

IN THE HIGH COURT AT CALCUTTA
Ordinary Original Civil Jurisdiction
ORIGINAL SIDE

BEFORE:

The Hon'ble Justice Ravi Krishan Kapur

IA NO. GA/4/2025
In EC/132/2012

M/S. B. B. M. ENTERPRISES
Vs
STATE OF WEST BENGAL

IA NO. GA/4/2025
In EC/133/2012

M/S. B. B. M. ENTERPRISES
Vs
STATE OF WEST BENGAL

For the award holder : Mr. Aniruddha Mitra, Senior Advocate
Ms. Nilanjana Adhya, Advocate

For the State : Mr. Samrat Sen, Senior Advocate
Mr. Paritosh Sinha, Advocate
Mr. Arindam Mandal, Advocate
Ms. Swagata Ghosh, Advocate

Heard on : 28.01.2026

Judgment on : 28.01.2026

Ravi Krishan Kapur, J.:

1. By consent of the parties these applications are taken up for hearing analogously. Both these applications seek modification of the orders dated 21 April 2025.
2. Briefly, the award debtor State seeks extension of time to make payment in terms of the orders dated 21 April 2025. These proceedings pertain to arbitral awards for an amount of Rs.1.25 crores on account of principal (Rs.1.38 crores in E.C. 133 of 2012) passed against the award debtor State in the year 2009. By such awards,

the State had also been directed to pay interest initially @18% (which was subsequently reduced to 15%).

3. In an application for enforcement of the respective awards by an order dated 21 April 2025, this Court had held as follows;

14. *"In view of the above, the State is directed to make payment of the amount of Rs.52,86,219/- being the balance interest component by 30th May, 2025. This is in full and final settlement of the dues of the award holder. In default, the State would pay the interest component @ 15% per annum on Rs.52,86,219/- from 8th September, 2021 till the date of actual payment in terms of the award and the above concession granted to the State would stand withdrawn. Liberty is granted to the award-holder to file an appropriate application in accordance with law in case of default of the above directions."*

15. *In conclusion, it is a matter of grave concern, as to how public funds are squandered by the State. An award for a sum of approximately Rs.1.25 crores in 2009 is still being satisfied notwithstanding payment of more than Rs.6 crores (inclusive of interest). Time has its own role to play in every litigation. In commercial transactions of this nature, interest is as valuable as the principal. It constitutes the lifeline of doing business. The rate of interest which some of these awards carry i.e. 24%, 18% or even 15% are astronomical by prevalent standards. Nevertheless, the State obviously and merrily continues to delay and procrastinate payment, sometimes, despite orders of the Hon'ble Supreme Court. The commercial imprudence and miscalculation of the State leaves more than a lurking doubt as to whether or not the State or at least some of their officers are deliberately and intentionally in connivance with such contractors/award holders."*

4. Similarly, in the connected execution case i.e. E.C. 133 of 2012 a similar directions were passed:

14. *In view of the above, the State is directed to make payment of the amount of Rs.60,58,506/- being the balance interest component by 30th May, 2025. In default, the State would be entitled to pay the interest component @ 15% per annum on Rs.60,58,506/- from 8th September, 2021 till the date of actual payment in terms of the award and the above concession granted to the State would stand withdrawn. Liberty is granted to the award-holder to file an appropriate application in accordance with law in case of default of the above directions.*

15. *In conclusion, it is a matter of grave concern, as to how public funds are squandered by the State. An award for a sum of approximately Rs.1.25 crores in*

2009 is still being satisfied notwithstanding payment of more than Rs.6 crores (inclusive of interest). Time has its own role to play in every litigation. In commercial transactions of this nature, interest is as valuable as the principal. It constitutes the lifeline of doing business. The rate of interest which some of these awards carry i.e. 24%, 18% or even 15% are astronomical by prevalent standards. Nevertheless, the State obviously and merrily continues to delay and procrastinate payment, sometimes, despite orders of the Hon'ble Supreme Court. The commercial imprudence and miscalculation of the State leaves more than a lurking doubt as to whether or not the State or at least some of their officers are deliberately and intentionally in connivance with such contractors/award holders."

5. By the above orders, this Court had on a concession by the award holder directed that an aggregate interest component of approximately Rs. 52,86,219/- (Rs.60,58,506/- in E.C. 133 of 2012) be paid in full and final settlement by 30 May 2025.
6. Being aggrieved by the said orders, the State had preferred Special Leave Petitions which were dismissed on 1 September 2025. Subsequently, the above amounts were paid on 17 December 2025.
7. In the above circumstances, in view of the failure of the award holder to comply with the orders dated 21 April 2025 within the stipulated time period and the default clause coming into effect, the award holder has filed fresh execution applications being E.C. 358 of 2025 and E.C. 359 of 2025.
8. Notwithstanding the observations of this Court on the conduct of the State, there has been an admitted delay of at least 7 months in the State paying the interest component which has triggered the default clause in the order dated 21 April 2025. The State has consciously taken a calculated or miscalculated risk and the indisputable fact remains that there has been no timely compliance with the orders dated 21 April 2025.

9. The award debtor seeks discretion under Chapter 38 Rule 46 of the Original Side Rules and submits that the Court has ample powers to extend the time for them to deposit the amount. There is no other ground for modification. In view of the order dated 21 April 2025 and the default clause contained therein the prayer for modification is without any basis and cannot be granted for the mere asking [*Periyakkal vs. Dakshyani (1983) 2 SCC 127* and *Compack Enterprises (India) (P) Ltd. v. Beant Singh (2021) 3 SCC 702*].

10. There are no grounds whatsoever nor any cause as to why any discretion should be exercised in favour of the State. An award of Rs.1.25 crores (Rs.1.38 crores in E.C. 133 of 2012) is being satisfied by payment of Rs.6.5 crores and Rs.7.5 crores respectively and the interest component *may* still be running.

11. During the course of submissions, it was submitted on behalf of the award debtor State that all instructions on behalf of the State have been furnished by one Supratim Roy, being the Executive Engineer with the Department of Irrigation and Waterways. In view of the commercially imprudent conduct of the State of West Bengal and the unnecessary squandering of public funds, let a copy of this order be served by the award holder on the Office of the Advocate General, State of West Bengal to be apprised as to how State funds are being unnecessarily frittered away.

12. In view of the above, GA 4 of 2025 in EC/132/2012 and GA 4 of 2025 in EC/133/2012 stands dismissed.

(RAVI KRISHAN KAPUR, J.)