

In the High Court of Judicature at Madras

Dated : 09.4.2015

Coram :

The Honourable Mr.Justice V.RAMASUBRAMANIAN

O.P.No.301 of 2014 & A.Nos.3072 of 2014 & 1087 of 2015

1.Max Value Learning Technologies &
Consulting Private Limited, rep.by
its Managing Director Mr.Austin
P.Mathuranayagam

2.Mr.Austin P.Mathuranayagam

...Petitioners in
both OP. & A.No.
3072 of 2014 & R1
& R2 in A.1087/15

Vs

1.Vellore Institute of Technology,
rep.by its Secretary Mr.T.S.
Thiagarajan, Registrar, VIT
University, Vellore-14.

...R1 in both OP &
A.No.3072/2014 &
applicant in A.No.
1087 of 2015

2.Mr.M.R.Ravisankar, Advocate

...R2 in both OP &
A.No.3072/2014 &
R3 in A.1087/15

PETITION under Section 14(1)(A) of the Arbitration and Conciliation Act, 1996 to terminate the mandate of the Arbitrator i.e. the second respondent herein and consequently dismiss Arbitration Case No.2 of 2013 on the file of the second respondent.

A.No.3072 of 2014 is to stay all further proceedings in Arbitration Case No.2 of 2013 on the file of the second respondent pending disposal of the original petition and

A.No.1087 of 2015 is to vacate the interim order dated 28.4.2014 in A.No.3072 of 2014.

For Petitioners in the main OP : Mr.G.Ethirajulu
For R1 in the main OP : Mr.A.Saravanan

ORDER

While O.P.No.301 of 2014 is filed under Section 14(1)(A) of the Arbitration and Conciliation Act, 1996 for terminating the mandate of the arbitrator and A.No.3072 of 2014 is for stay of all further proceedings, the other application A.No.1087 of 2015 is for vacating the interim stay granted earlier.

2. Heard Mr.G.Ethirajulu, learned counsel for the petitioners in the main original petition and Mr.A.Saravanan, learned counsel for the first respondent in the main original original petition.

3. The petitioners in the main original petition entered into an agreement with the first respondent for advancing a loan for the purpose of conducting a course. In terms of Article 9 of the agreement, the Chairman of the first respondent or his nominee can be the sole arbitrator. When disputes arose between the petitioners and the first respondent, the Chairman of the first respondent nominated their advocate as the sole arbitrator. He commenced the adjudication. Thereafter, complaining bias against the sole arbitrator, the petitioners have come up with the above original petition for terminating the mandate.

4. At the time when notice was ordered in the main original petition,

an interim stay of further proceedings was also granted. Thereafter, the first respondent came up with an application to vacate the stay.

5. The short ground on which the first respondent in the main original petition seeks to vacate the stay is that the main original petition is not maintainable on the file of this Court. According to the learned counsel for the first respondent, the entire cause of action arose only at Vellore. Even Article 9.2 of the loan agreement clearly stipulates that the venue of the arbitration shall be at Vellore. Article 9.3 clarifies that the courts at Vellore shall have exclusive jurisdiction in all matters concerning this agreement.

6. Since the entire cause of action has also arisen only within the jurisdiction of the Principal District Court, Vellore, I am of the view that the main original petition is not maintainable here. A petition for terminating the mandate can be taken out before the court of competent jurisdiction, after following the procedure prescribed by Section 14.

7. Hence, leaving it open to the petitioners in the main original petition to follow the procedure prescribed, the main original petition and A.No.3072 of 2014 are closed. Consequently, A.No.1087 of 2015 is also closed.

8. The petitioners in the main original petition are given a time of 15 days from the date of receipt of a copy of this order to move an application before the arbitrator.

09.4.2015

RS

V.RAMASUBRAMANIAN,J

OP.No.301 of 2014 &
A.Nos.3072 of 2014&
1087 of 2015

09.4.2015