



ARB- 362 of 2024

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

Date of Decision:30.08.2024

ARB- 362 of 2024 (O&M)

M/s Singla Timber Trading Company

....Applicant

VS.

Punjab State Co-operative Supply & Marketing Federation Limited

....Respondent

ARB- 363 of 2024(O&M)

M/s Navdeep Saw Mills (HUF)

.... Applicant

VS.

Punjab State Co-operative Supply & Marketing Federation Limited

....Respondent

ARB- 365 of 2024(O&M)

M/s Ashish Trading Company

.... Applicant

VS.

Punjab State Co-operative Supply & Marketing Federation Limited

....Respondent

ARB- 366 of 2024(O&M)

M/s Jugal Kishore Aggarwal Saw Mills

.... Applicant

VS.

Punjab State Co-operative Supply & Marketing Federation Limited

....Respondent

CORAM: HON'BLE MR. JUSTICE JAGMOHAN BANSAL

**Present: Mr. Nandan Jindal, Advocate and
Mr. Abhinandan Jindal, Advocate and
Mr. Kapil Mohan, Advocate
for the applicant(s)**

**JAGMOHAN BANSAL, J. (ORAL)**

1. By this common order, Arbitration Nos. 362, 363, 365 and 366 of 2024 are hereby adjudicated as common questions of law and facts are involved. For facility of reference, facts are borrowed from Arbitration No. 362 of 2024.

2. The applicant through instant application under Section 11(6) of the Arbitration and Conciliation Act, 1996 (for short “1996 Act”) is seeking appointment of an Arbitrator to adjudicate the dispute between the parties.

3. This is second round of litigation. On the earlier occasion, matter came up for consideration before this Court by way of a bunch of appeals including FAO No. 2091 of 2014. The said bunch was decided on 23.03.2023.

4. The applicant entered into an agreement with Punjab State Co-operative Supply & Marketing Federation Limited (for short ‘MARKFED’) for supply of wooden crates for storage of foodgrain. The agreement provided for dispute resolution through Arbitrator. A dispute arose between the parties and matter was referred to Arbitrator at the instance of MARKFED and proceedings culminated in award dated 19.09.2012. The Arbitrator rejected claim of MARKFED and directed it to refund security alongwith interest @ 12% per annum to the applicant. The said award came to be challenged before District Judge in terms of Section 34 of 1996 Act and thereafter before this Court in terms of Section 37 of 1996 Act.

5. This Court by order dated 23.03.2023 disposed of appeals of MARKFED who unsuccessfully assailed said order before Supreme Court.

The Arbitrator had rejected claim of MARKFED and further directed to



refund security alongwith interest. The applicant herein made a statement before this Court that it would not claim refund of security on the basis of award in question. It further sought liberty to avail remedies in accordance with law. The Court granted liberty to applicant to avail remedies in accordance with law. The relevant extracts of order dated 23.03.2023 are reproduced as below:-

“9. From a perusal of the condition with regard to rates, it is unambiguous that it was only in case the wooden crates at a lower rates are accepted by government agency for Kharif 2008-09. The condition clarified that the Kharif Season ends on 31.3.2009. The purchase order relied upon for Rabi Season 2009-10 was not relevant piece of evidence to bring the claim of Markfed within the condition of paying lower rates. It would be apposite to note that here was no evidence that wooden crates pursuance to purchase order were supplied to PUNGRAIN. Consequently, no case for interference under Section 37 of the Act is made out.

10. Vis-a-vis the second contention that the arbitrator went beyond the claim in ordering refund of security along with interest, learned counsel for the respondent submits that the award could not be executed as the execution proceedings were stayed by this Court vide order dated 29.4.2014. Further on instructions, it is submitted that the respondent shall not be claiming refund of security on the basis of the award in question but seeks liberty to avail remedies in accordance with law.

11. In view of the statement made by learned counsel for the respondent and that the first contention made by learned counsel for appellant has been rejected on



merits, there is no occasion for this court to set aside the award or the impugned order.

12. The appeals are accordingly disposed of with liberty sought by respondent.

13. There is no doubt that in eventuality of the respondents availing remedies, the court concerned would deal with the same in accordance with law considering the factum of pendency of appeal and operation of interim order during pendency of appeal.”

(Emphasis supplied)

6. The applicant after the afore-said order served notice dated 24.04.2023 upon MARKFED seeking refund of security alongwith interest @ 12% per annum. The amount claimed as security was Rs. 5,00,000/-. MARKFED refunded security alongwith interest as per its own calculations. A total sum of Rs. 8,02,716/- was refunded.

7. The applicant through instant application is seeking appointment of an Arbitrator to adjudicate claim of interest on account of delayed refund of security.

8. Mr. Nandan Jindal, Advocate submits that the applicant, in terms of arbitration clause in the agreement, has right to seek appointment of an Arbitrator. MARKFED is liable to pay interest, thus, the question of interest is required to be determined by Arbitral Tribunal.

9. I have heard counsel for the applicant and perused the paper book with his able assistance.

10. From the perusal of record it is evident that on the earlier occasion Arbitrator was appointed who directed MARKFED to refund security to applicant alongwith interest @ 12% per annum. The applicant did not assail said order and it was assailed by MARKFED before District

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Judge and thereafter before this Court. The applicant made a statement before this Court that it would not claim refund of security alongwith interest in terms of award and would avail remedies in accordance with law. The applicant availed its remedy by way of serving notice upon MARKFED. The claim of applicant was confined to refund of security alongwith interest. MARKFED refunded principal amount alongwith interest as per its own calculation. The applicant is claiming higher amount of interest. The appointment of Arbitrator by this Court would amount to recalling/review of order dated 23.03.2023 which was passed on the basis of statement of applicant herein. It had agreed not to claim refund of security on the basis of award. This Court in the wake of above-quoted order passed in previous round of litigation cannot appoint an Arbitrator.

10. In view of above discussion and findings, the instant applications deserve to be dismissed and accordingly dismissed. It is made clear that dismissal of present applications would not inhibit the applicants from availing, in accordance with law, any other available remedy.

11. Pending misc. application(s), if any, shall stand disposed of.

(JAGMOHAN BANSAL)
JUDGE

30.08.2024
paramjit

Whether speaking/reasoned:	Yes	
Whether reportable:	Yes	