

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

**FAO No. 108 of 2015 (O&M)
Date of decision: 24th April, 2023**

Vishnu Sales Corporation

Appellant

Versus

District Manager Markfed and another

Respondents

CORAM: HON'BLE MR. JUSTICE AVNEESH JHINGAN

Present: Mr. Daman Dhir, Advocate for the appellant.
Mr. Charanpreet Singh, AAG, Punjab.
Mr. Kunwar Rajan, Advocate for respondent No. 2.

AVNEESH JHINGAN, J

1. This appeal under Section 37 of the Arbitration and Conciliation Act, 1996 (for short, 'the Act') is filed aggrieved of the dismissal of objections under Section 34 of the Act.

2. The Punjab Co-op. Supply and Marketing Federation Ltd. (hereinafter referred to as 'Markfed') entered into an agreement with the appellant for shelling of paddy. The net paddy available with the appellant after deducting the driage was 20087.80 quintals. The appellant was entitled to lift the paddy only after delivery of rice to FCI on account of Markfed. After February, 1995, there was no space for delivery of rice in FCI godown and the Government decided to sell the paddy to the miller at a

fixed rate. The appellant purchased 11609 bags of paddy. Due to on-set of rainy season, 2556 bags stored in open were rotting and the appellant converted the paddy into rice. On physical verification by the officials of the Markfed, the paddy was found short but converted rice was available. The appellant was asked to deposit Rs.5,81,323/- for the paddy purchased which was deposited under protest. As per letter dated 30.9.2002 issued by District Manager, Markfed, no amount was due from the appellant. The dispute between the parties was referred to the arbitrator and the proceedings culminated in award dated 24.5.2006. The Markfed was held entitled to recover the differential amount of custom milled rice and amount already deposited for the paddy unauthorisedly converted into rice and also for the paddy found short, along with interest at the bank rate.

3. The objections under Section 34 of the Act filed by the appellant were dismissed on 7.2.2014.

4. From the perusal of the impugned order, it is evident that the Additional District Judge noted the contentions of the parties and reproduced the authorities with regard to scope of interference under Section 34 of the Act. The objections were neither examined nor adjudicated upon.

5. Resultantly, order dated 7.2.2014 is set aside and the matter is remitted back to the court concerned for deciding afresh.

6. Needless to say that no observations have been made by this court on the merits of the case.

7. Considering that the award is of the year 2006, the court shall

make a sincere endeavour to dispose of the objections within three months of receipt of copy of this order.

8. The parties are directed to appear before the court concerned on 18.5.2023.

9. The appeal stands disposed of.

[AVNEESH JHINGAN]
JUDGE

24th April, 2023
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| 1. Whether speaking/ reasoned | : | Yes / No |
| 2. Whether reportable | : | Yes / No |