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IN THE HIGH COURT OF DELHI AT NEW DELHI

+ EX.P. 144/2010 & EA 393/2010

UFLEX LTD

..... Decree Holder

Through: Mr. Sanjay S. Chhabra, Advocate

versus

THE NEW INDIA ASSURANCE CO LTD

..... Judgement Debtor

Through: Mr. Vishnu Mehra and Mr. R.L.
Kadamb, Advocates**CORAM:****HON'BLE MR. JUSTICE VIPIN SANGHI****ORDER**
23.11.2010

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Counsel for the decree holder has taken instructions. He refers to the award on issue nos.7 and 8 to submit that the learned tribunal had directed that the claimant/decreed holder will be entitled to interest @ 8% p.a. on Rs.89,43,988/- from 01.09.2002 till the date of the award ***"and on the amount awarded in favour of the claimant till payment is made"***. He, therefore, submits that the interest @ 8% p.a. from the date of the award till payment is made, had to be computed on the entire awarded amount, i.e. Rs.89.43.988/- plus the interest accrued thereon from 01.04.2002 till the date of the award. In effect, the decree holder is claiming interest on interest from the date of the award till payment, apart from interest on the principal amount

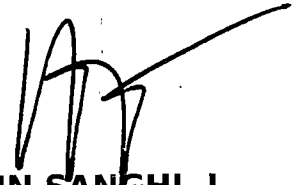
of Rs.89,43,988/-.

In my view, the meaning being ascribed to the award is not in consonance with the law and, therefore, cannot be accepted. It is settled law that interest on interest cannot be awarded, unless it is so specifically agreed between the parties contractually. Reference is made to the decisions in **Central Bank of India v. Ravindra & Ors.**, 2002 (1) SCC 367, followed in **State of Haryana & Ors. v. S.L. Arora & Company**, (2010) 3 SCC 690. It is not argued before me that the learned arbitrator has found that the parties had agreed that compound interest could be charged under the agreement.

Mr. Mehra, learned counsel for the judgment debtor points out that the decree holder has received the amount of Rs.1,43,51,269/- which includes interest @ 8% p.a. from 01.09.2002 to 06.08.2010 of Rs.56,75,144/- apart from costs, after deduction of tax at source on interest income of Rs.5,67,515/-, and reinstatement premium of Rs.348/-. He submits that this payment was made on 06.08.2010, i.e. after the filing of the execution petition. He, therefore, submits that there is full and final satisfaction of the decree at the time when the aforesaid payment was made and received without any reservations.

I am consequently of the view that this petition stands satisfied and the entire payment under the decree has been made. Accordingly, the petition stands disposed of.

The decree holder is entitled to costs quantified @ Rs.10,000/-.



VIPIN SANGHI, J

NOVEMBER 23, 2010

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