

THE HON'BLE SRI JUSTICE A.RAJASHEKER REDDY

ARBITRATION APPLICATION No. 73 OF 2015

ORDER :

This application is filed under Section 11(2) and (6) of the Arbitration and Conciliation Act, 1996 (*for short 'the Act'*) read with Scheme for Appointment of Arbitrator to resolve the disputes between the Applicant and the Respondents arising out of the Agreement of Training dt.15.12.2006 entered into between the Applicant and the Respondents.

It is the case of the Applicant-Company that it has entered into Agreement of Training with the respondents on 15.12.2006; and that as part of the said agreement the Applicant Company provided training to the students sponsored by the respondents. But, as the respondents have not paid the amounts to the Applicant as per the agreement, the Applicant issued notices to the respondents. As there was no response to the said notices, the Applicant issued Notice dt.19.07.2012 invoking Arbitration Clause in the agreement for payment of amounts, for which the 2nd respondent replied stating that he has no personal liability in connection with the Company and that he was only an employee of the 1st respondent. There after the 1st respondent also replied to the said notice stating that they have not signed any agreement with the Applicant Company and that they have no connection with the Company at Dubai. As such, the Applicant filed the present application.

Learned Counsel for the Applicant submits that now the dues will be more than Rs.1 crore.

Though notices are served to the respondents in this application, they are not claimed by the respondents. As such, the same are deemed to be served.

The Training Agreement dt.19.07.2012 contains the Arbitration Clause at Clause-18 which reads as follows;

“18. Disputes arising from the operation of this agreement shall be settled by arbitration and the Arbitrator shall be appointed on mutual agreement between the parties and the cost of the arbitration proceedings shall be equally shared by both the parties. The place of Arbitration procedures shall be Hyderabad and the language used for Arbitration shall be English. The Arbitration proceedings shall be as per the Arbitration and Conciliation Act, 1956.”

Invoking the aforesaid clause, the Applicant issued notices to the respondents, for which the 2nd respondent replied stating that he has no personal liability. But, he did not dispute the existence of arbitration clause in the agreement. The 1st respondent also replied stating that they have not signed any agreement with the Applicant Company and that they have no responsibility to pay the amounts to the Applicant.

The assertion made by the Applicant that there exists arbitration clause in the agreement and that they have issued notices to the

respondents for payment of dues is not in dispute. The respondents also have not filed any counter affidavit disputing the same.

Since there is exists arbitration clause in the agreement and the Applicant has invoked the same by issuing notices to the respondents, this application needs to be allowed.

Accordingly, the Arbitration Application is allowed appointing Honourable Sri Justice P. Ramakrishnam Raju, Retired High Court Judge as the sole Arbitrator for resolution of dispute(s) between the applicant and respondents, arising out of the Agreement of Training dt.15.12.2006 entered into between the Applicant and the Respondents 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 measure. No order as to costs.

As a sequel thereto, miscellaneous petitions, if any pending in the writ petition, shall stand closed.

A.RAJASHEKER REDDY, J

Dt.09-01-2020

Mark a copy to:

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B/o. tk

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