

CR-7244-2014

-1-

IN THE HIGH COURT OF PUNJAB & HARYANA AT
CHANDIGARH

(226)

CR-7244-2014
Date of decision:- 14.03.2024

Bhatinda Construction Company

... Petitioner

Versus

Union of India

... Respondent

CORAM: HON'BLE MR. JUSTICE SUVIR SEHGAL

Present:- Mr. Inderjit Sharma, Advocate
for the petitioner.

Mr. Sudhir Nar, Advocate
Senior Panel Counsel for the respondent-UOI.

SUVIR SEHGAL, J. (ORAL)

1. Instant revision petition has been filed under Article 227 of the Constitution of India for setting aside order dated 11.07.2014 passed by the Executing Court, whereby claim for payment of interest has been rejected.
2. Brief facts deserve to be noticed. Petitioner entered into a agreement with the respondent bearing CA No. GB (P) No.1/BTD-2/89-90 for provision of approach roads to certain bridges at Bhatinda. Some disputes arose between the parties, which were referred to an Arbitrator for adjudication. Petitioner raised various claims, some of which were accepted by award dated 23.07.1998, Annexure P-1 and the Arbitrator awarded interest on the amount determined. The extract of the award, which is relevant for the purposes of the adjudication of the present revision petition, is reproduced hereunder:-

“21.1 On examining the submission of both the parties, I come to the conclusion that claimant is entitled for reasonable interest for the money due to him but not paid.

I award interest as follows:-

a) Past Interest.

Simple interest @ 10% per annum on this awarded sum from 3.5.92 i.e. the date of payment of agreed portion final bill (as agreed by both the parties) to 6.10.97 (Date of entering into reference.).

b) 10% per annum simple interest from the date of entering into my reference to the date of making and publishing the award.

c) Future interest.

Revised sum to be paid within 60 days or date of decree whichever is earlier, if not, future interest @14% per annum shall be paid by the respondent to the claimant till the date of actual payment.”

3. Laying stress on the expression “revised sum”, counsel for the petitioner has urged that future interest has to be calculated on the aggregate of the sum awarded by the Arbitrator, inclusive of past and pendente lite interest. He submits that the Executing Court has erred in declining the same by the order under challenge.

4. On the other hand, counsel for the respondent asserts that the entire awarded amount, along with interest, as per award, Annexure P-1, has been paid to the petitioner and he is not entitled to any further amount.

5. I have heard counsel for the parties and considered their respective submissions.

6. Under the Arbitration Act, 1940, grant of interest on the amount determined is within the discretion of the Arbitrator, unless it is prohibited by the agreement or contract between the parties. Till the time the Arbitrator does not specify, interest granted is always simple interest. The expression “revised sum” used by the Arbitrator in the award, Annexure P-

1, refers to the revised amount as calculated and awarded by him. It does not imply the awarded amount, inclusive of past and pendente lite interest, otherwise the Arbitrator would have clarified it and used the expression “revised sum inclusive of interest”. There is no merit in the argument advanced by the counsel for the petitioner.

7. Finding no infirmity or illegality in the order passed by the Executing Court, petition is dismissed.

14.03.2024

Kamal

(SUVIR SEHGAL)
JUDGE

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