



2024 : DHC : 3561



\$~1

* IN THE HIGH COURT OF DELHI AT NEW DELHI

%

Date of decision: 1st May, 2024

+

ARB.P. 1312/2023**KURUVITADAM AGENCIES (P) LTD**

..... Petitioner

Through: Mr. Nasib Singh, Advocate.

Versus

M/S SONY INDIA (P) LTD.

..... Respondent

Through: None

CORAM:**HON'BLE MS. JUSTICE NEENA BANSAL KRISHNA****J U D G M E N T (oral)****I.A. 24824/2023 (Exemption)**

1. Exemption allowed, subject to all just exceptions.
2. The application stands disposed of.

ARB.P. 1312/2023

3. The Petition under *Section 11(6) of the Arbitration and Conciliation Act, 1996 (hereinafter "A&C Act 1996")* has been filed on behalf of the petitioner, seeking appointment of the Sole Arbitrator in terms of the *Arbitration Agreement* contained in *Article 21* of the *Franchise Agreement* dated 25.06.2002.

4. The Petitioner, a Private Limited Company, was running a Franchise store 'SONY CENTRE' of respondent's Company in Cochin, Kerala as per the *Franchise Agreement* dated 25.06.2002. The Franchise store was established under this agreement and in the year 2012 it started a display station at the Indian Naval Canteen Stores, Kochi, Kerala, as per the instructions of the respondent.



5. However, subsequently, there were instances of inadequate supply and items of limited demand in the market being provided by the respondents and thus, these concerns were duly raised with Sony. Another issue which arose was with respect to aging of stocks as the petitioner found it challenging to find customers for older models. However, gradually, the Respondent brand 'Sony' underwent a change in its market positioning and due to quality issues, Sony became less appealing to the market.

6. The petitioner issued repeated communications to respondents raising the above issues and requesting return/refund of products, since 2014 till 26.02.2020.

7. It is submitted that since, Sony products more than Rs. 9.9 Lakhs are lying as stock with the petitioner, they were liable to be taken back and duly refunded by the respondent, in terms of *Clause 15.5* of the Franchise Agreement, which entitles the petitioner to be reimbursed for all the paid-up products in its possession.

8. Additionally, an amount of Rs. 6.5 Lakhs was spent by the petitioner, for the display space at INCS, Kochi, as per the demands of the respondent, which was also promised to be reimbursed.

9. Thus, the petitioner sent a legal notice dated 21.04.2023, invoking the Arbitration Clause in accordance with the Franchise Agreement, however, the respondent has failed to nominate its Arbitrator within 30 days from the receipt of notice dated 21.04.2023.

10. Hence, the petitioner has preferred the present petition seeking appointment of the Sole Arbitrator in terms of Section 11(6) of the said A&C Act, 1996 for adjudication of the disputes *inter se* the parties.

11. The respondent has been served through e-mail but none has



2024 : DHC : 3561



appeared.

12. Submissions heard.

13. Considering that there is a valid Agreement *inter se* the parties containing an Arbitration Clause and the disputes are claimed to have arisen under the Agreement, **Ms. Kajal Sharma, Advocate (M) 9891425773**, is hereby appointed as the Arbitrator, to adjudicate the disputes between the parties.

14. The parties are at liberty to raise their respective objections before the Arbitrator.

15. This is subject to the Arbitrator making necessary disclosure as under Section 12(1) of A&C Act, 1996 and not being ineligible under Section 12(5) of the A&C Act, 1996.

16. The appointment of the Arbitrator shall be governed by the rules framed by the Delhi International Arbitration Centre (DIAC) including the fees and the disclosure to be made by the learned Arbitrator in conformity of Section 12 of the A&C Act, 1996.

17. Learned counsels for the parties are directed to contact the learned Arbitrator within one week of being communicated a copy of this Order to them by the Registry of this Court.

18. A copy of this Order be also forwarded to the learned Arbitrator, for information.

19. Accordingly, the Arbitration Petition is allowed and disposed of.

**(NEENA BANSAL KRISHNA)
JUDGE**

MAY 01, 2024/RS