



Arbitration Original Petition (Com.Div.) No.236 of 2025

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 04.11.2025

CORAM

THE HONOURABLE MR.JUSTICE N.ANAND VENKATESH

Arbitration Original Petition (Com.Div.) No.236 of 2025

Casagrand Covaan Private Limited
represented by its Authorised Signatory
K.B.Bhavaani Gopan
NPL DEVI, New Number 111,
Old Number 59, LB Road,
Thiruvanmiyur, Chennai - 600 041.

.... Petitioner

Vs.

Sri Karthikeya Spinning and Weaving
Mills Private Limited,
previously known as
Sri Karthikeya Mills Private Limited,
No.484, Kamaraj Road,
Uppilpalayam, Coimbatore - 641 015.

.... Respondent

Arbitration Original Petition (Com.Div.) filed under Section 11(6)(a) of the Arbitration and Conciliation Act, 1996, praying to appoint an Arbitrator to resolve the dispute between the petitioner and the respondent arising under the Arbitration Contract of Agreement of Sale dated 09.03.2024.

For Petitioner : Mr.N.L.Rajah, Senior Counsel
for M/s.Ganesh & Ganesh

For Respondent : Mr.P.S.Raman, Senior Counsel
for Ms.Varuni Mohan



ORDER

This petition has been filed under Section 11 (6) of the Arbitration and Conciliation Act, 1996 [for brevity 'the Act'] for appointment of an Arbitrator to resolve the disputes between the petitioner and the respondent arising under the Arbitration Contract of Agreement of Sale dated 09.03.2024.

2. When the petition came up for final hearing on 27.10.2025, this Court passed the following order:

"Heard Mr.N.L.Rajah, learned Senior Counsel for the petitioner and Mr.P.S.Raman, learned Senior counsel for the respondent.

2. The original agreement of sale dated 09.03.2024 contains an arbitration clause at Clause 20. This covers only 3 acres of contiguous land, out of total extent of 4 Acres and 30 Cents. Both sides do not have any dispute with respect to the arbitration clause being available in this agreement. The next document is the letter of intent for joint development dated 21.09.2024 which covers another extent of 3.2 acres. By virtue of this agreement, the parties had intended to go for a joint development of the property.

3. Thereafter, there was some exchange of mails where the extent was increased by one acre and it is contended on the side of the petitioner that the parties were discussing on the joint development for the entire 7.5 acres.

4. The learned Senior counsel appearing on behalf of the respondent submitted that the letter of intent dated 21.09.2024 is a stand alone agreement, which does not contain an arbitration clause. It was further submitted that there is not even a reference to the agreement of sale dated 09.03.2024 in this



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document. The learned Senior counsel denied the fact that there was any consensus between the parties insofar as the additional one acre that is now sought to be brought into the dispute. Thus, the learned Senior counsel submitted that if at all the reference is made, it should only be confined to three acres of land, which is covered under the agreement of sale dated 09.03.2024.

5. The main issue that may arise in this case is regarding the identity of the property. Neither in the agreement of sale dated 09.03.2024 nor in the letter of intent dated 21.09.2024, there is a proper description of the property and these small pockets of land forms part of the total extent of 16 acres. Hence, unless the area is identified, the respondent will not be able to utilise the entire extent.

6. In view of the above, the learned Senior counsel for the respondent submitted that he will produce a map by demarcating the area of land covered under the agreement of sale, letter of intent and exchange of letters between the parties.

7. Post this case on 04.11.2025 under the caption for orders."

3. Pursuant to the above order, the matter was taken up for hearing today.

4. Learned Senior Counsel appearing for petitioner, by relying upon copious communications between the parties through e-mail exchanges, submitted that the letter of intent for joint development dated 21.09.2024 and the subsequent agreement between the parties to swap the lands were all part of the original agreement of sale dated 09.03.2024. Therefore, it was contended that there were supplementary agreements



between the parties, which should form part of the original agreement of sale dated 09.03.2024. To substantiate this submission, learned Senior Counsel relied upon the judgment of the Apex Court in ***Chloro Controls India Private Limited v. Severn Trent Water Purification Inc. and others [(2013) 1 SCC 641]*** and the learned Senior Counsel specifically placed reliance upon paragraph Nos.44 to 51 in the said judgment. Learned Senior Counsel also placed reliance upon the judgment of the Apex Court in ***Cheran Properties Limited v. Kasturi and Sons Limited and others [(2018) 16 SCC 413]***.

