

In the High Court of Punjab and Haryana, at Chandigarh

**1. CR No. 4132 of 1999 [O&M]
Date of Decision : May 3rd, 2016**

Punjab State Electricity Board, Patiala and Another

... Petitioner(s)

Versus

M/s Ravi Engineering Company and Another

... Respondent(s)

2. C.R. No. 6465 of 1999 (O&M)

M/s Ravi Engineering Company and Another

... Petitioner(s)

Versus

Punjab State Electricity Board, Patiala and Another

... Respondent(s)

CORAM: Hon'ble Mr. Justice Shekher Dhawan.

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

Present: Mr. Sukhbir Singh, Advocate
for the petitioner-Board(In CR-4132-1999) And
for the respondents (In CR-6465-1999).

None for the respondent-Company.

Shekher Dhawan, J.

This order of mine shall dispose of two revision petitions i.e. Civil Revision No. 4132 of 1999 titled “Punjab State Electricity Board, Patiala and Another v. M/s Ravi Engineering Company and Another” and Civil Revision No. 6465 of 1999 titled as “M/s Ravi Engineering Company and Another v. Punjab State Electricity Board, Patiala and Another”. For the purpose of adjudication, facts are being taken from Civil Revision No. 4132 of 1999.

2. Present petition is challenge to the order dated 22.4.1996, passed by learned Civil Judge (Senior Division), Patiala thereby dismissing the objections of the petitioners and making the award of the arbitrator as Rule of the Court and the judgment & decree dated 10.5.1999, passed by learned District Judge, Patiala, whereby appeal filed by M/s Ravi Engineering Company was partly allowed and cross-objections filed by the present petitioner were dismissed.

3. Relevant facts of the case that the petitioner-Punjab State Electricity Board, Patiala (hereinafter referred to as “the Board”) placed the purchase order for purchase of two weigh bridges from the respondents vide order dated 16.1.1979. 95% of the price was to be paid against the despatch of documents and balance 5% was to be paid after erection and testing of weigh bridges. Accordingly, 95% payment was made to respondent No.1. The weigh bridge was not found to be in order and was showing some errors which were beyond the stipulated limits and respondent company was duly informed and the matter was taken up for replacement of the same but was not replaced. The Board

withheld 95% payment of the other weighbridge and remaining balance amount. The Board has also filed counter claim for damages caused by the respondent-company due to supply of inaccurate weigh bridge.

4. However, the arbitrator dismissed the counter-claim of the Board and pronounced the award in favour of respondent company, thereby passing an order that claimant be paid 50% of the awarded amount immediately and the respondent would start work for bringing the machine into working order. On receipt of 50% payment, respondent-company was to complete the repair work within three months and the balance payment of 50% was to be made after the weigh bridge was brought in working condition duly certified by the Inspector, Weights & Measures, Punjab. The arbitrator granted interest on the balance 5% of payment from January 1981 on the prevailing bank rates.

5. Petitioner-Board had filed objections to the award and the same were dismissed by the Court of first instance vide order dated 22.4.1996 and the award was made Rule of the Court. The Court of first instance passed order that respondent-company would be entitled to receive interest at the rate of 14.5% per annum from the date i.e. 1.8.1989 till the date of payment. Respondent-company filed an appeal against the said order and the petitioner-Board also filed the cross-objections. Learned District Judge, Patiala partly accepted the appeal while deciding the cross-objections of the present petitioner. The decree, passed by the trial Court, was modified to the extent that respondent-company is entitled to receive 14.5% with quarterly rests till the date of decree and future interest at the rate of 14.5% as simple rate from the

date of decretal payment.

6. Learned counsel for the petitioners submitted that the award and orders passed by the Courts below are illegal because the weigh bridge could not be used as the same were not giving accurate reading and the same objection was accepted to be correct on the basis of testing having been done by the Inspector, Weights & Measures, Punjab. The Board had suffered huge loss of Rs. 51,989.60 paise and counter claim was lodged for a sum of Rs. 2,39,989.60 paise and prayed that petition be allowed and the judgment & decree, passed by both the cases, be set aside.

7. Learned counsel for the respondents was earlier appearing in the present case but failed to appear on the date fixed i.e. 11.4.2016.

8. Having considered the submissions made by learned counsel for the petitioner-Board, taking up CR-4132-1999 **first**, this Court is of the considered view that the first Appellate Court has already dealt with all the points while passing the order dated 10.05.1999. Earlier the Objection petition was filed against the award on 14.09.1989 and subsequently on 06.12.1993 on the ground that the Arbitrator mis-conducted the proceedings and wrongly granted interest. As per the agreement mutually settled between the parties for the supply of two weighbridges by the Company, 95% of the total cost was to be paid against the despatch documents and the balance 5% was to be paid within 30 days of taking over of the machines. Respondent company supplied both the weigh-bridges and the Board made payment of 95% for the first weigh bridge and withheld 5% amount. However, the

petitioner withheld entire payment of second weigh bridge and the matter was referred to the Arbitrator. The Arbitrator had rightly held that the petitioner-Board was liable to pay interest on account of delayed payment and thereafter, the trial Court made the award Rule of the Court and the respondent-Company was also allowed interest at the rate of 14.5% per annum from the date of award. As per provisions of Section 29 of the Arbitration Act, the Arbitrator is well within his jurisdiction to award interest and the Court below has rightly rejected the said contention of the petitioner-Board. Undisputedly, the machines were supplied in January, 1981 and thereafter dispute had arisen between the parties and the award was announced by the Arbitrator in July, 1989 and payment of interest was awarded at the rate of 14.5% with quarter rests till the date of decree and future interest at the rate of 14.5% as simple rate from the date of decree till date of realization.

9. As regards **CR-6465-1999**, even there was no representation from the petitioner. On merits also, the first appellate Court has rightly rejected the contention of the petitioner-Company and there are no grounds to interfere with the said findings.

10 Resultantly, both **CR No. 4132 of 1999** and **CR No.6465 of 1999** are without any merit and the same stand dismissed.

(SHEKHER DHAWAN)
JUDGE

May 3rd, 2016
DK/som