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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

Date of decision: 31st AUGUST, 2026

IN THE MATTER OF:

CNR No.DLHC010177752020

+ **OMP (ENF.) (COMM.) 47/2020 & EX.APPL.(OS) 444/2020,**
EX.APPL.(OS) 607/2020, EX.APPL.(OS) 608/2020,
EX.APPL.(OS) 609/2020, EX.APPL.(OS) 1204/2020,
EX.APPL.(OS) 1674/2023

M/S C.L. EDUCATE LTD.

.....Decree Holder

Through: Mr. Rajat Arora and Ms. Mariya
Shahab, Advocates

versus

M/S CREST EDUCATION (P) LTD.

.....Judgement Debtor

Through: Mr. Dayan Krishnan, Senior
Advocate with Mr. Rishi Agrawala,
Ms. Tarini Khurana and Mr. Rajat
Sinha, Advocates

CORAM:

HON'BLE MR. JUSTICE SUBRAMONIUM PRASAD

JUDGMENT

1. The present application is filed at the instance of the Decree Holder seeking direction for the payment of the balance award amount in terms of the Award dated 18.08.2012 under Section 151 of Code of Civil Procedure, 1908.
2. Shorn of unnecessary details, the facts in brief are as follows:
 - a. By way of an award dated 18.08.2012, Ld Sole Arbitrator adjudicated the disputes arising out of an agreement dated



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31.12.2008 between the parties to the present execution proceedings. The Decree Holder vide the said award was granted a sum of Rs. 1,37,80,987/- by way of damages, arrears towards license fee and study material, and costs, along with interest @ 9% per annum with effect from the date of filing of the claim petition i.e. 18.01.2012.

- b. Subsequently, the award was challenged by the Judgment Debtor by way of the petition under Section 34 of the Arbitration and Conciliation Act, being O.M.P. No. 201 of 2013 which was first dismissed for non-prosecution vide an Order dt.09.03.2015 and restored on 07.10.2016. However, the Section 34 petition being O.M.P. (COMM). No. 57/2017 challenging the Award was again dismissed vide an Order dated 10.04.2019, however, the same was restored vide an Order dated 08.12.2020 passed by the Division Bench of this Court in FAO (OS)(COMM) 167/2020 on a condition of deposit of the awarded amount i.e., Rs. 2.48 crores due and payable. The Division Bench also directed the Petitioner to deposit a sum of Rs. 1.0 Crore within two days from the date of the said order and the balance amount of Rs. 1.48 crores within four weeks from 11.12.2020. Liberty was also given to the Respondent to withdraw the entire deposited amount subject to furnishing the Bank Guarantee.
- c. The Petitioner in compliance of the Order dated 08.12.2020 deposited a sum of Rs. 1 crore on 17.12.2020 and the balance amount of Rs. 1.48 crores were deposited on 29.12.2020.



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However, despite being granted a liberty to the Decree Holder on 17.12.2020 and 02.02.2023, the Decree Holder did not withdraw the deposited amount. The Section 34 Petition i.e., O.M.P. (COMM). No. 57/2017 was again dismissed on 03.07.2023 and the award dated 18.08.2012 was affirmed with a direction to disburse the deposited amount in accordance with the orders to be passed in O.M.P.(ENF.)(COMM) 47/2020. The award has now attained finality.

d. This Court on 25.09.2023 on the request of the Decree Holder, directed the release of the awarded amount to the Decree Holder subject to furnishing an indemnity to the satisfaction of the Registrar General of this Court.

3. The instant application is filed by the Decree Holder seeking direction for the payment of balance payment amount to the Decree Holder/Applicant or in alternative has prayed for a direction for deposit of the balance amount before this Court and subsequently, for the direction to release the balance payment to the Decree Holder/Applicant.

4. It is the principal contention of the Decree Holder that the amount deposited by the Judgment Debtor was for stay on execution of the award and not in terms of the Order 21 Rule 1 CPC, therefore, the interest continued to run even after the amount was deposited in the Court. It is the contention of the Decree Holder that though the Judgment Debtor had deposited the awarded amount on 29.12.2020, the entire amount was not received by the Decree Holder on that date and therefore, the Decree Holder is entitled to interest amount under the Award. It is the case of the Decree Holder that on 23.09.2023, the amount deposited was released to the Decree



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Holder *in lieu of* an indemnity bond, therefore, the interest on the awarded amount was mounting till 23.09.2023 i.e., till the deposited amount/decretal amount was withdrawn by the Decree Holder.

