



IN THE HIGH COURT OF JUDICATURE AT MADRAS

(ORDINARY ORIGINAL CIVIL JURISDICTION)

TUESDAY, THE 24th DAY OF JULY 2018

THE HON'BLE MR. JUSTICE ABDUL QUDDHOSE

O.P. No.112 of 2015

In the matter of Arbitration
& Conciliation Act of 1996
and

In the matter of Agreement
No.DCE/CN/PTJ/01/12 dated
28.04.2012 & Award dated
19.12.2014

D.Ramanathan,
16/324, 7th Cross,
Brindavan Road, Fairlands,
Salem-636 004.

... Petitioner

-Versus-

1. The Union of India,
rep. by Chief Engineer/
Construction/North Construction Office,
Southern Railways, Egmore,
Chennai-600 008.

2. R.R.Pratap,
Sole Arbitrator,
Senior Divisional Mechanical Engineer,
Southern Railway, Diesel Loco Shed,
Erode-638 002.

... Respondents

Original Petition praying that this Hon'ble Court be
pleased to allow the petition and set aside the award dated
19.12.2014 published by the arbitrator/2nd respondent.

This Original Petition having been heard on
11.07.2018 in the presence of Mr.S.Raghavan, advocate for
the petitioner herein, and Mr.C.V.Ramachandramurthy, Senior
Panel counsel appearing for the 1st respondent herein and
upon reading the petition and the award dated 19.12.2014
filed herein and having stood over for consideration till



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this date and coming on this day before this court for orders in the presence of the said advocates for the parties hereto, and this Court observing that the termination letter dated 04.06.2013, refers to clause 62 of the General Conditions of Contract, the learned Arbitrator without considering the same has given his findings that the termination is valid based on an internal circular of the Railways, therefore, the findings of the learned Arbitrator that termination is valid is certainly perverse and shocks the judicial conscience of this Court and this Court after considering the materials available on record, comes to the conclusion that the termination of the contract by the letter dated 04.06.2013 is an invalid termination and the learned counsel for the petitioner has submitted that the petitioner is satisfied if this Court modifies the Arbitral Award by allowing the claim towards the refund of Earnest Money Deposit and the Security Deposit which is a liquidated and undisputed sum of money and this Court finds force in the submission of the learned counsel for the petitioner and this court is therefore of the considered view that the Award can be modified by allowing the claim of the petitioner towards the refund of Earnest Money Deposit and the Security Deposit and for the foregoing reasons, this Court is of the considered view that the Arbitral Award dated 19.12.2014, is patently illegal and the findings are perverse, it is ordered as follows:-

That the 1st respondent herein be and is hereby directed to pay a sum of Rs.2,04,010/- (Rupees two lakhs four thousand and ten only) towards refund of Earnest Money Deposit and Rs.2,51,996/- (Rupees two lakhs fifty one thousand nine hundred and ninety six only) towards refund of security deposit, to the petitioner herein.



2. That the award dated 19.12.2014 shall stand modified to the extent mentioned above.

3. That insofar as the other claims made by the petitioner before the learned Arbitrator are concerned, the findings of the Arbitrator that the petitioner is not entitled to their claims be and is hereby confirmed and remains undisturbed.

4. That there shall be no order as to costs.

WITNESS THE HON'BLE MS.INDIRA BANERJEE, CHIEF JUSTICE, HIGH COURT AT MADRAS AFORESAID, THIS THE 24th DAY OF JULY 2018.

Sd./-

ASSISTANT REGISTRAR (O.S.II)

//Certified to be true copy//

Dated at Madras this the day of 2018.

COURT OFFICER(O.S.)

From 25th Day of September 2008 the Registry is issuing certified copies of the Orders/Judgments/Decrees in this format.



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O.P. No.112 of 2015

ORDER:

DATED: 24.07.2018

THE HON'BLE MR.JUSTICE
ABDUL QUDDHOSE

FOR APPROVAL:01/08/2018

APPROVED ON:02/08/2018