

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

FAO No.2355 of 2006
Date of decision : 07.11.2016

Punjab State Civil Supplies Corporation Ltd. and another

...Appellants

Versus

M/s Mahalakshmi Rice and General Mills and others

..Respondents

CORAM: HON'BLE MR. JUSTICE AMIT RAWAL.

Present: Ms. Deepali Puri, Advocate for appellants.

Mr. Mukesh K. Sharma, Advocate for respondent No.2.

AMIT RAWAL, J. (Oral)

The appellants are aggrieved of the impugned order dated 21.11.2005, whereby procuring agency-PUNSUP had filed the petition under Section 34 of the 1996 Act for modification of the award dated 26.03.2004 for granting the rate of interest at the rate of 21% p.a. instead of 15% p.a. up to 31.03.2004 and at the rate of 12 % p.a. after 01.04.2004.

Ms. Deepali Puri, learned counsel appearing on behalf of appellants submits that awarding of the interest is not in consonance with the terms and conditions of the agreement. Once it envisages on account of the shortage, the interest is liable to be charged at the rate of 21% p.a. and thus there is illegality and perversity.

Per Contra, Mr. Mukesh K. Sharma, learned counsel appearing

on behalf of respondent No.2 submits that petition under Section 34 of the Act for modification of the award was not maintainable as it only deals with the setting aside of the same only on the ground within the parameters mentioned therein.

I have heard learned counsel for the parties and appraised the paper book and of the view that there is no force and merit in the submission of Ms. Deepali Puri, as objections were filed under Section 34 of the Act and not under the provisions of Section 33, whereby the remedy for the appellants was to seek modification of award as statute provided. The arbitrator on the basis of oral and documentary evidence and as per the transactions granted the interest as indicated above and not 21% p.a.. Even otherwise, the Hon'ble Supreme Court in many cases reduced the rate of interest keeping in view the banking rates, yet interest at the rate of 15% p.a. and 12% p.a. as indicated above is perfect, legal and justified.

No ground for interference is made out.

Accordingly, present appeal is dismissed.

07.11.2016

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**(AMIT RAWAL)
JUDGE**

Whether speaking/reasoned:-

Yes/No

Whether reportable:-

Yes/No