

**HIGH COURT OF ANDHRA PRADESH AT AMARAVATI**

**MAIN CASE No.: COM.C.A.Nos. 12 and 36 of 2024**

**PROCEEDING SHEET**

| Sl. No. | DATE       | ORDER                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | OFFICE NOTE |
|---------|------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| 10      | 05.03.2025 | <p><b><u>RNT, J &amp; MRK, J</u></b></p> <p style="text-align: center;">(Common Order)</p> <p>Heard Sri Kiran Kumar Vadlamudi, learned counsel for the appellant-Rashtriya Ispat Nigam Limited(RINL) in COM.C.A.No.36 of 2024, who is also appearing in COM.C.A.No.12 of 2024 for the respondent.</p> <p>2. The appellant of the COM.C.A.No.36 of 2024 and the respondent in COM.C.A.No.12 of 2024 is the same party.</p> <p>3. The plaintiff/respondent-Tata Projects Limited filed Arbitration Case, in which the award was passed on 05.07.2016 against Rashtriya Ispat Nigam Limited(in short 'R.I.N.L'). Before the Arbitrator, the claim for interest was also made but the said claim was withdrawn in view of the fact that dispute with respect to the interest was not arbitrable in terms of the agreement between the parties as per clauses 28.2 and 28.4.</p> <p>4. The Arbitrator allowed the claim petition in the following terms:</p> |             |

|  |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |  |
|--|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
|  |  | <p><i>“The claim application filed by the Claimant is allowed only to the extent of payment of Rs.6,72,24,524/- towards the pro rata value of works executed towards the earth work, wrapping etc., and Rs.74,34,836/- towards service tax and education cess on the said value. All other claims are rejected. parties shall bear their own costs.”</i></p> <p>5. The R.I.N.L filed petition under Section 34 of the Arbitration and Conciliation Act, 1996, which was finally dismissed on 10.12.2020. In those proceedings, the stay of the award was granted subject to condition of deposit of 75% of the awarded amount. The R.I.N.L, deposited an amount of Rs.5,59,00,000/- on 10.08.2018 and the same was withdrawn by the plaintiff/respondent-Tata Projects Limited on furnishing bank guarantee. Challenging the order dated 10.12.2020, the respondent filed COM.C.A.No.20 of 2021. In the said case, Coordinate Bench of this Court, considering the deposit, out of the awarded amount, of Rs.5,59,00,000/-, which was also withdrawn by the plaintiff/respondent-Tata Projects Limited, granted interim stay of payment of the balance amount, until further orders. The said appeal is pending before this Court and the interim order, it is submitted that it is operative.</p> <p>6. The plaintiff/respondent-Tata Projects Limited filed separate suit being C.O.S.No.8 of 2017 claiming the interest amount. Various objections including the entitlement of the interest as also the maintainability of the suit were raised.</p> |  |
|--|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|

|  |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |  |
|--|--|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
|  |  | <p>The Special Judge, finally, holding the suit as maintainable and plaintiff/respondent-Tata Projects Limited entitled for the interest amount to certain extent, decreed partly the suit which was dismissed in part. The operative part of the decree is as under:</p> <p><i>“1. That plaintiff shall be entitled to interest @ 9% (nine per cent) per annum from the date of the award (05.07.2016) till the date of this Judgment i.e., 10.04.2024, on Rs.6,72,24,524/- (Rupees six crores, seventy two lakhs, twenty four thousands and five hundred and twenty four only) and thereafter @ 6% (six per cent) per annum on Rs.6,72,24,524/- (Rupees six crores, seventy two lakhs, twenty four thousands and five hundred and twenty four only) till realisation;</i></p> <p><i>2. that the defendant do pay to the plaintiff a sum of Rs.47,15,463-63 (Rupees forty seven lakhs fifteen thousands four hundred sixty three and sixty three paise only) towards costs of the suit.</i></p> <p><i>3. that rest of the suit claims be and the same are hereby dismissed; and</i></p> <p><i>4. that the suit be and the same is accordingly decreed in part.”</i></p> <p>7. Learned counsel for the R.I.N.L submits that the suit was not maintainable in view of clauses 28.2 and 28.4 of the agreement as under those clauses, it was provided that the interest part will not be arbitrable and Arbitrator will not have jurisdiction to award any interest.</p> <p>8. Contrary to the aforesaid submission, Sri Vydyula Saketh Roy, learned counsel for Tata Projects Limited submits that under the</p> |  |
|--|--|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|

|  |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |  |
|--|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
|  |  | <p>agreement the only restriction was that the interest could not be granted by the Arbitrator but that it did not mean nor related to the non-entitlement for interest.</p> <p>9. The aforesaid contentions, along with the other contentions as may be raised in this appeal, will be considered finally, in due course at time at final hearing. Both the parties have filed the appeals against the same decree.</p> <p>10. At this stage, on consideration of the submissions advanced as also going through the operative part of the decree that, it has allowed the interest on the awarded amount, as awarded by the Arbitrator, from the date of the award i.e. 05.07.2016 till the date of that judgment i.e. 10.04.2024, we are <i>prima facie</i> of the view that, the interest on the awarded amount could not be granted, atleast on the amount of Rs.5,59,00,000/- upto 10.04.2024. The reason is that the suit amount was deposited under the orders in the year 2018 and the same had also been withdrawn by the present respondent on 10.08.2018, on which fact there is no dispute</p> <p>11. <i>Prima facie</i>, we are of the further view that in view of the clauses 28.2 and 28.4, the Arbitrator could not grant interest but that has nothing to do with the entitlement for interest, subject of course to other clauses of the agreement or/and the statutory provisions.</p> |  |
|--|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|

|  |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |  |
|--|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
|  |  | <p>12. Consequently, the proceedings for execution of the decree dated 10.04.2024 under challenge in C.E.P.No.12 of 2024 on the file of the Special Court for Trial &amp; Disposal of Commercial Disputes, Visakhapatnam, shall remain stayed, subject to the condition that Rashtriya Ispat Nigam Limited(RINL) deposits the amount of</p> <p>i) interest on the amount of Rs.5,59,00,000/- from the date of the award upto 18.08.2018;</p> <p>ii) 50% of interest on the rest of the awarded amount, to be calculated as per the decree, and</p> <p>iii) 50% of the costs as awarded under Point No.2 of the decree within a period of two weeks from the date of receipt of copy of this order, before the Execution Court.</p> <p>13. Post on 05.05.2025.</p> <p style="text-align: right;">_____<br/><b>RNT, J</b></p> <p style="text-align: right;">_____<br/><b>MRK, J</b></p> <p>Pab</p> |  |
|--|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|

|  |  |  |  |
|--|--|--|--|
|  |  |  |  |
|--|--|--|--|

|  |  |  |  |
|--|--|--|--|
|  |  |  |  |
|--|--|--|--|