

IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION

SPECIAL LEAVE PETITION (Civil) No. 29407 OF 2010

M/S HYDER CONSULTING(UK) LTD.

Petitioner(s)

VERSUS

GOVERNOR STATE OF ORISSA TR.CHIEF ENG.

Respondent(s)

WITH

SLP(C) NO. 30764 of 2010

SLP(C) NO. 30776 of 2010

O R D E R

We have heard Mr. C.A. Sundaram, learned senior counsel for the petitioners, and Ms. Kirti Renu Mishra, learned counsel for the respondents.

2. Leave granted.

3. Hearing of the Appeals is expedited.

4. The High Court has relied upon the decision of this Court in State of Haryana and Others Vs. S.L. Arora and Company, (2010) 3 SCC 690, and quashed the orders dated February 19, 2009 and March 26, 2009 passed by the District Judge, Khurda, Bhubaneswar.

5. Mr. C.A. Sundaram, learned senior counsel for the appellants, submits that the observations in S.L. Arora and Company (supra) that the decisions of this Court in McDermott International INC. Vs. Burn Standard Co. Ltd. and Others, (2006) 11 SCC 181, and Uttar Pradesh

Cooperative Federation Limited Vs. Three Circles, (2009) 10 SCC 374, were passed on inadvertent erroneous assumption and these judgments are per incuriam in holding that interest awarded on the principal amount upto the date of award becomes the principal amount and, therefore, award of future interest thereon does not amount to award of interest on interest are not justified.

6. Mr. C.A. Sundaram, learned senior counsel, referred to the decisions of this Court in Oil & Natural Gas Commission Vs. M.C. Clelland Engineers S.A., (1999) 4 SCC 327, and Central Bank of India Vs. Ravindra and Others, (2002) 1 SCC 367, in support of his argument that the view taken by this Court in S.L. Arora and Company (supra) that Section 31(7) of the Arbitration and Conciliation Act, 1996 (for short, 'the Act') does not authorise and enable arbitral tribunals to award interest on interest from the date of the award is not the correct view.

7. Learned senior counsel for the appellants also submitted that the view taken by this Court in S.L. Arora and Company (supra) that the award of interest on cost was not permissible under Section 31(7) of the Act is inconsistent with the decision of this Court in the case of Three Circles (supra).

8. Having regard to the above submissions, we are of the view that it would be appropriate if these Appeals are heard by a Bench of three Judges.

9. Let the papers be placed before Hon'ble the Chief Justice of India for directions for placing the matters before the appropriate Bench.

.....J.
(R.M. LODHA)

NEW DELHI;
MARCH 13, 2012

.....J.
(H.L. GOKHALE)

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ITEM NO.6 COURT NO.8 SECTION XIA

S U P R E M E C O U R T O F I N D I A
RECORD OF PROCEEDINGS

Petition(s) for Special Leave to Appeal (Civil) No(s).29407/2010

(From the judgement and order dated 28/07/2010 in WP No.5302/2009 of The HIGH COURT OF ORISSA AT CUTTACK)

M/S HYDER CONSULTING(UK) LTD.

Petitioner(s)

VERSUS

GOVERNOR STATE OF ORISSA TR.CHIEF ENG.

Respondent(s)

(With prayer for interim relief and office report)

[FOR FINAL DISPOSAL]

WITH

SLP(C) NO. 30764 of 2010

(With prayer for interim relief and office report)

[FOR FINAL DISPOSAL]

SLP(C) NO. 30776 of 2010

(With prayer for interim relief and office report)

[FOR FINAL DISPOSAL]

Date: 13/03/2012 These Petitions were called on for hearing today.

CORAM :

HON'BLE MR. JUSTICE R.M. LODHA

HON'BLE MR. JUSTICE H.L. GOKHALE

For Petitioner(s) Mr. C.A. Sundaram, Sr. Adv.
 Mr. K.V. Vishwanathan, Sr. Adv.
 Mr. Manu Nair, Adv.
 Mr. Kirat Singh Nagra, Adv.
 Mr. Adit S. Pujari, Adv. for
 M/S Suresh A. Shroff & Co.

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For Respondent(s) Ms. Kirti Renu Mishra, Adv.
 Ms. Apurva Upmanyu, Adv.

UPON hearing counsel the Court made the following
O R D E R

Leave granted.

Hearing of the Appeals is expedited.

Let the papers be placed before Hon'ble the Chief
Justice of India for directions for placing the matters
before the appropriate Bench in terms of the signed order.

(Rajesh Dham)
Court Master

(Renu Diwan)
Court Master

(signed order is placed on the file)