



2026:CHC-OS:134

**IN THE HIGH COURT AT CALCUTTA
COMMERCIAL DIVISION
ORIGINAL SIDE**

**RESERVED ON: 02.04.2026
DELIVERED ON: 23.04.2026**

**PRESENT:
HON'BLE JUSTICE GAURANG KANTH
EC-COM 311 OF 2024**

UK MECHANICAL ENGINEERING PVT LTD

VERSUS

LARSEN AND TOUBRO LTD

Appearance:

**Mr. Debmalya Ghosal, Adv.
Mr. Saurath Nath Dutt, Adv.
Mr. Arnab Dutt, Adv.
Mr. Tathagata Ganguly, Adv.**

..... for the award-holder

**Ms. Hashnuhana Chakraborty, Adv.
Ms. Neelina Chatterjee, Adv.**

..... for the award-debtor

JUDGMENT

Gaurang Kanth, J.:-

- 1.** The Award Holder has filed the present Execution Petition under Section 36(1) of the Arbitration and Conciliation Act, 1996 seeking enforcement of the Arbitral Award dated 19.09.2023 passed by the learned Sole Arbitrator, Justice Nadira Patherya (Retd), in the arbitration proceedings between UK Mechanical Engineering Pvt. Ltd. and Larsen & Toubro Ltd.
- 2.** The brief facts leading to the present petition are set out hereunder:
- 3.** This Court, by order dated 08.04.2019 passed in AP No. 120/2019, appointed the learned Sole Arbitrator to adjudicate the disputes between the parties. Upon adjudication, the learned Sole Arbitrator rendered the Award dated 19.09.2023.



4. The said Award was not challenged by the Award Debtor under Section 34 of the Act and has, therefore, attained finality.
5. In the aforesaid circumstances, the Award Holder has preferred the present Execution Petition for enforcement of the Award dated 19.09.2023.
6. It is an admitted position that the Award Debtor has paid a sum of Rs. 1,47,65,579/-, comprising the principal amount of Rs. 1,34,39,686.59/-, pre-award interest of Rs. 9,55,841/-, and post-award interest of Rs. 3,70,052/-, on 03.02.2024. However, according to the Award Holder, a balance sum of Rs. 9,05,739.70/- remains outstanding towards the interest component. Hence, the present Execution Petition.

Submissions on behalf of the Award Holder

7. Mr. Debmalaya Ghosal, learned counsel appearing for the Award Holder, submits that in terms of the Award dated 19.09.2023, the Award Holder is entitled to pre-award interest at the rate of 6.75% per annum, in accordance with the applicable RBI Circulars, for the period from 01.07.2017 to 19.07.2019, which aggregates to Rs. 18,61,580.70/-. It is further submitted that the Award Holder is entitled to post-award interest at the rate of 7.5% per annum for the period from 19.09.2023 to 31.01.2024, amounting to Rs. 3,70,051.64/-.
8. Learned counsel further submits that while the Award Debtor has paid a sum of Rs. 9,55,841/- towards pre-award interest and Rs. 3,70,052/- towards post-award interest, there remains a shortfall of Rs. 9,05,739.70/- in respect of the pre-award interest component. Despite repeated demands, the Award Debtor has failed to discharge the said balance liability. It is, therefore, contended that the Award Holder is entitled to



further interest at the rate of 18% per annum on the outstanding amount from 19.02.2024 (being the date of demand) until realisation.

Submissions on behalf of the Award Debtor

9. An affidavit in opposition has been filed on behalf of the Award Debtor contending that the entire amount payable under the Award dated 19.09.2023 has been duly satisfied. In support of the said contention, reliance is placed on a certificate issued by a Chartered Accountant.
10. Learned counsel for the Award Debtor submits that the pre-award interest is liable to be computed for the period from 01.07.2018 to 19.07.2019 and not from 01.07.2017. It is contended that the reference to 01.07.2017 in the concluding portion of the Award is a typographical error. Learned counsel draws attention to various portions of the Award to demonstrate that the learned Sole Arbitrator has consciously granted pre-award interest only from 01.07.2018.
11. In view of the above, it is submitted that the computation undertaken by the Award Debtor is strictly in accordance with the true intent and tenor of the Award dated 19.09.2023. Accordingly, it is prayed that the present Execution Petition be dismissed.

