
(2026) 07 DEL CK 0226
In the Delhi High Court, Principal Bench, New Delhi
Case No : ARB.P. 1122/2026

Mr Pranay Bahl & Ors.

APPELLANT

Vs

Mr Jawahar Sehgal & Ors.

RESPONDENT

Date of Decision : 13-07-2026

Acts Referred:

Arbitration and Conciliation Act, 1996 — Section 11(5), 11 (6), 21, 9, 12

Citation : (2026) 07 DEL CK 0226

Hon'ble Judges : Sachin Datta, J

Bench : Single Bench

Advocate : Mr. Preet Singh Oberoi, Mr. Jai Raj Maini, Advocate (appearance not given)

Final Decision : Disposed Of

Judgement

SACHIN DATTA, J. (ORAL)

1. The present petition has been filed by the petitioner under Section 11(5) read with Section 11 (6) of the Arbitration and Conciliation Act, 1996 (hereinafter 'A&C Act') seeking appointment of a Sole Arbitrator to adjudicate the disputes between the parties, arising out of and in connection with the LLP Agreement dated 12.01.2024 and the Supplementary LLP Agreement dated 16.09.2025 executed between the parties in relation to Tsuku Hospitality LLP.

2. Petitioner Nos. 1 to 4 herein are individuals and Petitioner No. 5 is a private limited company. All the petitioners are partners of Tsuku Hospitality LLP, a limited liability partnership constituted for carrying on the business of operating a restaurant venture under the name "Arigato" from leased premises situated at M3M IFC Complex, Gurugram.

3. Respondent Nos. 1 and 2 are partners of Tsuku Hospitality LLP, while Respondent No. 3 is the said LLP itself. The disputes between the parties arise out of the affairs, management and operation of the said LLP.

4. On 12.01.2024, the parties executed an LLP Agreement for constituting Tsuku Hospitality LLP for operating a restaurant business. Subsequently, owing to commercial losses suffered in the earlier venture, the parties restructured the LLP by executing a Supplementary LLP Agreement dated 16.09.2025, whereby Respondent Nos. 1 and 2 were inducted as partners with 51% participation and vested with day-to-day management and operational control of the LLP.

5. It is the case of the petitioners that under Clause 5 of the Supplementary LLP Agreement dated 16.09.2025, Respondent Nos. 1 and 2 had undertaken to infuse a cumulative capital contribution of Rs.50,00,000/-into the LLP in the manner stipulated therein, apart from assuming responsibility towards revival of the said business. It is submitted that by way of the said Agreement, the petitioners transferred management and operational control of the LLP, including access to the bank accounts, accounting systems, and statutory and regulatory portals such as GST, ESIC etc., to Respondent Nos. 1 and 2.

6. Disputes have arisen between the parties with regard to the affairs of the LLP. According to the petitioners, Respondent Nos. 1 and 2 failed to infuse the agreed capital contribution in terms of the Supplementary LLP Agreement and, despite repeated requests, only a sum of Rs.21,22,171/-came to be infused, leaving an outstanding balance of Rs.28,77,829/-. It is further alleged that the petitioners were excluded from the management of the LLP and denied access to its financial records and operational information. The petitioners also allege financial mismanagement, diversion of LLP funds and unauthorized related-party transactions undertaken by Respondent Nos. 1 and 2, as evidenced from the LLP's bank statements.

7. It is submitted that multiple legal notices came to be exchanged between the parties during the period from January, 2026 to April, 2026 with regard to the aforesaid disputes.

8. Thereafter, Respondent Nos. 1 and 2 issued a notice dated 18.05.2026 invoking arbitration in terms of Section 21 of the A&C Act, proposing a panel of names for appointment as Sole Arbitrator in terms of the arbitration clause contained in the LLP Agreement as amended by the Supplementary LLP Agreement.

9. Moreover, in May 2026, the petitioners instituted proceedings under Section 9 of the A&C Act (being OMP (I) (COMM.) 106/2026) before the learned Commercial Court, South East district, Saket Courts, seeking interim measures in relation to the affairs and assets of the LLP pending constitution of the Arbitral Tribunal.

10. Since no consensus could be arrived at regarding appointment of the

[An exhibit is reproduced here in the original judgment.]

Sole Arbitrator in pursuance to the section 21 notice, the present petition came to be filed.

11. The LLP Agreement dated 12.01.2024, as amended by the Supplementary LLP Agreement dated 16.09.2025, contains an arbitration clause, which reads as under:

12. Pertinently, the existence of an arbitration clause between the parties is not disputed. It is evident that the disputes between the parties herein have admittedly arisen between the parties to the LLP Agreement and the Supplementary LLP Agreement. Further, despite invocation of arbitration by issuance of notice under Section 21 of the A&C Act, no consensus could be arrived at regarding appointment of a Sole Arbitrator.

13. Learned counsel for the parties fairly submit that an independent Sole Arbitrator be appointed by this Court to adjudicate the disputes between the parties.

14. Accordingly, with the consent of respective counsel, Ms. Shubha Yadav, Advocate (Mobile No. +91 9953280076) is appointed as the Sole Arbitrator to adjudicate the disputes between the parties.

15. The respondent shall be at liberty to raise preliminary objections as regards arbitrability/jurisdiction, if any, which shall be decided by the Sole Arbitrator in accordance with law.

16. The learned Sole Arbitrator may proceed with the arbitration proceedings subject to the parties furnishing disclosure as required under Section 12 of the A&C Act.

17. Let arbitration take place under the aegis of and as per the rules of the Delhi International Arbitration Centre (DIAC).

18. All rights and contentions of the parties in relation to the claims/counter claims are kept open, to be decided by the learned Sole Arbitrator on merits, in accordance with law.

19. Needless to say, nothing in this order shall be construed as an expression of opinion of this court on the merits of the case.

20. The present petition stands disposed of in the above terms.