IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
IN ITS COMMERCIAL DIVISION

COMMERCIAL EXECUTION APPLICATION NO. 67 OF 2025

MAN INFRACONSTRUCTION LIMITED )…APPLICANT
V/s.
STATE OF MAHARASHTRA )...RESPONDENT

WITH

INTERIM APPLICATION NO. 2536 OF 2025
IN
COMMERCIAL EXECUTION APPLICATION NO. 67 OF 2025

MAN INFRACONSTRUCTION LIMITED )…APPLICANT

IN THE MATTER BETWEEN

MAN INFRACONSTRUCTION LIMITED )…APPLICANT
V/s.
STATE OF MAHARASHTRA )...RESPONDENT

WITH

INTERIM APPLICATION NO. 2398 OF 2023
IN
COMMERCIAL EXECUTION APPLICATION NO. 67 OF 2025

INSPECTOR GENERAL OF REGISTRATION )
AND CONTROLLER OF STAMPS, PUNE, )
THROUGH DEPUTY INSPECTOR GENERAL OF )
REGISTRATION, MUMBAI )…APPLICANT

IN THE MATTER BETWEEN

MAN INFRACONSTRUCTION LIMITED )…APPLICANT
V/s.
STATE OF MAHARASHTRA )...RESPONDENT

Mr.Mukesh Vashi, Senior Counsel a/w Ms. Sheetal Roghani and Ms.Manisha Desai i/b M/s M.P,Vashi & Associates Advocate for the Applicant/Judgment Debtor in COMEX/67/2025 and for the Respondent in IA/2398/2023.

Mr.Zal T. Andhyarujina, Senior Counsel a/w Ms.Jyoti Chavan Addl.G.P., a/w. Ms.Ishani Khanwilkar Advocate for the Respondent-State.

**CORAM : ABHAY AHUJA, J.**

**RESERVED ON : 15th DECEMBER 2025**
**PRONOUNCED ON : 6th APRIL 2026**

**ORDER :**

1. These execution proceedings have been instituted by Man Infraconstruction Limited seeking execution in terms of Column J to the Execution Application dated 30th June 2023.

2. Mr.Vashi, learned Senior Counsel appearing for the Applicant submits that the limited issue is whether the Judgment Debtor / Respondent State has unduly delayed the payment to the Applicant as per Clause 12 of the Consent Terms dated 10th December 2019 (the "said Consent Terms").

3. Mr.Vashi has submitted that the Respondent State being the Judgment Debtor has unduly delayed the payment by more than twenty months from 6th January 2020 till September 2021 and the

Applicant is therefore entitled to the execution of the Award to the extent of the remaining dues of the Award Sum described in the said Consent Terms taken on record on 12th December 2019.

4. However, before proceeding further, certain background facts would be necessary.

5. Since the State of Maharashtra viz. the Public Works Department (PWD), admittedly had not complied with its obligations under the contract agreement signed between the parties, the Applicant invoked arbitration clause which was referred to the sole arbitration of a retired Judge of this Court. After a trial, the sole arbitrator awarded an amount of Rs.332,66,39,870/- as on 16th August 2018 with future interest at the rate of 15% per annum.

6. The Respondent State of Maharashtra challenged the Award by filing an application under Section 34 of the Arbitration and Conciliation Act, 1996 before the District Court, Pune. Since there was no stay granted, the Applicant had put the Award in execution. In the execution proceedings negotiations took place between the Applicant and the Respondent and a negotiated settlement amount of

Rs.358,79,18,000/- as on 15th November 2019 was arrived at. The Respondent State's PWD put up a note for approval of several senior officers of the Respondent State and approvals were granted by the Additional Chief Secretary (PWD) and the Chief Secretary to the Government on 20th November 2019. Mr.Vashi, learned Senior Counsel has submitted that by way of a negotiated settlement, the Applicant had granted a concession of Rs.22,80,20,918/- to the Respondent which was reflected in the Consent Terms and that the said concession was in public interest of which the Respondent also benefited.

7. After filing of the Consent Terms, the Respondent State acted upon the said Consent Terms by first making a payment of Rs.1,00,00,000/- to the Applicant on 19th December 2019 and also thereafter withdrew the proceedings/application under Section 34 of the Arbitration and Conciliation Act, 1996 filed before the District Court, Pune.

8. Mr.Vashi, learned Senior Counsel, has submitted that on 27th December 2019, the Respondent State also obtained budgetary approval from both the houses of legislature for payment of the decretal amount.

9. Since no payment was received under the Consent Terms, the Applicant filed contempt proceedings being Contempt Petition (Lodging) No.9 of 2020 on 17th January 2020 and on 27th January 2020, the Respondent State gave an undertaking to the Court that the Respondent State would pay the decretal amount to the Decree Holder by 29th January 2020.

10. Mr.Vashi submits that, however, the Respondent State has violated the said undertaking and did not even apply to the Court for modification of the order dated 27th January 2020.

