

2025:PHHC:006701



CR-7483-2024

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**IN THE HIGH COURT OF PUNJAB AND HARYANA AT
CHANDIGARH**

CR-7483-2024

DATE OF DECISION : JANUARY 17, 2025

YFC PROJECTS PVT. LTD

...PETITIONER

Versus

MOGLI LABS (INDIA) PVT. LTD AND ANOTHER

...RESPONDENTS

CORAM : HON'BLE MS. JUSTICE LAPITA BANERJI

Present : Mr. Sourabh Goel, Advocate and
Ms. Gitika Sharma, Advocate for the petitioner.

Mr. Gaurav Rana, Advocate and
Ms. Alisha Sharda, Advocate for respondent No.1.

LAPITA BANERJI, J.(ORAL)

Upon mentioning of the civil revision yesterday, this Court has taken up the matter today on urgent basis.

2. Under challenge in the present civil revision is the order dated November 24, 2024 (Annexure P-9) (hereinafter referred to as the impugned order) passed by the learned Arbitrator under Section 23(3) of the Arbitration and Conciliation Act, 1996 (for short 'the 1996 Act').

3. It has been recorded in the impugned order that the claimant-respondent herein, had come to learn upon perusal of the written arguments filed by the appellant herein, that a cheque bearing No.754697 dated 05.11.2021 amounting to Rs.20,88,199/- was issued by one of the Directors of the appellant-Company. Since the appellant-Company had mentioned in



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the written arguments, that none of the Directors of the Company were involved in the transaction, that was under consideration, the claimant wanted to bring the said cheque on record to show that the amount in the cheque duly corresponded with the invoices raised by the claimant, under the terms of the purchase order, on which the disputes had arisen. Upon the said cheque being dishonoured, the claimant had sent a legal notice dated December 06, 2021 to the appellant-Company and the signatory of the cheque. Furthermore, the claimant had initiated the proceedings under Section 138 read with Section 141 and 142 of the Negotiable Instruments Act, 1881 against the Director who was the signatory of the cheque.

4. Despite issuance of summons, the said Director had not appeared in the complaint case filed under the 1881 Act and non-bailable warrants of arrest were issued against the concerned party for January 14, 2025. Therefore, the claimant wanted to bring the certain documents on record. The same are enumerated hereinbelow:-

“1. Cheque bearing No.754697 dated 05.11.2021 amounting to Rs.28,88,199/- issued in favour of the Claimant wherein the Respondent while issuing the same has acknowledged its liability to make the payment to the Claimant.

2. Bank return memo dated 09.11.2021, wherein the said cheque was dishonoured with an endorsement as “Payment stopped by drawer”.

3. Legal notice dated 06.12.2021 under Section 138 read with 141 and 142 of the Negotiable Instruments Act, 1881 along with the speed post receipts and tracking reports and email dated 06.12.2021.



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4. *A true copy of the online orders of the proceedings before the Hon'ble Presiding Officer, Gautam Budh Nagar, Greater Noida in the Complaint Case bearing No.25462 of 2022, wherein the Non-Bailable Warrants have been issued against the Respondent and Mr. Davinder Kumar Yadav."*

5. It was submitted on behalf of the claimant before the learned Arbitrator, that due to oversight on the part of its counsel, the aforesaid documents could not be brought on record. It was also argued on behalf of the claimant that the said documents would not change the nature of the cause of action and the appellant would not be prejudiced in any manner, since the said documents were only in support of the plea raised by the claimant in the statement of claimant and had been duly dealt with by the appellant in the statement of defence. No addition or alteration to the cause of the action in the statement of claimant was being made.

6. The appellant had raised a preliminary issue that since the documents were being given at the final stage of arguments, the same should not be considered as they will change the very nature of the claim and would be required to be controverted by way of submission of reply and bringing on record the additional evidence. It was argued that in order to fill the *lacuna* in its claim, the claimant wanted to submit the aforesaid documents.

7. After hearing learned counsel for the parties, the Arbitral Tribunal came to the finding that the necessary invoices were on record and by a post-dated cheque for a sum of Rs.20,88,199/-, the respondent-Company had made a payment. The said cheque was sought to be encashed



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after a period of 20 days and was dishonoured on presentation. It was sent back to the claimant with the endorsement "*Payment stopped by drawer*". Thereafter, the said payment was assured by way of RTGS, but even that commitment was breached. Since the respondent in his statement of defence before the Arbitrator had denied the liability of Rs.20,88,199/- and taken the point that some of the employees of the company had misused the cheques and a fake claim was registered against the company, the learned Arbitrator found that no further specific reply was required upon the said cheque being placed on record or upon the consequent proceedings being placed on record, upon the dishonour of the said cheque.

8. Therefore, the learned Arbitrator permitted to place on record the aforesaid documents for the effective adjudication of the case. He found that the contention of the appellant that the said documents could not be brought on record after filing of written arguments, had no force.

9. This Court has heard the arguments of learned counsel for the parties and perused the material on record.

10. It is apparent from the impugned order that the Arbitral Tribunal had only permitted the documents regarding the dishonour of the cheque, "return memo" by the bank, legal notice issued by the claimant and the orders passed by the Judicial Magistrate at Gautam Budh Nagar, Greater Noida to be placed on record. The documents which have been allowed to be placed on record are either issued by the bank or judicial orders. The learned Arbitral Tribunal under Section 19(3) statutorily has the liberty to conduct the proceedings in the manner it considers appropriate, unless the



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parties had agreed to a procedure. Nothing has been brought on record to show that the parties had agreed to a procedure, whereby the learned Arbitral Tribunal was barred from taking on record the additional documents, after filing of written arguments.

11. Under Section 23(3), either of the parties could amend or supplement its claim or defence during the course of arbitral proceedings, unless the Arbitral Tribunal considered it inappropriate to allow such amendment or supplement the pleadings. There is no specific time limit prescribed under the statute within which the parties had to amend or supplement their pleadings. In this case, the Arbitral Tribunal thought it in the interest of justice to permit the claimant to bring on record additional documents to corroborate its claim.

12. This Court finds that there no infirmity at all has been committed while conducting the arbitral proceedings. There is no reason for holding that the Arbitral Tribunal had misdirected itself and for interfering with the impugned order in a civil revision. CR No.7483 of 2024 being completely devoid of any merit is accordingly **dismissed**.

13. Connected application(s), if any, shall also stand disposed of.

(LAPITA BANERJI)
JUDGE

JANUARY 17, 2025

Prince

Whether speaking/reasoned : Yes/No

Whether reportable : Yes/No