



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

% *Judgment Reserved on: 9th December, 2025*
Judgment pronounced on: 6th January, 2026

+ **OMP (ENF.) (COMM.) 68/2023 & EX.APPL.(OS) 1123/2023**

RCCIVL-LITL (JV)Decree Holder
Through: Ms. Amrita Panda, Advocate.
Col. A. Mathialagan, A.R.

versus

UNION OF INDIAJudgement Debtor
Through: Mr. Jaswinder Singh, Advocate.

CORAM:
HON'BLE MR. JUSTICE AMIT BANSAL

JUDGMENT

AMIT BANSAL, J.

1. The present petition has been filed under Section 36 of the Arbitration and Conciliation Act ('Act') seeking enforcement of the final award dated 7th November, 2022 ('Award') passed by an Arbitral Tribunal comprising a Sole Arbitrator ('Arbitral Tribunal').
2. RCCIVL-LITL (JV), the claimant in the arbitration proceedings, is hereinafter referred to as the 'decree holder' and the Union of India, the respondent in the arbitration proceedings, is hereinafter referred to as the 'judgment debtor'.
3. The Arbitral Tribunal allowed certain claims of the decree holder along with interest and costs of arbitration. The counter claims filed by the



respondent were rejected by the Arbitral Tribunal.

4. The judgment debtor filed a petition under Section 34 of the Act seeking setting aside of the Award, which was dismissed on 29th May, 2023. An appeal filed against the said dismissal order under Section 37 of the Act was also dismissed by the Division Bench on 8th July, 2024. Subsequently, an SLP filed by the judgment debtor was also dismissed on 20th December, 2024. Therefore, the Award has attained finality.

5. The judgment debtor deposited a sum of ₹17,79,65,167.54 with the Registrar General of this Court on 7th February, 2024, which has since been released in the favour of decree holder.

6. The decree holder claims that it is entitled to sums beyond the deposited amount before this Court whereas judgment debtor opposes the same. In these circumstances, both sides were directed to file their respective calculation details.

7. This Court *vide* order dated 9th July, 2025 directed that the discrepancies in the calculation table be mutually reconciled by the officials of the parties. However, the differences with regard to the calculation details could not be reconciled. At the hearing on 11th November, 2025, it was noted that the disputes between the parties only persist in respect of claim no. 2(K), claim no.2(L), claim no.2(O), claim no.2(N) and the future interest.

8. Submissions on behalf of counsel were heard on 9th December, 2023 and the judgment was reserved.

9. At first, I will consider the differences between the parties in relation to claim nos.2(K) and 2(L). For the ease of reference, the said claims are set out below:-

“Claim No. 2 (K): Ser No 11 of “Disputed” part of Final Bill:



Reimbursement of compensation on Short/ Less payment of RARs amount amounting to Rs.5,77,19,935.40

Claim No. 2 (L): Ser No 12 of “Disputed” part of Final Bill: Reimbursement of compensation on delayed payment of RARs amounting to Rs 3,24,69,263.12”

10. In respect of the aforesaid claims, the Arbitral Tribunal held that the claimant (decree holder) did not bring any evidence to prove that it had actually suffered any losses. However, it was noted that there was unjustifiable delay in payments and therefore, the decree holder would be entitled to interest.

11. Accordingly, the Arbitral Tribunal awarded interest at the rate of 8% on the delayed payments. The operative paragraph 144 of the Award is set out below:-

*“144. It is noted that except for the calculations referred to in Appendix ‘A’, the Claimant has not brought on record any evidence to prove that it had actually suffered any losses to be entitled to justify its claims under Section 73 of the Contract Act. However, unjustifiably delayed payments which have already fallen due would attract grant of interest. Since the Respondent has not led any evidence to show that the payments were made on time or were delayed for a genuine reason, the Tribunal considers it just to grant compensation by way of interest. The Claimant has claimed interest at the rate of 12 percent per annum on which its calculations are based. **The Tribunal is of the view that 8 percent interest on the delayed payments would be just and reasonable. It is so awarded. The Claimant will recalculate its claim accordingly.**”*

[emphasis supplied]

12. Next, a reference may be made to claim 2(O) which is set out below:-

“Claim No. 2 (O): Ser No 15 of “Disputed” part of Final Bill: Reimbursement of Extra recovery of VAT at source amounting to Rs 6,73,77,744.84 (Amended to Rs 1,79,09,829.49)”

13. In relation to the aforesaid claim, the Arbitral Tribunal granted interest on the extra deduction of VAT effected by the respondent (judgment debtor) at the rate of 8% per annum. The dispositive paragraph 170 of the Award is



set out below:

