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

% Date of Decision: 28<sup>th</sup> August, 2025

+ CS(COMM) 309/2025 & I.A. 15467/2025

M/S JHA CONSTRUCTIONS PVT. LTD. .....Plaintiff

Through: Mr. Dheeraj Gupta, Advocate.

versus

MUNICIPAL CORPORATION OF DELHI

& ANR. .....Defendants

Through: Mr. Vikas Chopra, SC with Mr.

Neeraj Kumar, Advocate.

**CORAM:** 

HON'BLE MS. JUSTICE JYOTI SINGH

# **JUDGEMENT**

# JYOTI SINGH, J. (ORAL)

#### I.A. 15018/2025

- 1. This application is filed on behalf of the Plaintiff for passing a decree in favour of the Plaintiff and against the Defendants in the sum of Rs. 3,03,30,476/-, which includes pre-suit interest upto 28.02.2025. Future interest is claimed @ 18% per annum from the date of filing of the suit till actual payment.
- 2. To the extent necessary, the facts are that a Work Order was awarded by the Defendants in favour of the Plaintiff on 03.01.2020, whereafter a formal Agreement was executed on 06.01.2020 and the work commenced. 1<sup>st</sup> running bill was submitted by the Plaintiff on 26.05.2020, which was duly checked and audited on 28.05.2020. The bill was passed on 29.05.2020 for payment to the Plaintiff. Likewise, the 2<sup>nd</sup> running bill submitted on

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- 22.12.2020 was passed for payment on 29.01.2021. This process continued for the remaining bills upto the 7<sup>th</sup> and final bill submitted on 27.06.2023. However, payment was made only with respect to the 1<sup>st</sup> bill and this compelled the Plaintiff to file the present suit.
- 3. Written statement was filed by the Defendants, in which the liability to pay the amounts due under 2<sup>nd</sup> to 7<sup>th</sup> and final bill, amounting to Rs. 1,99,96,323/- is admitted and it is stated that the entire principal amount has been paid to the Plaintiff on 09.04.2025, after deducting statutory dues on account of taxes/GST and nothing is outstanding. Defendants have denied payment of interest in the absence of any clause to this effect in the Work Order as also on the ground that the rate of interest sought, is excessive and exorbitant.
- 4. Learned counsel for the Plaintiff submits that Coordinate Bench of this Court in *North Delhi Municipal Corporation and Anr. v. Sanjeev Kumar, 2018 SCC OnLine Del 8053*, has decided the issue of grant of interest on delayed payments to contractors by North Delhi Municipal Corporation ('NDMC') and East Delhi Municipal Corporation ('EDMC') examining the clauses of GCC and held that a reasonable period must be fixed, within which payments should be released to the contractors once the final bills are passed, failing which they will be entitled to interest. Counsel for the Defendants is unable to distinguish the judgment *albeit* it is contended that once the principal amount has been received by the Plaintiff, it is not entitled to interest, more so when liability to pay interest is not admitted in the written statement.
- 5. Heard learned counsels for the parties and examined their submissions.

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- 6. In light of the fact that principal amount payable under 2<sup>nd</sup> to 7<sup>th</sup> bills has been received by the Plaintiff on 09.04.2025, it is not necessary to delve into this aspect. The only question therefore that arises for consideration is whether Plaintiff is entitled to interest on delayed payment on outstanding and admitted dues and if so, at what rate and from which date. This in turn requires determination as to whether a decree can be passed in these facts under Order XII Rule 6 CPC.
- 7. Having perused the judgment of this Court in *North Delhi Municipal Corporation (supra)*, I find merit in the contention of the Plaintiff that on the aspect of interest on delayed payments, case of the Plaintiff is covered by the said judgment on all four corners. In the said case, Court was considering a batch of appeals arising out of disputes between the contractors on one hand and NDMC and EDMC on the other. Various Work Orders were placed on the contractors by the Corporations, which were executed and despite the bills being passed by the Engineer-in-Charge, monies were not paid. Suits for recovery were filed by the contractors, which were decreed by the Trial Court. The claims of the contractors in respect of each of the Work Orders, as captured in paragraph 3 of the judgment are as follows:-
  - "a. Payment of the principal amount as passed in the final bill;
  - b. Refund of security deposit;
  - c. Interest on account of late payment of the principal amount, as also due to delay in refund of security deposit."
- 8. Corporations refuted the claims and relied on Clauses 7 and 9 of General Conditions of Contract ('GCC') as also Circular dated 10.06.2014. The questions arising before the Court for consideration are as under:-

