

IN THE SUPREME COURT OF INDIA
CIVIL ORIGINAL JURISDICTION

ARBITRATION PETITION NO.81/2025

GT INVESTMENTS BV

PETITIONER(S)

VERSUS

KUFRI HOTELS PRIVATE LIMITED

RESPONDENT(S)

O R D E R

1. This petition under Section 11(6) read with Section 11 (12) of the Arbitration and Conciliation Act, 1996 (Act), seeks the appointment of a sole arbitrator to adjudicate disputes arising from the Franchise Agreement of April 2011 (Franchise Agreement) executed between the Petitioner and the Respondent.

2. Briefly, the Petitioner company, incorporated under the laws of the Netherlands, is engaged in the business of operating and franchising hotels under the brand name 'Royal Tulip'. The Respondent company, an Indian entity, was operating a hotel under the brand 'Royal Tulip' at Kufri, Shimla, in terms of the Franchise Agreement. The Respondent was also granted a limited license to use the Petitioner's trademarks, logo and the reservation system.

3. It is relevant to mention that in terms of Clause 9.1 of the Franchise Agreement, the Respondent was obligated to pay royalty, marketing fees, reservation fees and other charges in consideration of continued use of the Petitioner's brand

and global reservation system.

4. The dispute is said to have arisen between the parties when the Respondent defaulted in making payments after 31.03.2017, but continued to operate the hotel and used the Petitioner's trademark. In view thereof, the Petitioner issued a Notice of Breach dated 09.02.2023 calling upon the Respondent to clear the outstanding dues of Rs. 32,10,919/- as on 31.03.2022. Thereafter, the Petitioner issued a Termination Letter dated 19.09.2023, terminating the Franchise Agreement and calling upon the Respondent to pay Rs. 45,36,970/- along with contractual interest. It has been averred that despite this, the Respondent continued to use the 'Royal Tulip' brand in an unauthorized manner.

5. Thereafter, the Petitioner issued a Notice invoking arbitration on 11.01.2025 and proposed the name of a sole arbitrator to adjudicate the disputes between the parties. Since the Respondent failed to respond or appoint an arbitrator within the stipulated period, the Petitioner has approached this Court.

6. When this matter came up for hearing, this Court *vide* Order dated 08.01.2026 issued notice to the Respondent. As per the office report, the service is complete, but despite several opportunities, no one has entered an appearance on behalf of the Respondent.

7. We have heard the learned counsel for the Petitioner and perused the material on record. Keeping in view the facts and circumstances recorded above and the relevant provision(s) under the Franchise Agreement, we deem it just and proper to allow the instant Arbitration Petition and

appoint Ms. Mahalaxmi Pavani, Senior Advocate, as the sole arbitrator to resolve the disputes between the parties. The seat and venue of arbitration, in accordance with the agreement, shall be New Delhi, India. Ordered accordingly.

8. The Arbitrator shall fix her remuneration/fees keeping in view the Fourth Schedule of the Act.

9. Pending interlocutory applications, if any, also stand disposed of.

.....CJI.
(SURYA KANT)

.....J.
(JOYMALYA BAGCHI)

NEW DELHI;
MAY 18, 2026

S U P R E M E C O U R T O F I N D I A
RECORD OF PROCEEDINGS

Petition(s) for Arbitration No(s).81/2025

GT INVESTMENTS BV

Petitioner(s)

VERSUS

KUFRI HOTELS PRIVATE LIMITED

Respondent(s)

Date : 18-05-2026 This petition was called on for hearing today.

CORAM : HON'BLE THE CHIEF JUSTICE
HON'BLE MR. JUSTICE JOYMALYA BAGCHI

For Petitioner(s) :Mr. Rahul Narayan, AOR
Mr. Ashwani Malhotra, Adv.
Ms. Shivangi Bajpai, Adv.
Ms. Zoya Junid, Adv.

For Respondent(s) :

UPON hearing the counsel the Court made the following
O R D E R

1. The Arbitration Petition is allowed in terms of the signed order.
2. All pending applications, if any, also stand disposed of.

(ARJUN BISHT)
ASTT. REGISTRAR-cum-PS

(PREETHI DILEEP KUMAR)
ASSISTANT REGISTRAR

(signed order is placed on the file)