

HIGH COURT OF MEGHALAYA
AT SHILLONG

Arb.A. No. 1 of 2025

Date of order: 18.08.2025

Union of India & ors vs M/s Karkies Construction and Co

Coram:

Hon'ble Mr. Justice I.P. Mukerji, Chief Justice

Hon'ble Mr. Justice W. Diengdoh, Judge

Appearance:

For the Appellants : Dr N. Mozika, DSGI with
Ms K. Gurung, Adv.

For the Respondent : Mrs M. Borah, Adv.

We formally admit this appeal under Section 37 of the Arbitration and Conciliation Act, 1996. It is from the impugned judgement and order dated 13th May, 2025 made by the learned court of the judge: Commercial Court, East Khasi Hills, Shillong in an application under Section 34 of the said Act made by the Union of India. The Union of India has preferred this appeal.

The awarded amount is about ₹90 lakhs.

We learnt that during pendency of the Section 34 proceedings, the appellants had secured 50 per cent of the said amount by furnishing a cheque of a little over ₹45 lakhs. Surprisingly, the cheque was issued in favour of the respondent-contractor when it ought to have been issued in favour of a competent officer of the court to be kept in deposit pending decision in the said application. This amount has been encashed by the

respondent. Had this not been allowed to be appropriated by the award-holder we would have considered directing the appellants to deposit the balance 50 per cent sum pending hearing of the appeal as security in terms of the said Act. However, in view of the above, we do not find any necessity of directing the appellants to furnish any further security in the matter. Our only concern is that should the appellants be successful in the appeal, how easily they would be able to realise the awarded amount already made over to the respondent-contractor.

As the respondent is represented by learned counsel, we propose to hear out the appeal dispensing with all formalities. We expedite hearing of the appeal.

Advocate-on-Record for the appellants shall file an informal paper-book in this Court by 22nd September, 2025 serving a copy thereof on the Advocate-on-Record for the respondent at least seven days before the next date of hearing of the appeal.

List the appeal for hearing on 6th October, 2025.

(W. Diengdoh)
Judge

(I.P. Mukerji)
Chief Justice

Meghalaya
18.08.2025
"Sylvana PS"