

**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH**

**FAO No.3263 of 2013 (O&M)
Date of decision: 23.04.2015**

Punjab State Civil Supplies Corporation Ltd.

..... Appellant

versus

M/s Kisan Rice Trading Co. & others

..... Respondents

FAO No.3486 of 2013 (O&M)

M/s Kisan Rice Trading Co.

..... Appellant

versus

Punjab State Civil Supplies Corporation Ltd. And others

..... Respondents

CORAM: Hon'ble Mr.Justice Kuldip Singh

Present: Mr.Deepak Sabherwal, Advocate for the appellant
in FAO No.3263 of 2013 and for respondent No.1 & 2
in FAO No.3486 of 2013
Mr.S.K.Singla, Advocate for respondent No.1
in FAO No.3263 of 2013 and for the appellant
in FAO No.3486 of 2013
Ms.Sonal Dutta, Advocate for respondent No.3 to 6
in FAO No.3263 of 2013

- 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)

This order will dispose of two appeals bearing FAO No.3263 of 2013 and 3486 of 2013. However, for facility of reference, facts are being taken from FAO No.3263 of 2013.

Impugned in the present appeal is the judgment dated 20.2.2013, whereby the award dated 12.9.2005, passed by the

Arbitrator, dismissing the claim was set aside and the case was remanded to the Managing Director of the PUNSUP for decision on the issue.

In this case, two revised claims were made before the Arbitrator i.e.

- (i) recovery of the amount on account of short supply and
- (ii) recovery of the costs of bags with interest.

Under Clause 17 of the Arbitration Agreement dated 23.9.1994, all the matters were to be referred to the Arbitrator except the decision of which is expressly provided under the contract.

The perusal of the contract shows that the question of the payment of the costs and the short supply i.e. economic costs, the price of the shortage of the bags and interest were specifically provided in the contract and were to be decided by the Managing Director. Therefore, the dispute falls within the exempted matters in the agreement and reference to the Arbitrator is contrary to the terms of the agreement.

Learned counsel for the miller -appellant has argued that the District Judge on the civil side could not refer the matter to the Managing Director where the claims were dismissed by the Arbitrator therefore, matter could not be remanded to the Managing Director.

I am of the view that the order of the District Judge will merge in the order of this Court. Since it is found that the reference to the Arbitrator could not be made as the dispute falls within the exempted clause of the agreement, therefore, the matter is to be decided by the Managing Director of PUNSUP.

It being so, the Managing Director of PUNSUP is directed to decide the matter expeditiously and preferably not later than three weeks.

Both the appeal stand disposed of.

23.04.2015
gk

(Kuldip Singh)
Judge