

Item No.3
21.08.2024
Court. No. 9
GB

W.P.A. 14855 of 2022

Corrogonon India Private Limited
Represented by Suman Bhattacharya & Anr.

Vs.

Indian Bank (Formerly Allahabad Bank) & Ors.

Mr. Jishnu Chowdhury,
Ms. Pratiti Das,
Ms. Ujjaini Chatterjee

...for the Petitioners.

Mr. Om Narayan Rai

...for the Bank.

Despite service none appears for the respondent No.6.

The petitioner alleges refusal of the bank to comply with the award passed by the learned arbitrator dated January 21, 2020. The direction of the learned arbitrator is quoted below:-

“The Respondents and the related Banks or other authorities (if related) have to take necessary steps for release of the amounts of the BGs with the interest already earned as FDs. No separate orders for any further interest over the BGs are made.”

According to the petitioner, the bank was required to abide by the award and release the funds secured by bank guarantees. The bank guarantees were furnished by the petitioner as performance guarantee for the contract. Disputes arose and arbitration commenced. The arbitration reached its logical conclusion with the publication of the award. The arbitrator categorically directed the respondents in the proceedings, the related banks and other authorities to take necessary steps for release of the amounts of the bank

guarantees with the interest which accrued on the fixed deposits, in favour of the petitioner.

It is submitted that the compliance by the bank is awaited. The learned advocate for the bank submits that no intimation from the principal employer/respondent no.6 was received. The money is secured in fixed deposits in terms of the request made by the writ petitioner when the arbitration was continuing and is earning interest. The bank is not aware whether any application under Section 34 of the Arbitration and Conciliation Act, 1996 was filed by the respondent no.6.

It is submitted on behalf of the award holders/petitioners that no application for setting aside the award had been filed. The award was published in January, 2020. As such, at this stage, the application under Section 34 of the Arbitration and Conciliation Act, 1996 will be time barred.

Under such circumstances and in the absence of any other order contrary to the award by a competent court of law, this Court directs the bank to release the banker's lien on the two fixed deposits bearing Nos.159144 and 159145 within a week, so that the petitioners can deal with the same in the manner the petitioners deem fit.

The writ petition is, thus, disposed of.

There shall be no order as to costs.

Parties are directed to act on the basis of the server copy of this order.

(Shampa Sarkar, J.)