

IN THE HIGH COURT OF JUDICATURE AT PATNA
COMMERCIAL APPEAL No.4 of 2026

1. The Bihar State Text Book Publishing Corporation Ltd. through its Managing Director, Pathya Pustak Bhawan, Budh Marg, Patna-1.
2. The Managing Director, the Bihar State Text Book Publishing Corporation Ltd., Pathya Pustak Bhawan, Budh Marg, Patna-1.
3. The Manager (Marketing and Sales), Sarva Shiksha, the Bihar State Text Book Publishing Corporation Ltd., Pathya Pustak Bhawan, Budh Marg, Patna-1.
4. The Internal Committee, the Bihar State Text Book Publishing Corporation Ltd., Pathya Pustak Bhawan, Budh Marg, Patna-1.

... .. Appellants

Versus

1. M/s Patna Offset Press a registered partnership firm having its Registered office at- Naya Tola, Near Dharahara Kothi, P.S.- Kadam Kuan, P.O.- Bankipore, District-Patna through one of its partners- Sri Amit Kumar Singh, S/O Shri Ram Naresh Singh, resident of Mohalla Naya Tola, Near Dharahara Kothi, P.S.- Kadam Kuan, P.O.-Bankipore, District-Patna.
2. Sri Amit Kumar Singh, S/o Shri Ram Naresh Singh, Resident of Mohalla-Naya Tola, Near Dharahara Kothi, P.S.- Kadam Kuan, P.O.- Bankipore, District-Patna. Partner of M/s Patna Offset Press, Registered Office at Naya Tola, Near Dharahara Kothi, P.S.-Kadam Kuan, P.O.- Bankipore, District-Patna.
3. Smt. Supriti Singh, W/o Sri Shailesh Kumar Singh, Resident of Mohalla-Naya Tola, Near Dharahara Kothi, P.S.- Kadam Kuan, P.O.- Bankipore, District-Patna. Partner of M/s Patna Offset Press, Registered Office at Naya Tola, Near Dharahara Kothi, P.S.-Kadam Kuan, P.O.- Bankipore, District-Patna.
4. Sri Tushit Singh, S/o Late Sri Vinay Singh, Resident of Mohalla- Naya Tola, Near Dharahara Kothi, P.S.- Kadam Kuan, P.O.- Bankipore, District-Patna. Partner of M/s Patna Offset Press, Registered Office at Naya Tola, Near Dharahara Kothi, P.S.-Kadam Kuan, P.O.- Bankipore, District-Patna.

... .. Respondents 1st Set/Award Holder

5. The Bihar Education Project Council, through its State Project Director, Rastra Bhasha Parishar, Saidpur, Rajendra Nagar, Patna-800004.
6. The State Project Director, the Bihar Education Project Council, Rastra Bhasha Parishar, Saidpur, Rajendra Nagar, Patna-800004.
7. M/s Puja Printech Pvt. Ltd., Patliputra Industrial Estate, P.O. and P.S.- Patliputra, Patna-13.
8. M/s Nav Bihar Media Pvt. Ltd., Patliputra Industrial Estate, P.O. and P.S.- Patliputra, Patna-13.



... .. Respondents 2nd Set

Appearance :

For the Appellant/s	:	Mr. P.K. Shahi, Sr. Advocate Ms. Anukriti Jaipuriyar, Advocate Mr. Rajni Kant Kumar, Advocate Ms. Preet, Advocate
For the Respondent/s	:	Mr. N.K. Singh, Advocate Mr. Apurv Yash, Advocate
For the BEPC	:	Mr. Nikesh Kumar, Advocate Mr. Akash Anand, Advocate

**CORAM: HONOURABLE MR. JUSTICE RAJEEV RANJAN PRASAD
and
HONOURABLE MR. JUSTICE SUNIL DUTTA MISHRA
ORAL JUDGMENT
(Per: HONOURABLE MR. JUSTICE RAJEEV RANJAN PRASAD)**

Date : 13-08-2026

Heard Mr. P.K. Shahi, learned Senior Counsel, assisted by Ms. Anukriti Jaipuriyar, learned Advocate for the appellants and Mr. Apurv Yash, learned counsel for respondent 1st Set/Award Holder.

2. This appeal has been preferred for setting aside the judgment dated 15.12.2025 passed by learned Principal District Judge-cum-Commercial Court, Patna in Miscellaneous (Arbitration) Case No. 148 of 2023.

