

HON'BLE SRI JUSTICE A.RAJASHEKER REDDY

ARBITRATION APPLICATION No.25 of 2019

ORDER:

By way of this application filed under Section 11 of Arbitration and Conciliation Act, 1996 (for short "the Act"), the petitioner seeks appointment of an Arbitrator for resolution of disputes arising under the Development agreement cum GPA dated 24-05-2011 entered into by and between them.

As disputes arose between them and it is the allegation of the petitioner that respondent has breached the terms of the Development agreement cum GPA dated 24-05-2011 by non-execution of work, the petitioner got issued legal notice dated 18-11-2017 invoking the arbitration clause no.27 under the Development agreement cum GPA to settle the dispute. Clause no.27 of the development agreement cum GPA provides for arbitration for settlement of disputes between the parties by the Arbitrator.

Learned counsel for the petitioner states that notices issued to respondents 1 & 2, the same returned un-served with a postal endorsement "un-claimed" and notice to respondent no.3 is returned addressee left, is construed to be a deemed service on them.

Inasmuch as the notice issued by this Court is un-claimed by respondents 1 and 2 and respondent no.3 left the

address which is provided in the Development agreement cum GPA, the notice is deemed to be served. The Development agreement cum GPA, provides for arbitration under Clause 27 thereof and the same is not denied or disputed by filing counter by the respondents. Since the claim involved in the subject matter is not of that high value, appointment of sole independent arbitrator would be sufficient.

Section 10 of the Arbitration and Conciliation Act, 1996 reads thus: -

“10. Number of arbitrators.—

(1) The parties are free to determine the number of arbitrators, provided that such number shall not be an even number.

(2) Failing the determination referred to in sub-section (1), the arbitral tribunal shall consist of a sole arbitrator.”

In view of sub-Section (2) of Section 10 of Arbitration and Conciliation Act, 1996, sole arbitrator can be appointed in the present Arbitration Application. In the circumstances, the arbitration application is liable to be allowed.

Accordingly, the arbitration application is allowed. Sri M. Narender Reddy, Senior Advocate, is appointed as the sole Arbitrator for resolution of dispute(s) between the petitioner and respondents, arising out of Development agreement cum GPA dated 24-05-2011, in accordance with the provisions and mandate of the Act of 1996. The learned Arbitrator shall be entitled to fees as per the rates specified in the Fourth Schedule to the Act of 1996, inserted by Act 3 of 2016 with

effect from 23-10-2015, which shall be borne by both parties in equal proportion. No order as to costs.

A.RAJASHEKER REDDY,J

Dated: 07-01-2020
NRG

Copy to :: Sri M. Narender Reddy, Sr. Counsel
Plot no – 189-C, Rd. No-76,
Jubilee Hills, Hyderabad.
(B/o)
Nrg



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