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C.A.No. 2965 OF 1997

ITEM No.2

Court No. 3

SECTION XV

S U P R E M E C O U R T O F I N D I A  
RECORD OF PROCEEDINGS

IA No 5-9 In Civil Appeal No.2965/1997

STATE OF RAJASTHAN

Appellant (s)

VERSUS

THE SPENCON (I) LTD & ORS

Respondent (s)

( Appln(s). u/Sections 17 and 29 of the Indian Arbitration Act, 1940  
r/w S. 151 CPC and, accepting English translation, directions and  
exemption from filing O.T. With Office Report )

Date : 01/04/2002 This Petition was called on for hearing today.

CORAM :

HON'BLE MR. JUSTICE G.B. PATTANAIAK  
HON'BLE MR. JUSTICE BRIJESH KUMAR

For Appellant (s) Mr. Dushyant Dave, Sr. Adv.  
Mr. Ranji Thomas, Adv.  
Mrs. KV Bharati Upadhyay, Adv.  
Mr. Javed Mahmud Rao, Adv.

For Respondent (s) Mr. P.N. Misra, Sr. Adv.  
Mr. Bhargava V. Desai, Adv.  
Mr. Sanjeev Kr. Singh, Adv.

UPON hearing counsel the Court made the following  
O R D E R

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This is an application by the State of Rajasthan to direct the Spenco (I) Ltd. to deposit a sum of Rs.1,54,77,923/- together with interest thereon as per the award of the learned Arbitrator. The respondent, in the meantime, has deposited a sum of Rs.99 lakhs and, according to the respondent, the sum of Rs. 55 lakhs which was a part of the interim direction of the learned Arbitrator, the respondent is not entitled to refund the same. We are not  
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examining as on now the question of refund of the sum of Rs. 55 lakhs which The Spenco (I) Ltd. has received during the pendency of the arbitration proceeding as that would be a matter for consideration before this Court while examining the legality of the award. The respondent has filed an

application challenging the legality of the award. Though prima facie the award of the learned Arbitrator indicates that the respondent is bound to refund Rs.1,54,77,923/- together with the interest pursuant to the direction of this Court while appointing a fresh Arbitrator and setting aside the earlier award, but having regard to the facts as already stated, we direct that the sum of Rs.99 lakhs which has already been deposited by the respondent, be permitted to be taken by the State and the State's claim with regard to the balance amount together with interest on the entire amount will be considered at the time of hearing of this matter. The Registry is directed to refund the amount to the counsel appearing for the State by a bank draft in favour of the State of Rajasthan, within a week from today. For the balance amount of Rs.55 lakhs, the respondent should either furnish a personal guarantee or any property secured within four weeks from today.

Expedite hearing of this matter.

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(J.S. Rawat)  
Court Master

(Suneet Bala Sharma)  
Court Master