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Arb. O.P(Com.Div). No.122 of 2023

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 22.06.2023

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THE HONOURABLE MR. JUSTICE KRISHNAN RAMASAMY

Arb. O.P(Com.Div).No.122 of 2023

Sri Shiridi Sai Security Services,
Rep. by its Proprietor Mr.Gudiputi Nagaraju,
D No.4-1769-46, Sri Sai Nivas, Bhagya Nagar 2nd Cross,
Kalyandurg Road,
Ananthapuramu - 515 004.

... Petitioner

Vs.

Siemens Gamesa Renewable Power Private Limited,
Rep. by its Managing Director,
No.489, G.N.T Road, Thandalkazhani,
Vadagarai P.O, Red Hills, Chennai - 600 052.

... Respondent

PRAYER : Original Petition is filed under Section 11(6) of the Arbitration and Conciliation Act, 1996, praying to appoint an Arbitrator and proceed with the arbitration in respect of the disputes arising under the Master Contract for Security Services dated 01.08.2021.

For Petitioner : Mr.V.Lokesh Kumar

For Respondent : Ms.Vaishnavi Subrahmanyam
for M/s.Arva Merchant



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ORDER

This petition has been filed under Section 11(6) of Arbitration and Conciliation Act, 1996, (hereinafter referred as “the Act”), seeking to appoint an Arbitrator and proceed with the arbitration in respect of the disputes arising under the Master Contract for Security Services dated 01.08.2021.

2.Learned counsel appearing for the petitioner would submit that the petitioner and the respondent entered into a Master Contract for Security Services dated 01.08.2021. As per the contract dated 01.08.2021, the petitioner sent the invoices for the services rendered to the respondent at various work site, business / manufacturing units, warehouses and wind farm along with the attendance registers of security guards and supervisors stationed at each location to provide security services to the respondents and their clients. However, the respondents failed to make payments to the petitioner for the services rendered in several location. while so, the respondent instead of settling the outstanding dues, has sent an email dated 25.02.2022, attaching a termination notice dated 23.02.2022 without providing any reasons.



3.He would further submit that the termination is illegal. The termination notice was issued without following due process. In response to the said termination notice, the petitioner sent reply email on 26.02.2022 indicating their refusal to the termination and would continue to provide service in accordance with the Master Contract dated 01.08.2021 until the dues are settled in full on or before 31.03.2022. However, the respondent has never come forward to make the payment. Hence, the present application has been filed seeking for appointment of to resolve the dispute as per Clause 27 of the Master Contract dated 01.08.2023.

4.Learned counsel appearing for the respondent fairly agreed for the appointment of Arbitrator and she would further submit that the respondent would file counter claim before the Arbitrator quantifying the costs of damages in the property.

5.For better appreciation, Clause 27 of the Master Contract for Security Services dated 01.08.2021, is extracted hereunder:

“27.Governing Laws and Settlement of Dispute:

- a) This Agreement is governed by the laws of India and shall be subject to the exclusive jurisdiction of the Courts



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in Chennai.

Any claims, dispute and or difference (including a dispute regarding the existence, validity or termination of this Agreement) arising out of, or relating to this Agreement including interpretation of its terms will be resolved through joint discussion of the Authorized representatives of the concerned parties. However, if the disputes are not resolved by the discussions as aforesaid within a period 30 days from the date the dispute arose, then the matter will be referred for adjudication to the arbitration of a sole arbitrator to be appointed by the parties in accordance with the provisions of the Arbitration and Conciliation Act 1996 and rules made there under including any modifications, amendments and future enactments thereto. The venue for the Arbitration will be Chennai and the decision of the arbitrator shall be final and binding on the parties."

6.Considering the submissions made by the learned counsel appearing for the petitioner as well as the respondent and in view of the fact that the present dispute is arising out of the Master Contract for Security Services dated 01.08.2021 and the same is arbitrable under Clause 27 of the said contract, this Court is inclined to appoint a sole Arbitrator. Further, it is for the parties to make their claim and counter claim before the Arbitrator. Accordingly, this



Court pass the following orders:

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i) **The Hon'ble Mr.Justice M.Govindaraj, Former Judge, Madras High Court, residing at No.4/225, Sri Kapaleeswarar South 2nd Street, Neelangarai, Chennai -41 and (Contact No.9444094403),** is appointed as the Arbitrator to enter upon reference and adjudicate the disputes *inter se* the parties.

ii) The learned Arbitrator appointed herein, shall after issuing notice to the parties and upon hearing them, pass an award as expeditiously as possible, preferably within a period of six months from the date of receipt of the Order without influencing any of the observations made by this Court in this order.

iii) Learned Arbitrator is requested to conduct arbitration proceedings in accordance with the Madras High Court Arbitration Proceedings Rules, 2017 and the fee of the learned Arbitrator shall be fixed in accordance with Madras High Court Arbitration Centre (MHCAC) (Administrative Cost and Arbitrator's Fees), Rules 2017.

iv) In the event of non-appearance of the respondent/petitioner herein, the petitioner/respondent herein shall bear the entire remuneration and other expenses and



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thereafter, the petitioner/respondent can recover the same directly from the respondents herein.

v) Since this Court has appointed an Arbitrator, it is open to the petitioner/s as well as the respondent herein to seek other reliefs under the provisions of Arbitration and Conciliation Act 1996 before the learned Arbitrator.

7.This Original Petition is ordered accordingly, leaving the parties to bear their own costs. Since this Court has appointed an Arbitrator, it is open to the petitioner as well as the respondents to seek other reliefs under the provisions of Arbitration and Conciliation Act 1996 before the Arbitrator. Connected, Original Application is also disposed of.

22.06.2023

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Note: Issue Order Copy on 05.07.2023.



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KRISHNAN RAMASAMY. J.,
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