

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

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**FAO No. 941 of 2021 (O & M)**

**Date of Decision: 14.09.2021**

Punjab State Civil Supplies Corporation Ltd. and another .....Petitioner(s)

vs.

M/s. Golden Rice and Agro Products and others

.....Respondent(s)

**CORAM:- HON'BLE MR. JUSTICE G.S. SANDHAWALIA**

Present:- Mr. Aman Sharma, Advocate,  
for the appellant.

**G.S. SANDHAWALIA, J. (ORAL)**

The present appeal is directed against the award of the Additional District Judge, Sangrur dated 09.01.2020 whereby, he dismissed the objections filed by the Corporation against the award dated 26.04.2017 (Annexure A-7) passed by the Arbitrator. The reasoning, as such, given by the Court below is that an earlier award had already been passed on 23.11.2012 in favour of the appellant-Corporation and, therefore, the second claim, as such, could not be preferred by filing a fresh claim before the Arbitrator on account of the fact that the rates of rice had been revised by the Government on 17.12.2012. It is, thus, submitted that there was no illegality in the award of the Arbitrator rejecting the claim of the Corporation.

A perusal of the award of the Arbitrator dated 26.04.2017 (Annexure A-7) would also go on to show that the Arbitrator found that earlier the matter had already been adjudicated by another arbitrator and the claim of Rs.37,93,355/- had been awarded in favour of the Corporation

alongwith interest and, therefore, the second claim, as such, on the same cause of action, is not maintainable. It was also noticed that the letter dated 17.12.2012 had referred to an earlier letter dated 06.11.2012 which only talked about the revision of rates of *bardana* whereas, the new claim was based on the revised price of rice at Rs.2593.82/- per quintal as against the original rate at Rs.1908.95/-. It is in such circumstances, the claim has been rejected, which has been duly upheld.

This Court is of the opinion that the reasoning given by the Arbitrator and upheld by the Additional District Judge, Sangrur are in consonance with the basic principles and the second reference to an Arbitrator was without any basis. Clause 25 of the agreement *inter se* the parties reads thus:-

*“25. All the disputes and difference arising out of or in any manner touching of concerning this agreement whatsoever (except as to any matter the decision of which is expressly provided for the contract) shall be referred to the sole arbitrator of the Managing Director, PUNSUP or any person appointed by him in this behalf. There will be no objection to any such appointment that the person appointed is or was an employee of PUNSUP or that he had to deal with the matter to which the contract relates and that in the course of his duties such an employee of the PUNSUP had expressed views on all or any of the matter in dispute or difference. The award of such arbitration shall be final and binding on the parties to this contract. It is a term of this contract that in the event of the arbitrator being transferred or vacating his office or being unable to act for any reason, the Managing Director, PUNSUP at the time of such transfer, vacation of person shall be entitled to proceed with*

reference from and the stage ..illegible.. was left by his predecessor.

*Provided further that any demand for arbitration in respect of any claim (s) of the miller, under the contract shall be in writing and made within one year of the date of completion or expiry of the period of contract, if the demand is not made within the period, the claim(s) of the miller shall be deemed to have been waived off and released of all liabilities under the contract in respect of these claims.*

*The cost for and in connection with the arbitration shall be the discretion of the arbitrator who may make suitable provisions for the same in his award.*

*Subject to as aforesaid, the Arbitration & Reconciliation Act, 1996 shall apply to the arbitration provided under the clause.*

*In witness thereof the parties hereto have signed this agreement on the day and year first above written.”*

It, thus, provides that all disputes and dues had to be referred to the Arbitrator and the award of such Arbitrator shall be final and binding upon the parties of the contract. Once the award has already been passed on an earlier occasion on 23.11.2012 (Annexure A-4), the reference, as such, to a second Arbitrator was totally uncalled for in terms of the said agreement.

Accordingly, finding no merit in the present appeal, the same stands dismissed in limine.

14.09.2021  
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(G.S.SANDHAWALIA)  
JUDGE

Whether reasoned/speaking

Yes/No

Whether reportable

Yes/No