

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

**CR No.3811 of 2002 (O&M)
Date of decision : 30.09.2015**

Union of India

....Petitioner

Versus

V.K.Tandon & anr.

....Respondents

CORAM: HON'BLE MR. JUSTICE K.KANNAN

Present: Mr. Ashok Kumar Arora, Advocate
for the petitioner.

Mr. Padamkant Dwivedi, Advocate
for respondent No.1.

K.Kannan, J. (Oral)

The award, which is passed on 16.01.1998 on a claim by a contractor was made the rule of Court on an application filed by the contractor himself. The state objected to the award as being without reasons and that he acted outside the mandate of arbitral dispute. The court of jurisdiction, which entertained the petition for making the award the rule of court rejected this objection. It was a case of contractor, who had undertaken to do some work for the State on 28.01.1977, failed to complete the work within the time specified as extended subsequently resulting in the cancellation of contract on 28.11.1978.

The Union was relying on Clause 54 of the terms and conditions of the contract that empowered the Union to cancel the contract, if it was not completed within the time stipulated or for certain other reasons specified therein. The issue of the contract not having been completed within the time agreed upon and the fact that the contract was cancelled by invoking Clause 54 are not doubted. The issue, however, was whether the contractor was entitled to the value of the work completed by him and also claim the security

amount lying with the Union and the costs of material lying at the site and taken over by the Union. Clause 54 itself contained no more than the entitlement to the Union to award the contract afresh to any other party claiming the loss occasioned by such entrustment. It was possible under circumstances to recover the additional expenses incurred and claim also a lien on the materials of the contractor lying at the site and put them to sale by auction. In such an eventuality there was scope for adjusting the value against the amounts due to the Union.

Admittedly, the Union did not exercise such a right and when the claim was made by the contractor for the value of works completed and for the recoveries of value of materials and the security, the Union sought to contend that the amounts had been paid and there was a debit against the contractor to the tune of Rs.39560/-. The Arbitrator rejected them for not having established and passed an award claim-wise.

Learned counsel appearing on behalf of the Union repeated what was argued before the Courts below that rejected the plea that arbitrator award must be reasoned. There is no mandate for a reasoned award, unless that arbitral agreement itself obligates such a procedure. According to the counsel, the Union had made claim against the contractor and they had not been addressed. Nothing is brought before me to show that there was any claim made against any particular amount, which was addressed by the Union. I do not find such a petition made by the Union before the Arbitrator. The argument that the arbitrator has passed an award beyond the period of four months is also without subsistence for I find no such defence as having been taken. The counsel appearing on behalf of the

respondent states that the time was extended by mutual consent of the parties and recorded by the Arbitrator.

I take the statement at the face value only because if there was a serious misconduct of the arbitrator proceeding to dispose of the case beyond the statutory period without consent of the parties of Court, it should have been stated at the fore-front of the petition. From the reading of the orders of the Court below, I do not find that there is any error in the order passed by the Court below.

The revision petition stands dismissed.

30.09.2015
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(K.KANNAN)
JUDGE