

**SUPREME COURT OF INDIA**

P. Shailaja

Vs.

M. Narender Reddy

C.A.No.944 of 2008

(Harjit Singh Bedi and B. Sudershan Reddy JJ.)

30.04.2009

**ORDER**

1. We have heard learned counsel for the parties. We observe from the impugned order of the High Court dated 29/9/2006 that the Hon'ble Judge has given findings that the arbitration agreement was not legally valid, that the claim was stale and time barred. We are of the opinion that these findings are on the merits of the case and it was not open to the Court to decide this issue as these matters were to be left for the decision of the arbitrator. In this view of the mater, we are of the opinion that the impugned order has to be set aside. It is, accordingly, set aside. We also request Hon'ble Mr. Justice B.P. Jeevan Reddy, a retired Judge of this Court, to be the sole arbitrator to settle the disputes between the parties. We clarify that the expenses for the arbitration will be borne by the appellant. We further request the arbitrator to take a decision in the matter as expeditiously as possible. All contentions including the question of limitation and as to the stale nature of the claim will be open before the arbitrator. The appeal is allowed in the above terms. No costs.