5. *Per contra*, learned Senior Counsel appearing on behalf of the respondent submitted that the communication between the parties shows that what was agreed through the agreement of sale dated 09.03.2024 will only cover three acres of contiguous land. All the subsequent discussions between the parties do not form part of the original agreement of sale. The letter of intent for Joint Development dated 21.09.2024 is a stand alone agreement and the arbitration clause contained in the agreement for sale dated 09.03.2024 cannot be incorporated into this letter of intent. To substantiate this submission, learned Senior Counsel



relied upon the order passed in Arbitration Application No.488 of 2025 dated 04.09.2025. Learned Senior Counsel also placed reliance upon the judgment of the Apex Court in ***NBCC (India) Limited v. Zillion Infra Projects Private Limited*** [2024 (7) SCC 174].

6. Pursuant to the earlier directions issued by this Court, learned Senior Counsel also produced the rough sketch showing demarcation of the area of the land covered under the agreement of sale, letter of intent and the exchange of communications between the parties.

7. In the considered view of this Court, while dealing with an application under Section 11 of the Act, this Court has to only see if there is a valid agreement between the parties in line with Section 7 of the Act and it contains an arbitration clause, nothing more and nothing less. Useful reference can be made to the judgment of the Apex Court in ***Duro Felguera, S.A. v. Gangavaram Port Ltd.*** [(2017) 9 SCC 729].

8. The bone of contention raised by learned Senior Counsel appearing on either side pertains to the extent of property that forms part of the dispute between the parties. It will be beyond the jurisdiction of



this Court to go into this issue and decide as to whether the dispute will confine itself only to 3 acres or it must be extended to 7.5 acres. It is purely a question of fact which has to be decided based on the documents relied upon by the parties. What is not in dispute is that there is an agreement of sale between the parties on 09.03.2024 and it contains an agreement clause at Clause 20. This will suffice for the present, to refer the dispute to the Arbitral Tribunal and insofar as the extent of property that is the subject matter of dispute, it will be open to the Arbitral Tribunal to decide the same based on the documents relied upon and the evidence let in by the parties. It is not necessary for this Court to render any finding on this issue. Hence, it is made clear that the total extent of the property, which got enlarged due to the subsequent letter of intent for joint development and the subsequent communications between the parties, is a matter which will be decided by the Arbitral Tribunal.

9. The agreement between the parties contemplates appointment of an Arbitral Tribunal consisting of three members. Considering the nature of dispute between the parties, this Court suggested to the learned Senior Counsel appearing on either side as to whether a Sole Arbitrator can be appointed so that the parties need not



incur exorbitant cost. Learned Senior Counsel appearing on either side accepted the said suggestion after getting instructions from the respective instructing counsel.

10. In the light of the above discussion, this Court appoints Hon'ble Mr.Justice R.S.Ramanathan, Former Judge, Madras High Court, "Parijatham", Old No.4-B2, New No.15, Rajagopalan Street, Valmiki Nagar, Tiruvanmiyur, Chennai - 600 041 [94442 22391], as the Sole Arbitrator and the Hon'ble sole Arbitrator is requested to adjudicate the arbitral disputes that had arisen between the parties and render arbitral award by holding sittings in any venue to the convenience of all concerned and render an award and fee of Hon'ble Sole Arbitrator shall be in accordance with the Madras High Court Arbitration Centre (MHCAC) (Administrative Cost and Arbitrator's Fees) Rules 2017.

Accordingly, this petition is disposed of.

04.11.2025

gm

N.ANAND VENKATESH, J.



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