

Misc. Arb (Com) – 52/2024
Misc. (Arb) Case – 31/2023(CC)

Present: Ishani Chakravarty Banerjee (J.O Code.WB00890)
Judge, Commercial Court at Rajarhat,
North 24 Parganas

CNR: WBNP19-000051-2023

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18.09.2025

The learned Advocates for both the parties appear and file haziras.

Today is fixed for hearing of the application under Section 34 of the Arbitration & Conciliation Act, 1996.

At this stage, the learned Advocate for the petitioner files an application under Section 36(2) of the Arbitration & Conciliation Act, 1996 for stay of the operation and enforcement of the Arbitral Award dated 12.12.2022 and pressed for hearing of the same. Copy has been served and no objection raised regarding hearing of the stay petition.

Accordingly, the record is taken up for hearing of the application under Section 36(2) of the Arbitration & Conciliation Act, 1996.

Heard both sides in respect of the prayer for stay.

The learned Advocate for the Petitioner submitted that the Petitioner has filed the petition under Section 34 of the Arbitration and Conciliation Act, 1996 (hereinafter referred to as “the Act”), assailing the Majority Arbitral Award dated 12.12.2022 passed in the arbitration proceedings between Danieli India Limited and Co Allianz General Insurance Company Limited.

It was stated that the Arbitral Tribunal was composed of three members, namely Mr. Bimal Kumar Chatterjee, Senior Advocate, acting as the Presiding Arbitrator; Mr. P.C. James, Co-Arbitrator; and Mr. Parimal Shah, Co-Arbitrator. The learned Advocate averred that the award impugned has been pronounced by the majority of the Tribunal, i.e., by Mr. Bimal Kumar Chatterjee and Mr. P.C. James (hereinafter referred to as the “Majority Arbitral Tribunal”), while a dissenting award was separately rendered by Mr. Parimal Shah on 30.12.2022, holding that the Petitioner is not liable for any claim whatsoever.

The learned counsel asserted that the Majority Tribunal has directed the Petitioner to pay a sum of Rs.16,80,92,348/- (Rupees Sixteen Crores Eighty Lakhs

Ninety-Two Thousand Three Hundred Forty-Eight only) to the Respondent within 30 days from the date of the award, along with interest at the rate of 7% per annum from 30.05.2018 till the date of final payment with a further direction to pay interest at 9% per annum in case of default beyond 30 days, and to reimburse an amount of Rs. 1,95,30,000/- (Rupees One Crore Ninety-Five Lakhs Thirty Thousand only) towards the Respondent's share of arbitral fees.

The learned counsel strongly contended that the findings of the Majority Tribunal are patently in violation of the public policy of India and settled legal precedents, thus warranting interference under Section 34 of the Act. It was also submitted that the Petitioner has a prima facie good case on merits and that unless the operation of the impugned award is stayed, the Petitioner would suffer irreparable loss and injury, as enforcement of the award would compel the Petitioner to make substantial payment which may render the accompanying petition infructuous.

In light of the above, the learned Advocate for the Petitioner prayed for stay the operation and enforcement of the Impugned Majority Arbitral Award dated 12.12.2022.

The learned Advocate for the respondent submitted that he has no objection to the stay of the arbitral Award, provided that the entire awarded amount being secured by the petitioner herein.

Upon consideration of the submissions advanced, and perusal of the records, it appears that the Petitioner has filed a petition under Section 34 of the Arbitration and Conciliation Act, 1996, assailing the Majority Arbitral Award dated 12.12.2022. It is contended that the impugned award suffers from fundamental infirmities, including violation of public policy, misappreciation of facts, and disregard of settled legal principles.

The Petitioner has made out a prima facie arguable case. Having regard to the same as well as the submissions of learned Advocate for the Respondent that he has no objection for stay if the entire awarded amount is secured, I consider it proper to grant stay on the operation of the Arbitral Award dated 12.12.2022, subject to securing the entire awarded amount, till disposal of the Section 34 application.

Hence, it is

ORDERED

that the application under Section 36(2) of the Arbitration & Conciliation Act, 1996 dated 18.09.2025 filed by the petitioner is conditionally **allowed**.

The operation and effect of the impugned Arbitral Award dated 12.12.2022 shall remain stayed by way of interim stay, subject to the Petitioner depositing 100% of the awarded amount (Rs.30,06,00,114/-) by way of civil challan with the learned Registrar, North 24 Parganas at Barasat, under the head of Account No.8443 through appropriate challan within 31st October, 2025.

In default of such deposit within the stipulated period, the prayer for interim stay shall stand automatically rejected without further reference to this Court.

Fix **20.01.2026** for hearing of the application under Section 34 of the Arbitration & Conciliation Act, 1996. The respondent is directed to file written objection within 15.12.2025 and reply thereto if any, to be filed by the next date of hearing.

The parties are further directed to ensure that the copies of the objection and/or reply are served upon the other side well in advance.

Dictated & Corrected by me

Sd/- Ishani Chakravarty Banerjee
Judge
Commercial Court, Rajarhat
North 24 Parganas

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Judge
Commercial Court, Rajarhat,
North 24 Parganas