



2026:DHC:1122



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

*Judgment reserved on: 02.02.2026*  
*Judgment pronounced on: 11.02.2026*

+ O.M.P. (COMM) 339/2024 & I.A. 35804/2024 (Stay)

NTPC LTD

.....Petitioner

Through: Mr. Gopal Jain, Senior  
Advocate along with Mr.  
Adarsh Tripathi, Mr. Vikram  
Singh Baid and Mr. Ajitesh  
Garg, Advocates.

versus

THRIVENI SAINIK MINING PRIVATE LIMITED

.....Respondent

Through: Mr. Purvesh Buttan and Ms.  
Nishita Gupta, Advocates.

**CORAM:**

**HON'BLE MR. JUSTICE HARISH VAIDYANATHAN  
SHANKAR**

## **J U D G M E N T**

**HARISH VAIDYANATHAN SHANKAR, J.**

### **I.A. 410/2025 (For Directions)**

1. The present Application, under Section 151 of the **Code of Civil Procedure, 1908**<sup>1</sup>, has been filed by the Applicant/Petitioner seeking directions from this Court that the awarded amount pursuant to the **Arbitral Award dated 18.04.2024**<sup>2</sup>, as deposited by the Petitioner on 24.09.2024, shall not carry any future interest from the

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<sup>1</sup> CPC

<sup>2</sup> Award



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date of such deposit.

2. A brief factual background, necessary for the adjudication of the present Application, is set out hereinbelow:

(a) The present controversy emanates from the Award, passed in favour of the Respondent.

(b) Aggrieved by the said Award, the Petitioner/Applicant assailed the same by filing the captioned petition under Section 34 of the **Arbitration & Conciliation Act, 1996<sup>3</sup>**, before this Court.

(c) Along with the said Petition, the Petitioner filed an application bearing **IA No. 35804/2024** under Section 36(2) & (3) of the A&C Act, read with Section 151 of the CPC, seeking the following prayers:

“i. Allow the present application and grant ad-interim stay on the operation of the Award dated 18.04.2024 passed by the Hon’ble Tribunal comprising of HMJ A.K. Sikri (Retd.), HMJ Dipak Misra (Retd.) and HMJ D.K. Jain (Retd.) in the arbitration matter titled as “*Thriveni Sainik Mining Private Limited v. NTPC Ltd.*”;

ii. Pass such other order(s) that this Hon’ble Court may deem fit and proper in the facts and circumstances of the case.”

(d) *Vide* Order dated 08.08.2024, this Court in **IA No. 35804/2024**, subject to the Petitioner depositing the arbitral amount with the learned Registrar General, stayed the operation of the Award, and granted liberty to the Respondent to withdraw the said amount, subject to the satisfaction of the learned Registrar General of this Court.

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<sup>3</sup> Act



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- (e) In compliance with the aforesaid Order dated 08.08.2024, the Petitioner duly deposited the directed amount with the learned Registry of this Court.
- (f) *Vide* Order dated 28.11.2024, learned Joint Registrar of this Court, upon being satisfied that the Respondent had furnished the requisite Bank Guarantee, directed the Registry to release the said amount in favour of the Respondent in pursuance of the Order dated 08.08.2024.
- (g) In view of the above, the Petitioner filed the present application, *I.A. 410/2025*, dated 21.12.2024, seeking issuance of directions from this Court to the effect that the awarded amount as deposited by the Petitioner as on 24.09.2024 shall not bear any future interest from the date of deposit.
3. Learned Senior Counsel appearing on behalf of the Applicant/Petitioner would accordingly contend that, upon the deposit of the awarded amount with the Court, no further interest is liable to accrue thereon.
4. In support of the said submission, reliance would be placed by the learned Senior Counsel upon the Judgment of the Hon'ble Supreme Court in *DLF Limited v. Koncar Generators and Motors Ltd.*<sup>4</sup>, submitting that, in view of the law laid down therein, the reliefs as sought in the present Application need to be granted in favour of the Applicant/Petitioner herein. The relevant paragraphs of the aforesaid Judgment read as under:

“38. It is important to appreciate the consequence and effect of deposit during the pendency of proceedings to understand the need

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<sup>4</sup> (2025) 1 SCC 343



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.