11. Mr.Vashi submits that after all the aforesaid had transpired, without giving any reasons, on 30th January 2020 the Respondent State decided to challenge the Consent Terms which fact is recorded in the order dated 30th January 2020 which reads thus :

> *"3. Today Mr.Anturkar, learned Senior Counsel for respondent Nos.1 and 4 on the instructions of his clients who are present in the Court, submits that there are some legal issues and on these issues, his clients intend to contest the present proceedings. At the same time, Mr.Anturkar would fairly submit that his clients are conscious of not only the principal order of which a contempt has been alleged by the petitioner but also of the subsequent order dated 27 January 2020 which recorded the statement of Mr.Joshi, Secretary, PWD.*

*4. Be that as it may, Mr.Anturkar has also at the outset submitted that his clients are ready and willing to deposit the award amount in this Court within one week from today. In my opinion, it would be in the fitness of things that statement of Mr.Anturkar is accepted in this regard and amount comes to the Court.*

*5. Let the award amount be deposited in this Court within a period of one week from today. As soon as the amount is deposited, the Prothonotary and Senior Master of this Court shall take immediate steps to invest the said amount in Fixed Deposit in a nationalised bank, initially for a period of one month."*

12. Mr.Vashi submits that the Respondent State deposited the sum of Rs.357,79,18,000/- in this Court on 30th January, 2020. Mr.Vashi submits that the act of depositing the decretal amount in Court does not amount to payment of part of the decretal amount and relies upon paragraph 15 of the decision of the Hon'ble Supreme Court in the case of ***P.S.L. Ramanathan Chettiar and Others vs. O.R.M.P.R.M. Ramanathan Chettiar***[1] which reads thus :

"*15. The last contention raised on behalf of the respondent was that at any rate the decree-holder cannot claim any amount by way of interest after the deposit of the money in court. There is no substance in this point because the deposit in this case was not unconditional and the decree-holder was not free to withdraw it whenever he liked even before the disposal of the appeal. In case he wanted to do so, he had to give security in terms of the order. The deposit was not in*

1 AIR 1968 SC 1047

*terms of Order 21 Rule 1 CPC and as such, there is no question of the stoppage of interest after the deposit.”*

13. Mr.Vashi submits that Clause 12 of the Consent Terms requires the Respondent State to pay the decretal amount without undue delay. That, non-compliance of Clause 10 read with Clause 12 would result in the Respondent paying the awarded amount.

14. It is the case of the Applicant that there has been an undue delay in making the payment to the Claimant as per the Consent Terms dated 10th December 2019 and that the Respondent State has intentionally caused the undue delay in making the payment to the Applicant by their own wrongful conduct enumerating the following chronology of events, however, submitting that the Respondent State has contended that the Consent Terms did not stipulate a timeline to make the payment and also that the Consent Terms did not define the term undue delay :

**8.1** 18th November, 2019 – During the subsistence of the President's rule (which was in effect from 12th November, 2019 until 23rd November, 2019), a note was initiated by the PWD department prepared by the desk officer for settlement of the disputes between the parties. The said note was endorsed in approval, by several officers of the Respondent in their respective hierarchy, which was further endorsed in approval by the Additional Chief Secretary ( PWD): the Chief Secretary to the Government on 20th November, 2019 and finally by the Hon'ble Governor on 22nd November, 2019. Thus, it was at the behest of the Respondent for which settlement talks ensued between the parties.

**8.2** 10th December, 2019 – Parties agreed to resolve the *inter se* disputes amicably and therefore executed the Consent Terms under the Execution Application No.310 of 2019.

**8.3** 12th December, 2019 – Parties submitted the said Consent Terms before this Court and on the basis of the same, Consent Order was passed by this Court and all undertakings were accepted.

**8.4** 18th December, 2019 – The Respondent partially complied with the Consent Terms by paying an amount of Rs. 1,00,00,000/-.

**8.5** 27th December, 2019 – Budgetary approval from both the Houses of Legislature was obtained for payment of Settlement amount of Rs. 358,79,18,000/- to the Applicant. Therefore, the Government which was appointed after the President's Rule came to an end on 23rd November, 2019, had given its assent for payment of the settlement amount to the Applicant and also provided the same.

**8.6** 6th January, 2020 – The Superintending Engineer, PWD department had received the settlement amount in their account for onward remittance to the Applicant but was not paid to the Claimant.

**8.7** 27th January, 2020 – The Respondent through the Secretary, PWD had given an undertaking before this Court in Contempt Proceedings that steps would be taken to transfer the amount to the Applicant's account from the treasury within 2 days ( i.e. on or before 29th January, 2020).

**8.8** 30th January, 2020 – the Advocate appearing on behalf of the officers of the Judgment Debtor had made a statement that the Judgment Debtor intends to contest the Consent Terms. The Applicant was shocked that the Government which gave its assent to settle the matter, made part payment, granted budgetary approval, and gave undertakings before this Court suddenly back-tracked from its commitment and wanted to review the Consent Terms. It was under these circumstances that the amount of Rs. 357,79,18,000/- was deposited before this Court in Contempt Proceedings.

**8.9** 5th March, 2021 – This Court was pleased to dismiss the Review Petition (L) No. 4505 of 2020 filed by the Respondent for review and recall of the Consent Order dated 12th December, 2019. This Court passed a detailed and reasoned Order observing that the filing of Review Petition was an afterthought and the Respondent was ill-advised to file the Review Petition.

**8.10** 13th September, 2021 – The Hon'ble Supreme Court was pleased to dismiss the SLP No. 20198 of 2021 filed by the Respondent contesting the Order of this Court dated 5th March, 2021. The Hon'ble Supreme Court observed that this Court had passed a detailed and reasoned order in the Review Petition and found no reason to interfere with the said Order.

