

# SUREME COURT OF INDIA

State of Orissa

Vs.

C.P. Ghosh

(L Sharma and M F Beevi JJ.)

24.10.1990

## JUDGMENT

1. In pursuance of an agreement the respondent executed certain work for the State of Orissa, the appellant. There was a dispute on the question of payment and the matter was referred to arbitration in accordance with the terms of the agreement. The arbitrator heard the parties and made an award directing the appellant to pay a certain amount of money to the respondent with interest at the rate of 12%. The respondent filed an application for making the award a rule of the Court. The appellant raised certain objections. The trial Court rejected the objections and allowed the prayer of the respondent. An appeal by the appellant filed before the High Court was also dismissed. The present civil appeal by special leave is directed against this decision.

2. On hearing the counsel for the appellant a Bench of this Court granted special leave confined to the jurisdiction of the arbitrator to award interest. It is, therefore, not necessary to mention the other objections of the appellant taken before the Courts below.

3. In support of his argument that the arbitrator had no authority to grant interest for the period 26-8-1981 to 1-10-1982, the learned Counsel for the appellant placed reliance on the decision of this Court in Gujarat Water Supply and Sewerage Board v. Unique Erectors (Gujarat) (P) Ltd.(.). The contention appears to be well founded. The learned Counsel for the respondent has not been able to advance any reason for taking a different view. Accordingly we direct that the amount allowed by the arbitrator shall be reduced by the sum covering the interest for the period 26-8-1981 to 1-10-1982. The appeal is accordingly disposed of by modification of the award as indicated.

4. Since the appeal is now finally disposed of, the party concerned can approach the trial Court for release of the amount in deposit in accordance with the present judgment.

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