

IN THE HIGH COURT OF BOMBAY AT GOA

**MISC.CIVIL APPLICATION NO. 1035 OF 2019
IN
APPEAL UNDER ARBITRATION ACT NO. 8 OF 2019**

SHOFT SHIPYARD PVT. LTD., THR. ITS
AUT. SIGN., R. RAM GARG. ... Applicant

Versus

GOA SHIPYARD LTD. ... Respondent

**WITH
MISC.CIVIL APPLICATION NO. 1036 OF 2019
IN
APPEAL UNDER ARBITRATION ACT NO. 9 OF 2019**

SHOFT SHIPYARD PVT. LTD., THR. ITS
AUT. SIGN., R. RAM GARG. ... Applicant

Versus

GOA SHIPYARD LTD. ... Respondent

**WITH
MISC.CIVIL APPLICATION NO. 1037 OF 2019
IN
APPEAL UNDER ARBITRATION ACT NO. 11 OF 2019**

SHOFT SHIPYARD PVT. LTD., THR. ITS
AUT. SIGN., R. RAM GARG. ... Applicant

Versus

GOA SHIPYARD LTD. ... Respondent

**WITH
MISC.CIVIL APPLICATION NO. 1046 OF 2019
IN
APPEAL UNDER ARBITRATION ACT NO. 10 OF 2019**

SHOFT SHIPYARD PVT. LTD., THR. ITS
AUTH. SIGN., R. RAM GARG. ... Applicant
Versus
GOA SHIPYARD LTD. ... Respondent

**WITH
MISC.CIVIL APPLICATION NO. 1047 OF 2019
IN
APPEAL UNDER ARBITRATION ACT NO. 12 OF 2019**

SHOFT SHIPYARD PVT. LTD., THR. ITS
AUTH. SIGN., R. RAM GARG. ... Applicant
Versus
GOA SHIPYARD LTD. ... Respondent

Mr. Nikhil Deelip Pai, Advocate for the Applicants.
Mr. Soli Cooper, Senior Advocate with Mr. S. Das and Mr. Pavithran A.V.
Advocates for the Respondents.

**Coram:- M. S. SONAK &
SMT. M. S. JAWALKAR, JJ.
Date:- 16th January, 2020**

P.C.

Heard Mr. N. Pai, learned counsel for the Applicants and Mr. S. Cooper, learned Senior Advocate alongwith Mr. S. Das and Mr. Pavithran, learned counsel for the Respondents.

2. The learned counsel for the parties agree that all these Civil Applications can be disposed of by a common order by treating Misc. Civil

Application No.1035 of 2019 as the lead matter.

3. In Misc. Civil Application No.1035 of 2019, the Applicant seeks the following reliefs :-

“(a) This Hon'ble Court be pleased to pass an appropriate direction to disburse the amount deposited by the Appellant before this Hon'ble Court thereon (with any accrued interest) in favour of the Applicant;

(b) This Hon'ble Court be pleased to pass an appropriate direction to fully encash the Bank Guarantee No.0411619BG0000079 dated 17/09/2019 issued by SBI Vasco Bank, and then to disburse the amount deposited by the Appellant before this Hon'ble Court thereon (with any accrued interest) in favour of the Applicant;

(c) The Hon'ble Court to direct the Appellant to furnish a Bank Guarantee also incorporating the interest granted by the Hon'ble District Judge;

(d) The Hon'ble Court to place that matter on any convenient short date for final arguments.”

4. In terms of our order dated 16.12.2019, the relief in terms of prayer clause (a) stands substantially worked out.

5. Mr. Pai, on instructions, states that the relief in terms of prayer clause (b) is not being pressed at this stage.

6. In so far as the prayer clause (c) is concerned, Mr. Pai points out that the Awards which are subject matter of the challenge in the main matters direct the Respondent not only to pay the specified principal amount but also to pay the simple interest at the rate of 9% per annum from 29.03.2011 till the date of the Award i.e. 29.09.2017 and to further pay simple interest at the rate of 11% per annum from the date of the Award till the payment/realization of the principal amount. Mr. Pai points out that this means that the interest continues to accumulate and since, no bank guarantee has been given to secure such running interest, the relief in terms of prayer clause (c) of these Civil Applications is required to be granted.

7. On the other hand, Mr. S. Cooper, learned Senior Advocate for the Respondents relied upon the order made by the Hon'ble Supreme Court in the case of ***Union of India and another Vs M. P. Trading and Investment RAC Corporation Limited***¹, to submit that once the principal amount is deposited in the Court, there is no question of any interest accumulating thereon. He points out that in the present case, the Applicants have been permitted to withdraw the principal amount.

8. Upon consideration of the rival contentions, we are of the *prima facie* opinion that the order in *M. P. Trading and Investment RAC*

¹ (2016)16 SCC 699

Corporation Ltd. (supra), will apply to a situation of the present kind, though we clarify that we have at this stage not expressing any final opinion in this regard. Besides, we note that the Respondent in the present case is the Government of India undertaking and it is seriously not the case even of the Applicants that should the appeal of the Respondent be dismissed, the Respondent will not be in a position to satisfy the Award. Upon cumulative consideration of both these factors, we do not think that it would be appropriate to grant relief in terms of prayer clause (c) of this application. The relief in terms of prayer clause (c) is therefore rejected.

9. All Misc. Civil Applications are disposed of in the aforesaid terms.

SMT. M. S. JAWALKAR, J.

M. S. SONAK, J.

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