**8.11** 14th September, 2021 – The Applicant was allowed to withdraw an amount of Rs. 357,79,18,000/- plus interest accrued amounting to Rs.18,93,07,845/- from this Court in the contempt proceedings.

**8.12** 3rd July, 2023 – The Applicant filed the present Execution proceedings before this Court in view of undue delay caused by the Respondent to pay the Applicant, the monies as per Consent Terms i.e. after waiting for a period of more than 20 months. In the meantime, Applicant had written multiple letters dated 29th October, 2021, 1st December, 2021, 16th March, 2022, 12th April, 2023 to which the Applicant received no response from the Judgment Debtor. Hence the Applicant was constrained to file these execution proceedings.

**8.13** 11th July, 2023 – Copy of the present Execution proceedings came to be served upon the Respondent.

**8.14** 10th October, 2023 – The Respondent paid an amount of Rs. 10,21,01,964/- to the Applicant as interest as per RBI rate up to 31st January 2023 i.e. after a copy of the Execution proceedings were served upon the Respondent.

**8.15** 10th November, 2023 – The Respondent paid an amount of Rs. 37,40,212/- to the Applicant as interest as per RBI rate up to 31st August 2023.

15. It is submitted that in view of the aforesaid facts, since there has been an undue delay on the part of the Respondent State in paying the

amount as undertaken in the Consent Terms and the order passed by this Court taking this Consent Terms on record, the Applicant is also entitled to interest at the rate of 15% per annum as per the Arbitral Award and to enforce the Arbitral Award for the balance dues, and therefore, the Execution Application.

16. Mr.Vashi, learned Senior Counsel, has submitted that it has been contended on behalf of the Respondent State that since the Applicant had withdrawn the amount deposited by the Respondent State in this Court the decree is marked satisfied, is untenable in view of Order XXI Rule 1 of the Code of Civil Procedure, 1908 ("CPC"). Mr.Vashi submits that moreover Clause 13 of the Consent Terms provides that if the decretal amount under the Consent Terms are paid, parties are jointly to inform the Court that the decree is satisfied. Mr.Vashi submits that the Respondent State has not informed this Court that the decree stands satisfied due to the withdrawal of the deposited amount by the Applicant. It is submitted that at the time when the order dated 14th September 2021 was passed by this Court in the contempt proceedings, the Respondent State ought to have pressed for a relief that the Applicant be allowed to withdraw the amount deposited in Court provided it is in full and final settlement. Mr.Vashi submits that the

order dated 14th September 2021 passed by this Court does not order that the withdrawal of the amount will be in full and final settlement.

17. Mr.Vashi, learned Senior Counsel, submits that after giving due and lawful credit for all amounts received from the Respondent State, a sum of Rs.1,69,35,22,796/- remained due, outstanding and recoverable from the Respondent State as on 31st December 2025 i.e. principal amount of Rs.109,56,18,008/- and interest amount of Rs.59,79,04,788/-. Mr.Vashi submits that the principal amount of Rs.109,56,18,008/- has been arrived at after adjusting ad hoc payments received for interest of Rs.18,93,07,845/- from this Court on 21st September 2021, Rs.10,21,01,964/- from the Respondent State on 10th October 2023 and Rs.37,40,212/- from the Respondent State on 10th November 2023. Mr.Vashi, learned Senior Counsel for the Applicant, submits that the Applicant has lawfully appropriated the amounts received from the Respondent State first towards interest and costs and thereafter towards the principal amount in accordance with settled law and as per Clause 12 of the Consent Terms. That, the Respondent State has failed, neglected and refused to satisfy the decretal liability despite having knowledge of the money decree and the obligations arising therefrom, thereby rendering itself liable to be proceeded against under

Order XXI of the CPC including but not limited to execution by attachment and other coercive modes as this Court may deem fit. Mr.Vashi has tendered across the bar the following computation and statement of the outstanding decretal :

| **Amount payable by PWD to Man Infraconstruction Limited (Formerly known as Manaj Tollway Pvt.Ltd.) as on 31.12.2025 as per Clause 12 of Consent Terms dated 10.12.2019 after adjusting payments received upto 10.11.2023 as per Award dated 17.08.2018** | | | | |
|---|---|---|---|---|
| | **Particulars** | **Principal Amount** | **Interest Amount** | **Total Principal + Interest** |
| (I) | Award amount dated 17.08.2018 (corrected on 21.09.2018) | 332,66,39,870/- | | 332,66,39,870/- |
| | Interest @ 15% per annum on Rs.332,66,39,870/- (from 17.08.2018 to 18.12.2019) for 489 days | - | 66,85,17,903/- | 66,85,17,903/- |
| | **Total receivable as on 18.12.2019** | **332,66,39,870/-** | **66,85,17,903/-** | **399,51,57,773/-** |
| | Adhoc payment of Rs.1,00,00,000/- received by MICL on 19.12.2019 from EE, PWD Pune as per consent order dated 12.12.2019 against settlement amount of Rs.358,79,18,000/- | - | 1,00,00,000/- | 1,00,00,000/- |
| | **Balance Receivable as on 19.12.2019** | **332,66,39,870/-** | **66,85,17,903/-** | **398,51,57,773/-** |

