

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

F.A.O.No.1028 of 2016 (O&M)

Date of Decision: November 03, 2016

**M/s Ravneet Agro Industries, Madhir Road, Husnar (Gidderbaha), District
Muktsar**

...Appellant

Versus

Punjab State Civil Supplies Corporation Limited, Chandigarh & others

...Respondents

CORAM: HON'BLE MR.JUSTICE AMIT RAWAL, JUDGE

**Present: Mr.K.V.S.Kang, Advocate,
for the appellant.**

**Mr.Aman Sharma, Advocate,
for the respondents.**

AMIT RAWAL, J. (Oral)

By this order, I intend to dispose of two F.A.Os.No.1028 and 1029 of 2016 as the common questions of law and fact are involved in both the appeals.

The aforementioned appeals are at the instance of the appellant-Miller seeking setting-aside of the awards dated 15.10.2012 by invoking the provisions of Section 34 of the Arbitration and Conciliation Act, 1996 (for short "1996 Act"). Both the awards have been rendered *ex parte* despite the fact that the appellant had availed the services of a lawyer, but did not file the reply. Even the objections have been filed with delay, but yet the same have been dismissed.

During the course of arguments, Mr.K.V.S.Kang, learned counsel for the appellant, on instructions from his client, agreed to settle the

amount. Mr.Aman Sharma, learned counsel for the PUNSUP has handed over a copy of the letter dated 5.10.2016 to show that the realisable value of the property, which is being offered by the appellant, is almost ₹50.00 lacs, whereas the outstanding amount is ₹2,98,25,336/- in both the awards as on 30.6.2014, but according to Mr.Kang, the principal amount as per both the awards is ₹1,50,00,000/-. Mr.Kang further submits that he has given offer to the PUNSUP to sell land measuring 2.25 acres for the execution of the awards, but the PUNSUP is acting as a shylock. He further submits that no doubt, the lawyer had not been diligent in pursuing the matter as the appellant had complete faith, much less relationship of lawyer and client was fiduciary in nature, but yet submits that awarding of interest @ 21% is too phenomenal. In support of his contention, he has relied upon the ratio decidendi culled out by the Hon'ble Supreme Court in **P.Radhakrishna Murthy Versus M/s N.B.C.C. Ltd., 2013 (2) R.C.R.(Civil) 355.**

Mr.Aman Sharma submits that the awarding of interest is in consonance with the terms and conditions of the agreement, i.e., Clause 12 of the agreement and, therefore, the awards are perfectly as per the aforementioned terms. No interference is wanting in view of the conduct of the appellant.

I have heard the learned counsel for the parties, appraised the paper book and of the view that the explanation given for filing the objections deliberately has not been backed by any cogent reasons as the agreement entered into was after the demise of the husband of the appellant. It was also the duty of the appellant to acquire the knowledge about the outcome of the arbitration proceedings, much less final awards from the lawyer instead of waiting for the nod from the counsel. The knowledge to

be acquired in the other arbitration proceedings though cannot be said to be unreasonable, but by that time, the statutory period prescribed for filing the objections had elapsed. The provisions of Limitation Act do not apply. I do not intend to differ with the findings rendered by the Objecting Court vis-a-vis dismissal of the objections on account of the limitation, but the fact remains that the element of interest @ 21% is too phenomenal, much less high.

Keeping in view the fact that the business in the entire country, much less in the State of Punjab has considerably come down and there is hardly any progress, much less even the bank rates qua the interest have been considerably reduced, I deem it appropriate to reduce the rate of interest from 21% to 12%.

With the aforementioned modification in the awards, the principal amount outstanding would remain the same. The respondent-PUNSUP shall be at liberty to seek the execution of the awards with the interest @ 12% in accordance with law.

Appeals stand disposed of.

November 03, 2016
ramesh

(AMIT RAWAL)
JUDGE

Whether speaking/reasoned

Yes/No

Whether Reportable:

Yes/No