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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**% ***Date of decision: 05th December, 2024***+ **C.R.P. 368/2024 & CM APPL. 71191/2024 (Stay)****UNION OF INDIA**

Chief Administrative Officer, COFMOW,
Ministry of Railways, Tilak Marg,
New Delhi-110001

.....Petitioner

Through: Mr. Shashank Dixit, CGSC.

versus

M/S PARISHUDH MACHINES PVT. LTD.

C-26, Industrial Area,
Meerut Road, Ghaziabad

.....Respondent

Through: None

CORAM:**HON'BLE MS. JUSTICE NEENA BANSAL KRISHNA****J U D G M E N T (oral)****CM APPL. 71189/2024, CM APPL.71190/2024 (Exemptions)**

1. Exemption allowed, subject to all just exceptions.
2. The Applications stand disposed of.

C.R.P. 368/2024

3. The present Revision Petition under Section 115 read with Section 151 of the Code of Civil Procedure, 1908 (*hereinafter referred to as "CPC, 1908"*) has been filed on behalf of the Petitioner/Judgment Debtor against the Order dated 11.11.2024 *vide* which the decretal amount of Rs.1,73,53,686/- has been directed by the learned District Judge to be



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deposited within 15 days, failing which the Bank Accounts, Vehicles and other movable articles of the Petitioner/Judgment Debtor, shall be attached and sold.

4. The *sole contention* on behalf of the Petitioner/Judgment Debtor is that in the ***Execution Petition No. 362/2020***, the RBI Cheque of the entire decretal amount along with interest, in the sum of Rs.70,39,200/- was deposited in the District Court, on 22.07.2020. However, it was noted that the correct amount was Rs. 86,51,600/-. Consequently, on the next date i.e., 04.08.2020, an additional RBI Cheque of Rs.13,26,360/- was deposited. The total sum thus, deposited by the Petitioner/Judgment Debtor is Rs.83,65,560/- before the Executing Court. Having deposited the entire decretal amount along with the interest, the calculations made by the Nazir showing an outstanding of Rs.1,73,78,686/-, is incorrect.

5. *Learned counsel submits that since the Judgment Debtor* in compliance of the Award, had already deposited the decretal amount along with the interest in 2020 itself, a further liability of interest @ 18% from 2020 till 2024, cannot be imposed upon the Petitioner/Judgment Debtor.

6. Reliance has been placed on the decision in *Gurpreet Singh vs. Union of India (UOI)*, (2006) 8 SCC 457, wherein it has been held that in case of execution of money decrees or awards, the interest ceases to run on the amount deposited to the extent of deposit. If the amount fell short, then the Decree Holder would be entitled to apply the *Rule of Appropriation* by appropriating the amount first towards interest and then towards costs and thereafter, towards the principal amount due under the Decree. However, once the deposit has been made, no further liability to pay the interest continues.



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7. Similarly, in H.P. Housing and Urban Devt. Auth. and Ors. vs. Ranjit Singh Rana, (2012) 4 SCC 505, Saptrishi Builders Pvt. Ltd. vs. Veg Sanchar Vihar CGSC Ltd. OMP (ENF.) (COMM.) 9/2021, decided on 16.07.2024 and D.D.A. vs. Bhai Sardar Singh, 2009 SCC OnLine Del 519 it has been held that the deposit of the award amount ceases the liability of payment of post-award interest.

8. Likewise, in Cobra Instalaciones Y Servicios vs. Haryana Vidyut Prasaran Nigam Ltd, 2023 SCC OnLine Del 5439, it was observed that once the amount has been deposited in the Execution Court with Notice to the Judgment Debtor and there are no fetters to the release of the Award amount, the liability of interest ceases to exist from the date of such deposit. The failure on the part of the Decree Holder in withdrawal of the Award amount would not ensue to the disadvantage of the Judgment Debtor.

9. Similar observations have been made in Ramacivil India Constructions Pvt. Ltd. vs. Union of India, 2024 SCC OnLine Del 4899.

10. It is, therefore, submitted that the interest amount component from the date of deposit, is not liable to be paid by the Petitioner/Judgment Debtor.

