IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH

CR No. 6055 of 2013 (O/M)
Date of decision : 20.11.2015

Pawan Moudgil and others ..... Revisionists

Versus

United India Insurance Co. Ltd. ...... Respondent

CORAM: HON'BLE MR. JUSTICE KULDIP SINGH

Present:- Mr. Rajesh Sharma, Advocate, for,
Mr. Harkesh Manuja, Advocate, for the revisionists.

1. Whether the Reporters of local newspaper may be allowed to see the judgment ?
2. To be referred to the Reporter or not.
3. Whether the judgment should be reported in the digest ?

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KULDIP SINGH, J. (ORAL)

Impugned in the present revision is the order dated 14.5.2013 (Annexure-P-4), passed by the learned Additional District Judge, Ludhiana, vide which the execution application under Section 36 of the Arbitration and Conciliation Act, 1996, for enforcement of award dated 29.11.2007, passed by the Arbitrator, was dismissed.

The brief facts of the case are that the present revisionists had obtained an award from the Arbitrator against the insurance company for recovery of Rs. 1,28,12,388-72 alongwith interest @ 12% per annum from the date of filing of the execution till the realization of the entire amount. The execution was filed against the insurance company. It comes out that the insurance company in pursuance to the notice issued by the income tax authorities under Section 226(3) of the Income Tax Act deposited the entire amount due to the decree holder and claimed that it is valid discharge of their liability.

I have heard the learned counsel for the revisionist and have also carefully gone through the file.

The plea of the learned counsel for the revisionists is that a joint award was passed. It was regarding firm M/s Cotton Care Exports Private Limited and M/s MHF International. The plaintiff is a partner in firm M/s MHF International and is Managing Director in M/s Cotton Care Exports Private Limited. It is claimed that the amount due to the income tax authorities is on account of liability of M/s Cotton Care Exports Private Limited only and the entire amount could not have been deposited by the insurance company without informing the Court.

A perusal of Notice (Annexure-P-2) shows that while paying the amount, the present revisionists-decree-holder was informed. Under Section 226(3) of the Income Tax Act, the insurance company was duty bound to deposit the amount with the income tax department, irrespective of any plea of the revisionist that the income tax liability is limited only to one firm. Therefore, the payment to the income tax department is a valid discharge of the liability. If the revisionists have any grouse, they can take recourse to the law against the income tax department and seek refund. There is no ground to interfere in the impugned order. Hence, the present revision is dismissed.

(KULDIP SINGH)
JUDGE

20.11.2015
sjks