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

+ **ARB.P. 105/2016**

CHHABRA 555 FASHIONS (P) LTD

..... Petitioner

Through: Mr Rajiv Shukla and Mr Subhash,
Advocates.

Versus

PRITAM CHHABRA

..... Respondent

Through: None.

CORAM:

HON'BLE MR. JUSTICE VIBHU BAKHRU

ORDER

% **08.12.2016**

1. The petitioner has filed the present petition under Section 11 of the Arbitration and Conciliation Act, 1996 (hereafter 'the Act'), *inter alia*, praying that an arbitrator be appointed to adjudicate the disputes that are stated to have arisen between the parties in connection with the dealership agreement dated 26.06.2012.
2. The said agreement includes an arbitration clause which is set out below:-

"JURISDICTION AND ARBITRATION"

- 9.1 The Delhi Courts shall have exclusive jurisdiction to entertain any dispute or differences arising out of the present agreement.
- 9.2 Any dispute between the parties shall be endeavored to be settled between the parties mutually and in case the same are not settled within 15 days thereof, upon written notice, the dispute shall be referred to arbitration of a sole

arbitrator to be appointed by mutual consent. The arbitration proceeding shall be governed by the Arbitration & Conciliation Act 1996 or any modification thereof. The venue of arbitration shall be Delhi."

3. The petitioner invoked the arbitration clause by notice dated 26.08.2015.

4. Despite service of notice by publication in two dailies, none appears for the respondent. It is seen from the documents produced on record that the existence of the dealership agreement and the arbitration clause is not disputed.

5. The only objection taken in reply to the legal notice dated 26.08.2015 was that the arbitration clause cannot be invoked after the parties have entered into litigation in a Court of Law. It was the respondent's contention that since the petitioner was contesting cases initiated by Smt Sushma Chhabra, Mr Om Prakash Chhabra, Mr Lovnish Chhabtra and Mr Rajat Chhabra, it had "no competence" to invoke the arbitration clause. In my view, the aforesaid objection is bereft of any merit as the dealership agreement is with P C Fashions - stated to be the sole proprietorship concern of the respondent. However, the litigation mentioned in the reply to the notice relates to some other parties.

6. Accordingly, Mr M.S. Sabharwal, ADJ (Retired), Mobile No. 9711119304 is appointed as a Sole Arbitrator to adjudicate the disputes between the parties. This is subject to the arbitrator making the necessary disclosure under Section 12 of the Act and further not being ineligible under Section 12(5) of the Act.

7. The petition stands disposed of.

DECEMBER 08, 2016
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VIBHU BAKHRU, J