39. A similar logic underscores the statutory provisions in Order 21 Rule 1 and Order 24 of the Code of Civil Procedure, 1908 (hereinafter “CPC”) to determine whether interest will continue to operate on an amount deposited before a court. It would be relevant for us to briefly discuss the law on this point:

40. A Constitution Bench of this Court in *Gurpreet Singh v. Union of India*, (2006) 8 SCC 457 extensively discussed the rules governing interest calculation when the defendant/judgment-debtor deposits some part of the amount. Order 24 governs deposits at the pre-decretal stage and Order 21 Rule 1 at the post-decretal stage. [*Id*, para 14] The essence of these provisions is that on any amount deposited into the court, interest shall cease to run from the date when the depositor serves a notice to the plaintiff/decree-holder. Similarly, when payment is tendered to the decree-holder outside the court, interest ceases on such amount even if the payment is refused. [*Gurpreet Singh case*, (2006) 8 SCC 457, paras 15, 25-26]

41. Order 21 Rule 1 embodies a rule of prudence that once the amount is tendered to the decree-holder by the judgment-debtor, whether in the form of a court deposit or other forms of payment such as demand draft or cheque, the judgment-debtor cannot be made liable to then pay interest on such amount. [*K.L. Suneja v. Manjeet Kaur Monga*, (2023) 6 SCC 722, para 36]

42. The rationale for this rule has been explained in *Nepa Ltd. v. Manoj Kumar Agrawal*, (2023) 17 SCC 659, through a similar logic of the decree-holder being able to benefit from the deposited amount. In this case, the award-debtor deposited 50% of the awarded amount before the executing court to obtain a stay on the execution proceedings of the arbitral award during the pendency of appeal under Section 37 of the 1996 Act. This amount was withdrawn by the award-holder, and the issue before this Court was whether interest is payable on the deposited amount even after the date of deposit. The Court held as follows: (SCC paras 22 & 25)

“22. In the present case, the appellate court, on the appeal preferred under Section 37 of the Act did grant stay, subject to the condition that the appellant



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would deposit 50% of the amount. Rs 7,78,280 was deposited by the appellant on 5-11-2001. The stay, therefore, only operated for the balance amount. On the balance amount, certainly, the appellant would be liable to pay interest @ 18% p.a. till the date of actual payment. However, on Rs 7,78,280 paid, after adjusting/appropriating payment due on the interest accrued, on the balance principal amount paid to the respondent, interest would not be payable.

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25. The respondent submits that the payment of Rs 7,78,280 being conditional, the respondent would have been under an obligation to refund the said amount in case the appellant had succeeded in the appeal under Section 37 of the 1996 Act. This argument does not impress, as in the event the appellant had succeeded in their appeal, the entire amount paid would have been refundable. The undertaking was not onerous, and was to operate only if the amount of Rs 7,78,280 was not refunded by the respondent. *The respondent had obviously used and utilised the money. The appellant did not have any right on the money paid to the respondent, who could use it in a manner and way he wanted. There was no charge. Money is fungible and would have gotten mixed up with the other amounts available with the respondent. Right to restitution would not make the payment conditional.* Interest has been jurisprudentially defined as the price paid for money borrowed, or retained, or not paid to the person to whom it is due, generally expressed as a percentage of amount in one year. It is in the nature of the compensation allowed by law or fixed by parties, for use or forbearance or damage for its detention. In the context of the present case, interest would be the compensation payable by the appellant to the respondent, for the retention or deprivation of use of money. Therefore, once the money was paid to the respondent, interest as compensation for deprivation of use of money will not arise. [*Per Sanjiv Khanna, J. in Nepa Ltd. v. Manoj Kumar Agrawal, (2023) 17 SCC 659* We have not examined and decided the issue either way — whether interest would be payable on the amount withdrawn in case withdrawal is on conditions like furnishing bank guarantee, etc.].”

(emphasis supplied)



Therefore, the ability of the decree-holder to access and use the money in a manner he deems fit was considered by this Court in *Nepa Ltd. v. Manoj Kumar Agrawal*, (2023) 17 SCC 659 while deciding the issue.

43. Here, the Court in *Nepa Ltd. v. Manoj Kumar Agrawal*, (2023) 17 SCC 659 also differentiated *P.S.L. Ramanathan Chettiar v. O.R.M.P.R.M. Ramanathan Chettiar*, 1968 SCC OnLine SC 28, 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*, (2023) 17 SCC 671. *P.S.L. Ramanathan Chettiar v. O.R.M.P.R.M. Ramanathan Chettiar*, 1968 SCC OnLine SC 28 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 v. Bhai Sardar Singh & Sons*, (2023) 17 SCC 671 was not permitted to withdraw the deposited amount and hence, interest was calculated on the same. The Court in *Nepa Ltd. v. Manoj Kumar Agrawal*, (2023) 17 SCC 659 however held that these cases do not apply in its facts as the respondent 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.”

