

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 13.11.2019

CORAM

THE HONOURABLE MRS.JUSTICE PUSHPA SATHYANARAYANA

O.P.No.118 of 2019
and O.A.No.356 of 2019

V.K.Govinda Rajan
Managing Partner of
M/s.Atchaya Marine Salt
No.1/85, Rajasekaran Complex,
OMR Road, Kelambakkam,
Chennai 600 103

.. Petitioner

Vs.

1. The Salt Commissioner,
Government of India,
2-A, Lavan Marg, Lavan Bhavan,
Jhalana Doorngri, Jaipur-302 004.

2. The Deputy Salt Commissioner,
Government of India,
26, Haddows Road, Shastri Bhavan,
Chennai 600 006.

3. The Deputy Superintendent
of Salt Cum Factory Officer,
Cavelong Salt Factory,
Kelambakkam, Kancheepuram District 603 103 .. Respondents

* * *

Prayer : Petition filed under Section 11(6) of the Arbitration and Conciliation Act, 1996, praying to appoint an Arbitrator to hear and decide the disputes between the parties arising out of the Lease Deed dated 26.02.2009.

* * *

For Petitioner : Ms.R.Priya Kumar

For Respondents : Mr.K.S.Jegaganeshan, SPC
1 to 3

ORDER

The petitioner has filed this Original Petition seeking for appointment of an Arbitrator to adjudicate the disputes with the respondents arising out of the Lease Deed dated 26.02.2009.

2. According to the petitioner, the second respondent herein invited tenders on 19.11.2008 for the right of manufacture of Salt in R.S.No.1402, Thaiyur Village in the Covelong Salt Factory, Kelambakkam, Kancheepuram District. The petitioner offered a sum of Rs.360.70 per ton of salt to the land extent of 250 acres at Cavelang Salt Factory, Chennai, which was accepted by the second respondent, by proceeding in C.No.110182/2/P/2002/14551-56 dated 17.11.2008. In pursuance of the same, the petitioner and the second respondent had entered into a Lease Deed dated 26.02.2009, which was registered as Document No.4395 of 2009 on the file of S.R.O, Tiruporur, Kancheepuram District and it is valid upto 27.11.2028. It is further stated that the petitioner had remitted a sum of Rs.1,70,100/-

towards future assignment fee and also a sum of Rs.18,03,500/- on 22.01.2009 towards security deposit to the respondents even prior to the execution of Lease Deed. After taking over the Salt Factory, the petitioner had invested Rs.2.5 crores on the said land. The said land for the Salt manufacture was handed over to the petitioner only on 11.12.2009. As per the letter of the second respondent dated 17.11.2008, the annual Assignment Fee is about Rs.18,03,500/- per annum. However, during the calender years from 2009 to 2012, the petitioner had remitted a sum of Rs.18,03,500/- as Security Deposit and a sum of Rs.59,76,100/- as Annual Assignment Fee. Surprisingly, the second respondent, by his letter dated 26.02.2012, stated that there is an outstanding amount of Rs.26,08,677/- from the petitioner. According to the petitioner, he did not commit any default in the payment, except on some years by which the salt manufacturing was heavily affected due to cyclones. In the meanwhile, on 07.02.2013, the third respondent issued a letter stating that the lease was determined on 07.02.2013 and possession would be taken on 20.03.2013. Immediately, the petitioner invoked the arbitration Clause 23 of the Lease Agreement and sent a letter to the second respondent. He has also filed a Writ Petition in W.P.No.12707 of 2013 before this Court and the same is pending. Till date, the second respondent has not taken any steps for commencement of arbitration proceeding.

Hence, the petitioner is before this Court in this petition.

3. Heard the learned counsel for the petitioner and the learned Senior Counsel appearing on behalf of the respondent, who have agreed upon the appointment of Hon'ble Mr.Justice K.Venkataraman, a retired Judge of this Court as the Sole Arbitrator.

4. Considering the submissions of the learned counsel for the petitioner, Mr.K.VENKATARAMAN, a retired Judge of this Court, residing at L-Block, No.125, East Anna Nagar, Chennai 600 102 is appointed as the Sole Arbitrator to enter upon reference and adjudicate the disputes inter se the parties. The learned Arbitrator may, after issuing notice to the parties and upon hearing them, pass an award as expeditiously as possible, preferably within a period of six months from the date of receipt of the order. The learned Arbitrator is at liberty to fix his remuneration and other incidental expenses. The proceedings shall be conducted preferably in the Madras High Court Arbitration Centre and in accordance with the Madras High Court Arbitration Rules. The appointment of the Arbitrator will be subject to the disclosure and declaration made, as per the Sixth Schedule to the Arbitration and Conciliation Act, 1996 coupled with the amendments made therein.

5. The interim order already granted by this Court and extended periodically is further extended for a period of eight weeks from the date of receipt of a copy of this order. In the meantime, it is open to the parties to approach the Arbitral Tribunal for the interim relief in accordance with law.

6. The Original Petition is ordered accordingly. The parties shall bear their own costs. Consequently, connected application is closed.

