



A. No.3351 of 2025

THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 21.07.2025

CORAM:

THE HON'BLE MR. JUSTICE ABDUL QUDDHOSE

A. No.3351 of 2025

in

Arb. O.P. (Com. Div.) No.402 of 2025

Tamil Nadu Housing Board

Rep. by its Superintending Engineer (HQ) ... Applicant

Versus

M/s.Engineering Projects (India) Ltd.,

Rep. by its Managing Director ... Respondent

For Applicant : Mr.M.K. Kabir

Senior Counsel for Mr.C. Kalaichelvan

For Respondent : Mr.P.J. Rishikesh

ORDER

This petition has been filed under Section 34 of the Arbitration and Conciliation Act, 1996, challenging the impugned Arbitral Award on the ground of patent illegality and also on the ground that the same is opposed to public policy of India .

2. The respondent was employed as a Contractor by the petitioner under a Contract, which was the subject matter of the dispute in the arbitration. Under the impugned Arbitral Award, a sum of Rs.7 Crores



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and 10 Lakhs (approximately) has been awarded in favour of the respondent against the petitioner. Under the very same Award, the Arbitrator has awarded a sum of Rs.34 Lakhs (approximately) towards the counter claim made by the petitioner against the respondent. Both the petitioner as well as the respondent are Public Sector Undertakings. It is also represented by the learned counsel for the respondent that the respondent has already filed an Execution Petition against the petitioner and has sought for disclosure of assets from the petitioner. The contentions raised by the petitioner in this petition has to be examined in the final hearing of this O.P.

3. Under the impugned Arbitral Award, the termination of the contract was held to be illegal by the Arbitrator and only under those circumstances, the Arbitral Award has been passed in favour of the respondent against the petitioner. Since under the impugned Arbitral Award, a sum of Rs.7 Crores and 10 Lakhs (approximately) in favour of the respondent, this Court has to put the petitioner on terms for granting an order of interim stay of enforcement of the impugned Arbitral Award, dated 03.01.2024.

4. This Court after giving due consideration to the nature of the dispute between the parties and after giving due consideration to the fact



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that the respondent has been awarded a sum of Rs.7 Crores and 10 Lakhs

(approximately) under the impugned Arbitral Award, this Court is of the

considered view that the petitioner has to deposit a sum of Rs.2 Crores

(Rupees two Crores only) to the credit of this O.P. On such deposit

being made, there shall be an order of interim stay of the enforcement of

the impugned Arbitral Award. The petitioner shall deposit the said sum,

within a period of eight weeks from the date of receipt of a copy of this

order. If the aforesaid sum is not deposited, within a period of eight

weeks from the date of receipt of a copy of this order, the order of

interim stay granted by this Court shall stand automatically vacated.

5. Both the counsels are directed to file their brief notes of submissions along with the authorities, they rely upon on or before the next hearing date.

6. The learned counsel for the petitioner is directed to serve copies of papers on the learned counsel for the respondent, forthwith.

7. Post the matter on **15.09.2025.**

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ABDUL QUDDHOSE, J.

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