IN THE COURT OF APPEAL OF THE REPUBLIC OF SINGAPORE

[1981] SGCA 10

CA 72/1978

Between

People's Park Development Pte Ltd

… *Appellant*

And

Tru-Mix Concrete (Pte) Ltd

… *Respondent*

GROUNDS OF DECISION

Civil Procedure — Damages — Interest

Version No 1: 11 Sep 2026 (01:05 hrs)

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People's Park Development Pte Ltd v Tru-Mix Concrete (Pte) Ltd

[1981] SGCA 10

CA 72/1978
Chua F A J; Lai Kew Chai J; Wee Chong Jin CJ
05 October 1981

1 The appellants (defendants in the action) appeal against the Order of the High Court ordering the appellants to pay to the respondents interest on the sum of $61,861.03 at the rate of 8% per annum from the date of the filing of the writ to the date of settlement on 25 October 1978.

2 The respondents are suppliers of ready-mix concrete and they sold and delivered to the appellants ready-mix concrete to the value of $161,861.03. This sum had remained outstanding since December 1974, and after repeated demands the appellants paid the respondents on 20 January 1975, a sum of $50,000 leaving a balance of $111,861.03 still due and owing.

3 On 25 March 1975, the respondents took out a writ against the appellants claiming the sum of $111,861.03 and costs. On 29 March 1975, the appellants paid to the respondents the sum of $50,000 leaving a balance of $61,861.03. The appellants filed a defence and counterclaim on 27 June 1975.

4 On 25 October 1978, the day fixed for the hearing of the action, the appellants paid up the sum of $61,861.03 and the parties agreed to withdraw

their claim and counterclaim respectively, and that costs be taxed and paid by the appellants, but they could not agree on the question of interest which the respondents asked for on the $61,861.03.

5 On the day of the hearing counsel for the parties appeared before the judge in chambers and informed the learned judge that the parties had settled the matter but there was the question whether or not interest should be paid on the claim of $61,861.03 and they asked the learned judge to make a decision on the matter. After hearing both counsel the learned judge ordered the appellants to pay the respondents interest on the $61,861.03 at the rate of 8% per annum from the date of the filing of the writ to the date of the settlement and further ordered that the costs of the action be taxed and paid by the appellants.

6 The main contention of the appellants is that the learned judge erred in law in holding that interest was payable by the appellants on the sum claimed by the respondents as s 9 of the Civil Law Act (Cap 30) gives the learned judge jurisdiction to award interest only in any proceedings tried in any court of record for the recovery of any debt or damages.

7 Section 9 reads:

> *In any proceedings tried in any court of record for the recovery of any debt or damages, the court may, if it thinks fit, order that there shall be included in the sum for which judgment is given interest at such rate as it thinks fit on the whole or any part of the debt or damages for the whole or any part of the period between the date when the cause of action arose and the date of the judgment:*
>
> *Provided that nothing in this section -*
>
> *...*

8 Counsel for the appellants says that as the respondents` and the appellants` claim and defence and counterclaim, respectively, were withdrawn

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by consent there was no trial for the recovery of any debt or damages within the meaning of s 9.

9 In support of his argument he cited the case of ***The ` Medina Princess*** ` [1962] 2 Lloyd`s Rep 17. In that case action was commenced by plaintiff seamen against the defendant owners of The `Medina Princess` for unpaid wages. Defence was ordered to be delivered. No defence was delivered but the wages were paid. The plaintiffs asked for interest on the wages and moved the court for judgment for interest upon the sums claimed for wages. It was contended on behalf of the defendants that it was not a case under which interest should be paid under s 3(1) of the Law Reform (Miscellaneous Provisions) Act 1934, as that provided that interest `shall be included in the sum for which judgment is given.` The claims had been paid. No judgment had ever been obtained, and the court was not empowered to award interest on debts unless it had already given judgment upon them. It was held (Hewson J) that by the Law Reform (Miscellaneous Provisions) Act 1934 s 3(1) the court had no power to order interest to be paid on sums which had already been paid and which had not been the subject of its judgment.

10 Section 9 of the Civil Law Act (Cap 30) is in pari materia with s 3(1) of the Law Reform (Miscellaneous Provisions) Act, 1934. We respectfully agree with the judgment of Hewson J in ***The `Medina Princess`*** . We are of the view that in the present case the court had no power to award interest to the respondents under s 9.

11 That, however, is not the end of the matter. The High Court has been given additional powers by s 18(2) of the Supreme Court of Judicature Act (Cap 15).

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12 Such additional powers are set out in the First Schedule to the Act and para 7 of the First Schedule reads:

> *Power to direct interest to be paid on debts, including judgment debts, or on sums found due on taking accounts between parties, or on sums found due and unpaid by receivers or other persons liable to account to the court.*

13 Counsel for the appellants contends that `debt` does not mean any debt but must refer to debt which is the subject matter of legal proceedings. In the present case the debt had been paid and there was no debt on which the learned judge could order interest to be paid.

14 Let us examine what actually took place on the day fixed for the hearing of the action. On the appellants paying to the respondents $61,861.03, the parties agreed to withdraw their claim and counterclaim respectively and also agreed that the costs be taxed and paid by the appellants. But, as the parties could not reach a settlement as to the question of payment of interest on the $61,861.03 which the respondents wanted, the parties proceeded with the hearing on that issue alone before the learned judge. In our opinion there was clearly a debt within the meaning of para 7 of the First Schedule to the Act. When the learned judge was asked to decide on the respondents` claim for interest the action had not been discontinued and the respondents had not yet withdrawn their claims which included a prayer for `any other reliefs which this Honourable Court shall deem fit.`

15 Accordingly, the appeal is dismissed with costs.

16 ***Appeal dismissed***

Chua F A J
Lai Kew Chai J
Wee Chong Jin CJ

P Balachandran (Lee Woo & Partners) for the appellants
KK Tang (Tang Tan & Partners) for the respondents

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