| | | | | |
|---|---|---|---|---|
| (II) | Interest @ 15% per annum on 332,66,39,870/ (from 19.12.2019 to 20.09.2021) for 642 days | - | 87,76,86,081/- | 87,76,86,081/- |
| | **Total receivable as on 20.09.2021** | **332,66,39,870/-** | **153,62,03,983/-** | **486,28,43,853/-** |
| (III) | Payment received by MICL on 20.09.2021 of Rs.3,76,72,25,845/- from Hon'ble High Court of Bombay [Rs.357,79,18,000/- settlement amount (+) Rs.18,93,07,845/- interest received from High Court ] | 223,10,21,862/- | 153,62,03,983/- | 376,72,25,845/- |
| | **Balance receivable as on 21.09.2021** | **109,56,18,008/-** | **-** | **109,56,18,008/-** |
| (IV) | Future interest @ 15% per annum on balance principal amount of Rs.109,56,18,008/- from 21.09.2021 to 31.07.2023 – (679 days) **[i.e. interest of Rs.4,50,254/- per day]** | - | 30,57,22,450/- | 30,57,22,450/- |
| | **Balance receivable as on 31.07.2023** | **109,56,18,008/-** | **30,57,22,450/-** | **140,13,40,458/-** |
| (V) | Future interest @ 15% per annum on balance principal amount of Rs.109,56,18,008/- from 01.08.2023 to 09.10.2023 – (70 days) **[i.e. interest of Rs.4,50,254/- per day]** | - | 3,15,17,778/- | 3,15,17,778/- |
| | **Balance receivable as on 09.10.2023** | **109,56,18,008/-** | **33,72,40,228/-** | **143,28,58,236/-** |

| | | | | |
|---|---|---|---|---|
| (VI) | Payment received by MICL on 10.10.2023 from PWD Rs.10,21,01,964/- | - | 10,21,01,964/- | 10,21,01,964/- |
| | **Balance receivable as on 10.10.2023** | **109,56,18,008/-** | **23,51,38,264/-** | **133,07,56,272/-** |
| (VII) | Future interest @ 15% per annum on balance principal amount of Rs.109,56,18,008/- from 10.10.2023 to 09.11.2023 – (31 days) **[i.e. interest of Rs.4,50,254/- per day]** | - | 1,39,57,873/- | 1,39,57,873/- |
| | **Balance receivable as on 9.11.2023** | **109,56,18,008/-** | **24,90,96,137/-** | **134,47,14,145/-** |
| (VIII) | Payment received by MICL on 10.11.2023 from PWD Rs.37,40,212/- | - | Rs.37,40,212/- | Rs.37,40,212/- |
| | **Balance receivable as on 10.11.2023** | **109,56,18,008/-** | **24,53,55,925/-** | **134,09,73,933/-** |
| (IX) | Future interest @ 15% per annum on balance principal amount of Rs.109,56,18,008/- from 10.11.2023 to 31.12.2025 – (752 days) **[i.e. interest of Rs.4,50,254/- per day]** | - | 35,25,48,863/- | 35,25,48,863/- |
| | **Balance receivable as on 31.12.2025** | **109,56,18,008/-** | **59,79,04,788/-** | **169,35,22,796/-** |

18. In view of the above, it is submitted that the Interim Application No.2536 of 2025 and the Commercial Execution Application No.67 of

2025 be allowed and the Interim Application No.2398 of 2023 in Execution Application No.310 of 2019 be dismissed. Mr.Vashi submits that this is because the contention of the Respondent State that the warrant of attachment dated 3rd August 2019 is liable to be vacated on the ground that the Execution Application No.310 of 2019 has been disposed of is misconceived and contrary to the record. Mr.Vashi submits that the attachment was lawfully levied on the bank account of the Respondent-State maintained with the Reserve Bank of India, Fort, Mumbai, bearing Account No. 6102002003. The statement of account annexed at Exhibit 'A', Page 16 of the said Interim Application clearly establishes that Account No.01512901069 is a sub-account operated under the principal account of the Respondent State. That, the Respondent State has failed to satisfy the money decree arising from the Consent Terms dated 10th December 2019, and the decretal dues remain outstanding. That, therefore, the warrant of attachment is valid, subsisting, and liable to be continued until full satisfaction of the decree.

19. Mr.Vashi further submits that in paragraph 4 of the order dated 27th January, 2020, the learned Single Judge had recorded a statement of Mr. Joshi, Secretary PWD that the PWD is having enough funds for

the disbursement of the amount under the Decree. Thereafter, the Court has recorded that in any event the Court is not concerned with whether the funds come from the account of Superintending Engineer or any other officer. That, in paragraph 5 of the order dated 27th January 2020, this Court has recorded the statement of State that the Superintending Engineer had already received money and the Respondent No. 1 will take necessary steps to transfer the money to the Decree Holder's account from the treasury. It is submitted that the word "treasury" includes all bank accounts of the State of Maharashtra. Mr.Vashi submits that thus, it is irrelevant whether the account of the PWD department is attached or bank account of any other department of State of Maharashtra is attached.

20. Mr.Vashi submits that, therefore, the Interim Application No.2398 of 2023 taken out by the Respondent State is misconceived and be summarily dismissed.

