IN THE HIGH COURT FOR THE STATE OF TELANGANA AT HYDERABAD

FRIDAY, THE FIRST DAY OF AUGUST
TWO THOUSAND AND TWENTY FIVE

PRESENT

THE HONOURABLE THE CHIEF JUSTICE APARESH KUMAR SINGH

ARBITRATION APPLICATION NO: 49 OF 2025

Between:

M/s Aelite Logistics and Marketing Pvt. Ltd., Having its Corporate Office at 1st Floor, Venkateshwaraa Arcade, Plot No.1, NH.65, Srinivasa Colony, Hayathnagar Main Road, Hyderabad-501505, Telangana, Rep. by its Authorized Signatory Mr. Md. Razeeuddin.

...Applicant

AND

1. Vanasri Crop Care Pvt. Ltd., Having its Registered/Corporate Office at. D.No.10-61/3/B/2, Bommakal, Karimnagar- 505001, Telangana, Rep. by its Director.
2. Vanasri Crop Care Pvt. Ltd., Having its Registered/Corporate Office at. H.No.2-66/23/1, Choppadandi Mandal, Katnepalle, Karimnagar, Telangana- 505531, Rep. by its Director.
3. Vanasri Crop Care Pvt. Ltd., Having its Registered/Corporate Office at. C Block, Flat G5, Golden Oriole, Opp. BRC Shivahills, Puppalaguda, VTC. Puppalaguda, Dist. K.V Rangareddy, Telangana- 500089, Rep. by its Director.
4. Vanasri Crop Care Pvt. Ltd., Having its Registered/Corporate Office at. 2-115/1, Chelgal, Jagtial Mandal, VTC. Chelgal, PO. Chelgal, Sub Dist. Jagtial, Dist. Karimnagar, Telangana- 505455, Rep. by its Director.
5. Vanasri Crop Care Pvt. Ltd., Having its Registered/Corporate Office at. House No.F-G 01, F-Block, Mayfair Apartments, Tellapur, Dist. Sangareddy- 502032.

...Respondents

Application filed Under Section 11 (5) & (6) of the Arbitration & Conciliation Act, 1996 Read with Scheme for Appointment of Arbitrators, 1996 praying that this Hon'ble Court may be pleased to appoint an arbitrator in accordance with Clause 27 of the Distributor Agreement read with Section 11 of the Arbitration and Conciliation Act, 1996, to adjudicate the disputes arising between the parties, including but not limited to the outstanding payments along with interest at the rate of 18 percent till the date of realization thereof, and related breaches.

Counsel for the Applicant : Mr. Venancio D'Costa representing Ms. K. S. Manaswi

Counsel for the Respondent No. 1: Mr. Manideep Madhavarapu

The Court made the following: ORDER

Mr. Venancio D'Costa, learned counsel representing Ms. K.S.Manaswi, learned counsel for the applicant appeared through video conference.

Mr. Manideep Madhavarapu, learned counsel for respondent No.1 appeared through video conference.

Heard learned counsel for the applicant and learned counsel for respondent No. 1.

The parties have entered into Distributor Agreement dated 17.12.2021. The applicant company claims supplying products, materials from time to time and has raised invoices on the respondent company, which have remained unpaid for the period from 24.04.2024 to 30.09.2024. Certain cheques issued towards discharge of their outstanding dues were not honoured due to insufficient funds, which led to initiation of proceedings under Section 138 of the Negotiable Instruments Act, 1881. In respect of outstanding dues of Rs.3,12,55,880/- claimed by the applicant company, a notice was issued on 15.01.2025 invoking the arbitration clause 27 under the Distributor Agreement dated 17.12.2021, Annexure A-3, proposing three names for being appointed as Arbitrators to the respondents. Respondents in reply vide letter dated 28.01.2025, Annexure A-9, have denied the allegations relating to the outstanding dues and have also rejected the proposal for appointment of any of the three nominees mentioned by the applicant. Thereafter, the applicant has preferred this application under Section 11(5) and (6) of the Arbitration and Conciliation Act, 1996 read with Scheme for appointment of Arbitrator, 1996.

After notice, respondent No.1 has appeared through Mr. Manideep Madhavarapu, learned counsel.

Learned counsel for respondent No.1 has stated, upon instructions, that the respondents do not object to an appointment of an independent Arbitrator by this Court on the subject dispute.

Learned counsel for the parties therefore submit that this Court may appoint the Former Judge of the High Court to adjudicate the dispute between the parties as an independent Arbitrator.

Upon hearing learned counsel for the parties and in view of the stand of the respondents, this Court proposes to appoint Sri Justice G.Raghuram, a former High Court Judge (residing at Plot No. 1099, Road No.36, Jubilee Hills, Hyderabad-33, Phone No.9818839212, 9440621412), as an independent Arbitrator to adjudicate the dispute between the parties. The proposed Arbitrator is requested to submit his consent and a declaration in terms of Section 12(1) read with Schedule VI of the Arbitration and Conciliation Act, 1996.

Registry is directed to communicate this order to the proposed Arbitrator.

The matter be listed after two weeks with the response, if any, of the proposed Arbitrator.

Sd/- I. NAGA LAKSHMI
JOINT REGISTRAR

//TRUE COPY//

SECTION OFFICER

To,

1. Sri Justice G. Raghuram, a former High Court Judge (residing at Plot No. 1099, Road No. 36, Jubilee Hills, Hyderabad – 33, Phone No. 9818839212, 9440621412) **(By Messenger Post) (Along with a Copy of affidavit and material papers)**
2. The Section Officer, O.S. Section High Court for the State of Telangana at Hyderabad.
3. One CC to Ms. K. S. Manaswi, Advocate [OPUC]
4. One CC to Mr. Manideep Madhavarapu, Advocate [OPUC]
5. Two CD Copies

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HIGH COURT

DATED:01/08/2025

List after two (02) weeks with the response, if any, of the Proposed Arbitrator



ORDER

ARBAPPL.No.49 of 2025

DIRECTION

06/08/2025