Brief facts of the case

3. The Bihar State Textbook Publishing Corporation Limited (the appellant) and M/s Patna Offset Press (Respondent 1st set) entered into an agreement dated 14.09.2015 for set making and transportation of textbooks for Class-I, II and VIII under *Sarva Shiksha Abhiyan* (SSA) 2016–17 initiative in Bihar. The



contract envisaged the preparation of class-wise, student-wise, district-wise and block-wise sets to be supplied to 534 Block Headquarters. The contract value was Rs. 3,00,02,137.59/-

4. It appears that the Managing Director of the appellants-company issued a show-cause notice to the claimant in which there was no proposal to terminate the contract, but later on, the contract was terminated. The agreement contained an arbitration clause, therefore, the respondent 1st set challenged the termination order dated 13.04.2016 before this Court in CWJC No. 9143 of 2016. In the said writ application, this Court appointed Hon'ble Mr. Justice Shyam Kishore Sharma (former Judge, Patna High Court) as the sole Arbitrator. In January 2017, Hon'ble Mr. Justice Shyam Kishore Sharma (retired) was appointed as Lokayukta of Bihar, whereafter a modification petition was filed by the claimant in May, 2018. This time, this Court appointed Hon'ble Mr. Justice Chandra Mohan Prasad (former Judge, Patna High Court) as the sole Arbitrator vide its order dated 06.09.2018.

5. It is important to note here that Hon'ble Mr. Justice Shyam Kishore Sharma (retired) was appointed as Lokayukta of Bihar in January 2017, therefore, he had returned the file but from January 2017 to May 2018, the claimant did not take any step for appointment of a new Arbitrator.



6. It is evident from the records that the newly appointed learned sole Arbitrator entered into reference on 26.09.2018. During the arbitral proceeding, the appellant filed an application under Section 13 of the Arbitration and Conciliation Act, 1996 (hereinafter referred to as 'the Act of 1996') before the learned sole Arbitrator for recusal from the case, which was rejected by the Tribunal vide order dated 09.03.2019. Thereafter, the appellant moved before the learned District Court for seeking termination of the mandate of the sole Arbitrator under Section 14 of the Act of 1996. In the said case, the learned District Judge, Patna stayed the arbitration proceeding till final disposal of the petition under Section 14 of the Act of 1996, vide order dated 27.03.2019 in Miscellaneous (Arbitration) Case No. 31 of 2019.

7. The respondent 1st set challenged the order dated 27.03.2019 before this Court in Miscellaneous Appeal No. 301 of 2019, this Court set aside the order of the learned Arbitral Tribunal and vacated the stay on the arbitration proceeding after a year. In the meantime, the appellant claimed that the statutory mandate of the Arbitral Tribunal for completion of award as envisaged under Section 29A of the Act of 1996 expired on 25.03.2020 i.e. on expiry of 18 months from the date of reference. The Tribunal, however, continued to sit and decide the issue, hence the appellant



again moved this Court in CWJC No. 7350 of 2020. This Court directed the learned District Court to dispose of the application filed under Section 14 of the Act of 1996 expeditiously. Ultimately, the said Miscellaneous (Arbitration) Case No. 31 of 2019 was rejected. The arbitration proceeding resumed from 05.11.2020.

8. An another challenge to the appointment of the Arbitrator was made in Request Case No. 58 of 2020, but the same was ultimately rejected by this Court vide order dated 17.08.2022. It is for this reason the arbitration proceeding remained stayed since 16.12.2020 till 17.08.2022 for almost one and a half years.

9. It appears that after resumption of the arbitration proceeding, the Tribunal made the award dated 01.08.2023 and an additional award was passed on 11.09.2023.

10. The appellant moved before the learned Commercial Court for setting aside of the award in exercise of jurisdiction under Section 34 of the Act of 1996. The award holder/respondent 1st set) levied an execution case bearing No. 69 of 2024 for the enforcement of the arbitral award dated 01.08.2023 and additional award dated 11.09.2023, which were pending in the court of learned Principal District Judge, Patna-cum-Commercial Court, Patna.



11. It appears from the records placed before this Court that the learned Arbitral Tribunal allowed the various claims of the claimants-respondent 1st set. One of the issues framed by the learned Arbitral Tribunal was as to whether the claimant would be entitled for payment of Rs. 47,82,970.26/- with compound interest at the rate of 18% per annum and also admitted unpaid service tax of Rs. 7,17,445.53/- along with statutory penalty on the said sum at the rate prevailing at the time of payment, stated to be admitted pending bills for work done of set making under SSA 1015–16, which was stopped by the said order under Memo No. 53 dated 13th April 2016. While considering the issue with regard to award of interest, the learned Tribunal held as under:

“So far the question of interest is concerned, the claimant, under his claims, as made under different issues and paragraphs of the claim petition has claimed an interest of 18% per annum. The respondents have also claimed interest not less than this over its claims. But considering the position that in normal business transaction loans given by the bank is not less than 12% per annum, therefore, it is hereby ordered that the interest payable by one party to the other will be payable from 13th April 2016, on which date the cause of action arose and to the date of this award. The amount declared payable by one party to the other along with interest aforesaid will be paid within three months from the date of this award, failing which additional



2% interest will be charged over the amount paid after the period of the three months.”