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- "(i) Whether payment of the principal amount can be delayed in view of Clause 7 and Clause 9 of the General Conditions of Contract read with the amendments?
- (ii) Whether the refund of earnest money/security deposit can be delayed in view of Clauses 17 and 45 of the General Conditions of Contract? (iii) Whether interest is payable on delayed payments/refunds and if so, for
- which period?"
- 9. Before going into the merits of the dispute with regard to payment of interest, Court examined whether the Trial Court had rightly invoked the provisions of Order XII Rule 6 CPC in decreeing the suits and on this aspect held that Trial Court's judgment could not be faulted with. Relevant observations are as under:-

"Order XII Rule 6

- 66. Further reliance has also been placed on a number of orders in respect of Order XII Rule 6 and as to when a decree on admission can be passed. In the present case, no oral evidence is actually required to be adduced. The awarding of the contract is not disputed. The execution of the contract is not disputed. The final bill having been passed by the Engineer-in-Charge is not disputed. What is disputed is the time when the payment is to be made. This is only a matter of interpretation of the Clauses of the General Conditions of Contract. In cases where there are factual disputes, evidence can be led to adjudicate those facts. However, in the present cases, there being no factual dispute and only a question of application of the Clauses of the General Conditions of Contract and their interpretation is involved, the approach of the Trial Court in applying Order XII Rule 6 of the CPC cannot be faulted.
- 67. It is the settled position in law, even in the authorities cited by the Corporation that when the pleadings are clear, they constitute admission. A reading of the written statement shows that the Corporation does not seriously dispute the passing of the final bills and the amount of Security deposited. Only the interest component is seriously disputed.
- 68. As per Himani Alloys Ltd. v. Tata Steel Ltd., (2011) 15 SCC 273 cited by the Corporation, the test for the invoking of Order XII Rule 6 of the CPC being that the admission so made must clear and unequivocal, on the face of which it is impossible for the party making it to succeed. In the light of the stand in the written statement, there is a clear admission as to the final bill amount as also that the Contractor has to wait in a queue. Thus the Trial Court has rightly invoked the provisions of Order XII Rule 6."

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10. It is thus clear that Plaintiff can seek a decree under Order XII Rule 6 CPC in the given facts where liability to pay the outstanding dues is admitted and determination is limited to payment of interest. On question No. (iii) i.e., grant of interest, Court observed that it is completely unconscionable and illegal for the Corporations to argue that no interest was payable. Reference was made to judgment of this Court in R.K. Pabbi v. DDA & Anr., 2014 SCC OnLine Del 122 and Varinder Jeet Singh v. Municipal Corporation of Delhi & Anr., 2013 SCC OnLine Del 403. In the latter judgment, this Court held that it is settled law that if a person is deprived of use of money, to which he is legitimately entitled, he has a right to be monetarily compensated for such deprivation. The object behind awarding interest to a party, who has suffered loss, due to a legitimate deprivation of enjoyment of the use of money that he was entitled to rightfully, is to balance the equities and while doing so, facts in each case must be examined by the Court. Court also examined the contention of the Corporations that in light of the amendment dated 19.05.2006, they were not liable to pay interest on delayed payments. Negating this contention, Court observed that provisions of Section 3 of The Interest Act, 1978 ('1978 Act') and Section 34 CPC recognize that Court may allow interest to a person entitled to any debt or damages. Examining Clauses 7 and 9 of GCC, which provided that no interest was payable to the contractor in case of delay in payment on account of non-availability of funds in the head of account of MCD, Court held that a contract which stipulates that consideration would be paid in an unforeseen time in the future based on certain facts, which are indeterminable, would be a contract without consideration and even if it is held to be a valid contract, concept of 'reasonableness' has to be read into

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the same. Basis Section 46 of the Contract Act, 1872 ('1872 Act') and the Explanation thereto, Court held that reasonable time for making payments of final bills in respect of Work Orders upto Rs. 5 lakhs shall be 6 months and for those exceeding Rs. 5 lakhs shall be 9 months, from the date when the bills are passed by the Engineer-in-Chief. Relevant paragraphs from the judgment are as follows:-

