

**CR-5050-2024**

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**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH****CR-5050-2024****Date of decision:-26.09.2024**

M/s Paras Buildtech Private Limited

...Petitioner

Versus

Shashi Bhushan Shori and anr.

...Respondents

CORAM : HON'BLE MR. JUSTICE SUVIR SEHGAL**Present** : Mr.Jagdeep Singh Rana, Advocate
for the petitioner.

SUVIR SEHGAL, J.(ORAL)**CM-16733-CII-2024**

Application is allowed, as prayed for.

Statement of claim filed by the respondents is taken on
record as Annexure A13.**CR-5050-2024**

1. Instant revision petition has been filed under Article 227 of the Constitution of India for setting aside procedural order dated 11.7.2024, Annexure P12, passed by the learned Arbitrator, whereby an application filed by the petitioner seeking impleadment of M/s India Bulls Financial Services Ltd. (IBFSL) as a party to the arbitral proceedings, has been declined.

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2. Counsel for the petitioner submits that a Builder Buyer Agreement dated 29.05.2007 was entered into between the petitioner and respondents No.1 and 2, whereby they purchased unit No.37 located on the ground floor Paras Downtown Square, Zirakpur. He submits that Clause 53 of agreement provided an arbitration clause. He submits that a separate tripartite agreement dated 17.06.2008, Annexure P1, was entered into between the parties whereby respondents No.1 and 2 obtained a loan facility of Rs.64 lakhs from IBFSL and on their failure to fulfill the terms of the tripartite agreement, petitioner made a payment of Rs.79 lakhs to IBFSL. He submits that as some disputes arose between the parties, they were referred for adjudication to an arbitrator, who passed an award dated 07.04.2016, Annexure P2, against IBFSL. Objections under Section 34 of the Arbitration Act were filed, which were accepted by the learned Additional District Judge, Commercial Court, Gurugram vide judgment dated 31.05.2022, Annexure P6, and the award was set aside granting liberty to the parties to prefer a fresh arbitration. Counsel submits that after invoking the arbitration clause, petitioner filed a petition before this Court for appointment of an arbitrator, which was accepted vide order dated 01.05.2024, Annexure P9, and a former Judge of the Supreme Court was appointed as an Arbitrator. It is his categorical case that IBFSL is a necessary party to the arbitral proceedings. He asserts that IBFSL was a party in the previous arbitral proceedings which culminated in passing of award, Annexure P2. He urges that the learned Arbitrator has erred in dismissing the application for impleadment vide order under challenge.

3. I have considered the submission made by counsel for the

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petitioner as well as examined the documents placed on the record.

4. It is not in dispute that after the previous award was set aside and liberty was granted to the parties to seek fresh arbitration, the respondents invoked the arbitration clause by serving a notice under Section 21 of the Arbitration Act. They preferred a petition (ARB-445-2023) before this Court for appointment of an arbitrator, which was contested by the petitioner. A perusal of the said paper-book amplifies that IBFSL was not a signatory to the agreement dated 29.05.2007, out of which the dispute has arisen. This agreement has not been filed by the petitioner with the present petition. The said petition was opposed by the petitioner primarily on the ground that the claim raised was barred by time. Although IBFSL was a party to the previous arbitral proceedings, but while contesting the petition for appointment of an arbitrator, petitioner did not take up a plea that IBFSL is a necessary party. Furthermore, a perusal of the statement of claim, Annexure A13, makes it evident that the respondents have not laid any claim against IBFSL. Respondents cannot be forced to implead a party against whom they do not have any grievance.

5. In **Deep Industries Limited Versus Oil and Natural Gas Corporation Limited and Another (2020) 15 SCC 706**, Supreme Court observed that the High Court must be extremely circumspect in interfering with the procedural orders passed by the Arbitral Tribunal. Supreme Court held that interference is to be restricted to orders that are passed, which are patently lacking in inherent jurisdiction. Vast power has been vested with the Arbitral Tribunal to regulate its procedure by effective and expeditious conduct of the arbitral proceedings in a

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transparent and fair manner. Ample discretion has been given to the learned Arbitrator (s) to decide the matter in which the proceedings are to be conducted and the orders to be passed on various applications.

6. It would not be appropriate for this Court in exercise of the power under Article 227 of the Constitution of India to interfere with the discretionary exercise by the Arbitral Tribunal. No exceptional case is made out for interference with the impugned order.

7. For the reasons given above, this Court is of the view that the petition is devoid of merit and it is dismissed with no order as to costs.

(SUVIR SEHGAL)
JUDGE

26.09.2024**Brij****Whether reasoned/speaking : Yes/No****Whether reportable : Yes/No**