

In the High Court of Punjab and Haryana at Chandigarh

101

**CR No.8604 of 2016 (O&M)
Date of decision: 28.11.2018**

UNION OF INDIA

.....petitioner

Versus

M/S ANIL KUMAR GUPTA & ANOTHER

.....respondents

CORAM: HON'BLE MR. JUSTICE RAJ MOHAN SINGH

Present: Mr.Karan Bhardwaj, Advocate,
for the petitioner.

Mr.Chetan Goel, Advocate
for the respondents.

RAJ MOHAN SINGH, J.(oral)

Petitioner has assailed the order dated 14.10.2014 passed by the Additional District Judge, Ambala, vide which the objection with regard to interest component raised by the petitioner was dismissed.

The claim of the contractor was partially allowed by the Arbitrator vide award dated 26.5.2001. Interest was awarded to the contractor for the amount awarded in all the claims except claim No.10 w.e.f. 27.5.1998 up to the date of publishing the award. The amount of interest for claim No.1 was given in the

award for claim No.1 itself. The interest awarded in all the cases was only on the amount awarded against various claims and was from 27.5.1998 up to the date of publishing the award. The rate of interest awarded on all the awards was simple interest @ 15% per annum. The interest @ 15% per annum was modified in the objections filed by the petitioner under Section 34 of the Arbitration and Conciliation Act, 1966 (for short 'the Act') vide judgment dated 5.9.2007 passed by Additional District Judge, Ambala. It was held by the Additional District judge that the modified rate of interest shall be applicable from the date of award till final realisation of the amount. FAO No. 4756 of 2007 filed by the petitioner against the judgment dated 5.9.2007 was dismissed by the High Court on 18.3.2010. It can also be noticed that against the impugned order dated 14.10.2014, CWP No. 607 of 2015 was filed before the High Court and the same was got dismissed as withdrawn on 24.10.2016 with a liberty to file revision petition against the said order. That is how the present revision petition came to be filed.

The award has included in itself the amount along with interest payable for the period prior to institution of the suit and the *pendente lite* interest awarded by the arbitrator. After passing of the award and dismissal of the objections under Section 34 of the Act, the decree has to be executed strictly in

consonance with legal parameters. The award of interest for the pre suit period and *pendente lite* period will culminate in the award itself and the only issue thereafter will remain in respect of future interest payable to the decree holder from the date of award till final realisation of the amount. If the payment is not made within reasonable time, the rigor of condition comprised in the decree will come into being. Since the rate of interest in the award was modified by the Additional District Judge from 15% per annum to 12% per annum from the date of award till final realisation of the amount, therefore, no other interpretation is required to be made particularly when the award has attained finality after dismissal of FAO No. 4756 of 2007.

In my considered opinion, the calculations arrived at in respect of interest are in consonance with the ratio of **Hyder Consulting (UK) Ltd. vs. State of Orissa through Chief Engineer (2016) 6 SCC 362.** The amount awarded with interest for pre suit and *pendente lite* period will constitute a sum for which the award is made and that is liable to be executed in accordance with law.

Since the arbitration proceedings have already attained finality with dismissal of FAO No. 4756 of 2007, therefore, the interest component is payable on the amount from

the date of passing of award till final realisation of the amount.

There is no ambiguity in the impugned order.

This revision petition is accordingly dismissed.

November 28, 2018
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(RAJ MOHAN SINGH)
JUDGE

Whether reasoned/Speaking

Yes/No

Whether reportable

Yes/No