

ITEM NO.34

COURT NO.15

SECTION XII-A

**S U P R E M E C O U R T O F I N D I A**  
**RECORD OF PROCEEDINGS**

SPECIAL LEAVE PETITION (CIVIL) Diary No(s). 18752/2025

[Arising out of impugned final judgment and orders dated 19-02-2025 in CRP No. 4114/2017, CRP No. 4127/2017 & CRP No. 7076/2017 passed by the High Court of Andhra Pradesh at Amravati]

HINDUSTAN SHIP YARD LTD.

Petitioner(s)

VERSUS

M/S ESSAR OIL LTD MUMBAI

Respondent(s)

IA No. 167117/2025 - C/DELAY IN REFILING / CURING THE DEFECTS, IA No. 167118/2025 - EXEMPTION FROM FILING C/C OF I/JUDGMENT

Date : 12-09-2025 These matters were called on for hearing today.

CORAM :

HON'BLE MR. JUSTICE MANOJ MISRA  
HON'BLE MR. JUSTICE UJJAL BHUYAN

For Petitioner(s) Mr. D V S S Somayajulu, Sr. Adv.  
Mr. Vipin Nair, AOR  
Ms. M.b.ramya, Adv.  
Mr. Aditya Narendranath, Adv.  
Ms. Deeksha Gupta, Adv.  
Ms. Puspita Basak, Adv.

For Respondent(s) Mrs. Vanita Bhargava, Adv.  
Mr. Ajay Bhargava, Adv.  
Mr. Arvind Ray, Adv.  
Ms. Apoorva Jain, Adv.  
Ms. Divya Yadav, Adv.  
M/S. Khaitan & Co., AOR

UPON hearing the counsel the Court made the following  
O R D E R

1. Delay in refiling is condoned.

2. Heard.

Signature Not Verified  
Digital signed by  
Nirmal Singh  
Date: 2025.09.15  
17:01:10 IST  
Reason: [ ]

The petitioner suffered arbitral awards dated 20.04.2001 and 24.10.2001 which were challenged under Section 34 of the Arbitration and Conciliation Act, 1996 (for short 'the Act'). The

applications under Section 34 of the Act were dismissed on 10.10.2002 and 01.11.2002. Against these orders the petitioner filed appeal(s) before the High Court under Section 37 of the Act. The High Court allowed both the appeals on 29.09.2004 and set aside the awards. The order(s) of the High Court were subjected to appeals before this Court. The appeals were allowed by this Court on 02.07.2015 and the arbitral awards were restored. As a result, execution petitions came to be filed. In these execution petitions, application for attachment of the assets of the appellant was filed. The petitioner contested the attachment by claiming that the amount computed is incorrect for the following reasons: (1) the arbitral tribunal had granted interest till the date of the award, therefore, no interest can be included from the date of the award and if it is to be awarded, it cannot be higher than the one awarded up to the date of the award; and (2) the award had a dollar component, therefore dollar rate for conversion into rupee should be as prevalent on the date when Section 34 application was rejected and not the date when this Court restored the award. The execution court partly accepted the objection(s) and adopted dollar rate as on the date of rejection of Section 34 application. However, post-award interest @ 18% (i.e., the statutory rate of interest as obtaining then under Section 31(7(b) of the Act) was found acceptable. Aggrieved by the execution court order(s) both sides filed revisions before the High Court. By the impugned order(s), the revision(s) of the petitioner were dismissed whereas respondent's revision(s) were allowed thereby holding that dollar conversion rate shall be with reference to the date 02.07.2015

(i.e., the date when the award was restored by this Court) and interest @ 18% (i.e., as per Section 31 (7) (b) of the Act) was affirmed.

4. The petitioner is aggrieved by the order of the High Court on two counts. First, the Court ought to have computed the amount payable under the award by converting the dollar component into rupees and not left it for the execution court to compute the amount. Second, the interest was not awarded, therefore, not payable by execution court; and if it is to be awarded, it ought to be at the rate awarded up to the date of the award or as permissible under the amended provisions of Section 31(7)(b) of the Act, as amended by Act No.3 of 2016 with effect from 23.10.2015, and not at the rate of 18%.

5. Per contra, the submission of the learned counsel for the respondent(s) is that as far as computation is concerned, the High Court has already determined the conversion rate of the dollar as on 02.07.2015 i.e., the date when the award became enforceable consequent to order of this Court, and therefore, computation would be a mere arithmetical exercise which can be done by the Execution Court. Moreover, both parties can submit their respective computation chart based on exchange rate prevailing then. Hence, this cannot be a ground to entertain this petition(s). As regards the second ground, the submission on behalf of the respondent(s) is that the post-award interest is payable as per the mandate of the statute if not otherwise directed in the award and, therefore, would have to be paid as per the statutory provisions prevailing on the date when the award was passed. Here the award was passed

before the amendment, and it became enforceable before the statute came to be amended. Hence, no fault can be found in the order(s) impugned awarding statutory rate of interest as prevailing then.

6. We find substance in the submission of the respondent(s).

Reasons being:

(a) In *DLF Limited (formerly known as DLF Universal Limited) and others v. Koncar Generators and Motors Limited (2025) 1 SCC 343*, this Court, after considering the decision of this Court in *Forasol v. ONGC, 1984 Supp SCC 263*, held that “the statutory scheme of the Act makes a foreign arbitral award enforceable when the objections against it are finally decided. Therefore, as per the Act and the principle in *Forasol (supra)*, the relevant date for determining the conversion rate of foreign award expressed in foreign currency is the date when the award becomes enforceable”. Even if we take the date of decree, as per *Forasol (supra)* judgment, as the date of reckoning for conversion of foreign currency component in the award into rupee, it would be the date when this Court restored the award. Consequently, in the case on hand, the date when the award was restored by this Court would be the date when the award became enforceable as a decree, as rightly held by the High Court, which shall, therefore, be the reference point for determining the rupee value of the foreign currency component in the arbitral award; and

(b) The grant of post award interest is statutorily prescribed, unless the award otherwise directs. Admittedly, the arbitral award(s) did not provide for post-award interest,

therefore, in absence of any direction qua post-award interest, either in the arbitral award or in the order of the Court while deciding the objection under Section 34 of the Act, the execution court had no option but to comply with the mandate of law applicable then. Since the amended provisions of Section 31(7) (b) came into operation after the award was passed and became enforceable, the courts below were justified in awarding interest as per the unamended provision of the Act. We, therefore, find no fault in the order(s) passed by the High Court. The special leave petition(s) is/are, accordingly, dismissed.

7. Pending application(s), if any, shall stand disposed of.

(NIRMALA NEGI)  
ASTT. REGISTRAR-cum-PS

(SAPNA BANSAL)  
COURT MASTER (NSH)