21. On the other hand, Mr.Zal Andhyarujina, learned Senior Counsel appearing for the Respondent State has submitted that the Applicant's submission that the Respondent State has caused undue delay in payment of more than twenty months from 6th January 2020 till

September 2021 is erroneous, misconceived and contrary to the record. Mr.Andhyarujina has taken this Court through the following salient facts :

- The said Consent Terms were recorded by this Court in its Order dated 12th December 2019.
- On 18th December 2019, in compliance with the said Consent Terms, the Judgment Debtor withdrew the Application No. 1358 of 2018 filed under Section 34 of the Arbitration and Conciliation Act, 1996 challenging the Award dated 17th August 2018 before the District Court in Pune, and on 19th December 2019 made payment of Rs. 1,00,00,000/- to the Applicant.
- On 27th December 2019, the Judgment Debtor *vide* a Memorandum allowed the release of Rs.357.7918 Crores to the Applicant.
- On 6th January 2020, the Judgment Debtor *vide* a Memorandum, informed the Superintending Engineer, Public Work Circle, Pune that the approval to distribute the fund of total Rs. 357.7918 Crores to the Applicant was received, and the funds were disbursed out of the total provisions in the budget account head 30540819 for Financial Year 2019-20.

22. Mr.Andhyarujina, learned Senior Counsel has relied upon the following facts to submit that there has been no undue delay in depositing the settlement amount before this Court:

- On 29th January 2020, the Executive Engineer, Public Works Department informed the Secretary, Public Works Department that it is unable to comply with the Order of this Court for payment of monies since the settlement amount was not transferred by the Superintending Engineer to the Executive Engineer.
- On 30th January 2020 (Thursday), the Public Work Circle Office/Superintending Engineer transferred the funds of Rs. 357.7918 Crores to the Executive Engineer, Public Works Department.
- Meanwhile, on the same date, in the Commercial Contempt Petition (L) No. 9 of 2020 in the Commercial Execution Application No. 310 of 2019, the Advocate for the Judgment Debtor stated that his clients intended on contesting the proceedings, and that being conscious of the Order dated 12th December 2019 and 27th January 2020, the Advocate expressed the Judgment Debtor’s readiness and willingness to deposit the amounts in Court within a week. This Court was pleased to accept the statement and direct the amounts to be deposited within one week.
- Due to the Bank Employees’ Strike on 31st January 2020 and 1st February 2020, weekly holiday on 2nd February 2020 (Sunday), on 3rd February 2020 – the amount of Rs. 357,06,74,999/- was deposited by the Judgment Debtor with the Prothonotary & Senior Master of this Court and the amount was received in the amount of the Registry on 4th February 2020. Since the Administrative approval of cost of the Project was limited to

Rs.357 Crores, the balance sum of Rs.72,43,000/- was only deposited by the Judgment Debtor on 6th February 2020 after the removal of the technical limit and the amount was received in the account of the Registry on 10th February 2020. Thus, the Judgment Debtor deposited the total Settlement Amount in satisfaction of the said Consent Terms.

23. It is submitted that by order dated 13th September 2021, the Hon'ble Supreme Court dismissed the Special Leave Petition which was filed on 5th March 2021 by the Respondent State challenging the dismissal of the Review Petition which was filed seeking review of the order dated 12th December 2019 taking the Consent Terms dated 10th December 2019 on record and the validity of the Consent Terms.

24. Mr.Andhyarujina, learned Senior Counsel for the Respondent State has submitted that, thereafter, on 14th September 2021, in Contempt Petition the Advocate for the Respondent State informed this Court of the dismissal of the Special Leave Petition and fairly agreed to the release of the money lying deposited with this Court in favour of the Applicant and this Court directed the Prothonotary & Senior Master to forthwith release the entire amount along with accrued interest lying with the Court pursuant to the order dated 30th January 2020 and

thereafter on 21st September 2021, the amount of Rs.376,72,25,845/- was released in favour of the Applicant including accrued interest amounting to Rs.18,93,07,846/-. Mr.Andhyarujina has submitted that, therefore, there was no undue delay even in the release of the settlement amount along with accrued interest.

25. Mr.Andhyarujina has submitted that, therefore, there has been no undue delay by the Judgment Debtor, in any manner whatsoever in making the payments under the said Consent Terms and release of the amounts in favour of the Applicant. The settlement amount was deposited before this Court by the Judgment Debtor within a week of the funds being disbursed by the Superintending Engineer in favour of the Executive Engineer. The amounts were deposited despite the Judgment Debtor's clear and express intention to challenge the validity of the said Consent Terms. It is submitted that in any event, the period of 35 days from the alleged receipt of monies from 6th January 2020 till the deposit before this Court in February 2020, is not something which is entirely disproportionate and therefore, does not amount to undue delay as contemplated in the decision of the Hon'ble Supreme Court in ***Sterling General Insurance Co. Ltd. v. Planters Airways Pvt Ltd.***[2]

2 (1975) 1 Supreme Court Cases 603

26. It is submitted that during the 18 month period of March 2020 to September 2021, the Applicant was not entitled to the release of the settlement amounts since the challenge to the validity of the Order dated 12th December 2019 was *sub judice.* That in any event, on depositing settlement amounts, the interest continued to accrue and no prejudice was caused to the Applicant. In fact, the Applicant did not approach this Court for the release of the deposited monies subject to such terms and conditions this Court may deem fit during the pendency of the challenge, and it follows that no serious prejudice was caused to the Applicant in the meantime.

