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IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION

ARBITRATION PETITION NO.670 OF 2014

Sudhir B. Phalke	...Petitioner
V/s.	
L & T Finance Limited & Anr.	...Respondents

Mr.Rahul Motkari for the Petitioner.

Mr.Anand Poojary i/b S.I. Joshi & Co. for Respondent No.1.

CORAM : R.D. DHANUKA, J.
DATE : 3RD AUGUST, 2015.

P.C. :-

1. By this petition filed under section 34 of the Arbitration & Conciliation Act, 1996 (for short "the Arbitration Act"), the petitioner has impugned the arbitral award dated 27th August, 2013 directing the petitioner and others to pay jointly and severally to respondent no.1 a sum of Rs.41,23,605/- and also interest at the rate of 36% p.a. on the said sum from 8th March, 2013 to 1st May, 2013 and at the rate of 24% p.a. from 2nd May, 2013 till payment and/or realization and costs of the arbitration quantified at Rs.27,500/-. The borrowers have not impugned the said arbitral award.

2. The petitioner herein was one of the guarantor and has impugned the said arbitral award on the ground that the though the

petitioner was served with the copy of the proceedings and notices by the learned arbitrator, the petitioner did not remain present before the learned arbitrator since the respondent no.1 had furnished the copy of foreclosure report and according to the said report an amount of Rs.32,97,507.61 ps. was payable. Learned counsel for the petitioner submits that respondent no.1 however, in the statement of claim before the learned arbitrator had claimed a sum of Rs.41,23,605/-. He submits that the rate or interest awarded in the arbitral award is exorbitant.

3. Mr.Poojary, learned counsel for respondent no.1 invited my attention to the averments made by the petitioner admitting that the petitioner was served with the papers and proceedings and also notices from the learned arbitrator. He submits that the petitioner having chosen to remain absent before the learned arbitrator cannot be allowed to raise any such issue at this stage. Insofar as the rate of interest at 24% p.a. from the date of award till payment is concerned, learned counsel submits that this Court be pleased to award reasonable rate of interest from the date of award.

4. A perusal of the record indicates that it is an admitted position that the petitioner was served with the papers and proceedings and also the notices from the learned arbitrator. The petitioner however did not remain present before the learned

arbitrator.

5. A perusal of the award indicates that the learned arbitrator has complied with the principles of natural justice and after considering the statement of claim and other documents referred to and relied upon by respondent no.1, has allowed the claim in accordance with the provisions of the contract. The petitioner did not file written statement and chose to remain absent.

6. I am thus not inclined to interfere with the impugned award except to the extent of rate of interest which is awarded at the rate of 24% p.a. from the date of award till payment is concerned. I therefore, pass the following order :

a). The arbitral award is modified to the extent that the petitioner shall be liable to pay interest at the rate of 12% p.a. from the date of award till payment. Rest of the award is upheld.

7. The arbitration petition is disposed of in the aforesaid terms. No order as to costs.

(R.D. DHANUKA, J.)