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

Date of decision: 29.07.2026

\+ EX.F.A. 3/2025 & CM APPL. 5319/2025 (Stay)

LG ELECTRONICS INDIA LED .....Appellant

Through: Mr. Sanjay Gupta, Mr. Surya Pratap Singh Chauhan and Mr. Prashant Malik, Advocates.

versus

DINESH KALRA .....Respondent

Through: Mr. Manikya Khanna, Mr. Sharath Sampath and Mr. Aditya Krishna, Advocates.

CORAM:
HON'BLE MR. JUSTICE HARISH VAIDYANATHAN SHANKAR

% **JUDGMENT (Oral)**

1. The present **Execution First Appeal**[1] has been preferred under Order XXI Rule 58(4) read with Section 96 of the **Code of Civil Procedure, 1908**[2], assailing the **Order dated 08.10.2024**[3] passed by the **learned District Judge-03, South District, Saket Courts, New Delhi**[4] in **Execution Petition No. 942/2018**[5] titled *Dinesh Kalra v. M/s L.G. Electronics India Pvt. Ltd.*, whereby the learned Executing Court held that interest on the decretal amount would cease to run only from 07.01.2019, being the date on which the revalidated demand draft was received by the Decree Holder.

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[1] Appeal
[2] CPC
[3] Impugned Order
[4] learned Executing Court
[5] Execution Petition

2. Learned counsel appearing on behalf of the Appellant submits that the learned Executing Court has erred in holding that interest continued to run till 07.01.2019.

3. He submits that the Appellant had presented the execution petition on 26.09.2018 along with a photocopy of the demand draft and, on the first date of hearing, had also produced the original demand draft before the learned Executing Court.

4. It is submitted that once the decretal amount stood tendered before the Court, the liability to pay further interest ought to have ceased. Learned counsel contends that, at the very least, interest could not have continued to run after the date on which the original demand draft was produced before the Court.

5. ***Per contra***, learned counsel appearing on behalf of the Respondent supports the Impugned Order and submits that mere production of a demand draft before the Court does not amount to payment in the manner contemplated by the CPC.

6. It is contended that the present case is governed not merely by Order XXI Rule 1 but also by Order XXI Rule 1 (2) of the CPC, which contemplates due intimation of payment to the Decree Holder.

7. Learned counsel submits that the Respondent became aware of the execution proceedings only towards the end of November or the beginning of December 2018. By that time, the original demand draft had already expired and was incapable of being encashed.

8. It is submitted that the decretal amount became actually available to the Respondent only on 07.01.2019, when the revalidated demand draft was handed over, and the learned Executing Court has, therefore, rightly held that interest ceased to run only from the said

date.

9. This Court has heard learned counsel appearing on behalf of the parties and perused the material available on record, including the Impugned Order.

10. The controversy involved in the present Appeal lies within a narrow compass. The question that falls for consideration before this Court is whether interest on the decretal amount ceased to run upon the filing of the execution petition accompanied by a photocopy of the demand draft, or only when the decretal amount became available to the Decree Holder by delivery of the revalidated demand draft.

11. Since the controversy centres around the effect of payment made during execution proceedings, it would be apposite to notice the relevant statutory scheme contained in Order XXI Rule 1 of the CPC. The said provision is extracted hereinbelow:

> "[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, 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 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.]"

12. A reading of the aforesaid provision makes it manifest that the mere preparation of a demand draft or its production before the Court does not, by itself, discharge the liability of the Judgment Debtor. The object underlying the statutory scheme is to ensure that the decretal amount is either duly deposited in Court or made available to the Decree Holder in a manner recognised by law, coupled with due notice thereof.

13. In the present case, it is not disputed that the demand draft initially obtained by the Appellant was drawn in favour of the Decree Holder and not in favour of the Court. It is equally undisputed that the demand draft had expired by the time the Respondent received notice of the execution proceedings. Consequently, the Respondent could not have realised the decretal amount on the strength of the original demand draft.

14. The affidavit filed by the Decree Holder before the learned Executing Court records that notice of the execution proceedings was received only during the last week of November or the first week of December 2018. The said factual position has not been shown to be incorrect. It also stands admitted that the revalidated demand draft was

ultimately made available to the Respondent only on 07.01.2019.

15. In these circumstances, this Court is of the view that the decretal amount cannot be said to have been effectively made available to the Respondent merely upon the institution of the execution petition or the production of the original demand draft before the learned Executing Court.

16. Admittedly, the original demand draft had expired by the time the Respondent was served with notice of the execution proceedings and, therefore, was incapable of being realised. The said amount became effectively available to the Respondent only upon the delivery of the revalidated demand draft on 07.01.2019. Consequently, the liability of the Appellant to pay interest cannot be said to have ceased prior to the said date.

17. Therefore, the learned Executing Court rightly held that the interest shall cease to run from 07.01.2019, and there is no infirmity in the reasoning adopted in the Impugned Order.

18. Accordingly, finding no merit in the present Appeal, the same is dismissed.

19. Pending application(s), if any, shall also stand disposed of.

HARISH VAIDYANATHAN SHANKAR, J.

JULY 29, 2026/tk/jk