12. By filing an application under Section 33(1)(a) and Section 31(4) of the Act of 1996, the appellants prayed for corrections of some mistakes in the award. The application of the appellants for correction of mistake was disposed of vide order dated 11.09.2023, which is the additional award. As regards the interest, the appellant sought to challenge on merits the decision of the Arbitral Tribunal with regard to allowing the claim of interest at the rate of 12% per annum, but the learned Arbitral Tribunal held that this would not be permissible under Section 33 of the Act, hence, it was dismissed as not maintainable.

13. We have referred only the matters relating to award of interest for the reason that in course of hearing of the appeal, learned Senior Counsel for the appellants has, on instructions, submitted that he would be seeking interference with the impugned judgment and award only to the extent that the interest allowed to respondent 1st set for the period January 2017 to May 2018, during which the arbitration proceeding remained as it is because of inaction on the part of respondent 1st set, be disallowed.

14. Learned Senior Counsel has placed reliance upon the judgment of the Hon’ble Supreme Court in the case of **Interstate Construction vs. National Projects Construction Corporation**



Limited reported in (2026) 2 SCC 780, wherein the Hon'ble Supreme Court, having noticed that the appellant was entitled to award of interest for the pre-reference period, held that no interest should be awarded to the appellant for the period when there was absolute laches on the part of the appellant. In that case, the learned Arbitral Tribunal held that for the period from 01.01.2009 to 31.12.2016, i.e. for a period about eight years, there was complete laches on the part of the appellant, therefore, the Arbitral Tribunal declared that the appellant would not be entitled to any interest for the said period. Learned Senior Counsel has relied on paragraphs '25' and '41' of the judgment in the case of **Interstate Construction** (supra).

15. The appellants do not challenge the award on its merits and the whole argument has been confined to the award of interest for the period of 1 year 4 months during which the appellant had not taken any step for appointment of an Arbitrator.

16. Mr. Apurv Yash, learned counsel for the respondents, has submitted that so far as the period of 1 year 4 months i.e. from January 2017 to May 2018 is concerned, it may be taken as a period during which no step was taken by the respondent 1st set. In fact, learned counsel submits that he would not contest the submission of learned Senior Counsel for the appellant with regard



to the payability of the interest for the period of 1 year 4 months. It is submitted that this Court may modify the impugned judgment and the award to that extent.

17. Having heard learned Senior Counsel for the appellants and learned counsel for the respondents, this Court finds that there is a limited submission on behalf of the appellants. The appellants are looking for modification in the impugned order and the award only to the extent that the interest allowed for the period January 2017 to May 2018 be disallowed and to that extent, modification in the award may be permitted. There is no challenge to the award or the additional award on their own merits.

18. In the case of **Interstate Construction** (supra), paragraphs '25' and '41' read as under:-

“25. While holding that the appellant was entitled to award of interest for the pre-reference period i.e. from the date on which the cause of action arose till filing of the claim before the Arbitral Tribunal as well as for the pendente lite period and also for the future period, the Arbitral Tribunal agreed with the respondent that no interest should be awarded to the appellant for the period when there was absolute laches on the part of the appellant. The Arbitral Tribunal held that for the period from 1-1-2009 till 31-12-2016, that is, for a period of about eight years, there was complete laches on the part of the appellant. Therefore, the Arbitral Tribunal declared that the



appellant would not be entitled to any interest for the aforesaid period.

41. Let us revert back to clause (a) of sub-section (7) of Section 31 of the 1996 Act. A careful and minute reading of this provision will make it clear that the Arbitral Tribunal has the discretion to include in the sum awarded interest at such rate as it deems reasonable on the whole or any part of the money awarded for the whole or any part of the period from the date on which the cause of action arose till the date on which the award is made. We may exclude that part of the sentence “on the whole or any part of the money” from our analysis since this is not relevant to the controversy. If we exclude this portion, what then becomes discernible is that the Arbitral Tribunal has the discretion to include in the sum awarded: firstly, interest at such rate as it deems reasonable; and secondly, 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. This would mean that the Arbitral Tribunal can exclude a period from the date on which the cause of action arose till the date on which the award is made for the purpose of grant of interest, as has been done in the present case. It would also mean that the Arbitral Tribunal can grant interest 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. It can be a composite period or the said period can be further sub-divided, as done in the present case i.e. from the date of cause of action to filing of the claim and from the date of filing of the claim till the date of the award excluding the period when the appellant was found to be remiss. It would also mean that there can



be one rate of interest for the whole period or one or more rates of interest for the sub-divided periods as has been done in the instant case. In our opinion, this would be the correct approach to interpret Section 31(7)(a), given the scheme of the 1996 Act.”
(underline is mine)

19. Having regard to the stand taken by the parties, we modify the impugned order and the award to the extent that the appellants would not be liable to pay interest as awarded by the learned Arbitral Tribunal for the period January 2017 to May 2018.
20. The impugned award and the order are modified to that extent with consent.
21. This appeal is partly allowed.

(Rajeev Ranjan Prasad, J)

(Sunil Dutta Mishra, J)

Rishi/-

AFR/NAFR	
CAV DATE	
Uploading Date	15.08.2026
Transmission Date	

