

IN THE HIGH COURT OF JUDICATURE AT MADRAS**DATED 08.08.2017****CORAM****THE HONOURABLE DR.JUSTICE ANITA SUMANTH****O.P. No.468 of 2017**

Integra Micro Systems (P) Ltd,
Having its registered office at
G-5, Swiss Complex,
33, Race Course Road,
Bangalore 560 001
(represented by its Authorised
Signatory Mr. Sandeep Kasliwal)

.. Petitioner

-VS-

Indian Bank,
66, Rajaji Salai,
Chennai 600 001

.. Respondent

Prayer: Petition filed under Section 11(6) of the Arbitration and Conciliation Act, 1996 and the Scheme for appointment of Arbitrator by the Chief Justice of the High Court of Madras, 1996 seeking to appoint an Arbitrator on the respondent's behalf, and direct the said Arbitrator, in consultation with the Arbitrator nominated by the petitioner, to appoint the third Arbitrator to constitute the Arbitral Tribunal to resolve the disputes between the parties arising out of the arbitration agreement dated 18.2.2009.

For Petitioner : Mr.K.F. Manavalan

For Respondent : No Appearance
(respondent served)

ORDER

The petitioner herein had entered into a Service Level Agreement with the Indian Bank dated 18.2.2009 as a technology service provider and to render services as a business correspondent through its Agents/Representatives/Associates situated in different villages for the provision of smart cards in six districts of the state of Andhra Pradesh.

2. The agreement has a clause for the resolution of disputes by Alternate Dispute Resolution as follows;

'Resolution of Disputes:

'In the event of any dispute or difference relating to interpretation and application of provisions of the Contract and all disputes/claims whatsoever which shall either during the continuance of the contract or afterwards either between the parties to the contract or the respective representatives touching the construction/application of any provision/clause mentioned in the contract or any account or liability between the parties to the contract or as to any act or deed or omission of any party to the contract, in any way relating to these presents, shall be first at the discretion of the Bank attempted to be resolved in good faith by mutual discussion within 30 days of the dispute or question being raised failing which the same shall be settled by arbitration in accordance with provisions of Indian Arbitration and Conciliation Act, 1996.

The Parties concerned shall designate an arbitrator on mutual consent/consensus. In the event of no consensus being arrived, an Arbitral Tribunal shall be constituted comprising three Arbitrators, each party appointing one arbitrator and a third arbitrator to be appointed by the two arbitrators so appointed by the parties. The venue of the arbitration shall be exclusively at Chennai and any award passed by arbitrator or the arbitral Tribunal shall be final, conclusive and binding upon

the parties and shall be deemed to have been made between parties themselves. The parties to the dispute shall share equally the cost of arbitration as intimated by the arbitrator.'

3. Disputes arose between the parties that were being mutually discussed in order to arrive at a resolution. Since no finality could be arrived at, a letter dated 24.3.2015 was issued by the petitioner invoking the arbitration clause. The letter was duly received by the Bank and replied to on 27.5.2015 seeking various details. The exchange of communication reveals that the disputes between parties have been acknowledged by the respondent. However, letter dated 5.9.2016 issued to the Bank suggesting the name of an Arbitrator has not received any favourable response though it has been duly received.

4. Heard Mr.K.F. Manavalan, appearing for the petitioner. None appears for the respondent, although notice issued by this court has been duly received by the bank and an affidavit of service filed by the petitioner in this regard. The name of the respondent is also printed in the cause list. Hence notice is deemed sufficient.

5. A perusal of the documents would show that the disputes between the parties is admitted. The agreement between the parties also reveals an arbitration clause.

6. In this light of the matter, I am inclined to order this petition and

appoint Mr.S. Venkataraman, Former Deputy General Manager, Indian Overseas Bank, Currently Consultant of Exilant Co Ltd., at FOB, 12, Jeth Nagar I Main Road, Mandaveli, Chennai 600 028, as the arbitrator on behalf of the petitioner. I appoint Ms.A.L.Gandhimathi, Advocate as the Arbitrator on behalf of the respondent. The aforesaid two arbitrators will appoint an Umpire and the Arbitral Panel will enter reference upon and adjudicate upon the disputes arising out of the Service Level Agreement between the parties dated 18.2.2009

7. The Arbitral Panel is free to fix their remuneration and their schedule of expenses to be borne equally by both parties. The proceedings for Arbitration may be commenced within a period of four weeks from the date of receipt of a copy of this order and may be concluded as expeditiously as possible and within a period of six months from the date of first sitting of the Tribunal. The proceedings may be conducted under the aegis of the Madras High Court Arbitration Centre bound by the rules of the Centre.

8.The Original Petition is, accordingly, allowed, leaving the parties to bear their own costs.

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Index:Yes/No

Speaking order/non-speaking order

Dr.ANITA SUMANTH,J.

msr



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