$~11

* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

\+ O.M.P. (COMM) 161/2017

STAR BAZAAR PRIVATE LIMITED & ORS. ..... Petitioners

Through: Mr S. C. Singhal, Advocate.

versus

S.E. INVESTMENTS LTD ..... Respondent

Through: Mr P. Nagesh and Mr Nishant Tyagi, Advocates.

CORAM:
HON'BLE MR. JUSTICE VIBHU BAKHRU

<u>O R D E R</u>

% **10.05.2018**

1. The petitioner has filed the present petition under Section 34 of the Arbitration and Conciliation Act, 1996, impugning an arbitral award dated 28.08.2015 (hereafter the 'impugned award'). In terms of the impugned award, the Arbitral Tribunal has awarded a sum of ₹13,80,73,073/- with future interest at the rate of 18% p.a. compounded with monthly rest.

2. The disputes between the parties related to a loan agreement entered into between the parties. There is no dispute that the petitioner had availed of a loan from the respondent. The principal controversy between the parties concerned levy of late payment charges; adjustment of the payment that was termed by the respondent as cash collateral; and interest.

3. The main issues in this petition concern the treatment of cash collateral as well as the award of future interest at the rate of 18% p.a. to the extent that arbitrator has awarded the same to be compounded with monthly rest.

4. After some arguments, Mr Nagesh, learned counsel for the respondent has agreed to accept that the cash collateral be adjusted at the inception of

the loan i.e. 25.04.2011 (as urged by the petitioner). He further states on instructions that the respondent is also willing to a modification of the award to the extent that it directs future interest to be compounded on monthly rest. He has handed over a tabular statement of account indicating that as on 28.08.2015 a sum of ₹1,91,33,132/- would be due and payable by the petitioner instead of ₹13,80,73,073/- as awarded by the Arbitral Tribunal. The learned counsel for the petitioner also states on instructions that the petitioner would pay the aforesaid amount with simple interest at the rate of 18% p.a. from 28.08.2015 till the date of payment. The statement handed over indicates that the future interest has been compounded on annual rest. Mr Nagesh states on instructions that the respondent is agreeable to receive simple interest at the rate of 18% p.a. on the sum of ₹1,91,33,132/-. He states that the respondent has agreed to accept a reduced amount on the peculiar circumstances of the case and given the financial condition of the petitioner.

5. The said tabular statement has been taken on record.

6. The parties are bound down to the statement made by the learned counsel for the parties.

7. The petition is disposed of in the terms of the agreement arrived at between the parties and the impugned award to the extent that it awards any amount in excess of what has been agreed between the parties, as noted above, is set aside.

VIBHU BAKHRU, J

MAY 10, 2018
MK