

IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH

FAO No. 5027 of 2015 (O/M)
Date of decision : 4.8.2015

Vinod Gupta

..... Appellant

Versus

Punjab Agro Industries Corporation Limited and another
..... Respondents

CORAM: HON'BLE MR. JUSTICE KULDIP SINGH

Present:- Shri Vinod Gupta, appellant in person with
Mr. Rajendra Nath Datt, Advocate.

1. Whether the Reporters of local newspaper may be allowed to see the judgment ?
2. To be referred to the Reporter or not.
3. Whether the judgment should be reported in the digest ?

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KULDIP SINGH, J. (ORAL)

This appeal has been filed against judgment dated 25.3.2015, passed by the learned Additional District Judge, Chandigarh, vide which in application under Section 34 of the Arbitration and Conciliation Act, 1996 (in short 'the Act') against the award dated 22.7.2013, passed by the Arbitrator, it was held that the award of the arbitrator granting interest at the rate of 16.5% compounded half yearly till the final payment was contrary to the settled principles of law and provision and the same is liable to be modified. The Arbitrator should have granted simple interest at the rate it deemed fit. The award was modified holding that amount of

Rs. 70,15,651/- shall carry interest at the rate of 16.5% per annum from 18.4.2006 till the date of award and shall carry interest at the rate of 9% per annum from the date of award till its payment. The objections were accordingly partly allowed.

The present appellant/objector being not satisfied with the order dated 25.3.2015, passed by the learned Additional District Judge, Chandigarh, has filed the present appeal.

The brief facts of the case are that a Financial Collaboration Agreement dated 30.11.2000 was executed between the respondent-Corporation and Shri Vinod Gupta (appellant), under which certain investments were made and money was to be returned. The terms and conditions were detailed in the said agreement. Some payments were made by the appellant/petitioner. However, respondent-Corporation had some claim against the present appellant, for which it claimed interest. The Arbitrator allowed the claim with the interest.

I have heard learned counsel for the appellant and have also carefully gone through the file.

I am of the view that in this case, there was monetary dispute between the parties. The Arbitrator passed the impugned award, in which the amount was allowed with interest at the rate of 16.5% compounded half yearly from 18.4.2006 till the date of actual payment. The said rate of interest was agreed between the parties. However, despite that, the learned Additional District Judge,

Chandigarh, has interfered in the rate of interest and in place of 16.5% compounded half yearly interest allowed the interest at the rate of 16.5% per annum on the awarded amount of Rs. 70,15,651/- from 18.4.2006 till the date of award and interest at the rate of 9% per annum was allowed from the date of award till its payment.

The learned counsel for the appellant has failed to show as to how the award is against public policy. If some loan is taken, the same is required to be paid with interest. The agreed rate of interest at the rate of 16.5% compounded half yearly till the date of final payment was allowed by the Arbitrator, which was modified in favour of appellant by the learned Additional District Judge, Chandigarh. There is no illegality or infirmity in the impugned order.

Accordingly, the present appeal is found to be without any merit and the same is consequently dismissed.

(KULDIP SINGH)
JUDGE

4.8.2015
sjks