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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

+ **ARB. A. (COMM.) 23/2024 and IA No.8236/2024**

PRIYA SUD & ORS.Petitioners

Through: **Mr. Shivek Trehan, Adv.**

versus

AJAY SUD & ANR.Respondents

Through: **Mr. Vikas Mishra, Mr. Nikhil Chawla, Adv. for R-1.**

Ms. Sanya Kumar, Adv. for R-2.

CORAM:

HON'BLE MR. JUSTICE SACHIN DATTA

ORDER

% **26.11.2024**

1. The present petition assails an order dated 29.03.2024, passed under Section 17 of the Arbitration and Conciliation Act, 1996 in arbitral proceedings between the petitioners and the respondent no.1. The operative directions in the said order are as under:

“178. In view of the above narration of facts and discussion, it is held and directed as follows;

(i) I.A. No.1 of 2003 is devoid of merit and is hereby rejected;

(ii) Interests of the Partnership Firm and the parties lie in the grant of an 11 (Eleven) months Processing Agreement in respect of the Muzaffarnagar Plant of the Partnership Firm in favour of M/s Al Naureen Exports on the agreed terms as contained in the Processing Agreements dated 05.03.2023 and 04.03.2024;

(iii) The parties to the present arbitration shall, within next three days, execute the Processing Agreement with M/s Al Naureen for the period of 11 months commencing from 01.04.2024 to 01.03.2025 (or from the date on which the Agreement is executed);

(iv) It shall be the responsibility of the Receiver to ensure that the Processing Agreement is executed as directed.

(v) In case any party is unavailable / does not come forward /



obstructs the execution of the Processing Agreement within the stipulated period, the Receiver shall sign and execute the Processing Agreement for and on behalf of the Partnership Firm and / or such party(ies);

- (vi) The parties shall ensure that all steps to facilitate M/s Al Naureen Exports in carrying on the processing work under the Processing Agreement are taken promptly.*
- (vii) The Receiver shall serve copies of the present order upon APEDA and / or concerned authorities and shall take all necessary steps to ensure the working of the Processing Agreement by M/s Al Naureen Exports;*
- (viii) The parties shall forthwith make available to the Receiver, copies of all or any communication / objection/ complaint addressed by them to APEDA / Animal Husbandry Department or any other concerned authority regarding the running of the Muzaffarnagar Plant. The Receiver shall stand authorized to take all necessary actions in the bests interest of the Partnership Firm to ensure that the running of the Plant is not obstructed or interdicted by any such communication;*
- (ix) I.A. No. 1 of 2024 is allowed in the above terms;*
- (x) The Receiver shall take steps for ascertaining the correct position regarding the PNB account of the Partnership Firm, including the working of the OTS accepted by the Punjab National Bank on 30.05.2023 and place the same on record.”*

2. Respective counsel for the parties submit that in the aftermath of the aforesaid order, the ‘processing agreement’, directed to be entered into in terms of the aforesaid directions, has been terminated. Further, the Muzaffarnagar Plant of the partnership firm stands sealed.

3. In view of the aforesaid, respective counsel for the parties are in agreement that the present appeal has become infructuous. As such, no further orders are required to be passed in the present petition. The same is accordingly, disposed of.

4. Needless to say, all rights and remedies of the parties to the arbitration are reserved, and they are entitled to pursue the same in the arbitral



proceedings.

5. Learned counsel for the respondent no.2, which is the party with whom the 'processing agreement' was entered into, submits that there is some outstanding monetary entitlement owed by the partnership firm to the said respondent. Needless to say, the respondent no.2 is also at liberty to take recourse to remedies, as may be available to it under law, for recovery of its monetary dues, if any.

SACHIN DATTA, J

NOVEMBER 26, 2024/cl