



CRP.No. 3318 of 2023

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 12.09.2023

CORAM:

THE HONOURABLE **MRS. JUSTICE V.BHAVANI SUBBAROYAN**

CRP.No. 3318 of 2023

and

CMP.No. 20552 of 2023

M/s. Arkay Energy (Rameswaram) Private Limited
Unit No. 3, 1st Floor,
Survey No. 115/1, Kapil Towers,
Financial District, Nanakramguda
Gachibowli, Hyderabad-500 032.

.. Petitioner

Versus

M/s. Oil and Natural Gas Corporation Limited
Karaikal Asset, Neravy Office Complex
Karaikal, Puducherry-609 604.

.. Respondent

Civil Revision Petition is filed under Article 227 of the Constitution of India, praying to set aside the fair and decretal order dated 14.07.2023 to the extent that it requires the petitioner to deposit a sum of Rs.37,83,66,047/- before the learned Karaikal District Court within a period of six weeks from the date of receipt of the impugned order and grants the respondent the liberty to apply for withdrawal of 25% of the sum deposited by the petitioner, passed by the learned District Judge (FAC), Karaikal in IA.No. 3 of 2023 in Arb.O.P.No. 5 of 2023.



CRP.No. 3318 of 2023

For Petitioner : Mr.Jayesh Dolia,
Senior Counsel

For Respondent : Mr.Mohammed Fayaz Ali

ORDER

This Civil Revision Petition has been filed seeking to set aside the fair and decretal order, dated 14.07.2023 to the extent that it requires the petitioner to deposit a sum of Rs.37,83,66,047/- before the Karaikal District Court, within a period of six weeks from the date of receipt of the impugned order and grant liberty to the respondent to apply for withdrawal of 25% of the sum deposited by the petitioner, passed by the learned District Judge (FAC), Karaikal, in I.A.No.3 of 2023 in Arb.O.P.No. 5 of 2023.

2. The case of the petitioner is that the petitioner has filed Arb.O.P.No. 5 of 2023 before the District Court, Karaikal. During the pendency of the arbitrarl proceedings, the petitioner has filed I.A.No. 3 of 2023 in Arb.O.P.No. 5 of 2023 before the District Court, Karaikal under Section 34 read with Section 36(2) and 36(3) of the Arbitratiaon and Conciliation Act, 1996 to stay the operation of the impugned Award dated



CRP.No. 3318 of 2023

WEB COPY

14.11.2022 passed in the Arbitratiaon Proceedings pending disposal of the above Arbitratiaon.O.P.No. 5 of 2023. After perusing the records, the trial Court passed a conditional order, dated 14.07.2023, that the petitioner has to deposit a sum of Rs.37,83,66,047/- within a period of six weeks from the date of receipt of a copy of the order. It is made clear that if the said amount is not deposited by the petitioner within the time prescribed, the stay granted by the Trial Court stands vacated without any further reference to the Court. If the said amount is deposited by the petitioner, the respondent would be at liberty to apply for 25% of withdrawal of the said amount. If any such application is made by the respondent, the Court will consider the same on its own merits. Aggrieved by the said order dated 14.07.2023, the petitioner has preferred this Civil Revision Petition.

3. The learned Counsel appearing for the petitioner would submit that the petitioner has furnished a sum of Rs.32,22,22,531/- as security for the respondent herein in the following manner:-



CRP.No. 3318 of 2023

Sl. No.	Details of Deposit	Value (in Rs.)	Period of last Extension
1.	LC No. 2018329ILC0385	18,38,24,979	29.03.2024
2.	LC No. 2018329ILC0394	3,61,75,021	29.03.2024
3.	Letter dated 21.09.2019 issued by Karnataka Bank to the petitioner, by way of which, lien placed upon the Term Deposits of the petitioner, has been intimated.	10,22,22,531	Validity continues till order of the Hon'ble Court
	Total	32,22,22,531	

4. Subsequently, an Arbitral Award dated 14.11.2022 was passed and the petitioner has challenged the same under Section 34 of the Arbitration and Conciliation Act, 1996 before the District Court, Karaikal bearing Arb.O.P.No.5 of 2023. The petitioner has filed an application under Section 36 of the Act, seeking stay of the said Arbitral Award. The District Court, Karaikal, passed an order dated 14.07.2023, granting stay of the said Arbitral Award upon a condition that the petitioner shall deposit a sum of Rs.37,83,66,047/- within six weeks.



CRP.No. 3318 of 2023

WEB COPY

5. The learned counsel for the petitioner would further submit that the petitioner undertakes to deposit a sum of Rs.2,50,00,000/- in addition to the above said Rs.32,22,22,531/- for the purpose of extending the order of stay of operation of the Arbitral Award dated 14.11.2022 till the final disposal of Section 34 proceedings before the District Court, Karaikal, in Arb.O.P.No. 5 of 2023.

6. Heard the learned counsel for both sides and perused the materials placed on record.

7. On a perusal of the records, it is seen that as per the calculation of the respondent, the amount of Rs.32,22,22,531/- has already been deposited into Karanataka Bank in L.C.No. 2018329ILC0385 for Rs.18,38,24,979/-, L.C.No. 2018329ILC0394 for Rs.3,61,75,021/- and Rs.10,22,22,531/- as per lien, governed by the order of this Court in CRP.No. 1110 of 2019 dated 26.04.2019 and contempt petition No. 1564 of 2019, dated 09.07.2021. In addition to the respondent has claimed amount of Rs.11,22,87,032/-. In the interest of justice, the trial Court directed the petitioner to pay 50% of the above amount Rs.11,22,87,032/-



CRP.No. 3318 of 2023

WEB COPY

and the petitioner is directed to pay the 50% amount Rs.5,61,43,516/-.

8. This Court on hearing both parties has modified the order and accordingly the petitioner shall deposit a sum of Rs.2,50,00,000/- in addition to Rs.32,22,22,531/- before the Court below and upon the consent of the respondent herein, the petitioner undertakes to convert the above Letter of Credit and deposit into a fixed deposit and file the fixed deposit receipt of the entire sum of Rs.34,72,22,531/- before the District Court, Karaikal, in Arb.OP.No. 5 of 2023 on or before 03.10.2023. The respondent is at liberty to withdraw 25% of the aforesaid amount by making appropriate application, before the trial Court.

9. In view of the above, the trial Court is directed to dispose of the Arb.O.P.No.No. 5 of 2023 filed by the petitioner under Section 34 of the Arbitration and Conciliation Act, 1996 pending on the file of the District Court, Karaikal, as expeditiously as possible, preferably within a period of six months from the date of receipt of a copy of this order. If the petitioner fails to obey any of the conditions stated above the interim order already granted by the Court below shall stand vacated.



CRP.No. 3318 of 2023

WEB COPY

10. The Civil Revision Petition is disposed of with the above direction. There shall be no order as to costs. Consequently, connected Miscellaneous Petition is closed.

12.09.2023

Index : Yes/No

Speaking order : Yes/No

Neutral citation : Yes/No

msm

Note: Issue order copy on 14.09.2023

To

1. The District Judge (FAC), Karaikal.
2. The Section Officer, V.R. Section,
High Court, Madras.



WEB COPY



CRP.No. 3318 of 2023

V.BHAVANI SUBBAROYAN, J.

msm

CRP.No. 3318 of 2023

12.09.2023