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C.M.A.No. 641 of 2018



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 08.04.2026

Coram:

THE HONOURABLE MR. JUSTICE P.VELMURUGAN
and
THE HONOURABLE MRS. JUSTICE K.GOVINDARAJAN THILAKAVADI

C.M.A.No.641 of 2018

Cotton Corporation of India Ltd.,
A Government Company having its Branch Office
at 1057 Trichy Road,
Ramanathapuram at
Coimbatore – 641045.

... Appellant

Vs.

1. M/s.Makkanlal Rajkumar, a
Proprietary concern, Rep. by his
Power-agent, Kantiprasad Patodia,
and having its place of business at 87,
Maker Chambers III, Nariman Point,
Mumbai 400 021.

2. M/s.Uma Maheswari Mills Ltd.,
329, State Bank Colony No.2, Salem.

... Respondents

Prayer: This Civil Miscellaneous Appeal has been filed under Section 37 of the Arbitration and Conciliation Act, 1996, to set aside the fair and decreetal order in Arbitration O.P.No.232 of 2006 dated 28.06.2017 by the learned Principal District Judge, Coimbatore.



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C.M.A.No. 311 of 2017



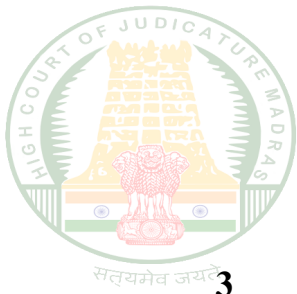
For Appellants : Mr.Anirudh Krishnan
For Respondents : Mr.N.P.Vijakumar for R1
Mrs.B.Ambili, Deputy Official Liquidator for R2

JUDGMENT

(Judgment of the Court was made by P.VELMURUGAN, J.)

This Civil Miscellaneous Appeal has been filed against the order passed by the learned Principal District Judge, Coimbatore, in Arbitration Original Petition No.232 of 2006 dated 28.06.2017

2 According to the appellant, there was a contract between the appellant and the respondents with regard to purchase of cotton from the appellant. The appellant filed claim petition before the learned Arbitrator stating that the respondents failed to lift the cotton as per the terms of the agreement and hence they incurred loss. The learned Arbitrator, after hearing both the parties and after perusing the documents filed by the appellant/claimant, allowed the claim of the appellant by an Award dated 30.06.2001 and directed the respondents to pay a sum of Rs.2,50,84,345.84/-, against which the first respondent filed a petition under Section 34 of the Arbitration and Conciliation Act, 1996 (in short 'the Act'). The learned Principal District Judge, Coimbatore, vide order dated 28.06.2017 allowed the same by setting aside the Award passed by the learned Arbitrator, against which, the appellant is before this Court with the present Civil Miscellaneous Appeal.



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3 According to learned counsel for the appellant, as against the Award of the learned Arbitrator, the first respondent filed the petition under Section 34 of the Act and when they disputed the Award, they have to file documents to support their claim, whereas, the Section 34 Court directed the appellant to produce the documents and on failure to produce the said documents by either of the parties, allowed the petition by setting aside the Award passed by the learned Arbitrator, which is patent illegality and opposed to public policy and hence the same is liable to be set aside.

4 Learned Counsel for the first respondent submitted that the first respondent is only acted as an Agent and the second respondent is the original purchaser. Therefore the first respondent is not liable to pay any amount as awarded by the learned Arbitrator.

5 Heard the learned counsel appearing for the appellant and the first respondent and perused the materials available on record.

6 It is seen that aggrieved against the Award passed by the learned Sole Arbitrator, the first respondent filed a petition under Section 34 of the Act, seeking directions to the third respondent therein, who is the Arbitrator, to produce all the



C.M.A.No.3118 of 2016

records relating to the Arbitration proceedings and to set aside the Award. Section 34

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Court instructed both the parties to produce all the documents relating to the Arbitration proceedings and despite giving sufficient time, neither of the parties produced the documents as sought for by the Section 34 Court. Therefore the learned Principal District Judge, Coimbatore, as no other option, constrained to allow the petition vide order dated 28.06.2017 by setting aside the Award passed by the learned Sole Arbitrator. Hence it is clear that the learned Principal District Judge has not allowed the petition under Section 34 of the Act on merits.

7 This Court, vide order dated 18.03.2026 directed the appellant to produce all the documents relating to the arbitration proceedings. In response, the appellant produced some of the documents and hence again the appellant was directed to produce all the documents available with them. Thereafter the appellant filed remaining documents relating to the arbitration proceedings available with them.

8 Therefore we are of the considered view that the matter may remitted back to the Section 34 Court for fresh consideration with the documents filed now by the appellant.



C.M.A.No. 3118 of 2016

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9 Accordingly, the order dated 28.06.2017 is set aside and the matter is remitted back to the learned Principal District Judge, Coimbatore, with a direction to consider and dispose of the petition under Section 34 of the Act afresh filed by the first respondent herein with the documents now filed by the appellant before this Court, keeping in mind the provisions of Section 34 of the Act, in accordance with law.

10 The Civil Miscellaneous Appeal shall stand disposed of with the above directions. No costs.

[PVJ] [KGTJ]
08.04.2026

Neutral Citation : Yes/No
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Note: Registry is directed to send back the original records, if any received, along with the documents now filed by the appellants vide typed set dated 24.03.2026 and 07.04.2026

To
The Principal District Judge, Coimbatore.



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P.VELMURUGAN. J.
and
K.GOVINDARAJAN THILAKAVADI, J.

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