*(emphasis supplied)*

5. Per contra, learned counsel appearing on behalf of the Non-Applicant/Respondent would contend that the purport of the various Judgments of the Hon'ble Supreme Court, including in *P.S.L. Ramanathan Chettiar & Ors. V. O. Rm. P. Rm. Ramanathan Chettiar*<sup>5</sup> and, in particular, paragraphs 12 & 13 thereof, the Respondent is entitled to the benefit of the interest despite the awarded amount having been deposited. The relevant paragraphs of

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<sup>5</sup> 1968 SCR (3) 367



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the Judgment, as mentioned above, read as follows:

“12. On principle, it appears to us that the facts of a judgment-debtor's depositing a sum in court to purchase peace by way of stay of execution of the decree on terms that the decree-holder can draw it out on furnishing security, does not pass title to the money to the decree-holder. He can if he likes take the money out in terms of the order; but so long as he does not do it, there is nothing to prevent the judgment debtor from taking it out by furnishing other security, say, of immovable property, if the court allows him to do so and on his losing the appeal putting the decretal amount in court in terms of Order 21 Rule 1 CPC in satisfaction of the decree.

13. The real effect of deposit of money in court as was done in this case is to put the money beyond the reach of the parties pending the disposal of the appeal. The decree-holder could only take it out on furnishing security which means that the payment was not in satisfaction of the decree and the security could be proceeded against by the judgment-debtor in case of his success in the appeal. Pending the determination of the same, it was beyond the reach of the judgment-debtor.”

6. This Court has heard the learned counsel for the parties and is of the considered view that the present matter is covered in its entirety by the Judgment of the Hon'ble Supreme Court in *DLF Limited (supra)*, wherein it has been categorically held that once the award debtor deposits the amount and the award-holder is permitted to withdraw the same, interest ceases to run from the date of deposit, as the award-holder is deemed to have had access to and the benefit of the money from that point onwards. The Apex Court has also reiterated, with reference to Order XXI Rule 1 and Order XXIV of the CPC, that interest does not continue to accrue on amounts deposited before the Court once such amounts are tendered and made available to the decree-holder.

7. This position is further fortified by the Judgment of the learned Co-ordinate Bench of this Court in *M/s RamaCivil India*



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*Constructions Pvt. Ltd. v. Union of India*<sup>6</sup>, wherein it was held that a decree-holder is not entitled to interest on the amount deposited before the Court beyond the interest actually earned on the fixed deposit during the period the amount remained deposited, and no additional interest as per the arbitral award can be claimed. The relevant portion of the said Judgment reads as follows:

“45. In view of the clear trend of legal thought on the issue, as manifested by the judgments of the Supreme Court, which stand distilled by the coordinate Bench in its judgment in Cobra, in my opinion, the petitioner is not entitled to interest on the amount of ₹ 4,82,09,323/- deposited by the respondent before this Court in terms of the order dated 11 August 2021, except to the extent of the fixed deposit interest that the amount has earned between the date of such deposit and the date when it was released to the petitioner. No additional interest on the said amount, as per the award under enforcement, can be granted to the petitioner.”

8. This Court is also of the view that once the awarded amount is deposited, the same comes under *custodia legis* and remains subject to the orders of this Court. Upon such deposit, the amount becomes available to the Respondent for withdrawal and subsequent utilisation in such manner as the Respondent may deem fit. In these circumstances, the Petitioner derives no benefit whatsoever from the amount so deposited.

9. In view of the aforesaid discussion, this Court is of the considered opinion that the relief sought deserves to be granted in favour of the Petitioner.

10. Accordingly, the present Application is disposed of with the direction that no future interest, whether under the Award or otherwise, shall be payable to the Respondent in respect of the amount

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<sup>6</sup> OMP (ENF.) (COMM.) 126/2021



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deposited.

11. The present application stands disposed of in the aforesaid terms.

**O.M.P. (COMM) 339/2024 & I.A. 35804/2024 (Stay)**

12. List on 12.05.2026.

**HARISH VAIDYANATHAN SHANKAR, J.  
FEBRUARY 11, 2026/tk/jk**