



WEB COPY



Arb.O.P (Com.Div.) No.25 of 2024

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 13.06.2024

CORAM

THE HON'BLE Mr. JUSTICE KRISHNAN RAMASAMY

Arb.O.P (Com.Div.) No.25 of 2024

Sridharan. S

... Petitioner

Vs.

Big Laundry Services Private Limited,
Represented by its Director Mr.Kumaraguru Seshadri,
1/56, Off Kelambakkam to Vandalur Road,
Behind Hanuman Temple, Pudupakkam,
Kanchipuram 603 103.

... Respondent

Prayer:

Arbitration Original Petition filed under Section 11(6) of the Arbitration and Conciliation Act, 1996 to

a) appoint Mr.D.R.Sivakumar, M.L., F-AICADR, Advocate/ADR Neutral, at Old No.28, New No.8, Erabalu Chetty Street, 2nd Floor, Chennai 600 001 to be the sole Arbitrator to adjudicate the disputes between the petitioner and the respondent in terms of Clause 14.2 of the Franchise Agreement dated 28.11.2018 entered into between the petitioner and the respondent.



Arb.O.P (Com.Div.) No.25 of 2024

b) direct the respondent to pay costs of this proceeding;

For Petitioner : Ms.Prem Raja Kumari

For Respondent : Ms.Dhruti Lunker (Vakalath returned)

ORDER

This Arbitration Original Petition has been filed under Section 11(6) of the Arbitration and Conciliation Act, 1996, (hereinafter called as “the Act”) to appoint Mr.D.R.Sivakumar, M.L., F-AICADR, Advocate, as a sole Arbitrator to adjudicate the disputes between the petitioner and the respondent.

2. The learned counsel for the petitioner would submit that the petitioner and the respondent had entered into the Franchise Agreement dated 28.11.2018 and subsequent to the said agreement, a dispute raised between the parties with regard to the payment. According to the petitioner, as per the Agreement, the respondent is supposed to pay a sum of Rs.51,86,356/-. However, the same was not paid by him.



3. Further, he would submit that the present dispute, which is arising out of the Franchise Agreement dated 28.11.2018, is arbitrable in terms of Clause 14 of the said Agreement and thus, the petitioner sent a notice invoking arbitration under Section 21 of the Act to the respondent, however, the respondent had not given any consent for appointment of Arbitrator. Therefore, this petition has been filed for appointing Mr.D.R.Sivakumar, M.L., F-AICADR, Advocate, as a sole Arbitrator.

4. In reply, the learned counsel for the respondent made an objection for appointing Mr.D.R.Sivakumar, M.L., F-AICADR, Advocate, as a sole Arbitrator and requests this Court to appoint a neutral Arbitrator. The learned counsel for the petitioner also accepted the same.

5. Heard the learned counsel for the petitioner and the respondent and also perused the materials available on record.

6. In the present case, it appears that the dispute between the parties is arising out of the Franchise Agreement dated 28.11.2018. Upon perusal of



the said agreement, it is clear that the dispute among the parties shall be resolved by virtue of Arbitration as per the Clause 14 of the said Agreement, which reads as follows:

“14.JURISDICTION & DISPUTE RESOLUTION

14.1 The agreement shall be governed and construed in accordance with the laws of India and subject to Clause 14.2 below, the Parties shall submit to the exclusive jurisdiction of Courts in Chennai.

14.2 In the event of any dispute or difference between the Parties hereto, whether arising out of or in relation to this Agreement, then either Party shall give to the other Party a notice in writing of such dispute or difference and the same shall be settled at the first instance, by arbitration in Chennai, by a sole arbitrator appointed by mutual consent of the both the Parties herein within a period of 30 (thirty) days from notice of dispute. If the Parties fail to appoint a sole arbitrator within the given time, the arbitrator shall be appointed in accordance with the Arbitration and Conciliation Act, 1996, or any statutory modification or substitution thereof ("Arbitration Act"). The Parties agree that the rights and obligations of the Parties under this



Agreement shall subsist and continue till the final determination of the dispute by the arbitrator or by a Court of law as specified under Clause 14.1 hereinabove.”

7. Considering the submissions made by the learned counsel for the petitioner and the respondent and also in view of the fact that the dispute between the petitioner and the respondent squarely falls within the purview of clause 14 of the Franchise Agreement dated 28.11.2018, this Court is inclined to appoint a sole Arbitrator.

8. Accordingly, this Court feels it appropriate to pass the following order:

i) Mr.K.K.Balu, Member Company Law Board & Vice Chairman Company Law Board (Retd.) residing at No.17/11, Syndicate Enclave, Sengani Amman Koil Main Street, Maduvankarai, Guindy, Chennai 600 032, Mobile No.96770 21056, is appointed as sole arbitrator to enter upon reference and adjudicate the disputes *inter se* the parties.

ii) The learned Arbitrator appointed herein, shall after issuing notice to the parties and upon hearing them, pass an award as expeditiously as possible, preferably within a period



Arb.O.P (Com.Div.) No.25 of 2024

of six months from the date of receipt of the Order. The learned Arbitrator is also directed to decide the matter without influenced by the observations made by this Court in the present order.

iii) The learned Sole Arbitrator appointed herein shall be paid fees and other incidental charges, as per Schedule IV of the Act and the same shall be borne by the parties equally. In the event of non-appearance of the respondent, the petitioner shall bear the entire remuneration and other expenses and thereafter, the petitioner can recover the same directly from the respondent and vice versa.

9. This Arbitration Original Petition is ordered accordingly, leaving the parties to bear their own costs. Since this Court has appointed an Arbitrator, it is open to the petitioner as well as the respondent to seek other reliefs under the provisions of Arbitration and Conciliation Act 1996 before the Arbitrator.

13.06.2024

Speaking/Non-speaking order

Index : Yes / No

Neutral Citation: Yes / No

nsa



WEB COPY



Arb.O.P (Com.Div.) No.25 of 2024

KRISHNAN RAMASAMY.J.,
nsa

Arb.O.P (Com.Div.)No.25 of 2024

13.06.2024