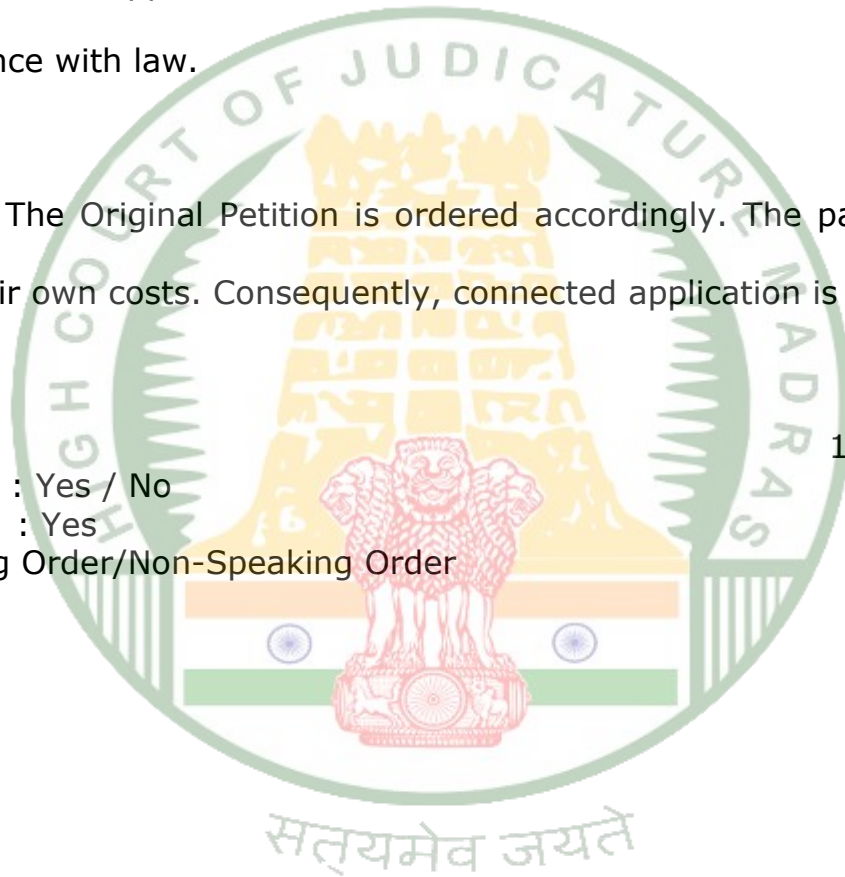
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Index : Yes / No

Internet : Yes

Speaking Order/Non-Speaking Order

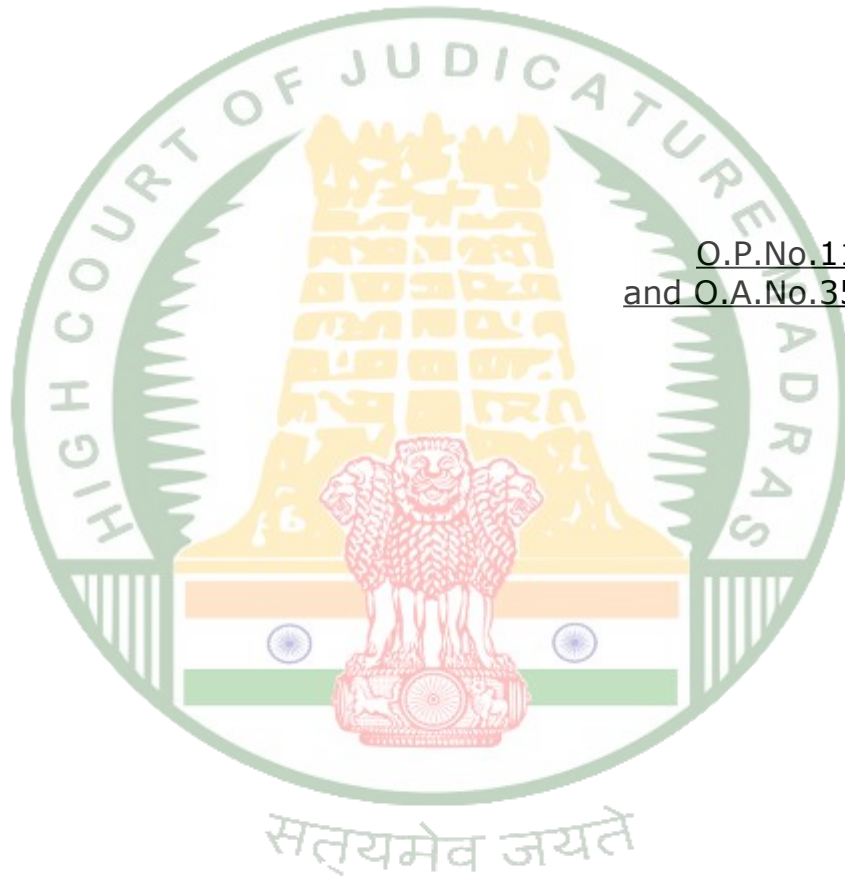
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