

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 24.07.2017

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THE HONOURABLE DR.JUSTICE ANITA SUMANTH

O.P. No.836 of 2016

Soundararaja Mills Limited
rep. by its Authorised Signatory
Mr.R.Muthusamy,
GTN Salai, Dindigul 624 005.

.. Petitioner

-VS-

M/s. Gail India Limited,
rep. by Zonal Deputy General Manager,
16, Bhikaiji Cama Place,
R.K.Puram,
Ring Road,
New Delhi 110 066.

.. Respondent

Prayer: Petition filed under Section 11(6) of the Arbitration & Conciliation Act, 1996 to appoint an Arbitrator to resolve the dispute between the petitioner and the respondents based on the agreements dated 09.04.2001 for the period from 2001-2010, 06.12.2010 for the period from 2011-2015, 23.12.2015 for the period from 2016-2020.

For Petitioner : Mr.P.Raja

For Respondent : Mr.A.Muraleedharan

ORDER

This petition seeks appointment of Arbitrator interms of Section 11(6) of the Arbitration and Conciliation Act (in short the 'Act') to resolve the disputes that have arisen between them.

2. Three General Sales Agreements were executed between the parties, agreement dated 09.04.2001 for the period from 2001-2010, 06.12.2010 for the period 2011-2015 and 23.12.2015 for the period 2016-2020 providing for the transmission of gas for which price has been fixed in terms of the agreements. While the agreements contain a clause providing for the payment of interest on delayed payments effected by the petitioner, no provision has been made for the payment of interest by the respondent for excessive collection of transmission charges.

3. Heard Mr.P.Raja learned counsel for the petitioner and Mr.A.Muraleedharan, learned counsel for the respondent.

4. Mr.A.Muraleedharan, learned counsel would oppose the petition on the ground that the merits of the matter relating to payment of interest on excessive transmission charges has been decided against other similarly placed companies by the Petroleum

and Natural Gas Regulatory Board. I do not see merit in the argument. In fact, the denial of the relief by the Board would itself establish that a dispute exists with respect to the payment of interest by the respondent on excessive transmission charges.

5. The second objection raised by Mr. A. Muraleedharan is that Courts in Delhi shall have exclusive jurisdiction over any dispute arising from the contract. Again, I disagree. The clause for arbitration in terms of Article 15.9(c) only states that the venue of arbitration shall be New Delhi, India. The present petition before this Court is thus maintainable. In any event, in view of the fact that the petitioner is located in Dindigul and the respondent in Chennai, both learned counsel would agree that the proceedings for arbitration shall be conducted in Chennai.

6. In the aforesaid circumstances, I am inclined to order the petition upon suggestions of the parties, I appoint Mr. Justice A.R. Lakshmanan, a Former Judge of the Honourable Supreme Court, residing at 2/448 Karpagambal Nagar, III Street, Kottivakkam, Chennai 600 041 (Phone Nos. 9311112222, 9710936799, 9810897979), as the Sole Arbitrator to enter upon reference and after issuing notice to the parties and

Dr. ANITA SUMANTH, J.

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upon hearing them, pass an award as expeditiously as possible. The learned Arbitrator is at liberty to fix his remuneration and other incidental expenses, which shall be borne by both the parties equally.

7.The Original Petition is accordingly allowed.

24.07.2017

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