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Arb.O.P.(Comm.Div.) No.471 of 2022

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 09.11.2022

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THE HONOURABLE **MR.JUSTICE SENTHILKUMAR RAMAMOORTHY**

Arb.O.P.(Comm.Div.) No.471 of 2022

Neelam Jute (P) Ltd
Rep. by its Chief Executive Officer,
Mr.Vijay Kant,
One way Traffic Road, Srikulam,
Andhra Pradesh – 532 001.

... Petitioner

VS.

The Tamil Nadu Civil Supplies Corporation Ltd.
(TNCSC),
Rep. by its General Manager(Business),
No.12, Thambusamy Road, Kilpauk,
Chennai – 600 010.

... Respondent

PRAYER: Arbitration Original Petition filed under Section 11(6) of the Arbitration and Conciliation Act, 1996, pleaded to appoint an arbitrator to resolve the dispute between the petitioner and the respondent arising out of the agreement dated 23.10.2020.



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For Petitioner : Mrs.Tamilselvi
for Mr.M.Santhanaraman

For Respondent : Mrs.D.Hymavathi

ORDER

The petitioner seeks the constitution of an arbitral tribunal to adjudicate the dispute arising out of the Agreement dated 23.10.2020 for the supply of 5 ply jute twine. Upon disputes arising between the parties, the petitioner initially issued a representation dated 08.03.2022. Since the said representation did not elicit the expected response, the petitioner issued a notice under Section 21 of the Arbitration and Conciliation Act,1996(the Arbitration Act) on 16.05.2022. In such notice, the petitioner alleged that the respondent had erroneously withheld a sum of Rs.24,67,482/- towards liquidated damages. The said notice was received by the respondent, but not replied to. The present petition is filed in the said facts and circumstances.

2. Learned counsel for the respondent submits, on instructions, that



the goods were supplied belatedly by the petitioner. Therefore, liquidated damages were imposed in accordance with the contract. As regards the failure to provide a panel of arbitrators to the petitioner upon receipt of the Section 21 notice, it is submitted that the respondent does not have a panel of arbitrators at this juncture, and that such panel is under preparation.

3. The admitted position is that clause 20 of the Agreement provides for the resolution of disputes by arbitration. The said clause is set out below:

"20. (i) It is mutually agreed that in the case of any dispute arising out of any of the terms and conditions of this agreement including interpretation of any of the clauses of the tender or the agreement to be executed, the matter shall be referred by the Corporation / supplier to an Arbitrator who shall be selected by the party from the panel of the Arbitrators approved by the Board of Directors of TNCSC and communicate the same within 15 days from the date



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2022 is allowed by appointing Mr.K.Ashok Kumar, Advocate,
New No.38, Old No.49, Padmanatha Nagar, 4th Street, Adyar, Chennai –
600 020, Mobile No.94449 58093, as the sole arbitrator. The sole arbitrator
is called upon to enter upon reference and adjudicate the dispute. The fees
and expenses in relation to the arbitral proceedings may be fixed by the
arbitral tribunal in consultation with the parties.

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Index : Yes / No
Internet : Yes / No
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