11. **Submissions heard and the record perused.**

12. The contextual background of the Execution Petition is that Arbitration proceedings were initiated between the parties before the learned Sole Arbitrator who passed the Award dated 22.04.2019, whereby a sum of Rs. 79,31,500/- along with interest @ 10% per annum from the date of cancellation of the Contract till realisation, was made. It was further directed that if the amount was not paid within 90 days, the interest shall be paid @ 18% per annum.

13. The Objections under Section 34 of the Arbitration and Conciliation



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Act, 1996 (*hereinafter referred to as the “Act, 1996”*) against the Award dated 22.04.2019 were filed on behalf of the Petitioner/Judgment Debtor, which were dismissed *vide* Order dated 31.08.2020.

14. An Appeal under Section 37 of the Act, 1996 was also filed on behalf of the Petitioner/Judgment Debtor against the Order dated 31.08.2020; however, the same was also dismissed *vide* Judgment dated 12.08.2024.

15. Thereafter, the Respondent/Decree Holder filed an Execution Petition bearing No. 362/2020. Since at the time of filing the Execution Petition, the Objections under Section 34 of the Act, 1996 were also pending, the Petitioner/Judgment Debtor admittedly deposited two Cheques dated 09.07.2020 and 31.07.2020 in the sum of Rs.70,39,200/- and Rs.13,26,360/- respectively which was for the entire Award amount along with upto date interest in the Court of District Judge, which finds mention in the Orders dated 20.07.2020 and 04.08.2020 respectively.

16. *The Execution Court, eventually on 11.11.2024, directed that the decretal amount of Rs.1,73,53,686/- be deposited on the basis of the Report of Civil Nazir.*

17. The only contention of the Judgement Debtor is that the Civil Nazir has wrongly calculated and added the interest from 22.07.2020 and 04.08.2020 till 11.11.2024, by ignoring that the entire decretal amount along with interest stood deposited in the Court by 22.07.2020 and 04.08.2020. Therefore, the interest component ceases to run from the said dates.

18. It is not in dispute that even though the two Cheques dated 09.07.2020 and 31.07.2020 in the sum of Rs.70,39,200/- and Rs.13,26,360/- respectively, had been *tendered in the Court*. The deposit of these two cheques was mentioned by the learned District Judge in its Order dated



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20.07.2020 and 04.08.2020 respectively, but it is an admitted fact that these two Cheques never got encashed and they were not deposited in the account of the District Judge nor were they put in the FDR in the name of the Court. Consequently, even though the two Cheques had been tendered, the Respondent/Decree Holder could not have possibly sought release of the said amounts because there was no deposit made in the Court.

19. Pertinently, these amounts continued to be in the account of the Petitioner/Judgment Debtor which has enjoyed the benefit of these amounts in its account. Having not ensured that the amounts got paid in the Court or to the Respondent/Decree Holder or made available for the Decree Holder to seek its release, the Petitioner/Judgment Debtor now cannot assert that it had shown its *bona fide* by tendering the said two Cheques. Those two paper Cheques did not ever materialise in the money which could be withdrawn by the Respondent/Decree Holder.

20. Therefore, having not paid the money, mere demonstration of *bona fide* intention to pay, would not be sufficient to absolve the Petitioner/Judgment Debtor from its liability to pay the interest. Till date no amount has actually made available by the Petitioner/Judgment Debtor for withdrawal by the Respondent/Decree Holder.

21. The judgments relied upon on behalf of the Petitioner/Judgment Debtor also reaffirm the similar principle that as soon as the money is made available to the Decree Holder for withdrawal, the liability of the Judgment Debtor to pay the interest ceases.

22. In Cobra Instalaciones Y Servicios, (supra), it has even been observed that mere deposit of money in the Court is *further qualified that there is no impediment to the withdrawal of the money by the Decree Holder*.



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23. In the present case, since no money has got deposited by the Petitioner/Judgment Debtor, the liability of the Petitioner/Judgment Debtor to pay the interest on the said amounts does not come to an end.

24. In view of above, there is no infirmity in the impugned Order dated 11.11.2024.

25. However, it is hereby clarified that whatever are the calculations, the either party is at liberty to point out any discrepancy in the calculations done by the Civil Nazir, though as per the fundamental principles for calculation as enumerated above.

26. Accordingly, the present Revision Petition along with the pending Application is hereby, dismissed.

(NEENA BANSAL KRISHNA)
JUDGE

DECEMBER 5, 2024/RS