



**IN THE HIGH COURT OF ANDHRA PRADESH
AT AMARAVATI**

Bench
Sr.No:-26
[3441]

Arbitration Application No: 5 of 2026

Aurobindo Emergency Medical Services

...Applicant

Vs.

Dr. N.T.R. Vaidya Seva Trust

...Respondent

Advocate for Applicant:

Mr. Vimal Varma Vasi Reddy

Advocate for Respondent:

None

CORAM : THE CHIEF JUSTICE DHIRAJ SINGH THAKUR

DATE : 10th April, 2026.

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This is an application filed under Section 11 (5 & 6) of the Arbitration and Conciliation Act, 1996 (for short, "the Act of 1996"), seeking the appointment of an arbitrator for the purpose of adjudicating disputes arising out of and in connection with the Agreement dated 01.07.2020.

2. The Agreement was executed, it is stated, for providing Emergency Response Services (108 Ambulances) across the State of Andhra Pradesh. The scope of work involved the operation and maintenance of a fleet of 771 ambulances equipped with advanced life-saving medical devices, along with trained paramedics and pilots to handle medical emergencies, trauma cases, and disaster response on a 24/7 basis. As a part of the Emergency Response Service, a dedicated number, 108, was made operational across the State of Andhra Pradesh.

3. The Agreement was to remain in force for a fixed period of seven years, commencing from 01.07.2020 and ending on 30.06.2027.

4. It is further stated that upon confirmation of the applicant's selection as the service provider, the applicant furnished Performance Security in the form of Bank Guarantees amounting to approximately Rupees Fifty Two Crores issued by HDFC Bank, which were renewed from time to time and are stated to remain valid until 31.07.2027.

5. The applicant claims that it demonstrated exemplary performance in operating the services, handling millions of emergency calls, transporting critical patients, and conducting health camps, despite which the respondent committed material breaches of the Agreement, which included delays in payment, arbitrary deductions and penalties imposed, without there being any contractual basis, and in violation of principles of natural justice.

6. The applicant further claims that in the public interest and at the request of respondent, the applicant handed over the assets and operations to a new service provider, M/s. Bhavya Health Services Private Limited, which was without prejudice to the applicant's right to claim the outstanding dues.

7. It is also stated that the applicant sought unconditional release of the Bank Guarantees, which was rejected, and that steps were taken to invoke the Bank Guarantees without prior notice.

8. The applicant submits that the invocation of the Bank Guarantees was stayed by the Commercial Court at Vijayawada in terms of Section 9 of the Act of 1996, *vide* order dated 15.10.2025.

9. A Notice dated 30.10.2025, under Section 21 of the Act of 1996, it is stated, was served upon the respondent, nominating Justice D. V. S. S. Somayajulu as their Arbitrator, which notice did not elicit any response from the respondent, and hence the present Arbitration Application.

10. It can be seen from the copy of the agreement, which is placed on record that, in terms of Clause 6.23.15, the parties had agreed to resolve any dispute through the mechanism of arbitration, in the following manner:

“6.23.15 Arbitration

In the case of dispute or difference arising between the Purchaser and Service Provider relating to any matter arising out of or connected with this agreement, such dispute or difference shall be referred to the award of two Arbitrators, one Arbitrator to be nominated by the Purchaser and the other to be nominated by the Service Provider or in the case of the said Arbitrators not agreeing, then at the award of an Umpire to be appointed by the Arbitrators in writing before proceeding with the reference, and in case the Arbitrators cannot agree to the Umpire, he may be nominated by the Arbitration committee of the Indian Council of Arbitration, India. The award of the Arbitrators, and in the event of their not agreeing, of the Umpire appointed by them or by the Arbitration Council of India, India, shall be final and binding on the parties.

The Arbitration dispute if any shall be the domestic arbitration governed by the provisions of Arbitration and Conciliation Act 1996 as amended by Acts 2015 & 2019, the rules there under and any statutory modification or re-enactments thereof, shall apply to the arbitration proceedings.”

11. Despite the fact that Mr. T. Vishnu Teja, learned counsel for the respondent, had appeared on the earlier date of hearings and had taken time to file an appropriate response, the needful was not done.

12. Be that as it may, since disputes have arisen between the parties, the same are required to be resolved through the mechanism of arbitration, as per the agreed terms. Accordingly, the present Arbitration Application is allowed. Justice Gautam Shirish Patel, former Judge of the High Court of Bombay, is appointed as an Arbitrator for and on behalf of the respondent/non-applicant. The learned Arbitrators shall be at liberty to appoint a Presiding Arbitrator in terms of the arbitration agreement. The Arbitral Tribunal thus constituted shall enter upon the reference and adjudicate upon the disputes arising out of and in connection with the Agreement, dated 01.07.2020, and render the Award within the statutory period. The parties shall be free to file detailed claims and counter-claims, before the Tribunal so constituted. The learned Arbitrator shall also be entitled to claim the fee in consultation with the parties.

No costs. Consequently, pending miscellaneous applications, if any, in this application, shall stand closed.

A copy of this order be communicated to the learned Arbitrator on the address mentioned herein below:

Justice Gautam Shirish Patel
11 Maker Chambers – VI, First Floor,
220 Jamnalal Bajaj Marg, Nariman Point,
Mumbai - 400 021
Ph: 98209 88766 / 98210 88711

DHIRAJ SINGH THAKUR, CJ.

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