

ODC-3

IN THE HIGH COURT AT CALCUTTA
ORDINARY ORIGINAL CIVIL JURISDICTION
ORIGINAL SIDE

AP-COM/453/2024

SREI EQUIPMENT FINANCE LIMITED
VS
THE KARUR VYSYA BANK

BEFORE:

The Hon'ble JUSTICE RAVI KRISHAN KAPUR

Date : 9th May, 2024.

Appearance:
Mr. Swatarup Banerjee, Adv.

Ms. Sweta Gandhi, Adv.
...for respondent.

The Court: This is an application under Section 11 of the Arbitration and Conciliation Act, 1996. The disputes between the parties arise out of a Assignment Agreement dated 17 January 2019 read with the Designated Account Agreement dated 30 August 2019.

It is alleged that in view of the above arrangement between the parties, a separate escrow account was to be opened by the petitioner for designated customers with the respondent bank. Thereafter, in respect of such designated account, disputes in respect of payments towards the Goods and Service Tax (GST) amount have arisen by and between the parties.

Clause 8.3 of the agreement dated 17 January 2019 provide as follows;

“Any disputes of differences arising out of or in connection with the agreement during its subsistence or thereafter between the parties including any disputes and differences relating to the interpretation of the agreement or any clause thereof shall be settled by arbitration in accordance with the provisions of the Arbitration and Conciliation Act, 1996 (“Arbitration Act”) and Rules framed there under and any amendment, modification, statutory

enactment thereto from time to time. Arbitration shall be by a Sole arbitrator if Parties can agree upon one and failing that each Party shall appoint 1 (one) arbitrator and the 2 (two) arbitrators so appointed shall together select and appoint the third arbitrator, provided, however, that if the 2 (two) arbitrators so appointed are unable to appoint the third arbitrator by mutual consent within a period of 30 (thirty) days from the date of their appointment, the third arbitrator shall be appointed in accordance with the Arbitration Act. It is made clear that the venue of Arbitration proceedings will be at Kolkata and no objection shall be entertained from any parties in this regard. The cost of the Arbitration proceedings shall be borne by the parties to this Agreement. The award of the arbitrator shall be final, conclusive and binding on all the parties.”

The disputes between the parties are live arbitral disputes covered under the arbitration clause arising out of the above agreement pertaining to amounts lying in the designated accounts.

By consent of the parties, Hon’ble Mr. Justice Sanjib Banerjee, (Former Chief Justice of the Madras and Meghalaya High Courts) is appointed as Sole Arbitrator subject to the Learned Arbitrator communicating his consent to the Registrar, Original Side of this Court within three weeks from date.

The Advocate on Record of the petitioner shall forthwith communicate this order to the Learned Arbitrator within 10 days from the date of this order.

With the aforesaid directions, AP-COM/453/2024 stands disposed of.

(RAVI KRISHAN KAPUR, J.)