27. It is submitted that on the conclusion of the challenge to the Order dated 12th December 2019 on 13th September 2021 the outcome was brought to the attention of this Court the very next day on 14th September 2021 and the settlement amounts were immediately released within a week therefrom, along with interest accrued till such date.

28. It is submitted that in the circumstances, there has been no delay whatsoever in the payment of the settlement amounts to the Applicant. That, the dues of the Applicant were satisfied by the Judgment Debtor

in February 2020 on the deposit of the amounts under the said Consent Terms and the subsequent release thereof in September 2021. That, the 18-month period of alleged delay, is merely the time spent on concluding the challenge to the validity of the said Consent Terms, which ought to be excluded by this Court moreover, when the Judgment Debtor had immediately within 35 days deposited the entire agreed amount as per the consent terms in this Court. It is submitted that the said period during which the litigation was pending, does not amount to any delay which is merited by the conduct of the Judgment Debtor.

29. Mr.Andhyarujina, learned Senior Counsel has submitted that the Applicant's allegation of undue delay is entirely misconceived and untenable and ought to be rejected by this Court. That, the Applicant is attempting to seek another bite at the cherry, by increasing the recovery amounts to claim the remaining dues of the 'Award Sum', despite having agreed to the full and final settlement of all dues and the same being satisfied by the Judgment Debtor.

30. Mr.Andhyarujina, learned Senior Counsel has submitted that after the release of the settlement amount the Applicant has for the first

time raised claims that there was an undue delay in making the payment which amounts to revival of its claim towards the balance amount unpaid for the awarded sum and the same is untenable. Mr.Andhyarujina has submitted that at the time of deposit of the monies, the parties were *ad idem* that in the event the validity of the said Consent Terms was upheld, only the settlement amounts were payable by the Judgment Debtor in full and final satisfaction of all claims. That, this is evident from the Applicant's conduct insofar as the deposit of only the settlement amount being accepted and no further claims towards the balance Award Sum being made for over 18 months, till the release of the settlement amounts. It is submitted that the Applicant having accepted the release of the settlement amounts as full and final satisfaction, cannot now be permitted to re-agitate its claims.

31. It is submitted that the Applicant's contention that the Judgment Debtor ought to have intimated compliance of the said Consent Terms, is totally misconceived since it was done in compliance of the Orders of this Court. It is submitted that it nowhere states that the amounts deposited in contempt of the Consent Terms are not in compliance with Order XXI Rule 1(a) of the CPC. The Applicant's contention that the

deposit and release of the settlement amounts were in the Contempt Petition and not in satisfaction of the Execution proceedings, is without any substance whatsoever. It is further submitted that the power to grant a stay on execution of the Consent Terms subject to the deposit of monies, vests only with the Court in charge of execution of the decree.

32. Mr.Andhyarujina, learned Senior Counsel for the Respondent State further submits that the Particulars of Claim of Rs.140,13,40,458/- submitted by the Applicant are erroneous and untenable. However, without prejudice, Mr.Andhyarujina submits that in any event, the Respondent State has in *bona fide* faith approved the payment of additional sum being interest for the period of delay in payment from 1st February 2023 to 31st August 2023, as per Clause 10 of the said Consent Terms amounting to Rs.37,40,212/- and the same has been paid to the Applicant. Mr.Andhyarujina submits that, therefore, the Applicant is not entitled to recover any further amounts, and therefore, the reliefs sought in the Interim Application No.2356 of 2025 ought to be rejected.

33. It is submitted that the Bank Account No. 6102002003 attached vide warrant dated 3rd August 2019, belongs to the IGRC of Stamps and

not the Judgment Debtor. The various departments of the Government of Maharashtra are separate and independent and therefore, the warrant of attachment against the said bank account ought to be released with immediate effect. That, without prejudice to the above, the warrant of attachment was issued prior to the said Consent Terms, which have been duly acted upon and the Applicant's claims satisfied. Therefore, no further claims survive and the warrant of attachment on bank account no. 6102002003 ought to be vacated at the earliest.

34. I have heard the learned Senior Counsel at length and have also considered their submissions.

35. Paragraph 12 of the Consent Terms dated 10th December 2019 is usefully quoted as under :

> *"12. Any payments made by the Respondent to the Claimant under these Consent Terms shall be first adjusted towards the interest amount accrued on the Award. If the Respondent unduly delay the payment, the Claimant shall be entitled to enforce and proceed in execution of the Award to the extent of remaining dues of the Award Sum and <u>interest which may have accrued as per the terms of the Award</u>."*
>
> *(emphasis supplied)*

36. From the aforesaid clause it is apparent that if the Respondent State unduly delays the payment, the Claimant was entitled to enforce

and proceed in execution of the Award to the extent of the remaining dues of the Award Sum and interest which may have accrued as per the terms of the Award.

37. It is not in dispute that an amount of Rs.376,72,25,845/- has been received by the Applicant on 21st September 2021 pursuant to order dated 14th September 2021 which included accrued interest amount to Rs.18,93,07,845/-. It is settled law that until and unless the amount of the Judgment Debt is received (in this case the settlement amount), merely because the amount has been deposited in this Court, it cannot be said that the Judgment Creditor has been paid or that the decree has been satisfied. Therefore, the contention on behalf of the Respondent State that the Judgment Debtor had deposited the total settlement amount in satisfaction of the Consent Terms on 10th February 2020 is not tenable. It is the date on which the amounts have been received by the Applicant/Judgment Creditor that is important. As can be seen, it is only on 21st September 2021 and that too pursuant to order dated 14th September 2021 that an amount of Rs.376,72,25,845/- was released in favour of the Applicant.

