

## Union Of India Vs Sai Inspection Agency

**Court:** Jharkhand High Court

**Date of Decision:** Jan. 16, 2025

**Hon'ble Judges:** Gautam Kumar Choudhary, J

**Bench:** Single Bench

**Advocate:** Anil Kumar, Shiv Kumar Sharma, Amit Kumar Das

**Final Decision:** Dismissed

### Judgement

Gautam Kumar Choudhary, J

1. This appeal is preferred against the order dated 17.12.2020 passed in Civil Misc. Case No.01/2017 passed by learned Civil Judge (Sr. Div.)- I, East

Singhbhum, Jamshedpur whereby and whereunder the learned Court below set aside the award passed by the learned Arbitrator in which the claim

for compensation was denied.

2. Undisputed facts of the case are as follows:

I.Applicant-respondent is a proprietor firm which was awarded contract for loading, unloading and stacking of Electric and Diesel Loco Pilots and

Guard Line Boxes at Tata Nagar (Tata) and Dangoaposi (DPS) station for two years.

II.In pursuant to the award of the aforesaid work, acceptance work vide Sr. DEE (O.P.)- CKP, acceptance letter bearing no.1250/CKP/BOX

loading and, unloading/LOA/1377, dated, 15.06.2012, for, a, total, value, of Rs.26,69,968/- valid for two years from the date of

commencement of work.

III.The applicant commenced the work from 21.06.2012 at Tata and 16.06.2012 at DPS respectively.

IV.The applicant deposited the performance guarantee in cash vide deposit slips/memo issued by the office of Sr. DEE (O.P.)-CKP on 14.08.2012

amounting to Rs.1,34,000/- to the Divisional Cashier, South Eastern Railway, Chakradharpur on 14.08.2012.

V.The agreement was executed on 21.08.2012 between the applicant and Senior DEE (O.P.), CKP.

VI.The termination of contract was issued on 14.11.2012 on the ground that performance guarantee was not deposited within stipulated time.

VII.The matter was referred to the learned Arbitrator, Deputy Chief Engineer (TM), South Eastern Railway, Kolkata under Section 11 of Arbitration

and Conciliation Act, 1996.

VIII. The Arbitrator vide award dated 11th November, 2016 dismissed the claim of the applicant/respondent on the ground that performance security

could not be deposited within sixty days.

IX. The learned Court below set aside the award on the ground that Letter Of Acceptance issued on 15.06.2012 and the performance guarantee was

furnished on 14.08.2012, therefore, it was within sixty days from the date of commencement.

3. It is argued by the learned counsel on behalf of the appellant that there was a fundamental breach of the express terms of clause 16 and 17 for the

letter of acceptance dated 15.06.2012, as register was not maintained to record the number of line boxes loaded and unloaded shiftwise under the

signature of the Crew Controller TATA and the counter signature of the Chief Crew Controller TATA and DPS as the payment for work done was

made as per the said register.

4. Having considered the submissions advanced on behalf of the appellant, I do not find merit in this appeal. The Arbitrator had dismissed the claim on

an erroneous finding of fact that letter of acceptance was not on the ground that performance security could not be deposited within 60 days. A letter

of acceptance was issued on 15.06.2012 and performance guarantee was furnished on 14.08.2012, which was within the stipulated period of 60 days.

The order rejecting the claim by the Arbitrator, therefore, was prima facie factually incorrect. Learned Court below has after considering all aspect of

the matter has rightly set aside the award.

5. The order of the Court below is affirmed. The respondent is permitted to move the Court for appointment of Arbitrator as per the arbitral clause.

Accordingly, this arbitration appeal stands dismissed.