

HON'BLE SRI JUSTICE A. RAJASHEKER REDDY

ARBITRATION APPLICATION No.137 of 2015

ORDER :

This Arbitration Application under Section 11 of the Arbitration and Conciliation Act, 1996 (for brevity "the Act") is filed by the applicant seeking appointment of an Arbitrator for resolution of the disputes between the parties arising out of the Master Service Provider Agreement dated 02-03-2015.

The case of the applicant is that the applicant entered into Master Service Provider Agreement dt.02.03.2015 with the respondents. While so, disputes arose between the parties. As such, the Applicant issued Legal Notice dt.15.05.2015 for which the respondents submitted reply on 01.06.2015 agreeing to refund Security Deposit Amount of Rs.50,000/- by terminating the agreement. Thereafter, the Applicant again issued Legal Notice dt.07.09.2015 invoking Arbitration clause in the agreement dt.02.03.2015 and also claimed damages. In pursuance of the same the respondents issued reply notice dt.22.09.2015 enclosing Demand Draft for Rs.53,000/- for refund of Security Deposit along with interest towards full and final settlement of the account. The case of the Applicant is that though the agreement provides procedure for termination, without following the procedure the respondents have terminated the agreement. But, they have not denied the existence of arbitration clause in the agreement nor suggested the name of any arbitrator. As such, present application is filed.

Though notice is served on the respondents, no counter affidavit is filed and there is no opposition by the respondents against this application.

Clause No.34 of the Master Service Provider Agreement dt.02.03.2015 provides for Arbitration, in case of any disputes between the parties, which reads as follows:

“34. ARBITRATION:

34.1. any an all disputes, controversies and conflicts (Disputes) arising out of this Agreement between the Parties or arising out of or relating to or in connection with this Agreement or the performance or non-performance of the rights and obligations set forth herein or the breach, termination, invalidity or interpretation thereof shall be referred for arbitration in terms of the Arbitration and Conciliation Act, 1996, or any amendments thereof. Prior to submitting the Disputes to arbitration the Parties shall resolve to settle the dispute/s through mutual negotiation and discussions. In the event that the said dispute/s are not settled within thirty (30) days of the arising thereof, the same shall finally be settled and determined by arbitration in accordance with the Arbitration and Conciliation Act, 1996 or any amendment thereof. The place of arbitration shall be as mentioned in Annexure-1 and the language used in the arbitral proceedings shall be English. Arbitration shall be conducted by a sole arbitrator.”

Since the applicant has already issued a Legal Notice dt.07.09.2015 invoking arbitration clause and the same was replied by the respondent by letter dt.22.09.2015, and since the existence of

arbitration clause in the agreement is not disputed, the present application deserves to be allowed.

Accordingly, this Arbitration Application is allowed appointing Sri Narasimhachary, Senior Civil Judge (Retired), as the sole Arbitrator for resolution of dispute(s) between the applicant and respondents, arising out of the Master Service Provider Agreement dated 02-03-2015, in accordance with the provisions and mandate of the Act of 1996. The learned Arbitrator shall be entitled to fees as per the rates specified in the Fourth Schedule to the Act of 1996, inserted by Act 3 of 2016 with effect from 23.10.2015, which shall be borne by both parties in equal measure. No order as to costs.

As a sequel, miscellaneous applications pending, if any, shall stand closed.

A.RAJASHEKER REDDY, J

09.01.2020.

Copy to be marked to:

Sri Narasimhachary,
Senior Civil Judge (Retired),
R/o. H.No.2-2-18/18/3/3, Flat No.101,
Rajagruha Apartments,
C-32/8, Durgabai Deshmukh Colony,
Hyderabad-500013.
B/o. tk.

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Date:09.01.2020



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