

IN THE HIGH COURT OF JUDICATURE AT MADRAS

(ORDINARY ORIGINAL CIVIL JURISDICTION)

THURSDAY, THE 20TH DAY OF SEPTEMBER 2018

THE HON'BLE MR. JUSTICE C.SARAVANAN

O.P. No.816 of 2018

In the matter of Arbitration
and Conciliation Act, 1996

and

In the matter of Arbitration
Agreement dated 19.08.2015

L.S.Property Developers Pvt. Ltd.,
23/11, Bash Street,
Choolaimedu, Chennai-600 094.

... Petitioner

-Versus-

1. Lakshmi Royal Home Constructions,
rep. by its Managing Partner, P.Suresh,

2. Lakshmi Constructions,
rep. by its Managing Partner,
D.V.Sudhakar,
1 & 2 are at G10 & G11,
Bhanu Enclave, ESI Erragadda,
Hyderabad-500 038.

... Respondents

Original petition praying that this Hon'ble Court be
pleased to appoint a Sole Arbitrator to decide the disputes
that have arisen between the petitioner and the respondents
under the Arbitration Agreement dated 19.08.2015.

This Original Petition coming on this day before this
Court for hearing the court made the following order:

O.P.No.816 of 2018 has been filed for appointment of a
Sole Arbitrator to decide the disputes that have arisen
between the petitioner and the respondents under the
Arbitration Agreement dated 19.08.2015.

2. The dispute between the applicant and the
respondent relates to payment of facilitation charges as

per agreement dated 19.08.2018. The petitioner has demanded an amount of Rs.15 crores as felicitation charges from the respondent. However, the respondent has denied its liability. On the other hand, the respondent submits that the agreement dated 19.08.2018 has been substituted by a Fresh Memorandum of Understanding dated 04.01.2018 and therefore, the respondent is not liable to pay any amount to the petitioner.

3. The learned counsel for the respondent submits that the arbitration clause in Memorandum of Understanding dated 19.08.2015 is no longer available to the petitioner under Section 11(6) of the Arbitration and Conciliation Act. The said clause reads as under:

"7. Any disputes between the parties shall be referred to Arbitration. Subject to this, the Courts in Chennai shall have jurisdiction over the matter."

4. Learned counsel for the respondent has also filed a detailed counter, raising their objections to the maintainability of the application.

5. Having considered the arguments of either side, it is noticed that the agreement which contains arbitration clause. As per the decision of Hon'ble Supreme Court in the case of **M/S. Duro Felguera, S.A. vs. M/S. Gangavaram Port Limited** citation, the Court has to merely see the existence of the arbitration clause and proceed to appoint an Arbitrator. Therefore, since there is an arbitration

clause in the Memorandum of Understanding dated 19.08.2015, this Court is inclined to appoint an Arbitrator

6. Therefore, Hon'ble Mr.Justice K.Mohan Ram, former Judge of this Court residing at "ISHANA", Plot No.15B, Radiant Avenue, 5th Street, VGP Golden Beach Layout, Injambakkam ECR, Chennai - 600 115 is appointed as the Sole Arbitrator to adjudicate the disputes inter-se between the parties. The learned Arbitrator is at liberty to fix his remuneration and other incidental expenses. The proceedings may be conducted under the aegis of the Madras High Court Arbitration Centre and in accordance with the Madras High Court Arbitration Rules.

(*) 7.

8.The Original Petition is, accordingly, allowed, leaving the parties to bear their own costs.

Sd/.C.S.N.J
20.09.2018

(*) Paragraph 7 deleted as per order dt.10/01/2019.

Sd/-28/01/2019

Assistant Registrar(O.S.II)

//Certified to be a true copy//

Dated this the day of 2018

R.s/10.12.2018

COURT OFFICER

From 25.09.2008 the Registry is issuing certified copies of the Order/Judgment Decree in this format.