5. It is further stated by the Decree Holder that as on 25.09.2023, the calculation in terms of the award including interest on principal amount from 18.01.2012 till 25.09.2023 comes to Rs.2,82,87,269.23/-. It is the contention of the Decree Holder that this Court *vide* Order dated 20.10.2023 directed the Registry to release the awarded amount along with accrued interest till the release of the entire amount, *in lieu of* which the Decree Holder received a total amount of Rs.2,76,41,060/-. The Decree Holder is claiming the balance amount on account of interest accrued i.e., interest accrued till the date of release of the amount to the Decree Holder. It is the contention of the Decree Holder that it is a settled position of law that the liability of the Judgment Debtor continues till the amount is actually not paid to the Decree Holder.

6. The Decree Holder has placed its reliance on a three-Judge Bench decision of the Supreme Court in Ramanathan Chettiar v. Ramanathan Chettiar, 1968 SCC OnLine SC 28; DDA v. Bhai Sardar Singh & Sons, (2023) 17 SCC 671.

7. *Per Contra*, the Ld. Senior Counsel for the Judgment Debtor submits that the present application filed by the Decree Holder deserves to be dismissed on the ground that in compliance of the Order dated 08.12.2020 passed by the Division Bench of this Court, the entire amount has been deposited by the Judgment Debtor along with the interest on 29.12.2020, and therefore, nothing else is left to pay. It is further submitted that Order 21 Rule 1 CPC provides for deposit of the decree amount into Court and giving



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notice thereof to the Decree Holder and further contemplates for cessation of interest from the date of notice to the Decree Holder of such deposit either through the Court or directly to the Decree Holder.

8. It is stated that on two occasions i.e., 08.12.2020 and 02.02.2023, liberty was granted to the Decree Holder to withdraw the deposited amount, however, it was the Decree Holder who chose not to take any steps to realize the deposited amount. It is stated that the “interest clock” stopped running on the day when the Judgment Debtor deposited the awarded amount along with the interest in the Court or has paid the entire decretal/awarded sum to the Decree Holder. The Judgment debtor, in compliance with the Order dated 08.12.2020 passed by the Division Bench of this court, deposited the entire decretal amount on 29.12.2020, therefore, the interest which was running in terms of the award stopped on 29.12.2020 as a result of which the Decree Holder is only entitled to receive the interest from 08.01.2012 i.e., the date of filing of the claim petition till the date when the entire decretal amount is deposited in the court. It is further contended that it is the Decree Holder who chose not to withdraw the deposited amount, therefore, the Decree Holder cannot claim the interest for the period commencing from date of deposit of the entire amount till the date of withdrawal as Decree Holder was aware and allowed to withdraw the amount, however, the Decree Holder on his own volition chose not to realize the amount deposited in the court.

9. The Judgment Debtor has placed its reliance on the following judgements:

- a. Gurpreet Singh v. Union of India, (2006) 8 SCC 457;
- b. H.P. Housing & Urban Development Authority v. Ranjit Singh



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Rana, (2012) 4 SCC 505; and

c. Union of India vs M.P. Trading and Investment Rac. Corporation Ltd., 2015 SCCOnline SC 868.

10. Heard the learned counsels for the parties and perused the material on record.

11. The short question that requires adjudication is whether the Decree Holder is entitled to recover the balance amount towards the satisfaction of the award or not. In other words, whether the Decree Holder is entitled to interest on the awarded amount till 23.09.2023, as claimed by the Decree Holder or till the date of deposit of the entire decretal amount as claimed by the Judgement Debtor.

12. At the outset, it is apposite to reproduce Order 21 Rule 1 CPC as under:

“1. Modes of paying money under decree.—(1) All money, payable under a decree shall be paid as follows, namely:—

(a) by deposit into the court whose duty it is to execute the decree, or sent to that Court by postal money order or through a bank; or

(b) out of Court, to the decree-holder by postal money order or through a bank or by any other mode wherein payment is evidenced in writing; or

(c) otherwise, as the Court which made the decree, directs.