Legal Analysis

12. This Court has considered the rival submissions advanced on behalf of the parties and perused the materials placed on record.
13. The limited scope of an executing court is well settled. It is a trite principle of law that an executing court cannot go behind the decree or the award sought to be enforced. The court is bound to execute the award as it stands and cannot vary, modify, or reinterpret its terms on merits.



- 14.** In the present case, the Arbitral Award dated 19.09.2023 unequivocally grants pre-award interest for the period from 01.07.2017 to 19.07.2019. The said stipulation forms part of the operative and binding directions of the Award.
- 15.** The contention of the Award Debtor that the reference to 01.07.2017 is a typographical error and that the correct period ought to be from 01.07.2018 cannot be accepted at the stage of execution. If, according to the Award Debtor, there existed any clerical, typographical, or computational error in the Award, the appropriate remedy was to invoke Section 33 of the *Arbitration and Conciliation Act, 1996*, which specifically provides for correction and interpretation of an arbitral award by the Arbitral Tribunal.
- 16.** Admittedly, no application under Section 33 of the Act was filed by the Award Debtor seeking correction or clarification of the alleged error. Further, the Award was also not challenged under Section 34 of the Act within the prescribed period. The Award has, therefore, attained finality and is binding on the parties.
- 17.** At this stage, it is apposite to note that the present analysis stands fortified by the settled principles governing the scope of execution and the finality of arbitral awards. It is well established that an executing court cannot go behind the decree or award and is bound to enforce it as it stands, without undertaking any exercise of modification, variation, or reinterpretation. This principle applies with equal force to proceedings under Section 36 of the *Arbitration and Conciliation Act, 1996*. It is equally settled that where an arbitral award is not challenged under Section 34, nor subjected to



correction or interpretation under Section 33, it attains finality and becomes binding on the parties.

- 18.** In such circumstances, permitting the Award Debtor to contend, at the stage of execution, that a portion of the Award is erroneous and requires correction would amount to a collateral challenge to the Award, which is impermissible in law. Entertaining such contention would, in effect, result in modification or alteration of the Award, an exercise clearly beyond the jurisdiction of an executing court.
- 19.** Accordingly, this Court holds that the pre-award interest is liable to be computed strictly in terms of the Award, i.e., for the period from 01.07.2017 to 19.07.2019, and not otherwise. The Award Holder is, therefore, entitled to the differential amount arising on account of the short payment of pre-award interest.
- 20.** Insofar as the claim of the Award Holder for further interest at the rate of 18% per annum on the outstanding amount from the date of demand till realisation is concerned, this Court is not inclined to grant the same.
- 21.** It is an admitted position that the Award Debtor has already discharged the substantial portion of the Award, including the principal amount as well as a major part of the interest component. The shortfall in payment arises on account of a bona fide dispute regarding the applicable period for computation of pre-award interest, based on an interpretation of the Award.
- 22.** In the considered view of this Court, the said shortfall cannot be construed as a deliberate or contumacious default warranting imposition of further interest at an enhanced rate. The non-payment pertains only to the differential component arising from the disputed period and appears to



stem from a misunderstanding of the Award rather than wilful non-compliance.

- 23.** In view thereof, while the Award Holder is held entitled to the balance amount of pre-award interest computed for the period from 01.07.2017 to 19.07.2019, no further interest shall be payable on the said differential amount from the date of demand till realisation.
- 24.** The Award holder is directed to make this payment within a period of four weeks from the date of this Order.
- 25.** With this direction, the present petition is disposed of.

(GAURANG KANTH, J.)

Sakil Amed P.A.

