IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

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CR No.8642 of 2017 (O & M)
Date of Decision:16.04.2018

Punjab State Civil Supplies Corporation Limited and another
...Petitioners

Versus

M/s Friends Rice Traders and others
...Respondents

CORAM: HON'BLE MR. JUSTICE ANIL KSHETARPAL

Present: Mr. Anil Kumar Sharma, Advocate
for the petitioners.

Mr. Anureet S. Sidhu, Advocate
for respondent No.1.

ANIL KSHETARPAL, J.(Oral)

Decree-holders/petitioners are in the revision petition against the order dated 21.07.2017. An arbitration award was passed in favour of the decree-holders, operative part whereof reads as under:-

> *"After the announcement of sale policy by Government, the respective clause about charging of 1.5 times the economic cost of paddy and 21% interest for late delivery of rice in the agreement, become redundant. Rather Punjab Govt. vide their circular letter no.RP-2 (838) 2007/737, dated 6.6.2000, laid down guide lines for deciding arbitration cases relating to Kharif marketing season 1994-95, which has been decided to be followed in toto, by the Board of Directors and according to which interest at bank rate is to be charged. This rate of interest is on C.C. limit of Food*

and credit."

The award further reads as under:

"I, thus, announce an award of Rs.10,63,918/- (Rupees Ten Lacs Sixty three thousand nine hundred eighteen only) plus interest at bank rate, as admissible from time w.e.f. 1.7.1995 till payment on favour of the claimants Corporation i.e. Punjab State Civil Supplies Corporation Ltd, and against the respondent – Friends Rice Traders, Talwandi Bhai, Distt – Ferozepur, for the crop year 1994-95 through its partner, Sh. Bharat Bhushan alongwith other Partners of the rice traders, Talwandi Bhai."

It is not disputed that the objections filed under Section 34 of the Arbitration and Conciliation Act, 1996 (in short - "the Act") were dismissed and the appeal filed against the same in this Court was also dismissed. In execution petition, the learned Executing Court has directed the judgment-debtors to pay simple interest @ 6% per annum.

In the considered opinion of this Court, learned Executing Court does not have jurisdiction to go beyond the decree. Award passed by the Arbitrator under the Act is a deemed decree and the Court is to execute the same particularly when objections under Section 34 of the Act have already been dismissed. Learned Executing Court has relied upon the judgment passed by the Hon'ble Supreme Court in the case of ***"State of Haryana and others vs. S.L. Arora and Company"*** **(2010) 2 SCR 297**.

In the aforesaid case, issues which arose for determination were as under:-

"7. On the contentions urged, the following questions arise for consideration:

(i) Whether section 31(7) of the Act authorizes and enables arbitral tribunals to award interest on interest from the date of award?

(ii) Whether the Arbitral Award granted future interest from the date of award, only on the principal amount found due to the respondent (that is Rs.14,94,000/-) or on the aggregate of the principal and interest upto the date of award (Rs.31,98,879/-)."

In the aforesaid judgment, Hon'ble Supreme Court was not examining the question that whether the learned Executing Court can go beyond the decree or not? The issues which were adjudicated upon were specifically culled out by the Court extracted above. A judgment passed by the Court is not to be read as a statute. The only ratio decidendi in judgment is binding and not obiter dicta.

Keeping in view the aforesaid facts, the order under challenge is set aside. Learned Executing Court is directed to re-decide the matter after keeping into consideration, the arbitral award passed by the Arbitrator in accordance with law.

Parties through their counsel are requested to appear before the learned Executing Court on 08.05.2018.

16.04.2018 **(ANIL KSHETARPAL)**
sheetal **JUDGE**

Whether Speaking/Reasoned: Yes/No
Whether Reportable : Yes/No