38. The Consent Terms in paragraph 12, as noted above, clearly provide that any payments made by the Respondent State to the

Applicant under the Consent Terms would first be adjusted towards the interest amount accrued on the Award Sum and then the principal Award Sum. That, if the Respondent State unduly delayed the payments, the Claimant viz. the Applicant would be entitled to enforce and proceed in execution of the Award to the extent of the remaining dues of the Award Sum as well as interest which may have accrued as per the terms of the Award viz. at simple interest as per the prevailing RBI bank rate on the unpaid settlement amount till the date of the final payment.

39. The question therefore that needs to be examined is whether there was an undue delay in accordance with Clause 12 of the Consent Terms.

40. The Consent Terms dated 10th December 2019 clearly record in paragraph 10 as under :

> *"The Respondent and Claimant have agreed to enter into the following consent terms. The present consent terms are signed by Mr. Dhananjay Deshpande, Executive Engineer, Public Works (South) Division, Pune, on behalf of the Respondent and by Mr. Navin G. Ajwani, duly authorized by Company Resolution dated 2nd August 2017, which is marked as Exhibit "B", on behalf of the Claimant. The agreed terms of settlement/Consent are as follows:*
>
> *a) The Claimant shall accept the amount INR Rs.358,79,18,000/- (Rupees Three Hundred Fifty Eight*

*Crores Seventy Nine Lacs Eighteen Thousand Only) agreed as full and final settlement. The Claimant forfeits his right to go in any Court of Law for the sum of above agreed amount of INR Rs.358,79,18,000/- The Claimant undertakes to not to claim any Arbitration Civil Suit, Writ Petition or Special Leave Petition in any Court of India.*

*b) In view of the settlement of disputes, the Respondent shall withdraw its Application No. 1358 of 2018 along with all other ancilliary applications, pending before the District Court Pune.*

*c) The Respondent undertakes to this Hon'ble High Court that it shall pay the Claimant a total sum of INR 358,79,18,000/- (Rupees Three Hundred Fifty Eight Crores Seventy Nine Lacs Eighteen Thousand Only) ["Settlement Amount"], as on 15th November 2019 as full and final satisfaction of the Award in the following manner:*

*i. The amount due to the Claimant will be paid in entirely to the Claimant.*

*ii. The Respondent shall pay interest from the date of filing consent terms in the Hon'ble High Court on the unpaid settlement amount which will be worked out at simple interest as per the prevailing RBI Bank Rate till the date of final payment.*

41. As can be seen, the amount agreed to be paid was Rs.358,79,18,000/- as on 15th November 2019 as full and final satisfaction of the Award and the Respondent State had agreed to pay the Applicant the said amount in entirety and the Respondent State would pay interest from the date of filing of the Consent Terms in this

Court on the unpaid settlement amount to be worked out at simple interest as per the prevailing RBI bank rate till the date of the final payment. The Consent Terms were taken on record on 12th December 2019 and as noted earlier, the payment of Rs.376,72,25,845/- has been received by the Applicant on 21st September 2021.

42. Although the Consent Terms do not define undue delay, however, in the Black’s Law Dictionary the meaning of the word “undue delay” which is an adjective, is “excessive or unwarranted”. In the case of *Sterling General Insurance Co. Ltd. v. Planters Airways Pvt Ltd. (supra)* the Hon'ble Supreme Court has in paragraph 14 observed that “undue” must mean something which is not merited by the conduct of the Claimant or is very much disproportionate to it. It is not in dispute that the Respondent – State had desired to use the words “without undue delay” and hence the term “undue delay” was incorporated in the Consent Terms.

43. Although it is true that there is no timeline given in the Consent Terms for payment of the settlement amount, however, from the date of the Consent Terms having been taken on record on 12th December 2019 and the payments having been received by the Applicant on 21st

September 2019, events that transpired suggest that there has been undue delay as although on 18th December 2019 the Respondent State partially complied with the Consent Terms by paying an amount of Rs.1,00,00,000/-, on 27th December 2019, budgetary approval from both the houses of legislature was obtained for payment of the settlement amount of Rs.358,79,18,000/- to the Applicant, on 6th January 2020, the Superintending Engineer of the PWD had received the settlement amount in their account for onward remittance to the Applicant and on 27th January 2020 the Respondent State through the Secretary, PWD, had also given an undertaking before this Court in the contempt proceedings that steps would be taken to transfer the amount to the Applicant's account from the treasury within two days i.e. on or before 29th January 2020, however, the same was not paid to the Applicant and on 30th January 2020 the Advocate appearing on behalf of the officers of the Judgment Debtor – State stated that the Judgment Debtor intended to contest the Consent Terms. This is where the conduct of the Respondent State comes into play. After having entered into Consent Terms on 10th December 2019 and after the said Consent Terms were taken on record on 12th December 2019 and after having acted upon the same and completed the formalities on 6th January 2020, on 30th January 2020 the Advocate for the Respondent did a complete volte face and stated that the Respondent State intended to contest the proceedings which is a conduct not merited from the Respondent State and rather disproportionate and excessive or unwarranted and attracting the phrase "undue delay" as contained in paragraph 12 of the Consent Terms. Not only that, even after the Review Petition filed by the Respondent State on 13th October 2020 came to be dismissed on 5th March 2021, a Special Leave Petition was filed by the Respondent State on 27th August 2021 in the Hon'ble Supreme Court which was also dismissed by the Hon'ble Supreme Court finding no reason to interfere with the detailed and reasoned order passed by this Court in the Review Petition, whereafter this Court on 14th September 2021 directed the Prothonotary & Senior Master to forthwith release the amount deposited by the Respondent State in this Court, that on 21st September 2021 the amount was received by the Applicant. There is, therefore, undue delay in paying the settlement amount warranting payment of interest. The submission on behalf of the Respondent State that there has been no undue delay, is therefore not tenable. Also, the decision of the Hon'ble Supreme Court in the case of *Sterling General Insurance Co. Ltd. v. Planters Airways Pvt Ltd. (supra),* in my view, therefore aids the case of the Applicant and not the Respondent State.

