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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

\+ O.M.P.(I) (COMM.) 402/2024, CCP(O) 5/2025, I.A. 582/2025, I.A. 4997/2025

RESCOM MINERAL TRADING FZE .....Petitioner

Through: Mr. Anirudh Bakhru and Mr. Divyam Aggarwal, Advocates.

versus

RASHTRIYA ISPAT NIGAM LIMITED RINL AND ANR .....Respondents

Through: Mr. Rajsekhar Rao, Senior Advocate with Mr. Shravan Yammanur, Mr. Mangesh Krishna, Ms. Prachi Kaushik, Mr. Zahid Laiq Ahmed and Ms. Aashna Chawla Advocates.

CORAM:
HON'BLE MR. JUSTICE MANOJ KUMAR OHRI

O R D E R

% 28.02.2025

1. By way of present petition, the petitioner seeks certain interim measures against the respondent No.1 for securing his claim.

2. The dispute arises out of an agreement dated 29.08.2023 for the delivery of Tuhup hard coking coal by the petitioner to respondent No.1 on a cost-on-freight basis. It is the common case of the parties that the coal was successfully delivered to respondent No.1 and subsequently consumed. However, respondent No.1 has disputed the amount which is liable to be paid to the petitioner by contending that the quality of the coal which was delivered did not meet the agreed upon standards and had a high ash content. As per the respondent No.1, they are entitled to a substantial rebate or

diminution in the price of the coal.

3. Mr. Bakhru, learned counsel for the petitioner submits that the petitioner is in the process of invoking arbitration under the Singapore International Arbitration Centre ("SIAC") Rules within two weeks and prays that in the meantime, its outstanding dues be secured. It is further submitted that the respondent No.1 is liable to pay a total of Rs 156 Crores, out of which, Rs.17 Crores already stands paid and the respondent No.1 is further liable to pay Rs. 139 Crores.

4. Mr. Rajsekhar Rao, learned Senior Counsel for the respondent has opposed the petition and submits that though as per the testing done at the Loadport, the ash content of coal was 7.75%, the testing done at the Disport has revealed that the Ash content on air dried basis was 12.60%. It is submitted that this percentage is much higher than the 7-9% as mandated in the technical specifications mentioned in Annexure II of the agreement. He further submits, on instructions, that the respondent has sent the purchaser coal sample, as provided for in Para 1.1.3 of the General Conditions of Agreement (GCA), for testing and the report is expected to be received in a couple of weeks. He submits that the respondent No.1 would avail their remedies as available under law after the report is received.

5. Petitioner has also raised concerns about the financial health of the respondent and in this regard, has referred to various orders passed by this court wherein interest of similarly placed suppliers was protected. It is further stated that issues qua quality of coal supplied were raised belatedly. The respondent claims that quality shortcomings were pointed only on receipt of test reports and further submits that requisite intervention has been made at the highest Government level to ensure financial viability of the

respondent.

6. Concededly, the respondent has consumed the entire supply of coal. The issues raised about quality would require leading of evidence in the arbitral proceedings. At this stage, considering the submissions, this Court deems it apposite that petitioner's interest be secured to the extent of 50% of balance outstanding claimed i.e., Rs. 69.50 Crores by attaching TMT Steel bars (finished product) of equivalent amount as determined by the book value in the accounts of respondent No.1.

7. The parties shall be at liberty to seek the confirmation, modification, vacation of the attachment order before the Arbitral tribunal.

8. The petition is disposed of in above terms alongwith pending applications.

MANOJ KUMAR OHRI, J

FEBRUARY 28, 2025/*ry*