

IN THE HIGH COURT OF UTTARAKHAND

AT NAINITAL

HON'BLE THE CHIEF JUSTICE MS. RITU BAHRI

AND

HON'BLE SRI JUSTICE RAKESH THAPLIYAL

APPEAL FROM ORDER NO. 176 OF 2023

01ST MAY, 2024

State of Uttarakhand

....Appellant.

Versus

M/s Bharat Bhoomi Builders

...Respondent.

Counsel for the Appellant : Mr. B.S. Parihar, learned Standing Counsel.

Counsel for the Respondent : Mr. Vikas Bahuguna, learned counsel.

The Court made the following:

JUDGMENT:(per Hon'ble The Chief Justice Ms. Ritu Bahri)

For the reasons stated in the affidavit, filed in support of the delay condonation application, the application is allowed, and the delay of 44 days in filing the present appeal is condoned.

2. The short question for consideration, in the present appeal filed by the State, is whether the amount of interest awarded by the Arbitrator is covered under Section 31(7)(a) and (b) of the Arbitration and Conciliation Act, 1996.

3. Section 31(7)(a) and (b) of the Act reads as under:-

"31(7)(a) Unless otherwise agreed by the parties, where an award is made for the payment of money, the arbitral tribunal may include in the sum for which the award is made interest, at such rate as it deems reasonable, on the whole or any part of the money, for the whole or any part of the period between the date on which

the cause of action arose and the date on which the award is made.

(b) A sum directed to be paid by an arbitral award shall, unless the award otherwise directs, carry interest at the rate of two per cent higher than the current rate of interest prevalent on the date of award, from the date of award to the date of payment."

4. A perusal of the above-said section shows that apart from calculating interest on the amount due from the date of payment till the award is made, the Arbitrator can also award interest after the award is given till the actual payment is made as per sub-clause (b) of Section 31(7) of the Act.

5. In the present case, a perusal of the arbitration award dated 15.11.2019 (at Page No.165 of the Paper-book) shows that the Arbitrator had made the award of Rs.58,55,493.00/- to be paid as cost. In Paragraph No.146, the amount of interest @8% per annum on the total sum from the date of cause of action, i.e. 17.03.2017 till the date of award, and the appellants *herein* were further directed to pay additional interest @8% per annum on the total amount due on the date of award, till the date of actual payment of the amount.

6. Since this award of interest is as per Section 31(7)(a) and (b) of the Act, the present appeal has no merit, and the same is, accordingly, dismissed.

7. Pending application, if any, also stands disposed of.

(RITU BAHRI, C.J.)

(RAKESH THAPLIYAL, J.)

Dated: 01st May, 2024

NISHANT