(2) Where any payments is made under clause (a) or clause (c) of sub-rule (1), the judgment-debtor shall give notice thereof to the decree-holder either through the Court or directly to him by registered post,



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acknowledgment due.

(3) Where money is paid by postal money order or through a bank under clause (a) or clause (b) of sub-rule (1), the money order or payment through bank, as the case may be, shall accurately state the following particulars, namely:—

(a) the number of the original suit;

(b) the names of the parties or where there are more than two plaintiffs or more than two defendants, as the case may be, the names of the first two plaintiffs and the first two defendants;

(c) how the money remitted is to be adjusted, that is to say, whether it is towards the principal, interest or costs;

(d) the number of the execution case of the Court, where such case is pending; and

(e) the name and address of the payer.

(4) On any amount paid under clause (a) or clause (c) of sub-rule (1), interest, if any, shall cease to run from the date of service of the notice referred to in sub-rule (2).

(5) On any amount paid under clause (b) of sub-rule (1), interest, if any, shall cease to run from the date of such payment:

Provided that, where the decree-holder refuses to accept the postal money order or payment through a bank, interest shall cease to run from the date on which the money was tendered to him, or where he avoids acceptance of the postal money order or payment



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through bank, interest shall cease to run from the date on which the money would have been tendered to him in the ordinary course of business of the postal authorities or the bank, as the case may be.”

13. The Constitution Bench of the Apex Court in Gurpreet Singh (supra) noted the objects and reasons for amendment under Order 21 Rule 1 of CPC which is as under:

*“15. Order 21 Rule 1 provides the modes of paying money under a decree. It stipulates that all monies payable under a decree shall be paid: (a) by deposit into the court whose duty it is to execute the decree, or (b) out of court, to the decree-holder in the manner provided, or (c) otherwise, as the court which made the decree directs. Sub-rule (2) provides that where a payment is made by deposit into the court or as directed in the decree, the judgment-debtor shall give notice thereof to the decree-holder either through the court or directly to him by registered post acknowledgment due. On any amount paid by way of deposit into the court or as directed under the decree, interest, if any, shall cease to run from the date of the service of the notice referred to in sub-rule (2). **Thus, Order 21 Rule 1 after its amendment in the year 1976 also contemplates the deposit of the decree amount into court and the giving of notice thereof to the decree-holder and provides further for cessation of interest from the date of notice to the decree-holder of such deposit.***

25. In the Objects and Reasons for amendment of Order 21 Rule 1, it was set out as follows:

“The Committee notes that there is no provision in the Code in relation to cessation of interest on the money paid under a decree, out of court, to a decree-holder,



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by postal money order or through a bank or by any other mode wherein payment is evidenced in writing. **The Committee is of the view that, in such a case, the interest should cease to run from the date of such payment. In case the decree-holder refuses to accept the postal money order or payment through a bank, interest should cease to run from the date on which the money was tendered to him in ordinary course of business of the postal authorities or the bank. Sub-rule (5) in Rule 1 Order 21 has been inserted accordingly.**”

The legislative intent in enacting sub-rules (4) and (5) is therefore clear and it is that **interest should cease on the deposit being made and notice given or on the amount being tendered outside the court in the manner provided.** Mulla in his Commentary on the Code of Civil Procedure, 15th Edn., Vol. II at p. 1583 has set out the effect of the rules as follows:

“Normal rule with respect to money decree is (i) the appropriation of payments towards satisfaction of interest in the first instance, and (ii) then towards principal amount. But this became inoperative, after the amendment of Rule 1 Order 21 CPC. Section 60 of the Contract Act cannot be invoked for the application of the aforesaid normal rule.”

