

Punjab State and Others Vs Shri Sadhu Ram

Court: High Court Of Punjab And Haryana At Chandigarh

Date of Decision: Oct. 7, 2005

Acts Referred: Arbitration Act, 1940 " Section 20
Civil Procedure Code, 1908 (CPC) " Section 20(C)

Citation: (2006) 2 ARBLR 355 : (2006) 142 PLR 644

Hon'ble Judges: Viney Mittal, J

Bench: Single Bench

Advocate: H.S. Shergill, Assistant Advocate General, for the Appellant; None, for the Respondent

Final Decision: Dismissed

Judgement

@JUDGMENTTAG-ORDER

Viney Mittal, J.

The State of Punjab has approached this Court through the present revision petition.

2. A petition u/s 20 of the Arbitration Act, 1940 (for short "the Act") was filed by the Contractor-respondent Sadhu Ram. He claimed that there

was a dispute between the parties and, therefore, the Court should direct the petitioner-respondents to refer the dispute to the Arbitrator.

3. The petitioner-respondents appeared and took up various objections. One of the objections was with regard to the territorial jurisdiction of the

Courts at Amritsar. The aforesaid objection found favour with the trial Court and accordingly, the petition filed by the Contractor was ordered to

be returned back with a liberty to him to present the same before an appropriate Court. The order passed by the trial Court was challenged by the

Contractor through an appeal. The learned first Appellate court, reexamined the entire controversy. On the basis of the aforesaid reappraisal, it

was held, that a part of cause of action had arisen between the parties at Rayya i.e. within the territorial jurisdiction of Amritsar Courts.

Accordingly, the findings of the trial Court was reversed.

4. The State of Punjab has now chosen to file the present revision petition.

5. I have heard Shri H.S. Shergill, the learned Assistant Advocate General Punjab, appearing for the petitioners and with his assistance have also

gone through the record of the case.

6. At this stage, certain observations made by the learned Additional District Judge, in the impugned order dated August 2, 1996, may be noticed,

which read as under:-

Facts of the case in hand would show that major dispute between the parties is regarding the imposition of penalty at 10% under Clause 2 of the

contract agreement. This agreement was executed at Kapurthala, but imposition of penalty was in part made at Rayya because the appellant was

not present at Kapurthala where the penalty was imposed and this was not done in his presence. Imposition of penalty would be complete and

effective only when it is conveyed to the appellant and this was admittedly conveyed to him at his home address at Rayya by a letter. There is not

one but many letters exchanged between the appellant on one hand and the respondents No.2 and 5 on the other hand in this connection. These

letters were exchanged with the appellant at his address at Rayya and, therefore, part of the cause of action within the meaning of Section 20(c)

C.P.C. clearly arose at Rayya. The learned lower Court has taken erroneous view of the matter. I, therefore, reverse the finding of the learned

lower Court on issue No. 1 which I decide in favour of the appellant.

7. It is, thus, apparent that the agreement between the parties had been executed at Kapurthala but the penalty had been imposed at Rayya. The

controversy between the parties is only with regard to the aforesaid imposition of the penalty. In these circum-stances, a part of cause of action to

the Contractor had arisen within the territorial jurisdiction of the Courts at Amritsar. No fault could be found with the order passed by the learned

Additional District Judge.

8. Consequently, I do not find any merit in the present revision petition. The same is dismissed.