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Arb. O.P. (Com. Div.) No.555 of 2024

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 24.02.2025

CORAM

THE HON'BLE Mr. JUSTICE ABDUL QUDDHOSE

Arb.O.P (Com.Div.) No.555 of 2024

Subhakar Matta,

Petitioner

VS.

M/s. Wootu Nutrition Private Limited

Represented by

Mr. Ajay Gaffoor

Ms. Preethi Raj

Ms. Geetha Priya (Authorised signatory)

Having Registered office at no: 61, 2nd Floor,

A Block, Anna Nagar East Chennai- 600 102. ... Respondent

Prayer : Arbitration Original Petition (Commercial Division) filed under Section 11(4) of the Arbitration and Conciliation Act, 1996 for the following reliefs :-

a) Appoint an arbitrator to adjudicate the disputes between the Petitioner and the Respondent in terms of the arbitration agreement dated 19-06- 2022

b) Direct the respondent to pay the arrears of interest amount along with principal amount and

c) Grant such further reliefs as this Hon'ble Court may deem fit under the circumstances of the case and thus render justice.



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For Petitioner : Mr.S. Natarajan
For Respondent : Ex-parte

ORDER

This petition has been filed under Section 11 of the Arbitration and Conciliation Act, 1996, seeking for appointment of an arbitrator by this Court.

2. As directed by this Court on 28.01.2025, the petitioner has effected Substituted Service on the respondent by effecting paper publication. The Affidavit of Service enclosing the paper publication has also been filed. Despite effecting Substituted Service, no one has entered appearance on behalf of the respondent. The name of the respondent is also printed in the cause list, today. Therefore, the respondent is set ex-parte by this Court.

3. There seems to be a dispute between the parties arising out of a Franchisee Agreement, dated 19.06.2022 entered into between the petitioner and the respondent. There exists an arbitration clause in the Franchisee Agreement, dated 19.06.2022 and the same is extracted hereunder :-

Arbitration: In the event of disputes that both parties are unable to solve through mutual discussion and compromise, the same shall be referred to Arbitration as per the provisions of the Indian Arbitration



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and Conciliation Act, 1996. Each party shall appoint an arbitrator and both these arbitrators so appointed shall together choose a third arbitrator. This panel of arbitrators shall try and mediate the dispute and arrive at a compromise. The outcome of Arbitration shall be non-binding on both parties and either of them can approach the courts for a final settlement. The seat of arbitration shall be Chennai and the language of Arbitration shall be English.

4. The petitioner has invoked arbitration in accordance with the arbitration clause by issuing a notice to the respondent on 28.06.2024 in compliance with Section 21 of the Arbitration and Conciliation Act, 1996. However, no reply has been received by the petitioner to the Section 21 notice. Since there is no consensus between the parties with regard to the name of the arbitrator, the petitioner has been constrained to file this petition under Section 11 of the Arbitration and Conciliation Act, 1996 seeking for appointment of an arbitrator by this Court.

5. Since there exists an arbitration clause in the Franchisee Agreement, dated 19.06.2022, which is the subject matter of the dispute between the petitioner and the respondent and since the petitioner has invoked arbitration in accordance with the arbitration clause by issuing notice to the respondent on 28.06.2024 and since there is no consensus between the parties with regard to the name of the arbitrator, this Court



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will have to necessarily appoint an arbitrator under Section 11 of the Arbitration and Conciliation Act, 1996.

6. For the foregoing reasons, this Arbitration Original Petition is allowed as prayed for by issuing the following directions :-

a) This Court appoints Mr.V. Arumugam, District Judge(Retd.), residing at Flat No.25, Vaibhav Lakshmi Nagar, 6th Cross Street, Thimmavaram, Chengalpattu – 603 101, (Mobile No.9444248361) as the sole Arbitrator to adjudicate the dispute between the parties arising out of the Franchisee Agreement, dated 19.06.2022.

(b) The Arbitrator shall be paid his remuneration / fees in accordance with the 4th schedule of the Arbitration and Conciliation Act, 1996.

(c) Both the parties shall equally share the arbitrator's fees.

(d) The Arbitrator shall conduct the arbitration in accordance with the provisions of the Arbitration and Conciliation Act, 1996 and shall complete the arbitration within the specified time as prescribed under the said Act.

24.02.2025

Index: Yes/ No
Speaking order / Non speaking order
Neutral citation : Yes / No
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