26. Thus, in cases of execution of money decrees or award-decrees, or rather, decrees other than mortgage decrees, interest ceases to run on the amount deposited, to the extent of the deposit. It is true that if the amount falls short, the decree-holder may be entitled to apply the rule of appropriation by appropriating the amount first towards the interest, then towards the costs and then towards the principal amount due under the decree. But the fact remains that to the extent of the deposit, no further interest is



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payable thereon to the decree-holder and there is no question of the decree-holder claiming a reappropriation when it is found that more amounts are due to him and the same is also deposited by the judgment-debtor. In other words, the scheme does not contemplate a reopening of the satisfaction to the extent it has occurred by the deposit. No further interest would run on the sum appropriated towards the principal.

(emphasis supplied)

14. Further, the Apex court in H.P. Housing & Urban Development Authority (supra) has held as under:

“15. The word “payment” may have different meaning in different context but in the context of Section 37(1)(b); it means extinguishment of the liability arising under the award. It signifies satisfaction of the award. The deposit of the award amount into the court is nothing but a payment to the credit of the decree-holder. In this view, once the award amount was deposited by the appellants before the High Court on 24-5-2001, the liability of post-award interest from 24-5-2001 ceased. The High Court, thus, was not right in directing the appellants to pay the interest @ 18% p.a. beyond 24-5-2001.”

(emphasis supplied)

15. The Apex Court in Union of India vs M.P. Trading and Investment Rac. Corporation Ltd., (supra) has held as under:

“3. Para 15 of the judgment reads as under: (Ranjit Singh case [H.P. Housing and Urban Development Authority v. Ranjit Singh Rana, (2012) 4 SCC 505 : (2012) 2 SCC (Civ) 639] , SCC p. 508)

“15. The word ‘payment’ may have different meaning in different context but in the context of



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Section 37(1)(b); it means extinguishment of the liability arising under the award. It signifies satisfaction of the award. The deposit of the award amount into the court is nothing but a payment to the credit of the decree-holder. In this view, once the award amount was deposited by the appellants before the High Court on 24-5-2001, the liability of post-award interest from 24-5-2001 ceased. The High Court [Ranjit Singh Rana v. H.P. Housing and Urban Development Authority, 2009 SCC OnLine HP 253] , thus, was not right in directing the appellants to pay the interest @ 18% p.a. beyond 24-5-2001.”

4. In the present case, we find that the amount was to be deposited in a fixed deposit at the request made by the respondent and it is not seen that the respondent has made any request before the High Court for withdrawal of the amount deposited as per the directions by the High Court. However, it is submitted that the appellants have not deposited the full amount in terms of the award.

5. In the above facts and circumstances of the case, we are of the view that the appellants shall be entitled to interest as per award from the date of award till the principal amount was deposited in the High Court on 3-3-2003. From the said date of 3-3-2003 till it was withdrawn, the respondent shall be entitled only to the interest accrued on the principal amount in terms of the fixed deposit made as per the direction by the High Court. However, the respondent shall be entitled to the interest in terms of the award on the balance of the award amount which the appellants failed to deposit in Court, as per the award.”

16. The Apex Court in DLF Limited vs Koncar Generators and Motors, (2025) 1 SCC 343, has held as under:



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“38. It is important to appreciate the consequence and effect of deposit during the pendency of proceedings to understand the need to convert this amount on that date. Through a deposit, the award debtor parts with the money on that date and provides the benefit of that amount to the award-holder. Provided that the award-holder is permitted to withdraw this amount, it can convert, utilise, and benefit from the same at that point in time. Considering that the deposited amount inures to the benefit of the award-holder, it would be inequitable and unjust to hold that the amount does not stand converted on the date of its deposit.

