

IN THE HIGH COURT FOR THE STATE OF TELANGANA
AT HYDERABAD

TUESDAY, THE TENTH DAY OF FEBRUARY
TWO THOUSAND AND TWENTY SIX

PRESENT

THE HONOURABLE SRI JUSTICE K.LAKSHMAN

THE HONOURABLE SRI JUSTICE VAKITI RAMAKRISHNA REDDY

CIVIL REVISION PETITION NOS: 2864 OF 2007, 3563, 3564 AND 3669 OF 2012

CRP NO: 2864 OF 2007

Petition under Section 115 of CPC against the order dated 08-06-2007 in E.P.No. 1 of 2004 in Arbitration Case No. PAC 2/2000 on the file of the Court of the Chief Judge, City Civil Courts, Hyderabad.

Between:

1. Union of India represented by its Secretary to Govt. of, India, Dept. of Telecom, New Delhi, Stateman House Barakhamba road, New Delhi-110001.
2. Deputy Director General (MT), O/o. CMD, BSNL, Stateman House Barakhamba road, New Delhi-1.
3. Asst. Director General (MT), O/o. CMD, BSNL, Stateman House Barakhamba road, New Delhi-1.
4. Chief General Manager Telecom., BSNL, AP. Circle, Doorsanchar Bhavan, Nampally Station Road, Hyderabad-1.
5. Accounts Officer, Controller of Telecom Stores, Chennai. 600 006.

...PETITIONERS/APPELLANT/JDr.

AND

M/s. Sinclair Ingfo Tech Ltd., Hyderabad Represented by its Executive Director, Sri B.V. Rama Rao, II Floor Apel Complex, ECIL Post, Kusaiguda, Hyderabad-500062

...RESPONDENT/DHr

I.A. NO: 1 OF 2007(CRPMP. NO: 3702 OF 2007)

Petition under Section 151 CPC praying that in the circumstances stated in the affidavit filed in support of the petition, the High Court may be pleased to stay all further proceedings pursuant to order dated 8/6/2007 in EP No. 1/2004 in the Court of Chief Judge, City Civil Court, Hyderabad.

CIVIL REVISION PETITION NO: 3563 OF 2012

Petition under Section 115 of CPC against the order dated 09-02-2012 in E.P.No. 12 of 2005 in Arbitration Case No. PAC 4/2000 on the file of the Court of the IX Additional Chief Judge (FTC), City Civil Court, Hyderabad.

Between:

1. Union of India, Rep. by its Secretary to Government Telecommunications, Sanchar Bhavan, 20, Ashoka Road., New Delhi 01
2. The Deputy director General, Bharat Sanchar Nigam Ltd., Sanchar Bahavan, 20, Ashok Road., New Delhi
3. The Assisat Director General (MT), Bharat Sanchar Nigam Ltd., Sanchar Bahavan, 20, Ashok Road, New Delhi
4. The Chief General Manager, Bharat Sanchar Nigam Ltd., AP Telecom Circle, Nampally Station Road., Hyderabad
5. The Accounts Officers, CTS., O/o. The Director, Telecom Stores, Chennai 600 008

...PETITIONERS/JUDGMENT DEBTORS

AND

1. M/s. MIC Electronics Limited, A Company incorporated under the provisions of Indian Companies Act, 1956 having its registered office at A-4, Electronic Complex, ECIL Post, Kushaiguda, Hyderabad-500 062 Rep. by its Managing Director, Dr.M.V.Ramana Rao

...RESPONDENTS/DECREE HOLDER

CRPMP. NO: 4703 OF 2012

Petition under Section 151 CPC praying that in the circumstances stated in the affidavit filed in support of the petition, the High Court may be pleased to stay all further proceedings pursuant to order dated 9-2-2012 in EP No. 12 of 2004 in the Court of the IX Additional Chief Judge (FTC) City Civil Court, Hyderabad.7

CIVIL REVISION PETITION NO: 3564 OF 2012

Petition under Section 115 of CPC against the order dated 09-02-2012 in E.P.No. 10 of 2005 in Arbitration Case No. PAC 3/2000 on the file of the Court of the IX Additional Chief Judge (FTC), City Civil Court, Hyderabad.

