



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 26-03-2026

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THE HON'BLE MR JUSTICE SENTHILKUMAR RAMAMOORTHY

**A Nos. 6473 & 6474 of 2024
in E.P.No.26 of 2021**

In both applications:

Union of India
Rep.by its Chief Engineer,
Chennai Zone, Island Grounds, Chennai-600 009.

..Applicant/Judgment
Debtor

Vs

M/s Saravana Constructions Pvt. Ltd.,
Rep.by its Managing Director
L.Sambhasiva Reddy, No.155-B, Skanda Nivas,
4th Main Defence Colony, Bangalore 560 038.

..Respondent/Decree
Holder

Prayer in A.No.6473 of 2024: Application is filed under Order XIV Rule 12 of the Madras High Court Original Side Rules Read With Section 151 of the CPC to pass an order setting aside the order dated 22/07/2024 passed in A.No.6787 of 2023 in E.P.No.26 of 2021 in Original Petition No.654 of 2016 by the Hon'ble Master dismissing the same.

Prayer in A.No.6474 of 2024: Application is filed under Order XIV Rule 8 of the Madras High Court Original Side Rules Read With Section 151 of the CPC to pass an order of ad interim stay staying the operation of the order dated 22.07.2024 passed in A.No.6787 of 2023 in E.P.No.26 of 2021 in Original Petition No.654 of 2016 pending disposal of the appeal.



For Applicant:

Mr.M.Ramamoorthi

For Respondent:

Mr. R.Manimuthu

ORDER

Order dated 22.07.2024 rejecting the application of the applicant herein for closure of E.P.No.26 of 2021 on the ground that it stands fully satisfied is challenged herein. In the said order, in relevant part, it was held as under:

“Further the case of the applicant is that in the award it has been specifically mentioned that no interest shall be payable on the amount of interest awarded herein. The applicant counsel pointed out the same and argued that the Decree holder has calculated interest on interest. Therefore he filed a calculation memo separately. But this Court is unable to accept the calculation filed by the Judgment Debtor for the reason that the Judgment Debtor has calculated 9% per annum interest from 13.05.2010 to 31.03.2016. But it has been clearly stated in the award that if the Judgment Debtor UOI fails to make the payment of award along with interest within the period the interest payable on the awarded amount shall be 11% per annum upto the date of actual payment.

As per the award if the amount was paid within 90 days, there would be no issues. It is only the Judgment Debtor who delayed the payment. Therefore it is for the Judgment Debtor to blame himself for the further interest accrued.



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Moreover in the award it has been clearly stated interest payable on awarded amount shall be 11%. The petitioner has calculated accordingly. Though the Judgement Debtor counsel stressed that no interest shall be payable on interest, it does not mean that 11% interest is on interest. It is the interest on the awarded amount and there shall not be any interest on the accrued interest.

This court do not find any merit in the application filed by the Judgment debtor. Therefore this application is dismissed.”

2. Learned counsel for the applicant submits that interference is warranted because the respondent has imposed interest on interest. Learned counsel for the respondent refutes this contention and points out that the award provided for payment of interest at 11% per annum if the award amount is not paid within the specified period.

3. The settled position of law is that the award amount may carry interest at the rate specified by the arbitral tribunal. After taking note of the stipulation in the award that interest would be payable at 11% per annum up to the date of actual payment, if the award amounts were not paid within the prescribed time, learned Master has rejected the application. I find no infirmity in the said order. Therefore, these applications are dismissed without any order as to costs. Learned counsel



SENTHILKUMAR RAMAMOORTHY, J.

KJ

for the applicant makes a request that he be granted eight weeks to discharge the liability as per the award. The request is accepted.

26-03-2026

KJ

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