#### "Question No. 3-Whether Interest is payable?

69. The question that now arises is as to whether interest is payable on the principal amount and the delay in refund of security deposit. This question has been considered by two Single Judges of this Court in cases involving almost identical clauses in R.K. Pabbi v. DDA [CS(OS) No. 1368/2012 dated 9th January, 2014] and Varinder Jeet Singh v. Municipal Corporation of Delhi, (2013) 134 DRJ 284 (hereinafter, 'Varinder Jeet Singh'), which in turn relied upon the decision of a Single Judge of this Court in Jagbir Singh (supra). The judgement in Varinder Jeet Singh (supra), after discussing the law on the subject held:

"15. It is settled law that if a person is deprived of the use of money to which he is legitimately entitled, he has a right to be monetarily compensated for the said deprivation. [Ref: (1992) 1 SCC 508: Secretary, Irrigation Deptt. Govt. of Orissa v. G.C. Roy; (2004) 5 SCC 65: Ghaziabad Development Authority v. Balbir Singh, and (2009) 8 SCC 507: Sri. Venkateswara Syndicate v. Oriental Insurance Company Ltd.]. The object behind awarding interest to a party, who has suffered loss, due to a legitimate deprivation of the enjoyment of the use of money that he was entitled to rightfully, is to balance the equities and while doing so, the facts involved in each case must be examined by the Court.

16. The statutory provisions with regard to payment of interest are laid down in Section 3 of the Interest Act, 1978, that provides that in any proceedings for the recovery of any debt or damages or in any proceedings in which a claim for interest in respect of any debt or damages already paid is made, the court may, if it thinks fit, allow interest to the person entitled to the debt or damages or to the person making such claim, as the case may be, at a rate not exceeding the current rate of interest, if the proceedings do not relate to a debt payable by virtue of a written instrument at a certain time, from the date mentioned in this regard in a written notice given by the person entitled or the person making the claim to the person liable, then interest will be claimed, till the date of institution of the proceedings.

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- 17. In the present case, admittedly, the plaintiff had issued a notice dated 09.04.2009, calling upon the defendants/MCD to clear the outstanding dues with interest payable @ 24% per annum. In view of the provisions contained in Section 3 of the Interest Act, 1978, the plaintiff is entitled to claim interest from the date, the principal amount was due and payable to him by the defendants/MCD..."
- 70. In almost similar circumstances, a Contractor had filed a suit under Order XXXVII of the CPC against the MCD claiming interest on delayed payments. In NDMC v. Prem Chand Gupta [RFA Nos. 623/2017 and 628/2017 dated 17th July, 2017] (hereinafter, 'Prem Chand Gupta') a Single Judge of this Court held that under Clause 9 of the General Conditions of Contract, interest is liable to be paid. The relevant portion is extracted herein below:
  - "5. In view of the ratio laid down in the case of N.K. Garg Co. (supra), it is held that the appellant/defendant cannot claim on the basis of Clause 9, that it is not liable to pay interest. The court below has thus rightly decreed the suit for the rate of interest at 8/9% per annum."
- 71. This judgment has relied upon another judgment of a Single Judge of this Court in Union of India v. N.K. Garg, 2015 (224) DLT 668 (hereinafter, 'N.K. Garg') wherein the Court had held that non-payment of interest would be contrary to the provisions of the Interest Act, 1978. The Corporation argues that the judgment in N.K. Garg (supra) has been stayed by a Division Bench of this Court in FAO(OS) No. 73/2016 vide order dated 9th March, 2016. However, the judgment in Prem Chand Gupta (supra) has not been reversed or set aside. In fact, the order in Prem Chand Gupta (supra) has also been reiterated subsequently on 14th September, 2017, when the Corporation had sought recall of the order dated 17thJuly, 2017 on the ground that the judgment in N.K. Garg (supra) had been stayed. While dealing with the judgment in N.K. Garg (supra), the Single Judge of this Court reiterated the order dated 17th July, 2017 in the following terms:
  - 2. The applications for recall of the judgment dated 17.7.2017 are misconceived. Whenever a judgment is appealed from and operation of the judgment is stayed, it is the operative part of the judgment which is stayed and not the legal position on the basis of which the case is decided. This is because a judgment is judgment between two private parties and is a judgment in personam and not a judgment in rem. The judgment of this Court dated 17.7.2017 relying upon Union of India v. N.K. Garg & Co. 2015 (224) DLT 668 is therefore not wrong as argued by the appellant and simply because the judgment in the case of N.K. Garg & Co. (supra) has been challenged before a

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Division Bench of this Court and the Division Bench has stayed operation of the judgment in the case of N.K. Garg & Co. (supra).

