

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

FAO-2822-2021

Date of Decision: 15th March, 2023

Chattisgarh State Power Distribution Co. Ltd. and another

... Appellants

Versus

M/s Jay Bee Industries and others

... Respondents

CORAM : HON'BLE MR. JUSTICE AVNEESH JHINGAN

Present : Mr. Tanmoy Gupta, Advocate for the appellants.
Mr. Sourabh Goel, Advocate for the respondents.

AVNEESH JHINGAN , J.(Oral)

1. This appeal is filed under Section 37 of the Arbitration and Conciliation Act, 1996 (for short 'the Act') being aggrieved of order dated 13th July, 2021 of modifying the award under Section 34 of the Act.

2. The brief facts are that appellants had placed an order for supply of transformer with respondent No.1 (hereinafter referred as 'respondent'). The terms and conditions provided for dispute settlement through arbitration. As the respondent was registered under the Micro Small and Medium Enterprises Development Act, 2006 (for short 'MSME Act') the arbitrator was appointed by MSME council for deciding the claim. On the objections filed by respondent, the award was modified on 13th July, 2021. The respondent was held entitled to *pendente-lite* interest on the awarded amount.

3. The operational part of the impugned order is reproduced below:-

“The contention raised in this objection petition has not been seriously disputed by respondents No.1 and 2. Even no reply has been filed on behalf of respondents No.1 and 2.

As such, the objection petition is accepted . Award dated 15.04.2019 of learned Arbitrator is modified to the effect that the claimant shall be entitled to pendente-lite interest on the awarded amount from October, 2018 till 15.04.2019 i.e. up to date of award; and future interest from the date of Award till realization, as per Section 16 of the MSMED Act. ”

4. The grievance of the appellant is that in exercise of power under Section 34 of the Act, the interest could not have been awarded by modifying the award.

5. Learned counsel for the respondent on instructions submits that his client is not claiming the relief granted vide order dated 13th July, 2021 by modifying the award.

6. It would not be out of place to mention here that the appellant had not challenged the award by filing the appeal.

7. In view of the consent given by learned counsel for the respondent, no further interference is called for and accordingly, the appeal is disposed of.

(AVNEESH JHINGAN)
JUDGE

15th March, 2023

Parveen Sharma

Whether reasoned/speaking
Whether reportable

Yes/No
Yes/No