43. Here, the Court in Nepa case [Nepa Ltd. v. Manoj Kumar Agrawal, (2023) 17 SCC 659 : 2022 SCC OnLine SC 1736] also differentiated P.S.L. Ramanathan Chettiar [P.S.L. Ramanathan Chettiar v. O.R.M.P.R.M. Ramanathan Chettiar, 1968 SCC OnLine SC 28 : (1968) 3 SCR 367 : AIR 1968 SC 1047] , which has also been relied on by the respondent in the present matter, and another decision by this Court in DDA v. Bhai Sardar Singh & Sons [DDA v. Bhai Sardar Singh & Sons, (2023) 17 SCC 671 : 2020 SCC OnLine SC 1450] . P.S.L. Ramanathan Chettiar [P.S.L. Ramanathan Chettiar v. O.R.M.P.R.M. Ramanathan Chettiar, 1968 SCC OnLine SC 28 : (1968) 3 SCR 367 : AIR 1968 SC 1047] holds that a deposit is only a way to obtain a stay on execution and does not pass title to the decree-holder, and hence, is not in satisfaction of a decree. The decree-holder in DDA [DDA v. Bhai Sardar Singh & Sons, (2023) 17 SCC 671 : 2020 SCC OnLine SC 1450] was not permitted to withdraw the deposited amount and hence, interest was calculated on the same. The Court in Nepa [Nepa Ltd. v. Manoj Kumar Agrawal, (2023) 17 SCC 659 : 2022 SCC OnLine SC 1736] however held that these cases do not apply in its facts as the respondent



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here was permitted to withdraw the deposited sum and did so. Hence, the Court instead relied on the ability of the respondent to use the deposited money as it deems fit.

44. These cases demonstrate that once there is a deposit by the award debtor and the award-holder is permitted to withdraw the same, even if such withdrawal is conditional and subject to the final decision in the matter, the court must consider that the award-holder could access and benefit from such deposit. It is then the burden of the award-holder to furnish security, as required by the court's orders, to utilise the amount or to make an application for modification of the condition if it is unable to fulfil the same.

45. In furtherance of the above, we therefore reiterate that the deposit of Rs 7.5 crores must be converted as on the date of such deposit i.e. 22-10-2010, when the rate of exchange as submitted by the appellants was 1 euro = Rs 59.17.

46. The second deposit of Rs 50 lakhs pursuant to the High Court order dated 3-6-2011 stands on a different footing from the first deposit. This order did not permit the respondent to withdraw this amount till the completion of the proceedings. Hence, the amount cannot be converted as on the date of deposit as the respondent could not have benefitted from the same. This amount could be withdrawn only in 2016, pursuant to the executing court's order dated 24-8-2016. The respondent withdrew the entire deposit of Rs 8 crores, along with the interest that accrued on this amount, on 10-10-2016.”

17. On perusal of Order 21 Rule 1 and the law laid down by the Apex Court, the legal position which emerges is that if the amount deposited by



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the Judgment Debtor in the Court is available for withdrawal to the Decree Holder, the liability of the Judgment Debtor would cease on the date of deposit and interest would also cease to run on such date. However, if the deposited amount is conditional in nature and the Decree Holder due to such condition is not able to realize the deposited amount then the interest clock would continue to run even after the amount is deposited in the Court till the date the when the amount is actually made available for the Decree Holder.

18. Adverting to the case at hand, contention of the Decree holder is that the award was passed on 18.08 2012, by which the learned Arbitrator awarded a sum of ₹1,37,80,987 along with interest at 9% from the date of filing of the claim petition. It is also submitted by the Decree Holder that *vide* Order dated 25.09.2023, this Court directed the release of the awarded amount along with the interest subject to furnishing of indemnity bond. Therefore, *vide* Order dated 09.10.2023, an amount of ₹2.48 crore was released to the Decree Holder. However, the interest accrued on the awarded amount till that date was not released to the Decree Holder. This Court *vide* Order dated 20.10.2023 passed a direction to release the accrued interest in favor of the Decree Holder. Therefore, in addition to ₹2.48 crore, the Decree Holder in terms of the said order also received FDR interest of ₹28,41,060. It is further stated that the Decree Holder has received a total amount of ₹2,76,41,060, however, the balance amount of ₹6,46,209, which is the interest calculated from the date of award till 25.09.2023 is still pending and the Decree Holder is entitled to receive the same.

19. Reliance has been placed by the learned Counsel for the Judgment Debtor upon a judgment passed by the Apex Court in DDA v. Bhai Sardar Singh (Supra), however, in the opinion of this Court, the said Judgment is



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distinguishable on facts. In the said case the Decree Holder was not permitted to withdraw the amount deposited in court which is not the case here. The Decree Holder was permitted to withdraw the amount deposited by the Judgment Debtor on two occasions, it was the Decree Holder who chose not to withdraw the amount even after seeking permission to withdraw the deposited amount.

