



O.S.A.No.49 of 2021

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WEB CO THE HON'BLE CHIEF JUSTICE
and
SENTHILKUMAR RAMAMOORTHY,J.

(Order of the Court was made by the Hon'ble Chief Justice)

At the outset, Mr.V.Radhakrishnan, senior counsel appearing on behalf of appellant stated that since the five year period got over long ago and the one year period of respondent being debarred from participating in future contracts/licence of Indian Railways also got over long ago, appellant will have no objection to respondent participating in any future bids for running of catering stalls. Counsel for appellant also states, in fact respondent is running another stall in Tambaram railway station.

2. Counsel for respondent states that he is happy with the statement made by the counsel for appellant; at the same time, there is a security deposit of Rs.4,65,000/- that was given when respondent was awarded the licence for management of the catering Stall No.SMU-5 at Chennai railway station for the period from 04.03.2015 to 03.03.2020. Counsel states that the security deposit has to be also returned because a) the Arbitrator's

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award was in favour of respondent by which appellant was directed to specifically perform the contract; and b) appellant also lost in the petition that was filed by appellant under Section 34 of the Arbitration and Conciliation Act, 1996.

3. Counsel for respondent also submitted that under the agreement, Clause 17.6 provides that the security deposit can be invoked only where the agreement is terminated under Clause 17.4 and that also when the agreement is terminated by the licensee, that is respondent, under Clause 17.4 of the agreement. Counsel states, since it was appellant which had terminated, which termination has been held to be bad, the question of invoking the security deposit does not arise. Counsel states, the security deposit ought to be returned forthwith or in the alternative, the security deposit could be adjusted against the licence fee payable for the Stall GMU-60 operated at the Tambaram railway station.

4. Mr.Radhakrishnan states that the matter may be stood over for two weeks to enable appellant to take instructions on the return/adjustment of security deposit. Counsel states, in the meanwhile, if there are any stalls



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being advertised, respondent may apply for the same and the termination or
debarring for one year shall not be used against respondent. Statement is
accepted.

Stand over to 02.12.2024.

(K.R.SHRIRAM., CJ.)

(SENTHILKUMARRAMAMOORTHY, J.)

18.11.2024

sra



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(sra)

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