

IN THE HIGH COURT OF ANDHRA PRADESH: AMARAVATI
HON'BLE Mr. JUSTICE PRASHANT KUMAR MISHRA, CHIEF JUSTICE

ARBITRATION APPLICATION Nos.28 of 2021;
25, 26 & 27 of 2022

The Krishna District Milk Producers Mutually Aided Cooperative Union Ltd., rep. by its Managing Director Sri Kolli Eswara Babu S/o. Sri Syama Sundara Rao, Hindu, aged 56 years, Chitti Nagar, Milk Products Factory, Vijayawada 520009

... Applicant

Versus

Sri Raatnalamma Dairy, rep. by its Proprietor Smt. Veerapaneni Padmaja, W/o. Sri V. Sivaram Prasad, R/o.D.No.3-31, Penamakuru Post, Thotlavalluru Mandal, Krishna District, Andhra Pradesh

... Respondent

COMMON ORDER (ORAL)

Dt.03.02.2023

These four applications, under Section 11(5) & (6) of the Arbitration and Conciliation Act, 1996 (for short, "the Act of 1996"), are filed seeking appointment of arbitrator; as such, they are heard analogously and decided by this common order.

2. The applicant is a Milk Producers Mutually Aided Cooperative Society registered under the Andhra Pradesh Mutually Aided Co-operative Societies Act, 1995. The respondent expressed intention for collection of milk and supply of the same subject to the terms and conditions set forth in the Memorandum of Understanding (MoU) entered between the parties. The MoU contains an arbitration clause

(clause 18) providing that in case of any dispute with regard to the interpretation of any of the terms of the MoU, the same shall be referred to arbitration within the jurisdiction of Vijayawada, Krishna District. The agreement was concerning Janampet, Pothavaram, Nidadhavolu and Anaparthi. However, in relation to Arbitration Application No.26 of 2022, no agreement containing terms and conditions of supply of milk, was produced, but the respondent has filed a document along with the counter-affidavit, in which the applicant has served a communication setting out the terms and conditions in respect of installation of new bulk milk cooler at Anaparthi for supply of milk to the applicant. This document contains an arbitration clause. In the course of hearing, learned counsel for the applicant would not dispute the said document and would state that the same may be referred only for the purpose as to whether there is any agreement between the parties or not, and on merits of the case, the dispute shall be decided by the arbitrator. He would submit that even otherwise, the respondent in reply to the applicant's legal notice, has agreed to refer the matter for arbitration.

3. Admittedly, MoU between the parties contains an arbitration clause. Although there is no MoU in respect of Arbitration Application No.26 of 2022; however, in this case, the parties do not dispute that in

the communication exchanged between them, an arbitration clause was mentioned. It is also not in dispute that there exists a dispute between the parties in relation to road milk tankers transportation cost from bulk milk coolers of the applicant to its milk products factory, Vijayawada.

4. Therefore, these applications, under Section 11(5) & (6) of the Act of 1996, deserve to be, and are, hereby, allowed, appointing Mr. Justice M. Satyanarayana Murthy, retired Judge of this Court as sole arbitrator to resolve the dispute between the parties. The place of arbitration shall be at Vijayawada. The fee of the arbitrator and other terms and conditions shall be settled by the parties in consultation with the arbitrator. Registry will send a copy of this order to Mr. Justice M. Satyanarayana Murthy, retired Judge, Villa No.4, Misty the First Avenue, Karakatta Road, Undavalli, Guntur District (Contact No.9493193335).

No costs. Pending miscellaneous applications, if any, shall stand closed.

Sd/-

PRASHANT KUMAR MISHRA, CJ

MRR