Between:

1. Union of India, Rep., by its Secretary of Government, Telecommunications, Sanchar Bhavan, 20, Ashoka Road, New Delhi 01.

2. The Deputy Director General, Bharat Sanchar Nigam Limited, Sanchar Bhavan, 20, Ashok Road, New Delhi.
3. The Assistant Director General (MT), Bharat Sanchar Nigam Limited, Sanchar Bhavan, 20, Ashoka Road, New Delhi 01.
4. The Chief General Manager,, Bharat Sanchar Nigam Limited, A.P. Telecom Circle, Namapally Station Road, Hyderabad.
5. The Accounts Officer, CTS., O/o. The Director, Telecom Stores, Chennai - 600 008.

...PETITIONERS/JUDGMENT DEBTORS

AND

M/s. ARM Limited., A Company, incorporated Under the Provisions of Companies Act 1956, Having its registered office at 7-139, Habsiguda, Hyderabad - 500 007, Represented by its whole time Director, P.Sumanth.

...RESPONDENT/DECREE HOLDER

I.A. NO: 2 OF 2012(CRPMP. NO: 4704 OF 2012)

Petition under Section 151 CPC praying that in the circumstances stated in the affidavit filed in support of the petition, the High Court may be pleased to stay all further proceedings pursuant to the order dt. 09-02-2012 on EP No. 10 of 2005 in the court of the IX Addiltional Chief Judge (FTC) City Civil Court Hyderabad pending disopal of the above CRP.

CIVIL REVISION PETITION NO: 3669 OF 2012

Petition under Section 115 of CPC against the order dated 09-02-2012 in E.P.No. 14 of 2005 in Arbitration Case No. PAC 1/2000 on the file of the Court of the IX Additional Chief Judge (FTC), City Civil Court, Hyderabad.

Between:

1. Union of India, Rep.by its Secretary to Government, Telecommunications, Sanchar Bhavan, 20, Ashoka Road, New Delhi-01.
2. The Deputy director General, Bharat Sanchar Nigam Limited, Sanchar Bahavan, 20, Ashok road, New Delhi,
3. The Assistant Director General (MT), Bharat Sanchar Nigam Limited, Sanchar Bahavan, 20, Ashok road, New Delhi.
4. The Chief General Manager, Bharat Sanchar Nigam Limited, A.P.Telecom Circle, Nampally Station Road, Hyderabad.
5. The Accounts Officer, CTS, O/o.The Director, Telecom Stores, Chennai-600 008.

...PETITIONERS/JUDGMENT DEBTORS

AND

M/s Phoenix Telecommunications Limited, A Company incorporated under the Provisions of Indian Companies Act, 1956 Since amalgamated vide order dt.14-9-2000 with M/s. MIC Electronics Limited, Having its registered office at A-4, Electronic Complex, ECIL Post, Kushaiguda, Hyderabad-500 0062, Rep.by its Managing Director, Dr.M.V.Ramana Rao.

...RESPONDENTS/DECREE HOLDER

I.A. NO: 3 OF 2012(CRPMP. NO: 4834 OF 2012)

Petition under Section 151 CPC praying that in the circumstances stated in the affidavit filed in support of the petition, the High Court may be pleased to stay of all further proceedings pursuant to the order dt.09.02.2012 in E.P.No.14 of 2005 in the Court of the IX Additional Chief Judge (FTC) City Civil Court, Hyderabad, pending disposal of the above CRP.

**Counsel for the Petitioners in all CRP's : Smt. T. Balajaysree
(Standing Counsel for BSNL)**

**Counsel for the Respondent in
CRP No. 2864 of 2007 : Sri P. Vinayaka Swamy**

**Counsel for the Respondent in
CRP No. 3563, 3564 and 3669 of 2012 : None Appeared**

The Court made the following: COMMON ORDER

**IN THE HIGH COURT FOR THE STATE OF TELANGANA
AT: HYDERABAD**

HON'BLE SRI JUSTICE K. LAKSHMAN

AND

HON'BLE SRI JUSTICE VAKITI RAMAKRISHNA REDDY

CIVIL REVISION PETITION NOS. 2864 OF 2007, 3563, 3564

AND 3669 OF 2012

Date:10-02-2026

CRP 2864 OF 2007:

Between

Union of India, rep. by its secretary
Department of Telecommunications
New Delhi and others

