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Arb O.P(COM.DIV.) No. 827 of
2025



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 23-02-2026

CORAM

THE HONOURABLE MR JUSTICE N. ANAND VENKATESH

Arb O.P(COM.DIV.) No. 827 of 2025

1. M/s.Yuga and Jana Construction
Rep. By its Managing Partner,
Mr.K.Narayanamoorthy, S/o.R.Kannan,
No.172, Sakthi Nagar, Near Neyveli
Arch Gate, Gandhi Nagar Post,
Kurinjpadi Taluk,
Cuddalore District - 607 308.

Petitioner(s)

Vs

NLC India Limited,
Rep by its General Manager/ Contracts/
Thermal, TPS-II Expansion Campus,
Neyveli 607 807.

Respondent(s)

PRAYER

Petition filed under Section 11 (4) of the Arbitration and Conciliation Act, 1996

praying to appoint an Arbitrator to adjudicate the disputes between the
Petitioner and the Respondent arising out of the Tender conditions of Contract
dated 07.03.2020.

For Appellant(s): Mr.M.Vijay Anand
For Respondent(s): M/s. N.Nithianandam

ORDER

This petition has been filed under Section 11 (4) of the Arbitration



and Conciliation Act, 1996 (for brevity hereinafter referred to as the *Act*) to appoint an Arbitrator to adjudicate the disputes between the Petitioner and the Respondent arising out of the Tender conditions of Contract dated 07.03.2020.

2. When this petition came up for hearing on 05.01.2026, this Court passed the following order:-

This petition has been filed under Section 11(4) of the Arbitration and Conciliation Act, 1996 (hereinafter referred to as 'the Act') to appoint an arbitrator to resolve the dispute arising out of the Contract Agreement dated 07.03.2020.

2. The agreement provides for referring the dispute for Arbitration under Clause 31 and the same is extracted hereunder:-

“31.0.DISPUTE RESOLUTION:

31.1. INFORMAL DISPUTE RESOLUTION: If any dispute between the Contractor and the Purchaser arises, it shall in the first instance be referred in writing to the Purchaser, who shall endeavor to resolve the dispute amicably and render a decision with 30 days. The period of 30 days shall be reckoned from the date of receipt of intimation of the dispute by the Purchaser. Save as herein after provided, in respect of a dispute so referred, the decision of the Purchaser, shall be final and binding upon the Parties until, the completion of the Contract and shall forthwith be given effect to by the Contractor who shall proceed with the Contract with all due diligence, whether or not either Party has sought



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Conciliation/arbitration of the dispute as herein after provided. The Parties agree to use reasonable efforts to resolve all disputes equitably and in good faith.

31.2.CONCILIATION:

31.2.1.If the party is dissatisfied with the decision rendered by the Purchaser, or if the Purchaser omits or declines to render a decision within the said period of 30 days, then within a further period of 30 days, the dissatisfied Party shall require by a notification that the dispute be referred to Conciliation in the manner as per the “NLC Conciliation Rules”, copy of which is available with the NLC offices and the Bidders/Contractors shall abide by the NLC Conciliation Rules for resolving any dispute arising out of this contract. Such a notification shall be in writing and it shall be duly served on the other Party. Failure to invoke the Conciliation within the time stipulated shall debar the party from seeking reference to Conciliation.

31.2.2.Except as otherwise provided in this clause, any dispute arising out of or relating to this agreement, or the breach, termination or validity thereof, shall be settled by Conciliation in accordance with ‘NLC Conciliation Rules’. The Conciliation shall be held at Neyveli/Chennai/Tuticorin/Barsingsar or in a place within India mutually agreed by the parties. The Conciliation proceedings shall be conducted, and the award shall be rendered in English. The award shall state the reasons upon which it is based.

31.2.3.There shall be Conciliators, who will be appointed as per Section-5 of the ‘NLC Conciliation Rules’ as below.



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(a)Number of Conciliators(s): (i)The Settlement Advisory Committee will consist of conciliator(s) from the approved panel maintained by NLC as follows: • Up to Rs.3.0.Crores: One Conciliators • More than Rs.3.0.Crores:Three Conciliators

(ii)The provisional claim/counter claim amount shall be indicated by the respective parties while initiating/concurring for conciliation. (iii)However, number of conciliators in the settlement advisory committee will not be modified, even if sum of actual claim and actual counter claim amount vary from the sum of provisional claim and counter claim amounts.