- 3. If the contention of the applicant/appellant is accepted as correct, then, the same would result in the fact that if a case is decided on a particular legal position, and the judgment in that case is subject matter of appeal and operation of which is stayed, then, no further case can at all be decided in terms of the legal proposition laid down in the judgment which is appealed.
- 4. Another argument which is urged before this Court is that other coordinate benches of this Court have held that in view of clause that interest is not payable, hence, interest could not be paid, however, the argument is misconceived because the judgment in the case of N.K. Garg & Co. (supra) proceeds on the basis that such a clause denying interest is itself hit by Section 23 of the Contract Act, 1872 and hence such a clause denying interest is void and therefore cannot be relied upon."
- 72. On this aspect, the Corporation unabashedly relies on the amendment dated 19th May, 2006. In effect, therefore, the Corporation says that it would not pay any interest in case of delayed payments as per the amended conditions of contract. Thus, even if a Contractor is willing to wait, for God knows how long, he would not be entitled to any interest.
- 73. The provisions of Section 3 of The Interest Act, 1978 and Section 34 of the CPC clearly recognize that the Court may allow interest to the person entitled to the debt or damages. The question is whether interest would be awardable even if the contract prohibits the same. The question of award of interest in commercial contracts has been discussed by the Supreme Court in Union of India v. Bright Power Projects (I) P. Ltd., (2015) 7 SCALE 638 (hereinafter 'Bright Power') and recently in Chittaranjan Maity v. Union of India, (2017) 9 SCC 611 (hereinafter 'Chittaranjan Maity'). Both these cases dealt with the prohibition of award of interest in the context of Section 31(7)(a) of the Arbitration & Conciliation Act, 1996 (hereinafter, '1996 Act'). In these two cases the Supreme Court held that when the terms of the agreement had prohibited award of interest, the arbitrator could not award interest pendente lite.
- 74. Clause 9 in the present case, which deals with interest not being liable to be paid, merely stipulates as under:

"Clause 9............ No interest shall be payable to the contractor in case of delay in payment on account of non-availability of fund in the particular head of account of MCD. (i) If the tendered value of work is upto Rs. 5 lacs: 6 months (ii) If the tendered value of work exceeds Rs. 5 lacs: 9 months"

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- 75. The Clause in the present case does not prohibit award of interest. It merely stipulates that no interest is payable in case of delay due to non-availability of funds, for a period of 6 months and 9 months, meaning thereby any delay beyond the said period would attract interest. This is in contradistinction to clauses which contain absolute prohibitions for payment of interest. The Supreme Court in Secy, Irrigation Deptt Govt. of Orissa v. G.C. Roy, (1992) 1 SCC 508 (hereinafter 'G.C. Roy') held as under:
  - "43. The question still remains whether arbitrator has the power to award interest pendente lite, and if so on what principle. We must reiterate that we are dealing with the situation where the agreement does not provide for grant of such interest nor does it prohibit such grant. In other words, we are dealing with a case where the agreement is silent as to award of interest. On a conspectus of aforementioned decisions the following principles emerge:
    - (i) A person deprived of the use of money to which he is legitimately entitled has a right to be compensated for the deprivation, call it by any name. It may be called interest, compensation or damages. This basic consideration is as valid for the period the dispute is pending before the arbitrator as it is for the period prior to the arbitrator entering upon the reference. This is the principle of Section 34, Civil Procedure Code, and there is no reason or principle to hold otherwise in the case of arbitrator.
    - (ii) An arbitrator is an alternative form (sic forum) for resolution of disputes arising between the parties. If so, he must have the power to decide all the disputes or differences arising between the parties. If the arbitrator has no power to award interest pendente lite, the party claiming it would have to approach the court for that purpose, even though he may have obtained satisfaction in respect of other claims from the arbitrator. This would lead to multiplicity of proceedings.
    - (iii) An arbitrator is the creature of an agreement It is open to the parties to confer upon him such powers and prescribe such procedure for him to follow, as they think fit, so long as they are not opposed to law. (The proviso to Section 41 and Section 3 of Arbitration Act illustrate this point). All the same, the agreement must be in conformity with law. The arbitrator must also act and make his award in accordance with the general law of the land and the agreement.
    - (iv) Over the years, the English and Indian Courts have acted on the assumption that where the agreement does not prohibit and a party to the reference makes a claim for interest, the arbitrator must have the power to award interest pendente lite. Thawardas

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has not been followed in the later decisions of this Court. It has been explained and distinguished on the basis that in that case there was no claim for interest but only a claim for unliquidated damages. It has been said repeatedly that observations in the said judgment were not intended to lay down any such absolute or universal rule as they appear to, on first impression. Until Jena case almost all the Courts in the country had upheld the power of the arbitrator to award interest pendente lite. Continuity and certainty is a highly desirable feature of law.

