

HON'BLE THE ACTING CHIEF JUSTICE RAMESH RANGANATHAN

ARBITRATION APPLICATION No.67 OF 2016

ORDER:

This application is filed, under Section 11 of the Arbitration and Conciliation Act 1996 (for short 'the 1996 Act'), seeking appointment of an arbitrator to resolve the disputes between the parties. The partnership deed dated 06.05.1981 contains an Arbitration Clause and provides, in Clause 16, that, in the event of any dispute, reference shall be made to an arbitrator to such a person as mutually agreed upon; and the arbitrator so appointed shall deliver his award which shall be binding on all the partners according to the provisions of the Arbitration Act, 1940. As the said partnership agreement was entered into between the parties on 06.05.1981, long before the 1996 Act came into force, reference to the Arbitration Act, 1940 therein must be understood as a reference to the 1996 Act. While the applicant suggested the name of Sri V.V. Raghavan, Retired District Judge as the arbitrator, the respondent expressed its reservation, and instead suggested the name of Sri N.R.L. Nageswara Rao, Retired Judge of this Court as the Arbitrator. Since the name suggested by the respondent was not agreeable to the applicant, they have invoked the jurisdiction of this Court.

Sri B. Vijaysen Reddy, Learned Counsel for the respondent, suggests that, instead of recourse to arbitration, the parties may be directed to settle their disputes through negotiation. Sri Sharad Sanghi, Learned Counsel for the Applicants, would submit that the very fact that no steps have been taken by the respondents, for the past nearly two years ever since the applicants invoked the arbitration clause of the

agreement, would show that the possibility of a negotiated settlement is extremely remote.

As the parties to this application are not in agreement regarding settlement of the dispute through negotiation/mediation, I consider it appropriate to appoint Sri Justice Vaman Rao, Flat Nos.202&203, H. No.3-4-874/1/9, Mahasiva Apts, Barkatpura, Hyderabad – 27 as the arbitrator to resolve the disputes between the applicants and the respondents. The Learned Arbitrator shall fix his remuneration, and the incidental expenses for the arbitration proceedings, in consultation with the parties. The Learned Arbitrator is requested to complete arbitration proceedings, and pass an award at the earliest, preferably within six months from the date of commencement of the arbitral proceedings. He is also requested, to the extent possible, to hold sittings in the mediation centre of the High Court.

The arbitration application is disposed of accordingly. The miscellaneous petitions pending, if any, shall stand closed. No costs.

RAMESH RANGANATHAN, ACJ

Date: 01.09.2017.
MRKR