



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

ARB- 742 -2025 (O&M)

Date of decision: 01.05.2026

Louvre Hotels India Private Limited

.....Applicant

Versus

Austin Hospitality Private Limited

....Respondent(s)

CORAM: HON'BLE MR. JUSTICE SHEEL NAGU, CHIEF JUSTICE

Present: Mr. Ambanshu Sahni, Advocate,
for the applicant.

Mr. Sonal Anand, Advocate, (arguing counsel)
(through V.C.)
and Ms. Surbhi Singh, Advocate, (through V.C.)
for respondent.

SHEEL NAGU, CHIEF JUSTICE(Oral)

1. Instant application u/s 11 of Arbitration and Conciliation Act, 1996 (for short, '1996 Act'), seeks appointment of Sole Arbitrator.

2. The dispute between the parties emanated from Franchise Agreement executed in 2011 between the original franchisor, GT Investments BV, and the erstwhile franchisee, Chandigarh Softech Pvt Ltd., along with Trademark License Agreement (forming part of Franchise Agreement itself) (**Annexure P-1**) which granted rights to

operate the hotel under the “Golden Tulip” brand, use of trademarks and system support.

2.1 Subsequently, by way of a Transfer Agreement dated 15.07.2023 (**Annexure P-2**), all rights of the original franchisor were assigned in favour of the applicant-petitioner, and the respondent assumed all corresponding rights, obligations, trademark and liabilities, including past dues of original franchisee. The said Franchise Agreement, read with the Transfer Agreement, constitutes the governing contractual framework between the parties and contains the arbitration clause forming the basis of present proceedings, which is as follows:

“19. Arbitration

19.1 In the event of any dispute or difference between the Parties in connection with this Agreement, the Parties shall use all reasonable endeavours to resolve the matter amicably. If one party serves a written Notice on the other Party that a dispute or difference has arisen and the Parties are unable to resolve the dispute or difference within a period of 60 days from the service of such notice, the dispute or difference shall be referred to arbitration as per the provisions of the following sub-Clause.

19.2 Subject to the provisions of the foregoing Clause, each of the Party hereto agrees to resolve any dispute or difference arising out of or relating to the interpretation, rights, obligations, liabilities, breach or termination of this Agreement, through arbitration, in accordance with the provisions of the Arbitration and Conciliation Act, 1996 or any statutory modification or re-enactment thereof

("Arbitration Act"). The arbitration matter shall be referred to a sole arbitrator whose appointment shall be mutually agreed to between the parties hereto. In the absence of a mutual agreement with regard to the appointment of the sole arbitrator, the appointment shall be made under the provisions of the Arbitration Act. The place of conducting the arbitration shall be Gurgaon/Panchkula, India. The language of the arbitration proceedings shall be English language. The arbitration award shall be final and binding upon the Parties. The cost of Arbitration shall be borne equally by the parties to the Arbitration, if not otherwise decided by the sole arbitrator.

xxx xxx xxx xxx xxx."

3 The applicant invoked arbitration clause by issuing a notice dated 11.01.2025 **(Annexure P-5)**, proposing the name of a former Judge as Sole Arbitrator. The respondent, vide its reply dated 07.03.2025 **(Annexure P-6)**, suggested an alternate name, however, no consensus could be reached. Despite attempts for an amicable settlement through correspondence and proposed meetings in April–May 2025, the disputes remained unresolved, thereby necessitating filing of the present petition under Section 11 of 1996 Act.

4. Counsel for respondent could not dispute the existence and execution of arbitration agreement, exhaustion of remedy by applicant under the arbitration clause in the agreement between rival parties, service of notice, dispute between the parties being arbitrable and the cause not being a deadwood.

5. The law regarding the scope of examination under Section 11(6) of the Arbitration and Conciliation Act, 1996 is well settled. At the stage of considering an application for appointment of an arbitrator, the Court is only required to undertake a **limited prima facie examination** as to the **existence** and **validity** of the arbitration agreement and whether the disputes are **manifestly arbitrable**. Unless it is **ex facie** clear that the arbitration agreement is non-existent, invalid, or the disputes are demonstrably non-arbitrable, the matter ought to be referred to arbitration.

6. The Apex Court in **Vidya Drolia Vs. Durga Trading Corporation, (2021) 2 SCC 1**, **NTPC Ltd. Vs. SPML Infra Ltd. (2023) 9 SCC 385**, and **DLF Home Developers Ltd. Vs. Rajapura Homes (P) Ltd., (2021) 2 SCC 675**. has consistently held that the referral Court, while exercising jurisdiction under Section 11, is not expected to conduct a mini trial or enter into a detailed adjudication of disputed questions. The rule is: “when in doubt, do refer.”

7. Pre-requisites for invoking powers under Section 11(6) of the Arbitration and Conciliation Act, 1996 stand satisfied and the objections raised by the Respondent verbally do not constitute a valid impediment to the exercise of this Court’s power to appoint an arbitrator.

8. Accordingly, this application is allowed.

8.1 Mr. Justice Amar Nath Jindal, former Judge of this Court, residing at House No.12, Sector-15, Panchkula, Haryana, Mobile No. 8528300000, is hereby appointed as Sole Arbitrator to adjudicate the dispute between the parties, subject to compliance of statutory requirements under 1996 Act before proceeding ahead.

9. Parties are directed to appear before the learned Arbitrator on date, time and place to be fixed by the Arbitrator at her/his convenience.

10. The Arbitrator is appointed with the liberty to determine jurisdiction and rule on any objections including (but not limited to) ruling on objections with respect to the existence or validity of the arbitration agreement between the parties, question of limitation, value and the scope of the Arbitrator's authority in accordance with Section 16 of the 1996 Act.

11. The Arbitrator shall be paid fee in accordance with the Fourth Schedule of 1996 Act, as amended from time to time, or fee as agreed to by the parties.

12. The Arbitrator is requested to complete the arbitral proceedings as per time limit stipulated u/s 29-A of 1996 Act.

13. Any observation made hereinabove is meant merely for passing this order and shall not be construed as expression on merits of the dispute.

14. A request letter along with copy of this order be sent to Mr. Justice Amar Nath Jindal, former Judge of this Court.

(SHEELNAGU)
CHIEF JUSTICE

01.05.2026
Ajay Prasher

Whether speaking/reasoned	Yes/No
Whether reportable	Yes/No