44. The State has to act with responsibility and when the State enters into any arrangement including Consent Terms with any citizen including a corporate there is a legitimate expectation that it will abide by the said terms in the spirit of the said terms and not after having entered into said terms, after having acted in pursuance of the said terms, midway decide to take a diametrically opposite course of action for whatever reason, causing not only undue delay but also undue hardship. Therefore, the submission on behalf of the Respondent State that no serious prejudice was caused to the Applicant cannot be accepted.

45. It is also pertinent to note that on 10th October 2023 the Respondent State had paid an amount of Rs.10,21,01,964/- to the Applicant as interest as per the RBI rate up to 31st January 2023 and on 10th November 2023 the Respondent State had paid an amount of Rs.37,40,212/- to the Applicant as interest as per the RBI rate up to 31st August 2023.

46. The Applicant has submitted that the balance principal receivable on 21st September 2021 is Rs.109,56,18,008/- and having adjusted the

interest amount received, the balance receivable on 31st December 2025 on principal and interest is Rs.169,35,22,796/-.

47. However, in my view, since the Applicant has received Rs.376,72,25,845/- on 21st September 2021, it would only be fair and in the interest of justice that the Applicant receive simple interest from the 31st January 2020 till 21st September 2021 as per the then prevailing RBI Bank Rate as the settlement amount was received by the Superintending Engineer of the PWD for onward remittance on 30th January 2020.

48. It has been held in the case of *P.S.L. Ramanathan Chettiar and Others vs. O.R.M.P.R.M. Ramanathan Chettiar (supra)* that unless the deposit in the Court is in terms of Order XXI Rule 1 of the CPC, there is no question of the stoppage of interest after the deposit. The facts of this case do not suggest that the deposit in Court was in terms of Order XXI Rule 1 of the CPC. Therefore, the submission with respect to the stoppage of interest from the date of deposit in Court cannot be countenanced.

49. Finding that there has been an undue delay by the Respondent State in making payment to the Applicant, I am inclined to allow the

Commercial Execution Application as well as the Interim Application No.2536 of 2025 and inclined to dismiss the Interim Application No.2398 of 2023 in Execution Application No.310 of 2019.

50. As per the Consent Terms, the decree holder is required to adjust the amount received from the Respondent State firstly towards interest and costs and thereafter towards the principal amount. As per paragraph 12 of the Consent Terms, any payments made by the Respondent State to the Claimant shall be first adjusted towards the interest amount accrued on the Award Sum and then the principal Award Sum. However, if the Respondent unduly delays the payment, the Applicant is entitled to enforce and proceed in execution of the Award not only to the extent of remaining dues of the Award Sum but also interest which may have been accrued as per the terms of the Award. In the facts of this case, the Applicant had received the Award Sum on 21st September 2021 after undue delay in the payment as noted above, and therefore, this Court in execution as noted above directs that the Respondent State pay to the Applicant interest at simple interest as per the then prevailing RBI Bank Rate from the 31st January 2020 till 21st September 2021.

51. The Commissioner for taking Accounts to within a period of four weeks from the date of uploading of this order, work out the interest payable to the Applicant by the Respondent State on the principal amount viz. the settlement amount of Rs.358,79,18,000/- after giving due credit for the amounts of principal and interest already received by the Applicant in accordance with the aforesaid order and thereafter to within a period of two weeks, intimate to the parties of the said amount, if any, due and payable to the Applicant.

52. Upon receipt of the intimation from the Commissioner for taking Accounts, the Respondent State to within a period of four weeks make payment of the amounts, if any, due to the Applicant.

53. The attachment of IGRC Stamps Account No.6102002003 to be released simultaneously upon receipt by the Applicant of the outstanding amount, if any, as worked out by the Commissioner for taking Accounts.

54. Upon receipt of the amounts as above or even if no amounts are found due, the Applicant and the Respondent to jointly intimate the Prothonotary & Senior Master of this Court, who shall within two

weeks of the said intimation, mark the Consent Terms/Decree as satisfied.

55. The Commercial Execution Application No.67 of 2025 and the Interim Applications No.2536 of 2025 and No.2398 of 2023 to accordingly stand disposed as above.

**(ABHAY AHUJA, J.)**

ARTI VILAS KHATATE

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Date: 2026.04.16 10:50:16 +0530