

**IN THE HIGH COURT FOR THE STATE OF TELANGANA
AT HYDERABAD**

**THURSDAY, THE THIRTIETH DAY OF APRIL
TWO THOUSAND AND TWENTY**

PRESENT

THE HONOURABLE SRI JUSTICE A. RAJASHEKER REDDY

ARBITRATION APPLICATION NO: 134 OF 2019

Between:

Smt. P. Premalatha, W/o. P. B. Chowdary, R/o. Flat No.204, B-Block, Green Terraces,
White Fields, Kondapur, Hyderabad. **...APPLICANT**

AND

Sri. P. Prem Kumar, S/o. Late. P. Rama Rao, R/o. 1A, Aurora Colony, Road No.3,
Banjara Hills, Hyderabad-500034. **...RESPONDENT**

Arbitration Application under Section 11 (5) & (6) of the Arbitration & Conciliation Act, 1996 R/w. Scheme for Appointment of Arbitrator praying that this Hon'ble Court may be pleased to appoint Arbitrator to resolve the disputes between the Applicant and the Respondent arising out of the Development Agreement Cum General Power of Attorney dated 04/03/2006 bearing Document No.4906/2006

Counsel for the Applicant :SRI SRINIVASA RAO PACHWA

Counsel for the Respondent: None appeared

The Court made the following: ORDER

THE HON'BLE SRI JUSTICE A. RAJASHEKER REDDY

ARBITRATION APPLICATION No.134 of 2019

ORDER:

This application is filed under Section 11 (5) and (6) of the Arbitration and Conciliation Act, 1996, seeking to appoint an arbitrator, as per clause 19(a) of the Development Agreement cum General Power of Attorney dated 04.03.2006 bearing Document No.4906 of 2006 entered into between the parties, to resolve the disputes between the parties which arose under the aforesaid agreement.

2. The applicant, being the land owner of the land admeasuring 2540 sq. yards in Sy.No.70, Serilingampally Mandal, Ranga Reddy District, entered into a Development Agreement cum General Power of Attorney dated 04.03.2006 bearing Document No.4906 of 2006 for the development of Independent Houses/Bungalows/Row Houses etc. The respondent paid a sum of Rs.2,62,396/- by way of cheque bearing No.522818 dated 04.03.2006 towards non-refundable advance. The respondent undertook to obtain required permissions from the concerned authorities for construction of the said structures but failed to obtain the same. Though 13 years have elapsed, the respondent has not obtained any permission and virtually abandoned the development agreement dated 04.03.2006. The applicant issued notice dated 15.06.2019 duly cancelling the Development Agreement cum General Power of Attorney dated 04.03.2006 and also sent a lawyer's notice dated 19.08.2019 informing the respondent about the cancellation of the Development Agreement cum General Power of Attorney. But the respondent failed to issue reply notice. The application got issued another Lawyer's notice dated 11.09.2019

informing the respondent that Sri S. Chalapathi Rao, Additional District Judge, is appointed as the arbitrator and called upon the respondent to appoint an Arbitrator of their choice. The respondent failed to appoint their arbitrator. Hence, the present application.

3. Heard the learned counsel for the applicant.

4. Learned counsel for the applicant submits that the Development Agreement cum General Power of Attorney dated 04.03.2006 contains the arbitration clause and the same is invoked but there is no response from the respondent disputing the same. Hence, this application needs to be allowed.

5. Though notice is served on the respondent, there is no appearance and no counter affidavit is filed opposing the application.

6. In this case, it is to be seen that the Development Agreement cum General Power of Attorney dated 04.03.2006 provides for arbitration vide arbitration clause 19(a), which reads as follows:

"19(a). In case of any disputes including deviation in specifications arises between the parties hereto touching these presents the matter shall be referred to the Arbitrators one chosen by each party and in case of any difference of opinion between such arbitrators, they shall nominate a common umpire and their award shall be final and binding on both the parties and the relevant provisions of the Arbitration Act shall apply."

7. The facts narrated above go to show that there exists an arbitration clause in the Development Agreement cum General Power of Attorney dated 04.03.2006. The applicant invoked the aforesaid clause by notice dated 11.09.2019 and there is no response from the

respondent. No counter affidavit is filed disputing the assertions made in the affidavit of the applicant about the existence of the arbitration clause.

8. In view of the above, the arbitration application needs to be allowed and accordingly, the same is allowed appointing Sri Justice P. Swaroop Reddy, Former High Court Judge.

9. The learned Arbitrator is entitled to fees as per the rates specified in the Fourth Schedule to the Act of 1996, inserted by Act 3 of 2016 with effect from 23.10.2015, which shall be borne by both parties i.e., by the landowner and developer to the agreement.

Pending miscellaneous petitions shall also stand closed.


There shall be no order as to costs.

Sd/-M. SHANTHI VARDHINI
JOINT REGISTRAR
SECTION OFFICER

//TRUE COPY//

To

1. Sri Justice P. Swaroop Reddy , Former High Court Judge, Plot No. 91, Abience Fort, Attapur Ring Road, Rajendra Nagar, Hyderabad – 500 048 (By Special Messenger) (along with a copy of affidavit and material paper)
2. One CC to SRI SRINIVASA RAO PACHWA, Advocate [OPUC]
3. Two CD Copies



HIGH COURT

DATED:30/04/2020



ORDER

ARBITRATION APPLICATION No.134 of 2019

ALLOWING THE ARBITRATION APPLICATION

(4) VLW
4/6/20