...Petitioners

and

M/s Sinclair Infratech Pvt.Ltd

...Respondent

CRP 3563 OF 2012

Between

Union of India, rep. by its secretary
Department of Telecommunications
New Delhi and others

...Petitioners

and

M/s MIC Electronics Limited

...Respondent

CRP 3564 OF 2012:

Between

Union of India, rep. by its secretary
Department of Telecommunications
New Delhi and others

...Petitioners

and

M/s ARM Limited

...Respondent

CRP 3669 OF 2012:

Between

Union of India, rep. by its secretary
Department of Telecommunications
New Delhi and others

...Petitioners

and

M/s Phoenix Telecommunications Limited

...Respondent

This Court passed the following

COMMON ORDER (per Hon'ble Sri Justice K.Lakshman)

Heard Mrs. T. Bala Jayashree, learned Counsel for petitioners
and Mr. P. Vinayak Swamy, learned counsel for the respondent in
C.R.P.No.2864 of 2007.

2. Despite service of notice, none appears for the respondent in
C.R.P.Nos.3563 and 3669 of 2012.

3. Notice sent to the respondent in C.R.P. No 3564 of 2012 is returned unreserved with an endorsement 'office shifted, hence returned'. Sending notice to the respondent to the address available is sufficient in terms of Section 27 of the General Clause Act 1897. There is no representation on behalf of the respondent in C.R.P.No.3564 of 2012.

4. The present batch of Civil Revision Petitions arises out of separate but similar orders passed by the Executing Courts in second execution petitions filed on the basis of a common arbitral award dated 10-07-2000. Though the execution petitions and impugned orders are different, the parties, factual background, arbitral proceedings, nature of claims, objections and the legal issues involved are substantially common. Hence, these revisions are being considered and disposed of by a common order.

5. The petitioners in all the Civil Revision Petitions are the Department of Telecommunications / Bharat Sanchar Nigam Limited (BSNL). The respondents are suppliers of Multi Access Rural Radio

(MARR) systems, namely: (i) M/s. Sinclair Electronics Industries Ltd., later known as M/s. Sinclair Infratech Ltd. (CRP No. 2864 of 2007); (ii) M/s. MIC Electronics Ltd. (CRP No. 3563 of 2012); (iii) M/s. ARM Ltd., later known as M/s. ICOMM Tele Ltd. (CRP No. 3564 of 2012); and (iv) M/s. Phoenix Telecommunications Ltd., later amalgamated with M/s. MIC Electronics Ltd. (CRP No. 3669 of 2012).

6. Table below will clarify particulars regarding all the CRPs:-

Particulars	CRP No. 2864 of 2007	CRP No. 3563 of 2012	CRP No. 3564 of 2012	CRP No. 3669 of 2012
Decree-holder Company	Sinclair Electronics Industries Ltd. (later Sinclair Infratech Ltd.)	MIC Electronics Ltd.	ARM Ltd. (later ICOMM Tele Ltd.)	Phoenix Telecommunications Ltd. (amalgamated with MIC Electronics Ltd.)
Award Date	10-07-2000	10-07-2000	10-07-2000	10-07-2000
First Execution Petition	EP No. 7 of 2001	EP No. 9 of 2001	EP No. 8 of 2001	EP No. 6 of 2001
Date of Payment	04-06-2003	04-06-2003	04-06-2003	04-06-2003

Orders Recording Satisfaction	25-06-2003, 04-07-2003, 09-07-2003	25-06-2003, 04-07-2003, 09-07-2003	25-06-2003, 04-07-2003, 09-07-2003	25-06-2003, 04-07-2003, 09-07-2003
Subsequent Execution Petition	EP No. 1 of 2004	EP No. 12 of 2005	EP No. 10 of 2005	EP No. 14 of 2005
Additional Amount Claimed	Rs.30,16,708/-	Rs.28,72,087/-	Rs.12,95,136/-	Rs.22,33,681/-

7. In 1995, the petitioners floated tenders for supply of 2/15 and 4/36 Multi Access Rural Radio (MARR) systems in the UHF range. Advance Purchase Orders dated 24-11-1995 and detailed Purchase Orders dated 28-12-1995 were issued in favour of the respective respondents at the then agreed contract rates, governed by the General Conditions of Contract under DGS&D-68. At the request of the respondents, delivery schedules were extended from time to time subject to levy of liquidated damages.

