement Deed was executed in the year 1990 and the Notice invoking arbitration has been issued on 16.04.2025, i.e. after a period of 35 years.
9. I have heard learned counsel for the parties.
10. As per sub-para (e) of para No.7 of the petition, it is stated that the petitioners came to know only in March 2023 that the respondent is continuing to operate the restaurant and the catering business, contrary to the terms of the Retirement Deed, wherein the respondent was to close the restaurant and the catering business.
11. The fact whether the petitioners came to know the said fact only in March 2023 and were unaware of the same or not, cannot be looked into by the referral court.



12. Mr. Agarwal, learned counsel for the respondent has no objection to the appointment of a Sole Arbitrator as long as all his legal objections, including the disputes being time-barred and being an abuse of the process of law in view of an earlier litigation between the same parties, are permitted to be raised before the Sole Arbitrator.
13. The disputes arising out of the Retirement Deed dated 28.11.1990 are referred to Arbitration and since the disputes are incapable of monetary quantification, the parties agree that the Arbitrator shall fix its own fee in consultation with the parties.
14. For the said reasons, the petition is allowed and the following directions are issued:-
 - i) Mr. Justice G.S. Sistani (Retired Judge, Delhi High Court) (Mob. No. 9871300034) is appointed as a Sole Arbitrator to adjudicate the disputes between the parties.
 - ii) The arbitration will be held under the aegis and rules of the Delhi International Arbitration Centre, Delhi High Court, Sher Shah Road, New Delhi (hereinafter, referred to as the 'DIAC').
 - iii) The learned Arbitrator is requested to furnish a declaration in terms of Section 12 of the Act prior to entering into the reference.
 - iv) It is made clear that all the rights and contentions of the parties, including as to the arbitrability of any of the claim, any other preliminary objection, as well as claims/counter-claims and merits of the dispute of either of the parties, are left open for adjudication by the learned Arbitrator.
 - v) The parties shall approach the learned Arbitrator within two weeks from today.



15. The present petition is disposed of in the aforesaid terms.

JASMEET SINGH, J

SEPTEMBER 25, 2025/sp