

ITEM NO.13

COURT NO.1

SECTION IV-B

S U P R E M E C O U R T O F I N D I A
R E C O R D O F P R O C E E D I N G S

SPECIAL LEAVE PETITION (CIVIL) Diary No(s).10635/2024

(Arising out of impugned final judgment and order dated 11-10-2023 in FAO No. 2490/2018 passed by the High Court of Punjab & Haryana at Chandigarh)

HINDUSTAN PETROLEUM CORPORATION LIMITED

Petitioner(s)

VERSUS

M/S HARI RAM PIARA LAL

Respondent(s)

(WITH IA No.82416/2024-CONDONATION OF DELAY IN FILING and IA No.82418/2024-EXEMPTION FROM FILING C/C OF THE IMPUGNED JUDGMENT)

Date : 10-04-2024 This petition was called on for hearing today.

CORAM :

HON'BLE THE CHIEF JUSTICE
HON'BLE MR. JUSTICE J.B. PARDIWALA
HON'BLE MR. JUSTICE MANOJ MISRA

For Petitioner(s) Mr. N. Venkataraman, A.S.G.
Mr. Sanjay Kapur, AOR
Mr. Surya Prakash, Adv.
Mr. Arjun Bhatia, Adv.
Ms. Mahima Kapur, Adv.
Mr. Devesh Dubey, Adv.

For Respondent(s)

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

- 1 Delay condoned.
- 2 In an arbitral proceeding between the petitioner and the respondent, the sole arbitrator issued the following final directions in the arbitral award:

“(A) The termination of dealership of claimant, by respondent is declared to be illegal and invalid.

- (B) The claimant is not entitled to restoration of dealership, but only entitled for damages of Rs 45,000/- for wrongful termination equivalent to loss of earning for three months
- (C) The claimant is entitled to Rs 50,000/- as damages for injury to goodwill
- (D) The claim of arrears of rent, made by the claimant, is held to be inarbitrable, without prejudice to the right of the lessors of the premises to claim any rent due or other relief in accordance with law
- (E) The counter claim of respondent is allowed in part and the claimant is directed not to enter upon or use the retail outlet premises of the respondent. The claimant is further directed to remove its belongings, if any, from the respondent's retail outlet premises
- (F) The counter-claims of respondent for damages for loss of business and for loss of goodwill, are rejected
- (G) The amounts awarded (Rs 95,000/- in all) to the claimant shall carry interest at 15%% per annum from date of the award to date of payment
- (H) The claimant is entitled to recover from HPCL, as arbitration costs, the entire 50% of Arbitrator's fee and DAC administrative costs deposited by it with DAC, plus Rs 25,000/-, as lawyer's fee. The respondent is directed to bear its own cost."

3 The above directions indicate that though the termination of the retail outlet was held to be invalid, the arbitral tribunal did not direct restoration of the dealership on the ground that such a remedy was barred under Section 14 of the Specific Relief Act 1963. However, compensation of Rs 95,000 was awarded together with interest.

4 Mr N Venkataraman, Additional Solicitor General, submits that the respondent thereafter moved a proceeding under Article 226 of the Constitution before the Single Judge of the High Court of Punjab and Haryana in which an order for the restoration of dealership was passed. The Additional Solicitor General further states that the order for the restoration of the dealership has been challenged

before the Division Bench in a writ appeal where the order of the Single Judge has been stayed.

5 The submission which has been urged in these proceedings, which arises out of the proceedings under Section 34 of the Arbitration and Conciliation Act 1996, is that the arbitral award is contrary to the judgment of this Court in **Indian Oil Corporation Limited v R M Service Centre**¹.

6 The reason why we are not inclined to entertain the Special Leave Petition under Article 136 of the Constitution is the quantum of the award, which is of a paltry amount of Rs 95,000 with interest. In view of the quantum which is involved, we are not exercising our discretionary jurisdiction under Article 136 of the Constitution. However, we clarify that the disposal of these proceedings shall not come in the way of the petitioner before the Division Bench of the High Court of Punjab and Haryana, before which the writ appeal is pending consideration of the challenge of the petitioner against the order of the Single Judge, on all counts.

7 We have not expressed any opinion on whether the arbitral award was contrary to the judgment of this Court in **Indian Oil Corporation Limited** (supra), which is kept open to be urged in an appropriate case.

8 The High Court shall decide the writ appeal uninfluenced by any observations contained in the arbitral award.

9 The Special Leave Petition is disposed of.

1 (2019) 19 SCC 662 (Paragraphs 14 and 15)

10 Pending application, if any, stands disposed of.

(SANJAY KUMAR-I)
DEPUTY REGISTRAR

(RANJANA SHAILEY)
COURT MASTER