8. While the contracts were under execution, a fresh tender opened on 17-03-1997 disclosed substantially lower market rates. Invoking Clause 6 of the DGS&D-68, the petitioners revised the

prices payable for supplies effected after 17-03-1997 based on the rates discovered in the subsequent tender and communicated the revised rates to the respondents. The respondents accepted the revised prices, continued supplies, supplied a small number of systems prior to 17-03-1997 at original rates and the remaining supplies thereafter at revised rates, and received payments accordingly.

9. After completion of supplies and receipt of payments, the respondents challenged the downward price revision by filing writ petitions before this Court, seeking payment at the original purchase order rates. Interim orders were passed directing release of differential amounts on furnishing bank guarantees. In compliance, the respondents furnished bank guarantees aggregating to substantial amounts, and the petitioners released payments at the original contract rates during the period 1998–1999.

10. Vide common order dated 19-08-1999, the writ petitions i.e. W.P.No.25844 of 1998 filed by M/s Sinclair Infratech Pvt.Ltd., W.P.No.26325 of 1999 by M/s MIC Electronics Limited,

W.P.No.36437 of 1998 by M/s ARM Limited and W.P.No.7037 of 1998 by M/s Phoenix Tele communications Limited against the petitioner herein, were disposed of by referring the disputes to arbitration. Hon'ble Sri Justice P.A. Choudary (Retd.) was appointed as sole Arbitrator and the orders were affirmed in writ appeals vide W.A.Nos.1403, 1404, 1405 and 1406 of 1999 filed by respective respondents herein. The learned Arbitrator passed a common award dated 10-07-2000 holding that the petitioners were not entitled to reduce prices on the basis of the subsequent tender, fixing payable rates after adjusting liquidated damages, directing return of bank guarantees, rejecting claims towards bank guarantee commission and margin money interest and awarding simple interest at 15% per annum on amounts stated to have become due, without quantifying the principal sums or specifying the periods.

11. Relevant paragraphs from the arbitral award are extracted below:-

45. I feel that there is force in the submission made by Sri Adinarayana Rao. Admittedly, the claimant has accepted the stipulation of furnishing Bank Guarantees as a

condition precedent for receiving the money from the DOT. Having accepted the same, the claimant cannot now claim to be compensated on that account. I, therefore, answer this issue in the negative and hold that the claimant cannot be paid for the expenditure incurred by it for furnishing the Bank Guarantees as directed by the High Court of Andhra Pradesh

46. However, the Bank Guarantees are furnished by the claimant as a measure of security till such time the rights and obligations of the respective parties have been decided, in particular with regard to the price at which the equipment supplied by the claimant has to be paid. Since the said issue was answered earlier in favour of the claimant, the DOT is obliged to return to the claimant all the Bank Guarantees furnished by it, pursuant to the interim orders passed by the High Court of Andhra Pradesh, Hyderabad. Further, these Bank Guarantees are in terms valid only during the pendency of the dispute. Now that the dispute was settled, I direct the DOT to return the Bank Guarantees with immediate effect. Accordingly, I direct the DOT to return all the Bank Guarantees furnished by the claimant within 1 month from today. Failure to return the Bank Guarantees, including the Performance Bank Guarantee, would entitle the claimant to be paid the Bank Commission charges for procuring the Bank Guarantees together with interest at 15% simple for the locked in margin monies. The above amounts become accrued only after expiry of 1 month from today and in the event the DOT fails to return the Bank Guarantees.

12. The petitioners filed applications under Section 34 of the Arbitration and Conciliation Act, 1996 (for short, 'the Act, 1996') along with applications for condonation of delay. Ultimately, by

orders of this Court in revision proceedings and by the Hon'ble Supreme Court in Special Leave Petitions, Section 34 applications came to be dismissed as barred by limitation, rendering the award executable.

13. Thereafter, the respondents filed first execution petitions in the year 2001 claiming specified sums under the award. During execution, orders of attachment of the petitioners' bank accounts were obtained. Under threat of attachment, the petitioners paid the entire amounts claimed in the respective execution petitions by cheques dated 04-06-2003.

