

HON'BLE THE ACTING CHIEF JUSTICE RAMESH RANGANATHAN

ARBITRATION APPLICATION NO.26 OF 2017

ORDER:

The applicant herein is a franchisee of the respondent which is a company based in New Delhi carrying on business in designing clothes. Two franchisee agreements were entered into between the respondent and the applicant. Clause 13 of the first agreement, entered into on 01.06.2013, is the arbitration Clause and reads as under:

“In the event of any dispute or difference between the parties hereto, whether arising during the currency or after the completion of this Agreement, or after the determination thereof (whether for breach or for any other reason) in regard to any matter or thing of whatsoever nature arising out of this Agreement or in connection therewith, then either party shall give to the other notice in writing of such dispute or difference and the same shall be settled by arbitration in-Raipur, India in accordance with the Arbitration and Conciliation Act, 1996, or any statutory modification or substitution thereof.

All disputes between the party arising out of this agreement shall be subject to the jurisdiction of courts of law in Secunderabad/Hyderabad only.”

Yet another franchisee agreement was entered into on 05.12.2013 between the respondent and the applicant which also contains an arbitration Clause. Clause 13 thereof reads thus:

“In the event of any dispute or difference between the parties hereto, whether arising during the currency or after the completion of this Agreement, or after the determination thereof (whether for breach or for any other reason) in regard to any matter or thing of whatsoever nature arising out of this Agreement or in connection therewith, then either party shall give to the other notice in writing of such dispute or difference and the same shall be settled by arbitration in-Hyderabad, India in accordance with the Arbitration and Conciliation Act, 1996, or any statutory modification or substitution thereof.

All disputes between the party arising out of this agreement shall be subject to the jurisdiction of courts of law in Hyderabad only.”

While the first franchisee agreement dated 01.06.2013 requires the arbitration to be settled at Raipur, the second arbitration agreement dated 05.12.2013 requires the arbitration to be settled at Hyderabad.

Sri T. Vijaykumar Reddy, Learned Counsel for the respondent, would draw my attention to paragraph 5 of the

counter-affidavit wherein the respondent has expressed no objection for appointment of an arbitrator. They have, however, requested this Court to issue directions for the arbitration, of both the franchisee agreements, to be conducted in Hyderabad in order to avoid future claims by any of the parties. Sri P. Bhaskar, Learned Counsel for the applicant readily agrees for such order to be passed.

Both Counsel request that a retired District Judge at Hyderabad be appointed as the arbitrator to resolve the disputes between the applicant and the respondent arising under both the franchisee agreements. I consider it appropriate, therefore, appoint Sri T. Sundera Ramaiah, Retired District Judge, F5, Bollineni Homes, Beside Hitech Theatre, Madhapur, Hyderabad – 5000 81, R.R. District to be the arbitrator to resolve the disputes arising between the applicant and the respondent under both the franchisee agreements. The Learned arbitrator shall fix his remuneration, and incidental charges for the arbitration proceedings, in consultation with the parties. He shall complete the arbitration proceedings, and pass an award at the earliest, preferably within a period of six months from the date of commencement of arbitral proceedings. He shall hold sittings, as far as possible, in the mediation centre of the High Court.

The arbitration application, is accordingly, disposed of. No costs.

RAMESH RANGANATHAN, ACJ

Date: 22.12.2017.

MRKR