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IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

ARBITRATION PETITION (L) NO.817 OF 2015

Prajapati Gunvant Keshavlal ... Petitioner

Vs.

Union of India And 2 Ors. ... Respondents

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Mr. Rohan Cama a/w. Ms. Aditi Phatak, i/b. Arvind Kumar Dubey, for the Petitioner.

Mr. Suresh Kumar, for the Respondents.

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CORAM : S.C. GUPTE, J.

DATED : 29 APRIL 2015

P.C.:

. This is an application under Section 9 of the Arbitration and Conciliation Act, 1996. The disputes between the parties arise out of an agreement dated 23 February 2012 between the Petitioner and the Respondents in respect of leasing of parcel space in parcel van of the Respondents. It is the Petitioner's grievance that under the relevant clause of the agreement, which gives the Petitioner the right to terminate the agreement by serving a 60 days notice, the Petitioner called upon the Respondents to terminate the lease and refund the security deposit; that after expiry of the period of 60 days of service of this notice, the Respondents, by their letter dated 7 November 2014, issued a show cause notice to the Petitioner for cancellation of the contract and forfeiture of the security deposit; that the Petitioner has replied to the show cause notice, but despite showing cause, the

Respondents have unauthorizedly terminated the contract and forfeited the security deposit and registration fees. The Respondents have also debarred the Petitioner from entering into any tender for one year with effect from 18 March 2015 in accordance with the relevant clauses of the subject agreement. The parties consent to appointment of an arbitrator in terms of the agreement. Accordingly, Respondent No.1 (General Manager, Western Railway) shall appoint an Arbitrator within a period of four weeks from today. This Arbitration Petition shall be converted into an Arbitration Application under Section 17 of the Arbitration and Conciliation Act, 1996 and the Arbitrator so appointed shall decide the application within a period of one month from his appointment. In the meantime, the Petitioner shall be entitled to participate in the bid for a new contract. The date of submission of bid is 7 May 2015. Without prejudice to the rights and contentions of both the parties, such bid shall be accepted and considered by the Respondents and shall abide by whatever orders that may be passed by the Arbitrator appointed as above. The petition is disposed of accordingly. It is clarified that prayer clauses (b) and (c), which relate to encashment of the bank guarantee, are not granted by this Court. The question, however, as to whether, in the event of enforcement of this bank guarantee, the Petitioner is entitled to refund of the amount of the bank guarantee shall be subject to the decision of the Arbitrator. All rights and contentions of the parties on merits are kept open.

(S.C. GUPTE, J.)