14. The Executing Courts, after recording the payments and in the presence of counsel for the parties, passed orders dated 25-06-2003 and 04-07-2003 recording full satisfaction of the decrees and, by further orders dated 09-07-2003, dismissed the execution petitions and raised the attachments. These orders recording satisfaction were never challenged by the respondents and the same were attained finality.

15. Notwithstanding such satisfaction, the respondents filed subsequent execution petitions between 2003 and 2005 claiming additional sums towards alleged balance interest up to 04-06-2003. The petitioners filed detailed objections contending that the decrees had already been fully satisfied, that the award did not quantify or adjudicate further interest, that amounts expressly disallowed by the Arbitrator were being indirectly recovered, that there was excess payment resulting in unjust enrichment, and that in certain cases execution was pursued in the name of companies which had ceased to exist due to change of name or amalgamation.

16. The respective Executing Courts rejected the objections and allowed the subsequent execution petitions by the impugned orders. Aggrieved thereby, the petitioners have filed the present Civil Revision Petitions.

17. **CONTENTIONS OF THE PETITIONERS**

i) Learned counsel appearing for the petitioners in all the four Civil Revision Petitions submits that the impugned orders passed by

the Executing Courts suffer from patent illegality and material irregularity, inasmuch as second execution petitions have been entertained and allowed even after the arbitral award dated 10-07-2000 had been fully satisfied and exhausted in the earlier execution proceedings.

ii) It is the primary contention of the petitioners that, pursuant to the award, the respondents in each case filed first execution petitions in the year 2001 claiming specific sums. Under threat of attachment of bank accounts, the petitioners paid the entire amounts claimed therein on 04-06-2003. The Executing Courts thereafter passed orders dated 25-06-2003 and 04-07-2003 recording full satisfaction of the decrees and, by further orders dated 09-07-2003, dismissed the execution petitions and raised the attachments. These satisfaction orders were passed in the presence of counsel for the decree-holders, were never challenged, and have attained finality. Once such satisfaction is recorded, it is contended, the Executing Court becomes *functus officio* and no further execution on the same decree is maintainable.

iii) The petitioners contend that the arbitral award does not quantify any interest, does not specify the principal amounts on which interest is payable, nor does it determine the dates or periods of delay. The expression used in the award, namely "interest at 15% per annum from the date the amounts became due", is vague and incapable of execution without fresh adjudication. It is argued that the Executing Court has no jurisdiction to compute, calculate or supply missing particulars by undertaking a fresh determination of interest.

iv) It is further contended that the award expressly rejected claims towards bank guarantee commission and margin money interest in paragraph 45. Despite this, in the first execution proceedings, amounts under these heads were included by projecting them as if they were allowed under the award, and were paid under coercive circumstances. The subsequent execution petitions, styled as claims for "balance interest", are, according to the petitioners, an indirect attempt to legitimize and recover amounts which stand expressly disallowed by the Arbitrator.

v) The petitioners assert that, on a proper reconciliation of accounts in the light of the award and the interim payments released pursuant to orders of this Court, the respondents have already received amounts in excess of what is lawfully due. The continuation of execution proceedings, therefore, results in unjust enrichment of the respondents at the expense of the public exchequer. It is submitted that the Executing Courts failed to examine this objection despite detailed pleadings and calculations placed on record.

vi) It is contended that the dismissal of the petitioners' applications under Section 34 of the Act, 1996, on the ground of limitation does not preclude them from raising objections as to executability under Section 47 of CPC. The petitioners submit that an Executing Court is duty-bound to examine whether the decree sought to be executed is exhausted, inexecutable, or being enforced beyond its terms, notwithstanding the finality of the award.

vii) It is further argued that fraud, misrepresentation and suppression vitiate all judicial acts. According to the petitioners, the

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respondents misrepresented disallowed components as decretal dues in execution and obtained payments under threat of attachment. Such conduct, it is contended, renders the subsequent execution proceedings void and unenforceable.

viii) It is therefore urged that the Executing Courts failed to exercise jurisdiction vested in them under Section 47 of CPC, mechanically allowed the subsequent execution petitions, and ignored binding satisfaction orders, resulting in grave miscarriage of justice. The impugned orders are accordingly sought to be set aside.

ix) It is also apt to note that there are certain factual distinctions among the four CRPs, while maintaining that the core legal issue is common. In CRP No. 2864 of 2007, it is specifically contended that the arbitral award was passed in the name of M/s. Sinclair Electronics Industries Ltd., after the company had undergone a change of name, raising an objection as to corporate identity. In CRP No. 3564 of 2012, the respondent company had changed its name from ARM Ltd. to ICOMM Tele Ltd. prior to the second execution petition.

