

IN THE SUPREME COURT OF INDIA

CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NO. 621 OF 2007

[Arising out of SLP(C) No.5219/2006]

DELHI JAL BOARD

APPELLANT(S)

VERSUS

M/S. CHUDHURY CONSTRUCTIONS CO.

RESPONDENT(S)

O R D E R

Leave granted.

his The short question which arises for consideration in t
appeal arising out of a judgment and order dated 22.2.2006 passed
by a learned Single Judge of the Delhi High Court is as to whether, in
the facts and circumstances of this case, the interest awarded by the
learned Arbitrator in terms of the award dated 30.12.2000, will
cease to run with effect from 8.5.2003.

Indisputably, an award was passed in favour of the

respondent herein for a sum of Rs. 5,30,512.00 with interest at the

rate of 15% per annum, commencing from the date of award or the

date of realisation of the decree, whichever is earlier. Accord
ing to

the appellant, the interest so awarded by the learned Arbitrato
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became payable on and from 31.3.2001. It was contended that t
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respondent despite service of several notices did not come to the office

of the appellant herein to collect the cheque for a sum of

Rs.5,20,512/- which was drawn up in the name of the respondent;

the details whereof are said to be as under:

Claim No.1 - Rs. 20,000

Claim No.2 - Rs. 27,500

Claim No.3 - Rs. 4,73,012

Total - Rs. 5,20,512

We do not accept the said contention as it was the duty of the

appellant Board to tender the said cheque to the respondent in terms

of the award of the industrial tribunal. Our attention has, however,
been drawn to an order dated 7.5.2003 passed by the High Court
which reads as under:

"Learned counsel for the judgment debtor states that the decree holder has not approached the judgment debtor to collect the cheque, which was prepared as back as in August 2001. Learned counsel for the decree holder states that the judgment debtor never remitted the amount to him nor sent him any communication for collecting the said cheque and therefore, he is entitled to interest @ 15%. The Court is also of the opinion that the decretal amount having not been paid or remitted to the decree holder, even if the cheque lying with the judgment debtor, the liability to pay interest continues on the judgment debtor. The judgment debtor is, therefore, called upon to pay or remit the awarded amount plus costs plus interest @ 15% till today on the awarded amount and hand over a cheque by 8th May 2003, failing which coercive process shall be issued against the judgment debtor for recovery of the amount."

On 8.5.2003 the High Court has passed yet another order

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which reads as under:

"Ms. Geeta Mittal, counsel for the judgment debtor states that she has moved an application under Order 47 Rule 1 read with Section 151 CPC which has, however, not been brought on record. Counsel would

see that the same be brought on record. She offers a cheque in the sum of Rs. 5,40,570.00 to the counsel for the decree holder which he declines to accept on the ground that the amount in the cheque does not represent the full decretal amount that is the awarded amount plus the interest @ 15% from the date of award till payment. Counsel for the judgment debtor seeks permission to deposit the cheque in the Court. In view of the objection of the decree holder, this prayer is declined."

Before embarking on the question as to whether the said date

should be considered to be the cut off date for the purpose of running

of interest on the awarded amount, we may notice that when a

cheque for same amount was tendered on 7.12.2004, the same was

accepted by the learned counsel for the respondent. A bare perusal of

the order dated 8.5.2003 would categorically show that the cheque

was said to be tendered to the learned counsel for the respondent. He

declined to accept the same. A prayer was made for deposit of the

said amount in Court. The said prayer was also not granted. In this

view of the matter, we are of the opinion that interest as awarded by

the learned Arbitrator would cease to run from the said date i.e.

8.5.2003.

By an order dated 31.3.2006, this Court had directed the appellant to deposit the amount of interest, as calculated in terms of

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the award, in a nationalised bank on a short-term deposit. We are informed that the said order has been complied with. The amount so deposited, together with interest accrued thereon, may now be paid to the respondent within three weeks from today. The appellant shall send the cheque for the awarded amount to the respondent within the said period.

The appeal is disposed of with the aforementioned observations and directions. No costs.

.....J

(S.B. SINHA)

.....J

(MARKANDEY KATJU)

NEW DELHI,

FEBRUARY 05, 2007.

S U P R E M E C O U R T O F I N D I A

RECORD OF PROCEEDINGS

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Petition(s) for Special Leave to Appeal (Civil) No(s).5219/2006

(From the judgement and order dated 22/02/2006 in EA No. 455/2003 arising out of Ex.P.No.36/2002 of the HIGH COURT OF DELHI AT NEW DELHI)

DELHI JAL BOARD

Petitioner(s)

VERSUS

M/S. CHUDHURY CONSTRUCTION CO.

Respondent(s)

(With prayer for interim relief and office report)

Date: 05/02/2007 This Petition was called on for hearing today.

CORAM :

HON'BLE MR. JUSTICE S.B. SINHA

HON'BLE MR. JUSTICE MARKANDEY KATJU

For Petitioner(s)

Mr. Suresh Chandra Tripathy,Adv.

For Respondent(s)

Mr. B.M. Sehgal,Adv.

Dr. Kailash Chand,Adv.

UPON hearing counsel the Court made the following

O R D E R

Leave granted.

Heard the learned counsel for the parties. The appeal is disposed of in terms of the signed order. No costs.

(A.S. BISHT)

(PUSHAP LATA

BHARDWAJ)

COURT MASTER

COURT MASTER

(Signed order is placed on the file)