*170. The Claimant has claimed 18% interest on the additional recovery made by the Respondent. The Respondent's contention that the interest, if any, ought to be claimed from the concerned Authorities is devoid of any merit. The Respondent was aware of the elucidatory judgment passed by the Hon'ble High Court of Punjab & Haryana. Therefore, the conduct of the Respondent in effecting recovery of VAT at 6 percent was not correct. The Tribunal appreciates that the excess deduction has not gone into the coffers of the Respondent. However, the judgment of the Hon'ble Punjab & Haryana High Court had already clarified the position prior to the Respondent making this deduction. It must therefore be burdened with the losses which inexorably were suffered by the Claimant. It is also noted that the Respondent has not challenged the assertion of the Claimant that it suffered losses. In any event, the suffering of losses is self-evident. In the facts and circumstances of this case, the **Tribunal considers it appropriate to grant interest on the extra deduction of VAT effected by the Respondent (i.e. 6% minus 3.5% = 2.5%) at the rate of 8 percent per annum instead of 18 percent claimed by the Claimant.**"*

[emphasis supplied]

14. In respect of claim no.3, 'Interest Past, *Pendente Lite* and Future', the Arbitral Tribunal returned the following findings:-

"194. The Claimant has been awarded appropriate interest while deciding the individual claims. Any other claim qua interest (past and pendente-lite) stands rejected.

15. The 'Relief' section of the Award (paragraph 203) details the amounts awarded by the Arbitral Tribunal in respect of each of the individual claims. The relevant extracts in respect of claim nos.2(K), 2(L) and 2(O) are set out below:-

<i>Claim No.</i>	<i>Brief description of claim</i>	<i>Amount Claimed (In INR)</i>	<i>Awarded amount (In INR)</i>
<i>2K</i>	<i>Ser No 11 of "Disputed" part of Final Bill: Reimbursement of compensation on Short/ Less payment of RARs</i>	<i>5,77,19,935.40/-</i>	<i>The Claimant is granted 8 percent interest on the delayed payments.</i>
<i>2L</i>	<i>Ser No 12 of</i>	<i>3,24,69,263.12/-</i>	<i>The Claimant is</i>



	<i>“Disputed” part of Final Bill: Reimbursement of compensation on delayed payment of RARs</i>		<i>granted 8 percent interest on the delayed payments.</i>
2O	<i>Ser No 15 of “Disputed” part of Final Bill: Reimbursement of Extra recovery of VAT at source</i>	1,79,09,829.49	<i>The Claimant is awarded interest on the extra deduction of VAT effected by the Respondent (i.e. 6% minus 3.5% = 2.5%) at the rate of 8 percent per annum instead of 18 percent claimed by the Claimant.”</i>

16. There is no difference between the parties as regards the quantification of the amounts awarded under the aforesaid claims 2(K), 2(L) and 2(O) which are as follows:-

Claim No.	Amount Awarded
2(K)	Rs. 3,07,83,965.54
2(L)	Rs. 1,73,16,940.33
2(O)	Rs. 79,59,924.22

17. The decree holder claims *pendente lite* interest on the amounts awarded under claim nos.2(K), 2(L) and 2(O), whereas it is the contention of the judgment debtor that in terms of the Award no *pendente lite* interest has been awarded in respect of aforesaid claims.

18. A perusal of paragraph 194 of the Award set out above, clearly indicates that the Arbitral Tribunal has awarded interest in respect of some of the individual claims and any other claim *qua* interest whether past or *pendente lite* has been rejected in light of paragraph 194.



19. A reading of paragraphs 144 and 170 of the Award along with the paragraph 203 ('Relief') makes it clear that the Arbitral Tribunal, in respect of the aforesaid claim nos. 2(K), 2(L) and 2(O), has awarded 8% interest on the delayed payments. Pertinently, the Arbitral Tribunal has not awarded any *pendente lite* interest. This is in contradistinction with some of other claims, such as claim no. 2(A), claim no.2(C), claim no.2(E), claim no.2(F), claim no.2(G) and claim no.2(H), where the Arbitral Tribunal has specifically awarded *pendente lite* interest. Illustratively, a reference may be made to paragraph 203 in relation of claim no. 2(A) and 2(E), where specifically *pendente lite* interest has been awarded, as referred to below:-

Claim No.	Brief description of claim	Amount Claimed (In INR)	Awarded amount (In INR)
2A	SerNo 1 of "Disputed" part of the Final Bill: Reimbursement extra expenditure on account of change in location of site office, site store and labour camps	2,61,21,111.10/-	1,00,00,000/- with interest at the rate of 8 percent per annum from 26 th August 2019 to 7 th November 2022.
2E		4,86,787.97/-	4,86,787.97/- with interest at the rate of 8 percent per annum from 26 th August 2019 to 7 th November 2022.

