

\$~

* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

4 & 5

+

RAVI BUILDERS

EFA(OS) (COMM) 1/2019

..... Appellant

Through: Dr Amit George, Ms Prachee Satija
and Mr Amit Acharya, Advocates.

versus

NORTH DELHI MUNICIPAL CORPORATION

.... Respondent

Through: Ms Mini Pushkarna, Standing
Counsel for North DMC with Mr
Shiva Pandey and Ms Swagata
Bhuyan, Advocates.

+

RAVI BUILDERS

EFA(OS) (COMM) 2/2019

..... Appellant

Through: Dr Amit George, Ms Prachee Satija
and Mr Amit Acharya, Advocates.

versus

NORTH DELHI MUNICIPAL CORPORATION

.... Respondent

Through: Ms Mini Pushkarna, Standing
Counsel for North DMC with Mr
Shiva Pandey and Ms Swagata
Bhuyan, Advocates.

CORAM:

JUSTICE S.MURALIDHAR

JUSTICE I.S.MEHTA

ORDER

%

02.04.2019

1. These two appeals are directed against the common impugned order dated 1st October, 2018 passed by the learned Single Judge in OMP (ENF.) (COMM.) Nos 60/2018 and 61/2018. The order itself a short one and reads

Signature Not Verified

EFA(OS) (COMM.) Nos. 1 & 2 of 2019

Page 1 of 3

Signing Date: 29.10.2024 16:10:11
Certify that the digital and physical file have
been compared and the digital data is as per
the physical file and no page is missing.

3

as under:

“The only dispute that is left in these execution petitions is whether the Arbitrator in the Arbitral Award has directed the payment of interest for the post award period only on the principal amount awarded in the Arbitral Award or also on the interest that would have accrued till the date of passing of the Award.

The final direction of the Arbitrator in the Award is reproduced hereinbelow:

“Claim No. 8

The claimant claims interest @15% per annum of pre suit, pendent lite and for future. In the light of finding given in above Case the claimant shall be entitled for interest @15 per annum from 26.10.2002 and from the date of notice 31.12.2004 to respondent's authority in respect of security amount.

A reading of the above would clearly show that the future interest is to be paid only on the principal amount awarded in the Arbitral Award. There is no dispute that the said interest has been paid by the respondent to the petitioner.

Learned counsel for the petitioner submits that the respondent has made certain deductions towards the Income Tax, Work Contract Tax and Service Tax. She further submits that certificates in this regard have not been given by the respondent to the petitioner.

Learned counsel for the respondent submits that the said certificates shall be handed over to the petitioner within a period of three weeks from today.

Recording the above undertaking, the present execution petitions are disposed of recording the due satisfaction of the Award.”

2. The issue concerns the correctness of the view of the learned Single Judge

4

that "future interest is to be paid only on the principal amount awarded in the Arbitral award."

3. The issue is no longer *res integra*. It stands settled by the judgment of the Supreme Court in *Hyder Consulting (UK) Limited v. Governor, State Of Orissa (2015) 2 SCC 189*. By a majority of 2:1, the Supreme Court has in the above decision conclusively held that for the purposes of Section 31 (7) of the Arbitration & Conciliation Act, 1996, the expression 'awarded amount' will include the principal amount as well as the interest accrued thereon till the date of award and not just the principal amount.

4. In that view of the matter, the impugned judgment of the learned Single Judge is hereby set aside. The question is answered in favour of the present Appellant. In effect the Appellant would be entitled to payment of interest for the post-award period, not only on the principal amount, but on the principal amount together with interest (pre and *pendent lite*) as awarded by the Arbitrator.

5. The appeals are allowed in above terms. The amount will be paid by the Respondent/Judgment Debtor to the Appellant/Decree Holder not later than eight weeks from today.


S. MURALIDHAR, J.


I.S. MEHTA, J.

APRIL 02, 2019
rd