- (v) Interest pendente lite is not a matter of substantive law, like interest for the period anterior to reference (pre-reference period). For doing complete justice between the parties, such power has always been inferred"
- 76. The judgment of the Constitution Bench in G.C. Roy (supra) was under the Arbitration Act, 1940 where a provision similar to Section 37(1)(a) of the 1996 Act, was not present. G.C. Roy (supra) clearly holds that interest would be payable depending on the terms of the contract.
- 77. Such a clause is clearly violative of the provisions of the Interest Act, 1978 and the Contract Act as has been held in Prem Chand Gupta (supra) wherein this Court has held that non-payment of interest is invalid and void as per Sections 16(2) and 23 of the Contract Act.
- 78. A conjoint reading of Clauses 7 & 9 along with the amendment dated 19th May, 2006, clearly shows that for the payment of bills, the Contractors have to follow the queue basis and as and when the amount is available under the particular head of account, the amount would be payable. The amendment does not, however, have a condition that no interest is payable for delayed payment. Such a condition exists only in Clause 7. Clause 9, therefore, when read with the amendment has to mean that the Corporation itself considers 6 months and 9 months to be the reasonable periods for which the payments of the final bills can be held back. Obviously, therefore, if payments are made, whether on a queue basis or otherwise, beyond the period of 6 months and 9 months, interest is payable.
- 79. In view of the question of interest having been gone into detail and non-payment having been held to be illegal by various Single Judges of this Court, in cases involving the Corporations, it is held that non-payment of interest beyond the period of 6 months and 9 months, as stipulated in Clause 9 of the General Conditions of Contract, would be contrary to law. Hence, the Contractors are entitled for payment of interest after a period of 6 months 9 months respectively.
- 80. It is completely unconscionable and illegal for the Corporation to argue that no interest is payable. Thus, in those cases where the

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Contractor has complied with the various conditions in respect of Principal and refund of Security deposit, interest would be payable.

### **Conclusions and Findings**

- 81. The General Conditions of Contract i.e., clauses 7 and 9 which are admittedly part of the work orders issued by both the NrDMC and the EDMC are being tested in these batch of cases. A contract which stipulates that the consideration would be paid in an unforeseen time in the future based on certain factors which are indeterminable, would in effect be a contract without consideration. Even if the contract is held to be a valid contract, then the concept of 'reasonableness' has to be read into the same. Section 46 of the Contract Act and the explanation thereto is clear that "what is a reasonable time is a question of fact in each case." A Corporation which gets works executed cannot therefore include terms in the contract which are per se unconscionable and unreasonable as
  - a) There is no fixed time period as to when the funds would be available;
  - b) There is also no fixed mechanism to determine as to when and in what manner the head of account is to be determined and as to how the Contractor would acquire knowledge of these two facts;
  - c) There is also no certainty as to how many persons are in the queue prior to the Contractor and for what amounts;
  - d) There is enormous ambiguity in the receipt under the particular heads of accounts.
- 82. These clauses in effect say that the Contractor is left with no remedy if the Corporation does not pay for the work that has been executed. Such a Clause would be illegal and contrary to law. Such clauses, even in commercial contracts, would be contrary to Section 25 read with Section 46 of the Contract Act.
- 83. The clauses do not specify an outer time limit for payment. <u>The expression reasonable time has to be 'a time'</u>. The concept of time itself is ensconced with specificity and precision. Clause 9 is the opposite of being <u>precise</u>. It is as vague and ambiguous as it could be because it depends on factors which are totally extraneous to the contract, namely
  - Allotment of funds to the Corporation by the Government;
  - Allotment of funds in a particular head;
  - Allotment of funds for payments who are in queue prior to the contractor;
- 84. Thus, these factors, which are beyond the control of the Contractor and which would govern the payment of consideration, make the said

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clauses of the contract completely unreasonable. The clauses have to thus, be read or interpreted in a manner so as to instill reasonableness in them.