[emphasis supplied]

20. Therefore, in terms of the Award, no *pendente lite* interest has been awarded in respect of claim nos. 2(K), 2(L) and 2(O).

21. Now, I will consider the differences with regard to claim no.2(N). For ease of reference, claim no.2(N) is set out below:-

"Claim No. 2 (N): Ser No 14 of "Disputed" part of Final Bill:



Reimbursement of extra expenditure incurred on extension of BGs amounting to Rs.1,74,14,257.50”

22. The Arbitral Tribunal held that the decree holder is entitled to recover the actual cost incurred in keeping the bank guarantees alive. The relevant extract from the relief granted in relation to claim 2(N) is set out below:-

<i>Claim No.</i>	<i>Brief description of claim</i>	<i>Amount Claimed (In INR)</i>	<i>Awarded amount (In INR)</i>
2N	<i>Ser No 14 of “Disputed” part of Final Bill: Reimbursement of extra expenditure incurred on extension of BGs</i>	1,74,14,257.50	<i>The Claimant is awarded the actual costs incurred by it in keeping the Bank Guarantees alive.</i>

23. A perusal of the aforesaid extract from the Award would show that the Arbitral Tribunal has not quantified the amount of cost of keeping the bank guarantees alive that was granted in favour of decree holder. Neither has the Arbitral Tribunal awarded any *pendente lite* interest in respect of the aforesaid claim, as was the case in respect of claim nos. 2(K), 2(L) and 2(O).

24. Whereas the decree holder claims a sum of ₹2,83,96,120/- towards the cost of keeping the bank guarantees alive, as per the judgment debtor the amount due is ₹84,80,594/-.

25. The judgment debtor called upon the decree holder to furnish documentary evidence in respect of the actual cost incurred by the decree holder in keeping the bank guarantees alive *vide* letter dated 7th October, 2025.

26. The undisputed amount of ₹84,80,594/- has already been paid by the judgment debtor to the decree holder. It is further stated on behalf of the judgment debtor in the aforesaid letter dated 7th October, 2025 that it is



willing to pay any further sum to the decree holder upon the decree holder furnishing proof of actual amount incurred by the decree holder if any.

27. Therefore, at this stage, no additional amounts are payable by judgment debtor to the decree holder under claim no 2(N). However, the judgment debtor shall remain bound by the statement made above. Further, in terms of the Award, no *pendente lite* interest has been granted in respect of claim no.2(N).

28. Yet another difference between the parties is with regard to the fact on what components of the Award would future interest be payable.

29. It is the contention of the decree holder that future interest would be payable on the entire amounts awarded, whereas the judgment debtor contends that future interest would be payable only on the claims that were granted *i.e.* ₹8,26,97,491/-.

30. Counsel for the judgment debtor submits that from a reading of paragraph 204 of the Award, it can be seen that the Arbitral Tribunal has granted future interest at the rate of 10.5% per annum “on the claims granted”. Therefore, future interest is payable only on the total amount of Rs.8,26,97,491/-.

31. I am unable to accept the aforesaid submission of the judgment debtor. In terms of paragraph 204 of the Award, future interest of 10.5 % has been awarded on “all the claims granted”. The claims granted are individually detailed in paragraph 203 of the Award. While some of the claims have been quantified in the paragraph 203 of the Award, the remaining claims such as claim nos. 2(K), 2(L), 2(N) and 2(O) have not been quantified. In the calculation sheet filed on behalf of judgment debtor and the decree holder, there is no dispute with regard to quantum awarded



under claim nos. 2(K), 2(L) and 2(O) as also the costs of arbitration.

32. As noted above, in respect of some of the claims, the Arbitral Tribunal has awarded *pendente lite* interests at rate of 8% per annum from 26th August, 2019 to 7th November, 2022. However, in respect of claim nos. 2(K), 2(L), 2(N) and 2(O), *pendente lite* interest has not been awarded.

33. At this stage, it may be relevant to refer to Section 31(7) of the Act which provides for award of interest in an arbitral award. The same is set out below for the sake of convenience:

“31. Form and contents of arbitral award. –

(7) (a) Unless otherwise agreed by the parties, where and in so far as an arbitral award is for the payment of money, the arbitral tribunal may include in the sum for which the award is made interest, at such rate as it deems reasonable, on the whole or any part of the money, 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.

(b) A sum directed to be paid by an arbitral award shall, unless the award otherwise directs, carry interest at the rate of two per cent higher than the current rate of interest prevalent on the date of award, from the date of award to the date of payment.”

