



IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH

232

CR-116-2021(O&M)
Decided On: 14.05.2025

M/S JAI NARAIN CASTING

....PETITIONER(s)

Versus

NARINDERA CASTING PRIVATE LIMITED AND OTHERS

....RESPONDENT(s)

CORAM: HON'BLE MR. JUSTICE TRIBHUVAN DAHIYA

Present: Mr. Harsh Aggarwal, Advocate with
Mr. Tarun Jindal, Advocate
for the petitioner.

Mr. Farhad Kohli, Advocate for
Mr. Gautam Dutt, Advocate
for respondents no.1 to 3.

Mr. Karanvir Jindal, Advocate
for respondent no.4. (Through Video Conferencing)

TRIBHUVAN DAHIYA J.(Oral)

The revision petition has been filed against order dated 23.12.2020, Annexure P-12, passed by Civil Judge(Junior Division), Amloh in CS no.541, dated 25.11.2020, titled *M/s Jai Narain Casting v. Narindera Casting and others*, whereby the respondent's application under Section 8 of the Arbitration and Conciliation Act, 1996 (for short, 'the 1996 Act'), was allowed, and the matter was referred to the Arbitrator concerned as mentioned in lease deed dated 19.06.2018.

2. As per facts apparent on record, in brief, a lease deed dated 19.06.2018 was entered into between the parties, whereby the petitioner was leased out an Induction Furnace Unit (for short, 'the Furnace') by the respondents for a period of twenty-four months with effect from 18.06.2018. As per para 36 of the lease deed, *'if any dispute arises between the parties*



regarding the above mentioned said lease then the dispute shall be referred to the arbitration tribunal under Indian Arbitration Act, 1996 and arbitrator shall be bound to decide the matter within 3 months’. The lease was extended for eleven months, i.e., upto 31.07.2021, vide communication/e-mail dated 31.08.2020, Annexure P-6. Despite expiry of the lease period, petitioner did not handover the Furnace with building, plant and machinery to the lessor/respondents. Instead, the petitioner filed a suit for permanent injunction restraining the respondents from causing any interference in its possession. Upon receiving notice of the suit, the respondents filed an application under Section 8 of the 1996 Act and Order 7 Rule 11 of CPC for rejection of the plaint. The same was allowed by learned Civil Judge(Junior Division), Amloh, vide impugned order dated 23.12.2020, which has been challenged by filing the instant petition.

3. Learned counsel for the respondents contend that the lease deed/agreement entered into between the parties, dated 19.06.2018, contains an arbitration clause bearing no.36. The lease was extended on the existing terms and conditions for a further period of eleven months ending on 31.07.2021. There being a binding arbitration clause between the parties, the suit for permanent injunction filed by the petitioner is not maintainable, and has been rightly dismissed by the trial Court.

4. Heard.

5. In view of the facts apparent on record, establishing existence of a binding arbitration agreement between the parties, it was mandatory for the trial Court to refer the dispute arising between the parties to the Arbitrator, which has been rightly done vide impugned order dated 23.12.2020, by recording as under:



8. From the perusal of said lease deed, it is clear that it contains binding conditions upon the plaintiff to settle any dispute with the defendants before the Arbitration mentioned in the said deed.

9. Section 8 of the Arbitration and Conciliation Act, 1996 provides that judicial authority before which an action is brought in the matter which is the subject of a arbitration agreement shall, if a party so applies, not later than when submitting his first statement on the substance of the dispute, refer the parties to the arbitration. In the authority titled as M/s Sundaram Finance Limited and another Versus T. Thankam 2015 (2) RCR (Civil) Page 920 (SC), it has been held that where an authority in terms of section 8 of the Arbitration Act moves to the court for referring the parties to arbitration, it shall be obligatory for the court to refer the parties to arbitration in terms of the agreement entered into between the parties. In the authority Mrs. Hema Khattar & Anr. Vs. Shiv Khera, 2017 (3) R.C.R (Civil), 277, it has been held by the Hon'ble Supreme Court that in a case where there is arbitration clause in the agreement between the parties, it is obligatory for the court to refer the parties to arbitration in terms of their arbitration agreement and nothing remains to be decided by the court in the original action after an application is made, except to refer the dispute to an arbitrator. Similar view has been held by the Hon'ble High Court in authority Branch Manager, Magma Leasing and Finance Limited and another Vs. Potluri Madhavilata and another, (2009) 10 Supreme Court Cases, 103. In authority Shriram Transport Finance Co. Ltd. and another Vs. Jasbir Singh @ Jasveer Singh, 2009 (4) RCR (Civil), 525, the Hon'ble Punjab & Haryana High Court has held that where there is agreement entered into between the parties stipulating an arbitration clause and one of the party approaches the court for the reference of the dispute to an arbitrator in terms of the said clause, it becomes mandatory duty of the court to refer the dispute arisen between the parties to the arbitrator. The Hon'ble Punjab & Haryana High Court in authority M/s Jagdish



Raj & Brothers Vs. Jagdish Raj & Ors., 2003 (1) Civil Court Cases, 367, has held that once an application is made by the opposite party for referring the matter to arbitration in terms of arbitration agreement, the court thereafter cannot decide the application U/O 39 Rules 1 & 2 CPC, as nothing further is required to be done by the court except for referring the matter to the Arbitrator.

6. The order is well-reasoned and has been passed in accordance with the statutory provisions as well as the settled law. It does not suffer from any error of law or jurisdiction.
7. In view thereof, the petition accordingly stands dismissed.
8. Pending miscellaneous application(s), if any, shall also stand(s) disposed of.

14.05.2025
Ad

(TRIBHUVAN DAHIYA)
JUDGE

Whether speaking/reasoned?	Yes/No
Whether reportable?	Yes/No