

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

**FAO No.2727 of 2008 (O&M)
Date of decision: 18.12.2015**

Charanjit Kaur and others

... Appellants

Vs.

M/s PHF Leasing Limited

... Respondent

CORAM: HON'BLE MR. JUSTICE AMIT RAWAL

1. Whether reporters of local newspapers may be allowed to see judgment?
2. To be referred to reporters or not?
3. Whether the judgment should be reported in the Digest?

Present:- Mr. Inderjit Sharma, Advocate, for the appellants.

Mr. Sandeep Arora, Advocate, for the respondent.

AMIT RAWAL J. (Oral)

The appellants are aggrieved of the order dated 03.06.2008, whereby, the objections filed under Section 34 of the Arbitration and Conciliation Act, 1996 (hereinafter referred to as 1996 Act) for setting aside the Award dated 05.09.2003, have been dismissed.

Mr. Inderjit Sharma, learned counsel for the appellants submits that the appellants did not receive notice *vis-a-vis* appointment of the Arbitrator. The respondent-Finance Company has taken the plea that neither the previous, loan taken, was cleared nor in this regard, 'No Objection Certificate' was issued. It is in these circumstances, the truck loan was re-financed. Even awarding of interest @ 18% per annum is on the higher side. No notice of the

arbitration proceedings was given, therefore, the ex parte award is not sustainable.

Mr. Sandeep Arora, learned counsel appearing on behalf of the respondent submits that the Arbitrator had given numerous opportunities but the appellants refused to receive the notice which entailed passing of an ex parte award. Interest, as per the provisions of 1996 Act, cannot be reduced.

I have heard learned counsel for the parties and appraised the paper book.

The Arbitrator after going through the evidence brought on record, awarded a compensation of ₹2,57,390/- along with future interest @ 18% from the date of award till its realization. The objecting Court also noticed that Arbitrator had complied with the procedure as envisaged under 1996 Act, by sending the notice through registered post or postal service but the appellants refused to accept the notice and accordingly, were proceeded against ex parte. No justification is forth coming in not granting the issue, awarding interest @ 18% per annum which is as per spirit of Section 31(7) of 1996 Act.

I do not find any illegality and perversity in the Award, much less, in the order declining the objections. There is no merit in the appeal. Accordingly, the same is hereby dismissed.

(AMIT RAWAL)
JUDGE

December 18, 2015
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