In CRP No. 3669 of 2012, the second execution petition was prosecuted in the name of Phoenix Telecommunications Ltd., which had already been amalgamated with MIC Electronics Ltd., without pleading or proving substitution or assignment. In CRP No. 3563 of 2012, though no such corporate change is pleaded, the objection is confined to full satisfaction, excess payment and lack of quantification of interest.

18. CONTENTIONS OF THE RESPONDENT IN CRP No.2864 OF 2007:

i) Learned counsel appearing for the respondent/decreed-holder in C.R.P.No.2864 of 2007 while supporting the impugned orders passed by the Executing Courts, submits that the Civil Revision Petitions are devoid of merit and that the Executing Courts have merely given effect to a final and binding arbitral award dated 10-07-2000, which has attained conclusiveness under Sections 34 and 36 of the Act, 1996.

ii) It is contended that the arbitral award was challenged by the petitioners under Section 34 of the Act and that such challenge

ultimately failed on the ground of limitation, which was confirmed by this Court in revision proceedings and by the Hon'ble Supreme Court in Special Leave Petitions. Consequently, the award has attained finality and is executable as a decree. The Executing Court, it is urged, cannot sit in appeal over the award or examine its correctness on merits.

iii) The respondents submit that the award specifically grants interest at 15% per annum on delayed payments and that such interest is payable till the date of actual payment. According to the respondents, the first execution petitions filed in the year 2001 did not exhaust the entire decretal liability, as interest continued to accrue till 04-06-2003, the date on which payment was actually made by the petitioners. The subsequent execution petitions were therefore filed only to recover the balance interest legitimately due under the award.

iv) It is argued that mere recording of satisfaction in the earlier execution petitions does not preclude the respondents from seeking recovery of further interest, particularly when the earlier execution

petitions did not cover the entire period for which interest was payable. The respondents contend that the dismissal of the first execution petitions cannot be treated as a final adjudication extinguishing their right to recover interest accrued thereafter.

v) The respondents strongly dispute the plea of excess payment and unjust enrichment raised by the petitioners. It is submitted that all amounts received by the respondents, including those released pursuant to interim orders of this Court on furnishing bank guarantees, were lawfully payable and were duly taken into account by the learned Arbitrator. The respondents deny that any amount disallowed under the award was recovered in execution and contend that the calculations put forth by the petitioners are unilateral, misleading and impermissible at the stage of execution.

vi) As regards the objection relating to bank guarantee commission and margin money interest, the respondents submit that the award, read as a whole, entitles them to interest on delayed payments and that the petitioners cannot, under the guise of Section

47 of CPC, dissect the award and refuse compliance with portions that have attained finality. It is argued that the Executing Court is bound to execute the decree as it stands.

vii) The respondents further submit that allegations of fraud, misrepresentation or suppression are wholly unfounded and are raised only as an afterthought to avoid compliance with the award. It is contended that no finding of fraud has been recorded by any competent Court and that vague allegations cannot be entertained at the stage of execution.

viii) On the question of corporate identity, learned counsel for the respondents submits that change of name or amalgamation does not result in extinction of the corporate entity or its rights. In CRP No. 2864 of 2007, it is contended that M/s. Sinclair Electronics Industries Ltd. had merely undergone a change of name to Sinclair Infratech Ltd., which does not affect enforceability of the award. In CRP No. 3564 of 2012, the change of name from ARM Ltd. to ICOMM Tele Ltd. is stated to be inconsequential. In CRP No. 3669 of 2012, it is

submitted that Phoenix Telecommunications Ltd. having amalgamated with MIC Electronics Ltd., the successor entity is entitled to enforce the award. In CRP No. 3563 of 2012, no issue of corporate change arises.

ix) The respondents also contend that the objections raised by the petitioners essentially seek a re-adjudication of issues already concluded in arbitration, including contractual interpretation, applicability of Clause 6 of DGS&D-68, and the grant of interest. Such issues, it is submitted, fall outside the limited scope of execution proceedings.

x) It is therefore argued that the Executing Courts rightly rejected the objections raised by the petitioners, correctly held that the subsequent execution petitions were maintainable, and lawfully directed recovery of the balance amounts. The respondents pray that the Civil Revision Petitions be dismissed.

