

OCD-2

**IN THE HIGH COURT AT CALCUTTA
CIVIL APPELLATE JURISDICTION
COMMERCIAL DIVISION**

**APOT/24/2026
IA No. GA-COM/1/2026**

**M/S. JOY MAA SANTOSHI SAW MILL
-Vs-
HINDUSTAN CABLES LIMITED**

BEFORE:

The Hon'ble JUSTICE DEBANGSU BASAK

-AND-

The Hon'ble JUSTICE MD. SHABBAR RASHIDI

For the Appellant : Mr. Surojit Nath Mitra, Sr. Adv.
Mr. Ayan Banerjee, Adv.
Mr. Arijit Bhowmick, Adv.
Ms. Debasree Mukherjee, Adv.

For the Respondent : Mr. Tilak Kr. Bose, Sr. Adv.
Mr. Pranit Bag, Bar-at-law
Mr. Rohit Mukherji, Adv.
Mr. Debabrata Das, Adv.
Mr. Saptarshi Mukherjee, Adv.
Mr. Tirthankar Nandi, Adv.

HEARD ON : 01.04.2026

DELIVERED ON : 01.04.2026

DEBANGSU BASAK, J.:-

1. Appeal is under Section 37 of the Arbitration and Conciliation Act, 1996 and directed against the judgment and order dated

December 12, 2025 passed in AP-COM/183/2024 IA No. GA/2/2023.

2. By the impugned judgment and order, learned Single Judge set aside the award dated January 28, 2020 under Section 34 of the Act of 1996.
3. Learned Senior Advocate appearing for the appellant submits that, learned Single Judge, erred in allowing the application under Section 34 of the Act of 1996 filed by the respondent. He refers to the statement of claim as also various documents submitted before the learned Arbitrator. In particular, without prejudice to his other contentions, he draws the attention of the Court to a letter dated October 7, 2010 issued by the respondent. He submits that, such document was disclosed as C/47 before the learned Arbitrator. Learned Arbitrator did not deal with such letter in the award.
4. Learned Senior Advocate appearing for the appellant submits that by the letter dated October 7, 2010, the respondent acknowledged a sum of Rs.15,27,936.34 as due and payable by the respondent to the appellant against goods/services as on March 2010. The respondent acknowledged a sum of Rs.40,000/- to be due and payable as against the security deposit. On March 31, 2010, he submits that, the aggregate sum of Rs.15,67,936.34, therefore, stood admitted by the respondent as due and payable to the appellant as on March 31, 2010.

5. Learned Senior Advocate appearing for the appellant refers to the award and submits that, the learned Arbitrator initially held that interest at the rate of 9% compounded yearly is payable by the respondent on and from March 1, 2004. He submits that, two paragraphs thereafter, learned Arbitrator reduced the rate of interest to 7% without any reasons. He submits that, in all fairness, the appellant is entitled interest at the rate of 9% per annum compounded yearly as held by the learned Arbitrator on and from March 1, 2004.
6. Learned Senior Advocate appearing for the appellant submits that, although parties were directed to share the costs of Arbitration, at least portion of the costs that the appellant incurred in the arbitration proceeding should be awarded.
7. Learned Advocate appearing for the respondent submits that, the letter dated October 7, 2010 being C/47, produced before the learned Arbitrator, cannot be construed to be an admission. He submits that, at best it was an offer made by the respondent calling upon the appellant to accept such sum. Since the appellant did not respond to the letter dated October 7, 2010, such letter cannot be said to be binding upon the respondent or quantify any liability on the part of the respondent.
8. Learned advocate appearing for the respondent refers to the various paragraphs of the impugned judgment and order. He submits that, learned Single Judge, acted within the parameter

under Section 34 of the Act of 1996. Therefore, no interference is called for.

- 9.** Respondent issued three purchase orders to the appellant being no. CC-10/2000, CC-19/2001 and CC-19/2002 for procurement of wooden cable drums required by the respondent. Disputes and differences arose between the parties with regard to such contract. Disputes and differences were referred to arbitration. Court is informed that initially departmental Arbitrators were appointed. Subsequently, on an application made before the High Court, a retired judge of this Hon'ble Court was appointed by an order dated July 20, 2017 as an Arbitrator, who passed the award.
- 10.** Before the arbitrator, respective parties filed their statement of claims, replies and rejoinders. Evidence was led in the arbitration proceeding. Court is informed that 34 arbitration sittings took place before the learned Arbitrator.
- 11.** Mandate of the Arbitrator was extended by an order dated September 23, 2019. Learned Arbitrator made and published the award on January 28, 2020. Respondent challenged such award by way of an application under Section 34 of the Act of 1996 resulting in the impugned judgment and order.
- 12.** We find from the records that, by a letter dated October 7, 2010, the respondent acknowledged a sum of Rs.15,67,936.34 as due and payable on two heads as on March 31, 2010. Such letter in

our view is unconditional acknowledgment of liability of the respondent to the appellant, as on March 31, 2010. In fact, last sentence of such letter states that in the event the appellant is silent on such admission of liability, then, the sum admitted by the respondent will be assumed to be correct and accepted by the appellant.

- 13.** As against the respondent, the letter dated October 7, 2010 is an unconditional acknowledgment of liability. There is nothing on record that the admitted sum was paid by the respondent.
- 14.** This document was before the Arbitral Tribunal. Consequently, such document was also before the Court passing the impugned judgment and order. In the impugned judgment and order, learned Single Judge, in paragraph 29 noted that the respondent admitted its liabilities. However, learned Trial Judge was pleased to set aside the entirety of the award, without allowing such portion of the admitted liability.
- 15.** Since, there exists unconditional acknowledgment of liability, in our view, learned Trial Judge, exceeded jurisdiction under Section 34 of the Act of 1996 in setting aside the entirety of the award.
- 16.** In view of the reasoning above, we deem it appropriate to modify the award by directing that the respondent is liable to pay a principal sum of Rs.15,67,936.34 to the appellant along with interest at the rate of 9% per annum compounded yearly

calculated on and from March 1, 2004 till actual payment. Rate of interest awarded in the manner as noted herein is on the basis of the finding of the Arbitral Tribunal with regard thereto.

- 17.** As noted above, 34 arbitration sittings were held in the arbitration. Court is informed that, appellant paid a sum of Rs.10,000/- per sitting towards fees of the learned Arbitrator. In all fairness, such cost be added to the claim of the appellant.
- 18.** Appellant will, therefore, be entitled to a sum of Rs.3,40,000/- as costs of the arbitration in addition to the principal amount and the interest awarded.
- 19.** IA No. GA-COM/1/2026 and APOT/24/2026 are disposed of accordingly, without any order as to costs.

(DEBANGSU BASAK, J.)

- 20.** I agree

(MD. SHABBAR RASHIDI, J.)