- 85. By applying the above said principles, in respect of final bills raised by Contractors for works executed, that have been approved by the Engineer-in-Charge, the Clauses have to be read in the following manner:
  - a) Reasonable time for making of payments of final bills in respect of work orders up to Rs. 5 lakhs shall be 6 months and work orders exceeding Rs. 5 lakhs shall be 9 months from the date when the bill is passed by the Engineer-in-Charge.
  - b) The queue basis can be applicable for the payments to be made in chronology. However, the outer limit of 6 months and 9 months cannot be exceeded, while applying the queue system.
  - c) The payments are held to become due and payable immediately upon the expiry of 6 months and 9 months and any non-payment would attract payment of interest for the delayed periods.
  - d) A conjoint reading of Clauses 7 & 9 along with the amendment dated 19th May, 2006, clearly shows that for the payment of bills, the contractors have to follow the queue basis and as and when the amount is available under the particular head of account, the amount would be payable. The amendment does not, however, have a condition that no interest is payable for delayed payment. Such a condition exists only in Clause 7. Clause 9, therefore, when read with the amendment has to mean that the Corporation itself considers 6 months and 9 months to be the reasonable periods for which the payments of the final bills can be held back. Obviously, therefore, if payments are made, whether on a queue basis or otherwise, beyond the period of 6 months and 9 months, interest is payable.
  - e) To the extent that queue basis is applied only for clearing of payments which do not extend beyond the period of 6 months and 9 months period, it is reasonable. However, if the queue basis is applied in order to make Contractors wait for indefinite periods for receiving payments, then the same would be unreasonable and would have to therefore be read down.
  - f) The Security amount/Earnest money deposited would be refundable upon the fulfilment of the conditions contained in Clauses 17 and 45 of the General Conditions of Contract. Interest would be payable on delayed payments.

xxx xxx xxx

87. On the basis of the facts, the pleadings and the evidence recorded, the Contractor's suit is liable to be decreed as under:

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- i) Decree for a sum of Rs. 1,00,831/- towards the refund of security amount along with simple interest @ 8% p.a. from date of decree by the Trial Court i.e., 2nd December, 2016 till payment;
- ii) In so far as the principal amount and interest thereon is concerned, the parties are bound by order dated 1st December, 2016 as they related to the same transactions/work orders;
- 88. The Corporation is directed to make the payment within 8 weeks, failing which, 12% interest p.a. shall be payable upon expiry of the said period till the date of payment."
- 11. Coming to the instant case, award of the Work Order is not disputed. Execution of the contract is also not disputed. It is equally undisputed that the final bills were passed by the Engineer-in-Chief from time to time but the amounts were paid belatedly on 09.04.2025. Following the judgment in in *North Delhi Municipal Corporation (supra)* and the settled law that if a person is deprived of his money, he must be compensated for such deprivation, I am of the view that this application deserves to be allowed and Plaintiff is entitled to a decree for payment of interest on the principal amounts due under 2<sup>nd</sup> to 7<sup>th</sup> bills from the Defendants. Defendants have clearly and unequivocally admitted their liability to pay these amounts in the written statement, which position is not controverted even today by counsel for the Defendants.
- 12. Application is accordingly allowed and disposed of.

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13. Plaintiff has detailed the nature and dates of bills as also net payable amount in the plaint along with interest @ 18% per annum, in a tabular form. As per details given, 2<sup>nd</sup> running bill was passed on 29.01.2021; 3<sup>rd</sup> running bill on 30.06.2021; 4<sup>th</sup> running bill on 30.09.2021; 5<sup>th</sup> running bill on 29.10.2021; 6<sup>th</sup> running bill on 31.12.2021; and 7<sup>th</sup> and final bill on

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31.07.2023. Admittedly, the amounts due under the bills were paid on 09.04.2025 and thus there is delay in payment of the outstanding dues. In light of the judgment in *North Delhi Municipal Corporation (supra)* and admission of the Defendants as also provisions of The Interest Act, 1978, Plaintiff is held entitled to grant of interest on delayed payments under the various bills from 2<sup>nd</sup> to 7<sup>th</sup> and final bill.

- 14. Suit is decreed in favour of the Plaintiff and against the Defendants for recovery of Rs. 1,99,96,323/- i.e., the principal amount along with interest @ 10.9% per annum, which is the current rate of interest for unsecured debts, payable from expiry of 9 months in respect of 2<sup>nd</sup> to 6<sup>th</sup> bills and expiry of 6 months in respect of 7<sup>th</sup> bill, from the dates on which the respective bills were passed for payment by Engineer-in-Chief until 09.04.2025, when the principal amount was received by the Plaintiff.
- 15. Decree sheet will be drawn up by the Registry.
- 16. Suit stands disposed of with pending application.

JYOTI SINGH, J

AUGUST 28, 2025 Shiyam/Ch