19. ANALYSIS AND FINDING:

i) The core issue that arises for consideration in this batch of Civil Revision Petitions is whether, after an arbitral award has been

put into execution by filing execution petitions, the amounts claimed thereunder have been paid, and the Executing Court has recorded full satisfaction of the decree, a subsequent execution petition seeking further amounts under the very same award is maintainable.

ii) It is a well-settled principle that an Executing Court cannot go beyond the decree or arbitral award sought to be executed. Its jurisdiction is strictly limited to enforcing the decree as it stands and not to enlarge, vary, modify or supplement its terms. The Executing Court cannot undertake fresh adjudication, re-computation, or supply omissions under the guise of execution.

iii) In **Punjab State Civil Supplies Corporation Ltd. v. Atwal Rice & General Mills**¹, the Hon'ble Supreme Court has categorically held that an executing Court has no authority to add to or subtract from the decree, including with respect to interest. It was emphasised that questions relating to entitlement, computation, or scope of interest pertain to the merits of the award and must be raised before the

¹ 2018 SCC OnLine SC 2933

appropriate forum under the Act. Any attempt by the Executing Court to compute amounts not expressly awarded would amount to travelling beyond the decree and is impermissible in law.

iv) The arbitral award dated 10-07-2000, which is common in all the four CRPs, clearly delineates the monetary relief granted. While the Arbitrator held that the downward revision of prices was impermissible, the award consciously confined relief to specific heads. In paragraph 45 of the award, the learned Arbitrator expressly rejected the claim for bank guarantee commission and margin money interest, holding that the claimant, having accepted the stipulation of furnishing bank guarantees, could not seek compensation on that account. Thus, the scope of recoverable amounts under the award stood conclusively determined.

v) As regards interest, the award does not quantify any independent or crystallized principal sum as on a particular date, nor does it provide for any recurring or compound interest. The award merely states that interest at the rate of 15% per annum would be payable on amounts found due, without directing computation beyond

the relief specifically awarded. The award does not grant interest upon interest, nor does it create an open-ended entitlement capable of repeated execution.

vi) Pursuant to the award, the respondents filed first execution petitions, wherein they themselves quantified the amounts claimed under the award, including interest as understood by them. The petitioners paid the entire amounts so claimed on 04-06-2003. The Executing Courts thereafter recorded full satisfaction of the decrees and dismissed the execution petitions. These orders were passed in the presence of the decrec-holders and their counsel and were never challenged. They, thus attained finality.

vii) Once satisfaction of a decree is recorded, the decree stands exhausted. The Executing Court thereafter becomes *functus officio* in respect of that decree especially in the facts and circumstances of the present matters. A subsequent execution petition on the same award, seeking further amounts under the guise of “balance interest”, is not maintainable.

viii) The principle that an executing Court cannot reopen a satisfied decree has been reaffirmed by the Hon'ble Supreme Court in **HLV Limited v. PBSAMP Projects Pvt. Ltd**². In the said decision, the Supreme Court held that once the award has been executed and the executing Court has recorded full satisfaction, it is not open to the decree-holder to seek further amounts by re-working interest calculations. The Court unequivocally held that the executing Court cannot go beyond the award and cannot grant compound or additional interest where the arbitral award does not so provide. It is further clarified that permitting re-computation of interest at the execution stage would amount to modifying the arbitral award itself, which is wholly impermissible. The executing court's role is confined to enforcement and does not extend to interpretation in a manner that enlarges the award or creates new liabilities.

x) Applying the above principles to the present case, it is evident that whatever interest the respondents understood to be

² 2024 SCC OnLine SC 5766

payable under the award was already included in the quantified claims made in the first execution petitions and stood satisfied upon payment. Entertaining subsequent execution petitions would amount to reopening settled satisfaction and allowing the decree-holders to seek amounts not awarded, in clear violation of Section 47 of CPC.

