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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

+ **ARB.P. 1687/2025**

PACHOULI AESTHETIC AND WELLNESS PVT. LTD.

.....Petitioner

Through: Mr. Navneet Tripathi and Ms. Jessica
Virdi, Advs. (Through VC)

versus

BRIGHT FUTURE ENTERPRISES & ANR.Respondents

Through: Ms. Medhavi Tyagi, Mr. Utsav
Kumar, Mr. Devender Kumar and
Ms. Anjali Singh, Adv.

Mob: 8840742699

Email: advmedhavityagi@gmail.com

CORAM:

HON'BLE MS. JUSTICE MINI PUSHKARNA

ORDER

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08.05.2026

1. The present petition has been filed under Section 11(5) of the Arbitration and Conciliation Act, 1996 ("Arbitration Act"), seeking appointment of a Sole Arbitrator for adjudication of disputes between the parties, arising out of Franchise Agreement dated 16th February, 2024 ("Franchise Agreement").
2. This Court notes that the parties had earlier been referred to mediation *vide* order dated 21st January, 2026. However, as per the Mediation Report dated 06th April, 2026, the matter remains, '*Not Settled*'.
3. As per the facts on the record, the respondents entered into the Franchise Agreement with the petitioner for operating a franchise outlet under the "*Pachouli*" brand, as per which, the respondents were required to



pay 15% gross monthly revenue along with Goods and Service Tax as royalties to the petitioner.

4. It is noted that disputes arose between the parties as the respondents were inconsistent in paying the royalties to the petitioner, and for a period from February, 2024 till April, 2025, the respondents failed to pay any royalty to the petitioner as per the terms of the Franchise Agreement.

5. Subsequently, the respondents sent the Legal Notice dated 22nd April, 2025 to the petitioner making claims of breach by the petitioner and seeking refund of the franchise fee that was paid by the respondents to the petitioner.

6. Towards the same, the petitioner replied by way of their Legal Notice dated 10th June, 2025, denying the allegations made by the respondents, and further invoking arbitration under Section 21 of the Arbitration Act. The respondents replied to the same by way of the Reply dated 23rd June, 2025, rejecting nomination of the Arbitrator. Hence, the present petition came to be filed.

7. At this stage, this Court notes that the Arbitration Clause is contained in Article 27 of the Franchise Agreement between the parties, which is reproduced as under:

“xxx xxx xxx

ARTICLE XXVII
APPLICABLE LAW AND SETTLEMENT OF DISPUTES

1. This Agreement and the rights and obligations of the parties hereunder shall be construed and interpreted in accordance with Indian Substantive and Procedural law, applicable to Agreements made and to be performed entirely therein.

2. The Parties shall attempt in good faith to resolve any dispute, difference or claim arising out of or in relation to this Agreement through mutual discussion. In case it is not resolved within thirty (30) days from receipt of the written notice (setting out the dispute or claim) by the other party, the complaining party may issue a notice of reference, invoking settlement of such dispute through Arbitration.

3. All disputes between parties shall be subject to exclusive jurisdiction of the Delhi only.



Arbitration: Any and all disputes ("Disputes") arising out of or in relation to or in connection with this Agreement between the Parties or relating to the performance or non-performance of the rights and obligations set forth herein or the breach, termination, invalidity or interpretation thereof shall be referred for arbitration in Delhi, India in accordance with the terms of Indian Arbitration and Conciliation Act, 1996 or any amendments thereof. The language used in the arbitral proceedings shall be English. Arbitration shall be conducted by a sole arbitrator, who shall be appointed with the consent of both Franchisor & franchisee only. The sole arbitrator shall be appointed as per the provisions of Arbitration and Conciliation Act, 1996. The arbitral award shall be in writing and shall be final and binding on each party and shall be enforceable in any court of competent jurisdiction.

xxx xxx xxx"

8. Perusal of the aforesaid Arbitration Clause shows that there is a valid Arbitration Agreement between the parties, which stipulates that all the disputes between the parties shall be subject to exclusive jurisdiction of Delhi only. Further, the arbitration shall be held at Delhi and that the arbitration shall be conducted by a Sole Arbitrator.

9. Today, learned counsel appearing for the respondents submits that she has no objection, if an Arbitrator is appointed.

10. This Court further takes note of the submission made by learned counsel appearing for the petitioner that the petitioner has an approximate claim of Rs. 50 Lacs.

11. In view of the existence of a valid Arbitration Agreement between the parties, and there being disputes between the parties, which are to be adjudicated by the learned Arbitrator, through the process of arbitration, this Court finds no impediment in appointing of an Arbitrator

12. Accordingly, considering the submissions made before this Court, the following directions are issued:

- i) Mr. Siddhant Nath, Advocate, (Mob: +91-9910870397) is appointed as the Sole Arbitrator to adjudicate the disputes between the parties.
- ii) The remuneration of the Arbitrator shall be in terms of Schedule IV of



the Arbitration Act.

- iii) The learned Arbitrator is requested to furnish a declaration in terms of Section 12 of the Arbitration Act prior to entering into the reference. In the event of any impediment to the Arbitrator's appointment on that count, the parties are given liberty to file an appropriate application before this Court.
 - iv) It shall be open to the respondents to raise counter-claims, if any, in the arbitration proceedings.
 - v) It is made clear that all the rights and contentions of the parties, including, as to the arbitrability of any of the claim, any other preliminary objection, as well as claims/counter-claims and merits of the dispute of either of the parties, are left open for adjudication by the learned Arbitrator.
 - vi) The parties shall approach the learned Arbitrator within two (02) weeks from today.
13. Needless to state, nothing in this order shall be construed as an expression of this Court on the merits of the case.
14. Accordingly, the present petition is disposed of in the aforesaid terms.
15. A copy of the order passed today, be sent to the learned Arbitrator, for information and compliance.

MINI PUSHKARNA, J

MAY 8, 2026/SK