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

CNR No. DLHC010627662025

+ **ARB.P. 1347/2025**

LALIT CHADHA

.....Petitioner

Through: Mr. Shreyas Malik and Mr. Dhruv
Kumar, Advocates.

versus

M/S MAHANAGAR TELEPHONE NIGAM LIMITED (MTNL)

.....Respondent

Through: Mr. Prashant Sharma, Advocate.

CORAM:

HON'BLE MR. JUSTICE TUSHAR RAO GEDELA

ORDER

% **03.08.2026**

1. This is a petition under Section 11(6) of the Arbitration and Conciliation Act, 1996 (hereinafter referred to as "*the Act*") seeking appointment of an arbitrator.
2. The petitioner (Lessor) entered into a lease deed for site ID P226, located at 23/4 Chadha Bhawan, Shakti Nagar, New Delhi 110007, with MTNL (Lessee) on 18.07.2005 with a monthly rent of Rs.9,744/-. While the lease was subsisting it is stated to have been renewed on 31.08.2015 whereby the monthly rent was increased to Rs.24,744/-. Subsequently, the lease deed was yet again renewed from the period from 17.05.2017 to 19.07.2025 with the last agreed monthly rent of Rs.38,222/- per month.
3. It is stated that *vide* the letter dated 30.04.2024, the defendant had refused to pay rent accruing from 01.10.2023 to 11.12.2023 citing restrictions on maintenance activities. The petitioner had filed for pre-institution mediation for resolution of the disputes which was recorded as a non-strarter thereby

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constraining the petitioner to file a Commercial Suit bearing CS(COMM) 169/2025 titled ***“Lalit Chadha v. M/S Mahanagar Telephone Nigam Limited”*** before the learned District Judge, Commercial, Central, Tis Hazari Courts, New Delhi. *Vide* order dated 28.03.2025, the said suit was returned for initiating appropriate proceedings on an application filed under Order VII Rule 11 of the Code of Civil Procedure, 1908, by the respondent on the ground that an arbitration Clause was available in the lease deed dated 18.07.2005.

4. In view of the aforesaid, the petitioner had issued a notice under Section 21 of the Act dated 05.04.2025, invoking the arbitration clause. No reply to the aforesaid notice was received from the respondent, constraining the petitioner to file the present petition under Section 11(6) of the Act.

5. Learned counsel for the respondent did not dispute the fact that the lease deed dated 18.07.2005 did in fact have an arbitration Clause in Clause 11. However, objected to the maintainability of the present petition, on the ground that the notice of arbitration invoking arbitration was not issued to the competent authority i.e. the Executive Director of the respondent.

6. He also relied upon the order of the Coordinate Bench of this Court in ARB. P. 31/2014, whereby on account of the similar defect the petition was permitted to be withdrawn by the petitioner therein.

7. On the other hand, learned counsel for the petitioner has handed over the Bench a judgment of a Coordinate Bench of this Court in ***“St. Jonas Educational Society v. Mahanagar Telephone Nigam Limited (MTNL.)”*** in ARB. P. 2096/2024 rendered on 11.03.2026, whereby the very same order dated 24.01.2014, relied upon by the learned counsel for the respondent has been clearly distinguished and in similar circumstances an arbitrator had been appointed.

8. Both the decisions are taken on record.

9. It is relevant to extract hereunder the relevant paragraph from ***St. Jonas***



Educational Society (Supra) particularly para 4, 5 and 6. The same are extracted hereunder:

*“4. Learned counsel appearing on behalf of the Respondent raises an objection that the Section 21 Notice ought to have been addressed to the Executive Director and could not have been addressed in a generic manner to **Mahanagar Telephone Nigam Limited**. In support of the said submission, reliance is placed upon the Order dated 24.01.2014 passed in the ARB. P. 31/2014 filed before this Court.*

*5. This Court notes that the said Order is prior to the judgment of the Hon’ble Supreme Court in “**Perkins Eastman Architects DPC v. HSCC (India) Ltd.**” by virtue of which it has been held that unilateral appointment of an Arbitrator is against the law.*

6. A perusal of the aforesaid Clause reveals that the said arbitration Clause would only operate in the event that the ED himself was to act as the Arbitrator; therefore, the said Clause cannot be interpreted to mean that only the ED is empowered to nominate an Arbitrator. Therefore, the objection raised by the learned counsel for the Respondent is rejected.”

10. Having regard to the fact that the objections raised by the learned counsel for the respondent was already considered and distinguished, this Court respectfully follows the said reasoning.

11. So far as the merits of the disputes are concerned, it is no more *res integra* that the Supreme Court in “**SBI General Insurance Co. Ltd. v. Krish Spinning, 2024 (12) SCC 1**” after having considered the judgment of the Constitution Bench in “**Interplay Between Arbitration Agreements under Arbitration Act, 1996 & Stamp Act, 1899, In re, 2024 (6) SCC 1**” has categorically held that the Court appointing arbitrator is to satisfy itself as to whether a valid arbitration clause is available.

12. Having regard to the fact that there is no dispute about the existence of the arbitration Clause in the lease deed as agreed to by the learned counsel for the respondent and having regard to the aforesaid judgment in **St. Jonas Educational Society (Supra)** as also decision in **SBI General Insurance Co. Ltd. (Supra)**, the petition is allowed.



13. Learned counsel for the parties are *ad idem* that the arbitrator to be appointed may be under the Delhi International Arbitration Centre.

14. Accordingly, Mr. Shravya Pathak (Mobile No.8750672727) is appointed as an Arbitrator. The fees of the arbitrator shall be governed under Schedule IV of the Arbitration and Conciliation (Amendment) Act, 2015. The proceedings shall be carried out under the aegis of the Delhi International Arbitration Centre.

15. Let the copy of this order be sent to the Delhi International Arbitration Centre forthwith.

16. Petition is allowed and disposed of in the aforesaid terms.

TUSHAR RAO GEDELA, J

AUGUST 3, 2026

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