xi) The Executing Courts, while allowing the subsequent execution petitions, failed to appreciate that the arbitral award neither adjudicated nor quantified any further interest beyond what was already claimed and satisfied. By undertaking fresh computation of alleged balance interest, the Executing Courts travelled beyond the award and exceeded their jurisdiction.

xii) There is no absolute or blanket bar in law against the filing of a second execution petition, and its maintainability depends upon the nature of the decree and whether it has been fully worked out. Where the decree leaves any part of the relief open or reserves liberty for further execution, a subsequent execution petition may be maintainable. However, in the present case, the arbitral award stood fully executed and satisfied upon payment of the amounts claimed in

the first execution petitions and recording of full satisfaction by the Executing Courts. In such circumstances, the second execution petitions are not maintainable.

xiii) This Court is therefore of the considered view that once the arbitral award was executed, the decretal amounts were paid, and full satisfaction was recorded, the respondents were not entitled to maintain second execution petitions on the same award.

CONCLUSION:-

20. In view of the foregoing discussion and analysis, this Court holds that once the arbitral award dated 10-07-2000 was put into execution, the amounts claimed thereunder were paid by the petitioners, and the Executing Courts recorded full satisfaction of the decrees, the arbitral award stood completely worked out and exhausted. Thereafter, the Executing Courts became *functus officio* in respect of the said award.

21. The subsequent execution petitions filed by the respondents seeking recovery of alleged "balance interest" amount to an

impermissible attempt to reopen and rework a decree that had already been satisfied, and to recover amounts not quantified, adjudicated or expressly granted under the arbitral award. Such execution proceedings are beyond the scope of execution jurisdiction and are barred under Section 47 of CPC.

22. The Executing Courts, in entertaining and allowing the second execution petitions, have travelled beyond the arbitral award, ignored binding satisfaction orders, and supplied missing terms by undertaking fresh computation of interest, which is wholly impermissible in law.

23. In the light of the aforesaid discussion, these Civil Revision Petitions are allowed. The impugned orders vide i) order dated 08.06.2007 in E.P.No.1 of 2004 in Arbitration Case PAC No.2 of 2000 (challenged in CRP No.2864 of 2007) passed by learned Chief Judge, City Civil Court, Hyderabad, order dated 09.02.2012 in E.P.No.12 of 2005 in Arbitration Case PAC No.4 of 2000 (in CRP No.3563 of 2012) passed by IX Additional Chief Judge (FTC), City Civil Court,

Hyderabad, order dated 09.02.2012 in E.P.No.10 of 2005 in Arbitration Case PAC No.3 of 2000 (in CRP No.3564 of 2012) passed by IX Additional Chief Judge (FTC), City Civil Court, Hyderabad and order dated 09.02.2012 in E.P.No.14 of 2005 in Arbitration Case PAC No.1 of 2000 (in CRP No.3669 of 2012) are set aside.

Consequently, pending miscellaneous petitions, if any, in these revisions shall stand closed. In the facts and circumstances of the case, there shall be no order as to costs.

Sd/- A. SREENIVASA REDDY
ASSISTANT REGISTRAR

//TRUE COPY//

SECTION OFFICER

To,

1. The Chief Judge, City Civil Courts, Hyderabad. (With records, if any)
2. The IX Additional Chief Judge (FTC), City Civil Court, Hyderabad. (With records, if any)
3. One CC to Smt. T. Bala Jayashree, Advocate [OPUC]
4. One CC to Sri P. Vinayaka Swamy Advocate [OPUC]
5. Two CD Copies

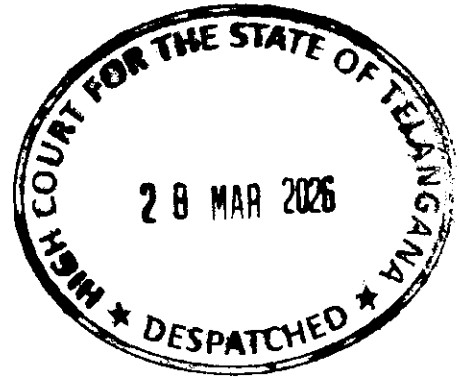
VH

B^o

HIGH COURT

DATED: 10/02/2026

COMMON ORDER
CRP.No.2864 of 2007,
3563, 3564 AND 3669 of 2012



ALLOWING ALL THE CRP'S

②
05/03/26
B.K.