

IN THE HIGH COURT OF PUNJAB AND HARYANA

AT CHANDIGARH

FAO No.3243 of 2011 (O&M)

Date of decision: 13.07.2015

Punjab Agro Foodgrains Corporation Limited and another
..... **Appellants**

versus

M/s Shivalik Rice Mills

.....**Respondent**

CORAM: Hon'ble Mr.Justice Kuldip Singh

Present: Mr.Ishtbir Singh Sidhu, Advocate for the appellants
Mr.Sandeep Khunger, Advocate for the respondent

1. *Whether Reporters of Local Newspapers may be allowed to see the judgment ?*
2. *To be referred to the Reporters or not ?*
3. *Whether the judgment should be reported in the Digest?*

Kuldip Singh, J. (Oral)

Challenged in the present appeal is the order dated 12.8.2010, passed by the learned District Judge, Ferozepur whereby the objections under Section 34 of the the Arbitration and Conciliation Act, 1996 filed by the respondent were accepted and the award dated 5.9.2006, passed by the Managing Director/ Arbitrator was set aside with liberty to the Managing Director, **Punjab Agro Foodgrains Corporation Limited** to receive back the record of the arbitration proceedings and proceed with the matter in accordance with law.

A perusal of the file shows that an agreement was executed on 16.10.2002 between the Managing Director, Punjab Agro Foodgrains Corporation Limited, acting through District Manager with the respondent for milling of the paddy. In the

agreement it is provided that in case of dispute, Director Food and Supplies/ Managing Director of the agency will afford an opportunity to the miller to present the case in respect of the dues and the decision of Managing Director shall be final. Thereafter, dispute arose between the parties. Managing Director in terms of clause 21 of the agreement entered into an arbitration and passed the impugned award. The award was set aside by the learned District Judge, Ferozepur, inter alia, on the ground that the party to the agreement cannot be the arbitrator. The Hon'ble Supreme Court in State of Karnataka v. Shree Rameshwara Rice Mills Thirthahalli, AIR 1987 Supreme Court 1359 held that party to the agreement cannot be arbitrator, as a party cannot be judge of his own cause.

It being so, there is no illegality in the impugned order. Already liberty has been given to the Managing Director to take further action in accordance with law. As such, the present appeal is found to be without any merit, therefore, dismissed.

13.07.2015
gk

(Kuldip Singh)
Judge