

\* **IN THE HIGH COURT OF DELHI AT NEW DELHI**  
% **Date of order : 13<sup>th</sup> March, 2023**  
+ ARB.P. 1139/2022

THE PROFESSIONAL HAIR SALON AND SPA INDIA PVT  
LTD. .... Petitioner

Through: Mr.A.P.S. Jadaun, Advocate

versus

KS ENTERPRISES AND ORS. ....Respondents

Through: Ms.Kashish Sareen, Advocate

**CORAM:**

**HON'BLE MR. JUSTICE CHANDRA DHARI SINGH**

**ORDER**

**CHANDRA DHARI SINGH, J (Oral)**

1. The present petition has been filed on behalf of the petitioner under Section 11 of the Arbitration and Conciliation Act, 1996 seeking appointment of Sole Arbitrator for adjudication of disputes arising between the parties arising with respect to the Franchisee Agreement dated 31<sup>st</sup> May, 2019.

2. Learned counsel appearing on behalf of the petitioner submitted that petitioner is a company incorporated under the Companies Act, 1956 engaged in the business of health, wellness and lifestyle operating a salon and spa services throughout the territory of India under the brand name "Monsoon".

3. It has been submitted on behalf of the petitioner that respondent No. 1 is a sole proprietorship which had taken the Monsoon salon under a

Franchisee Agreement from the Petitioner. It is further submitted that respondent No.2 and 3 are the representatives of the respondent No. 1 sole proprietorship.

4. It has been submitted on behalf of the petitioner that the respondent approached the petitioner with an intention to open a franchise and the petitioner agreed to the offer made by the respondent, that were subsequently reduced to writing vide Franchisee Agreement dated 31<sup>st</sup> May, 2019.

5. It has been submitted on behalf of the petitioner that the petitioner has had problems with the respondents' franchise from the outset and has often alerted them of these problems. The petitioner's major problem was that royalties were not paid on schedule. It is further submitted that the respondents were obligated to pay monthly royalties to the tune of INR 50,000/-. Unfortunately, the respondent began regularly failing to meet its duties under the Franchise Agreement by failing to pay royalties on time.

6. It is submitted on behalf of the petitioner that despite providing the respondents with numerous opportunities to rectify, the petitioner ultimately was forced to terminate the Agreement on 22<sup>nd</sup> December, 2021, via a letter noting that further business interactions could not be supported or prolonged owing to the non-payment of royalties.

7. It is further submitted that in light of the aforementioned letter, the petitioner further issued the respondent with a legal notice dated 10<sup>th</sup> February, 2022, requesting the payment of overdue royalties.

8. It is submitted on behalf of the petitioner that the respondent

responded to the Legal Notice dated 10<sup>th</sup> February, 2022, purposefully seeking to place the responsibility on the petitioner, by using a fabricated factual matrix to excuse themselves from paying the petitioner's legitimately due sums.

9. Learned counsel appearing on behalf of the petitioner submitted that being aggrieved by the actions of the respondent, the petitioner was constrained to invoke the arbitration clause as provided in the Franchisee Agreement vide Legal Notice dated 10<sup>th</sup> March, 2022.

10. Learned counsel appearing on behalf of the respondent vehemently opposed the averments made in the instant petition however has fairly conceded to the arbitral nature of disputes between the parties and has no objection if an independent arbitrator is appointed by this Court for redressal of disputes.

11. Heard the learned counsel for the parties and perused the record.

12. As agreed on behalf of the parties, this Court finds it appropriate to appoint a Sole Arbitrator to adjudicate the disputes between the parties arising out of the Franchisee Agreement dated 31<sup>st</sup> May, 2019. Hence, the following order:

**ORDER**

- (i) Ms. Neelakshi Bhadauria, Advocate is appointed as a sole arbitrator to adjudicate the disputes between the parties which have arisen under the Franchisee Agreement dated 31<sup>st</sup> May, 2019;

- (ii) The learned sole arbitrator, before entering the arbitration reference, shall ensure the compliance of Section 12(1) of the Arbitration and Conciliation Act, 1996;
- (iii) The learned sole arbitrator shall be paid fees as prescribed under The Delhi International Arbitration Centre (DIAC) (Administrative Cost and Arbitrators Fees) Rules, 2018 as amended vide notification dated 15<sup>th</sup> November, 2022;
- (iv) At the first instance, the parties shall appear before the learned sole arbitrator within 10 days from today on a date which may be mutually fixed by the learned sole arbitrator;
- (v) All contentions of the parties are expressly kept open.

13. A copy of the order be forwarded to the learned sole arbitrator on the following address:

Ms. Neelakshi Bhadauria, Advocate  
A/152, IV Floor, Defence Colony  
New Delhi - 110024  
Mobile No.: +91-8053461050  
E-mail ID: neelakshi.bhadauria1@gmail.com

14. Accordingly, the instant petition is disposed of alongwith pending applications, if any.

15. The order be uploaded on the website forthwith.

**CHANDRA DHARI SINGH, J**

**MARCH 13, 2023**  
**SV/UG**

*Click here to check corrigendum, if any*