

State of Orissa

Vs

J. P. Lath

Civil Appeal No. 4388 of 1986

(L. M. Sharma, J. S. Verma JJ)

07.08.1989

JUDGMENT

SHARMA, J. -

1. This appeal by special leave arises out of the judgment of the Orissa High Court in an appeal under Section 39 of the Arbitration Act.

2. On reference of a dispute to an arbitrator in 1977 an award was made and filed in court. The appellant raised several objections to the prayer of the claimant for making it a rule of the court. It was inter alia contended that the award was illegal as it was not supported by reasons. This question now stands concluded against the appellant by the judgment of Bench of five Judges, in the case of Raipur Development Authority v. M/s Chokhamal Contractors ((1989) 2 SCC 721). So far the other questions are concerned, they have been rightly rejected by the High Court and it is not necessary to discuss them any further. The only point which survives is with respect to the grant of interest in the award. The case arose before the coming in force of the Interest Act, 1978, and in view of the decision of this Court in Executive Engineer (Irrigation) Balimela v. Abhaduta Jena ((1988) 1 SCC 418), the arbitrator had no jurisdiction to allow the interest as has been done. The award is, therefore, modified to that extent. Subject to the above, the decision of the Hight Court is confirmed. Accordingly, the appeal is allowed in part. The parties are directed to bear their own costs.

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