(b)Conciliator(s) will be appointed by CMD of NLC India Limited. 31.2.4.The Contract Agreement /Purchase order conditions and the rights and obligations of the Parties, shall remain in full force and effect during the Conciliation Proceedings. Supplies and / or services under the Contract shall, if reasonable possible, continue during the Conciliation Proceedings.

31.2.5.For the purpose of this Clause, the term 'dispute' shall include a demand or difference of any kind whatsoever, arising out of the Contract and respecting the performance of the Contract, whether during the Contract period including extensions if any, or after completion, and whether before or after termination, abandonment or breach of the Contract. (Except as to any further, the decision of which is specifically otherwise provided for in any of these conditions).

31.2.6.Only in case of failure to resolve the dispute through Conciliation, Arbitration can be resorted to.

31.2.7.Once the settlement agreement is signed with respect



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to a dispute, the same dispute is not subject to further appeal through Arbitration or Judicial Proceedings.

31.2.8. Anything not found in 'NLC Conciliation Rules', but necessary to conduct the conciliation proceedings will be dealt with as per the Provisions of the 'Arbitration and Conciliation Act 1996-Part-III' or as per the statutory provisions modified from time to time.

31.3. DISPUTE SOLVING AND ARBITRATION:

31.3.1. Dispute if any, arising out of the terms and conditions of the contract shall be settled amicable between the parties concerned.

31.3.2. In the unlikely event of any solution reached not satisfactory to any one of the parties or no solution could be reached, the matter may be referred to and settled through Arbitration.

31.3.3. The arbitration procedure shall be as per Arbitration and Conciliation Act 1996. The Arbitration / Arbitrators shall publish a speaking award.

31.3.4. The award of the Arbitrator / Arbitrators shall be final and binding on both the parties.

31.3.5. During the settlement of and arbitration proceedings, both parties shall be obliged to carry out their respective obligations under the contract.

31.3.6. The party in whose favour the award is passed shall be entitled to recover the entire costs of arbitration from the other party. The Arbitrators shall indicate the above in the award clearly.

*31.3.7. For "Other Contractors" (i.e. other than CPSEs):
(a) Arbitration shall be applicable only for the disputes*



involving claims from Rs.25 lakhs to Rs.20 Crores. (b)For the dispute(s) involving claims below Rs.25 lakhs and above Rs.20 Crores: The parties mutually agree that disputes / issue involving claims below Rs.25 Lakhs and above Rs.20 Crores shall not subject matter of arbitration The claims below Rs.25 lakhs are subject to the jurisdiction of the respective Civil Court having jurisdiction over the place of works/supply/service. The claims above Rs.20 Crores are subject to the exclusive jurisdiction of the Court situated at Chennai. The above provisions shall supersede provisions relating to the Arbitration. Governing Law and Jurisdiction mentioned elsewhere in the tender documents.”

2. Pursuant to the above order, notice has been served on the respondent and the respondent is represented through a counsel.

3. The learned Standing Counsel for respondent submitted that the respondent is denying the claim made by the petitioner and that liberty must be granted to the respondent to raise all the issues before the Sole Arbitrator appointed by this Court.

4. Heard Mr.M.Vijay Anand, learned counsel for the petitioner and Mr.N.Nithianandam, learned counsel for respondent.

5. In the considered view of this Court, there is a valid agreement between the parties in line with Section 7 of the Act and it contains an



arbitration clause. Therefore, this Court is inclined to appoint a sole arbitrator and it is left open to both the parties to raise all the disputes before the Arbitral Tribunal.

6. In view of the above, this Court is inclined to appoint Mr.V.Paul Das, District Judge (Retd.), residing at Door No.82/106, Perambur High Road Lane, Jamalia, Chennai 600 012, Mobile No.94434 94445, as the sole Arbitrator and the sole Arbitrator is requested to adjudicate the arbitral disputes that had arisen between the parties and render arbitral award by holding sittings in the 'Madras High Court Arbitration Centre under the aegis of this Court' (MHCAC) as per Madras High Court Arbitration Proceedings Rules 2017 and fee of Sole Arbitrator shall be in accordance with the Madras High Court Arbitration Centre (MHCAC) (Administrative Cost and Arbitrator's Fees) Rules 2017.

7. Accordingly, this petition is disposed of.

23-02-2026

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Index:Yes/No

Speaking/Non-speaking order

Internet:Yes

Neutral Citation:Yes/No

To

1.NLC India Limited,

Rep by its General Manager/ Contracts/

Thermal, TPS-II Expansion Campus,

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