[emphasis supplied]

34. A reference may be made to the judgment of the Supreme Court in *Hyder Consulting (UK) Limited v. Governor, State of Orissa*¹ (*Hyder Consulting*). The relevant observations made by the Supreme Court in *Hyder Consulting* (supra) are set out below:

“4. Clause (a) of sub-section (7) provides that where an award is made for the payment of money, the Arbitral Tribunal may include interest in the sum for which the award is made. In plain terms, this provision confers a power upon the Arbitral Tribunal while making an award for payment of money, to include interest in the sum for which the award is made on either the whole or any part of the money and for the whole or any part of the period for the entire pre-award period between the date on which the cause of action arose and the date on which the award is made. To put it differently, sub-section (7)(a) contemplates that an award, inclusive of

¹ (2015) 2 SCC 189.



interest for the pre-award period on the entire amount directed to be paid or part thereof, may be passed. The “sum” awarded may be the principal amount and such interest as the Arbitral Tribunal deems fit. If no interest is awarded, the “sum” comprises only the principal. The significant words occurring in clause (a) of sub-section (7) of Section 31 of the Act are “the sum for which the award is made”. On a plain reading, this expression refers to the total amount or sum for the payment for which the award is made. Parliament has not added a qualification like “principal” to the word “sum”, and therefore, the word “sum” here simply means “a particular amount of money”. In Section 31(7), this particular amount of money may include interest from the date of cause of action to the date of the award.

*7. Thus, when used as a noun, as it seems to have been used in this provision, the word “sum” simply means “an amount of money”; whatever it may include — “principal” and “interest” or one of the two. **Once the meaning of the word “sum” is clear, the same meaning must be ascribed to the word in clause (b) of sub-section (7) of Section 31 of the Act, where it provides that a sum directed to be paid by an arbitral award “shall ... carry interest ...” from the date of the award to the date of the payment i.e. post-award. In other words, what clause (b) of subsection (7) of Section 31 of the Act directs is that the “sum”, which is directed to be paid by the award, whether inclusive or exclusive of interest, shall carry interest at the rate of eighteen per cent per annum for the post-award period, unless otherwise ordered.***

8. Thus, sub-section (7) of Section 31 of the Act provides, firstly, vide clause (a) that the Arbitral Tribunal may include interest while making an award for payment of money in the sum for which the award is made and further, vide clause (b) that the sum so directed to be made by the award shall carry interest at a certain rate for the post-award period.”

[emphasis supplied]

35. In light of the above, all the amounts that have been awarded by the Arbitral Tribunal including the claims which have not been specifically quantified in the Award such as claim nos. 2(K), 2(L), 2(N) and 2(O), would be ‘*sum directed to be paid by an arbitral award*’ in terms of section 31(7)(b) of the Act and would have to be included for the purposes of calculating future interest. Similarly, wherever *pendente lite* interest has been awarded, the same would be included for the purposes of calculating



future interest.

36. In respect of claims granted under claim nos.2(K), 2(L), 2(O) and 2(N) even though the decree holder is not entitled to *pendente lite* interest, the decree holder would be entitled to future interest at the rate of 10.5% per annum.

37. The next point of difference between the parties is with regard to the date from which the future interest would run. In this regard reference may be made to paragraph 204 of the Award which is set out below:-

“204. The Claimant is granted a total amount of Rs. 8,26,97,491/- (Eight Crores Twenty-Six Lacs Ninety-Seven Thousand Four Hundred Ninety One only) along with interest granted under the respective heads and the cost of litigation and arbitration which shall be payable by the Respondent to the Claimant, within a period of two (2) months from the day following the date of Award, failing which the Claimant is granted an interest at the rate of 10.5 percent per annum (on the claims granted) for the period from the day following the date of the Award till realization”

38. It is the contention of the decree holder that the future interest at the rate of 10.5% per annum would run from 8th November, 2022 to 7th February, 2024 the date on which the amount was deposited by the judgment debtor in Court, whereas it is the contention of the judgment debtor that the future interest would run from 24th January, 2023 to 7th February, 2024.

39. The reading of the aforesaid extract from paragraph 204 the Award makes it abundantly clear that the respondent/judgment debtor was granted a period of two months from the date of award, *i.e.* 7th November, 2022 to make the due payments and it was further provided that if the judgment debtor fails to make the due payments under the Award within two months, the claimant would be entitled to interest at the rate of 10.5% per annum from the day following the date of Award till date of realisation. Had the judgment debtor paid the awarded amount within two months, there would



have been no future interest. However, since the judgment debtor did not pay the awarded amount within the two months granted, the future interest would be payable from 8th November, 2022.

40. Based on the above, the judgment debtor shall file its revised calculation of the amounts due to the decree holder within four weeks from today. Further, the amounts due to the decree holder in terms of the revised calculation shall be paid within six weeks from today.

41. The present enforcement petition is disposed of in light of the discussion above.

42. All pending applications stand disposed of.

**AMIT BANSAL
(JUDGE)**

**JANUARY 6, 2026
ds**