20. Further, reliance is also placed on the judgment passed by the Apex Court in Ramanathan Chettiar (Supra) wherein the Apex Court has held that the amount deposited by the Judgment Debtor was for stay on execution and the Decree Holder was not allowed to withdraw the same, therefore, the deposit was not in accordance with Order 21 Rule 1 CPC and, as such, interest cannot be said to be stopped on the deposit of amount. In the said judgment, the amount deposited by the Judgment Debtor was for obtaining stay on the execution of the award which is not the case here and therefore, the said judgment also does not come to the aid of the Decree Holder.

21. The facts of the present case show that during the pendency of section 37 Petition, on 08.12.2020, the Division Bench of this court directed the Judgment Debtor to deposit the awarded amount along with the interest accrued till the date of deposit of the awarded amount i.e., Rs. 2.48 crores in two instalments and further granted liberty to the Decree Holder to withdraw the said amount subject to furnishing the Bank Guarantee. On 29.12.2020, the Judgment Debtor deposited the entire amount of Rs. 2.48 crores in compliance of the said Order dated 08.12.2020.

22. It is pertinent to mention herein that the contention of the Decree Holder vis-a-vis deposit of the entire amount was for stay on the execution of the award and not for the purpose of making it available to the Decree



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Holder does not hold any merit. On 08.12.2020, the Division Bench specifically recorded the submission of the Decree Holder who in the said hearing sought permission to withdraw the said amount and the permission was granted subject to the deposit of bank guarantee. On 17.12.2020, the Decree Holder for the first time refused to withdraw the first instalment though part amount as allowed by the Order dated 08.12.2020 was available for withdrawal. On 29.12.2020, the Judgment Debtor deposited the remaining balance amount and thereafter the entire amount was available for the Decree Holder, however, the Decree Holder on 02.02.2023 once again refused to withdraw the decretal amount.

23. The Decree Holder was free to withdraw the amount with the only condition that the bank guarantee was to be furnished by the Decree Holder in case the amount is withdrawn. The said condition was only imposed for the reason that the Section 34 petition was pending at that time and in case Judgment Debtor succeeded in his objections and the award is set aside then the entire amount was to be refunded to the Judgment Debtor. However, the said condition did not stop the Decree Holder from withdrawing the decretal amount as deposited in the Court. It was the Decree Holder who on its own volition chose not to withdraw the amount even though there was no impediment in doing so.

24. Under Order 21 Rule 1(1)(a) of CPC, payment under decree can be made by depositing the amount into the Court. Order 21 Rule 1(2) directs to give a court notice to the Decree Holder in case where the amount is deposited in the Court under Sub-Rule 1(a). Proviso to Rule 1 stipulates that in case Decree Holder refuses to accept the award amount then the interest shall cease to run from the date it was tendered. In the present case, the



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Decree Holder was aware of the Order dated 08.12.2020 which directed the Judgment Debtor to deposit the decretal amount. In fact, the Decree Holder himself sought permission to withdraw the amount when the same was deposited by the Judgment Debtor. The Decree Holder was also aware about the fact the Judgment Debtor had deposited the entire amount on 29.12.2020 and the same is available for the withdrawal, however, he refused to accept the amount on 17.12.2020 and further on 02.02.2023. Therefore, the amount was deposited by the Judgment Debtor on 29.12.2020 in compliance with the order dated 08.12.2020 and the same was available for withdrawal, however, the Decree Holder refused to withdraw the same on 17.12.2020 and 02.02.2023 and chose to withdraw the amount on 25.09.2023. Consequently, the interest ceased to run on from the date of such refusal i.e. on 17.12.2020 when for the first time the Decree Holder refused to withdraw the deposited amount.

25. Admittedly, as noted above, the awarded amount along with the interest at the awarded amount rate calculated till 08.12.2020 i.e., Rs. 2.48 crore along with the FDR interest accrued till date of release of amount to the Decree Holder has already been withdrawn by the Decree Holder.

26. The award having already satisfied, the present application stands disposed of.

27. In view of the above order, nothing survives in the present Petition and accordingly the Petition is also disposed of.

SUBRAMONIUM PRASAD, J

AUGUST 31, 2026
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