**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH**

**Reserved on 8th of April, 2026
Pronounced on 7th of July, 2026
Uploaded on 7th of July, 2026**

Whether only operative part of the judgment is pronounced? No
Whether full judgment is pronounced? Yes

CR No.3191 of 2025 (O&M)

M/s Pardeep Kumar Kuldeep Kumar and another ....Petitioners

Versus

M/s Shiv Lal Raj Kumar & Commission Agent and others ...Respondents

CORAM: HON'BLE MR. JUSTICE PANKAJ JAIN

Present : Mr. Ashish Aggarwal, Senior Advocate with
Mr. Saket Bhandari, Advocate,
Mr. Vishal Pundir, Advocate and
Mr. Anmol Rattan Singh, Advocate for the petitioners.

Mr. Vijay Kumar Jindal, Senior Advocate with
Mr. Sushil Jain, Advoate and
Mr. Abhishek Shukla, Advocate for respondent No.1.

PANKAJ JAIN, J.

Instant revision petition is directed against order dated 11.03.2025 passed by Additional Civil Judge (Senior Division), Safidon.

2. The contesting parties are decree-holders against defendants No.2 to 6. Respondent No.1 filed a Civil Suit No.81 of 2015 against respondents No.2 to 6 seeking recovery of Rs.56,25,817/-. The suit was

decreed by Civil Judge (Junior Division), Safidon vide judgment and decree dated 05.01.2018. The petitioners filed Civil Suit No.156 of 03.03.2015 seeking recovery of Rs.1,59,60,040/- against respondents No.2 to 6. The suit was decreed by District Judge, Kaithal vide judgment and decree dated 25.03.2019.

3. Respondent No.1 filed execution application bearing No.EXE/ 45/2018 to execute decree dated 05.01.2018 before Executing Court at Safidon. Petitioners herein filed execution application bearing No.418 of 2020 before Executing Court at Kaithal. To execute the decree in favour of respondent No.1, Executing Court sold two properties belonging to respondents No.2 to 6 by way of auction. The properties belonging to judgment debtors, i.e., respondents No.2 to 6 were sold in auction and the amount fetched therefrom and the date of deposit of the sale amount before the Executing Court, is tabulated as under:

Shop No.	**Amount**	**Date of deposit of sale amount in court**
65	Rs.66,11,000/-	27.11.2018
58	Rs.65,00,000/-	23.01.2019

4. The petitioner(s) filed an application before the Executing Court at Kaithal seeking directions that the residual amount after satisfying decree in favour of respondent No.1 be adjusted to satisfy the decree in favour of the petitioner. Executing Court, Kaithal allowed the application vide order dated 03.09.2021. Warrant of attachment was issued against the excess

amount of JDs lying before the Executing Court at Safidon. Vide order dated 24.09.2021, Executing Court, Safidon held respondent No.1 entitled for an amount of Rs.1,24,60,074/- till 07.10.2021.

4.1. The present petitioner filed application seeking permission to object to the calculation of the decretal amount payable to respondent No.1.

4.2. The application was contested.

4.3. The Executing Court vide order dated 27.10.2022 dismissed the objections filed by the petitioner against the calculation and held the same to be not maintainable.

5. Aggrieved of the order dated 27.10.2022 passed by the Executing Court, Safidon, the petitioners approached this Court by way of CR No.5329 of 2022. In the meantime, respondent No.1 also preferred CR No.3311 of 2022 impugning order dated 03.09.2021 passed by Executing Court, Kaithal whereby the residual amount lying before the Executing Court at Safidon was ordered to be attached.

6. Both the revision petitions were heard together. The revision petitions were disposed off by this Court vide order dated 28.10.2024 observing as under:

> "xxx xxx xxx
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> 5. Counsel for the parties are ad idem that the present petitions can be disposed off with the direction to the Executing Court to calculate the exact amount recoverable under the first decree under execution within a period of 12 weeks from the date of receipt of certified copy of the order.

> 6. The aforesaid exercise be first carried out by the Court which is seized off execution prior in time i.e. Executing Court at Safido. On calculating the aforesaid amount, the Court shall pass an order whether there is any residual amount to be adjusted in execution of the subsequent decree or not.
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> 7. Needless to observe no objection to the calculation made by the Court shall be entertained at the behest of any of the parties as both the parties are entitled to be heard while effecting the aforesaid exercise.
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> 8. The aforesaid order is being passed with the consent of the parties.
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> 9. Parties to appear before the Executing Court at Safido on **07.11.2024**.
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> 10. Disposed off, accordingly.
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> xxx xxx xxx"

7. Pursuant to the aforesaid directions issued by this Court, the petitioner moved an application before the Executing Court, Safidon. Deciding the aforesaid application and in deference of the directions issued by this Court, impugned order dated 11.03.2025 has been passed by the Executing Court, Safidon.

8. The main grievance of the petitioners is that the Executing Court while passing the impugned order erred and wrongly calculated the excess residual amount of Rs.1,82,597.60/- as on 10.03.2025. Learned Senior Counsel representing the petitioners submits that the interest ought to have been calculated only till the date of deposit, i.e., 23.01.2019 and not till the date the amount shall be withdrawn by the decree-holder. He submits that once the amount has been deposited into the Court executing the decree,

the interest shall cease to run from the date of service of the notice referred to under Order XXI Rule 1(2) of the Code of Civil Procedure, 1908. Mr. Aggarwal places reliance upon ratio of law laid down by Supreme Court in the case of '**K.L. Suneja and another vs. Dr. (Mrs.) Manjeet Kaur Monga (D) Through Her Lr and another', (2023)6 SCC 722**.

9. Per contra, Mr. Jindal would submit that as per mandate of Order XXI Rule 1 CPC, the interest shall cease to run from the date of service of the notice referred to in sub-rule (2). In the present case, there being no notice to the respondent No.1 w.r.t. deposit of the money with the Executing Court, interest shall continue to incur as per decree. He submits that the amount can be said to have been realized only when it is paid to the decree-holder. In order to hammer-forth his contention, he relies upon ratio of law laid down in the case of '**Gurpreet Singh vs. Union of India', (2006) 8 SCC 457, 'Delhi Development Authority vs. Bhai Sardar Singh and Sons', 2010(8) RCR (Civil) 1460, M/s Cobra Instalaciones Y Servicios Vs. Haryana Vidyut Prasaran Nigam Ltd.(Hvpnl), 2023 SCC Online Del 5439, Daulat Shetkari Sahakari Sakhar Karkhana Ltd. vs. The State of Maharashtra and others, 2025(5) MhLJ 151, Union of India vs. M/s Parishudh Machines Pvt. Ltd, 2024 NCDHC 9953, Mohit Minerals Pvt. Ltd. vs. Maharashtra Small Scale Industries Development Corporation Limited - Chamber Summons No.287 of 2017 in Commercial Execution Application No.94 of 2017. D/d. 20.12.2023** and

K.L. Suneja and another vs. Dr. (Mrs.) Manjeet Kaur Monga (D) Through Her Lr and another, (2023)6 SCC 722.

10. I have heard counsel for the parties and have carefully gone through records of the case.

11. In the absence of any serious dispute w.r.t. the facts, this Court finds that the following two issues arise in the present revision petition for consideration of this Court:

> *(i) Whether the deposit of the decretal amount with the Executing Court amounts to realization or not?*
>
> *(ii) Whether the decree-holder shall be entitled to interest even after the decretal amount stands deposited with the Executing Court?*

12. Before adverting to the factual merits of the case, it will be apt to peruse the bare provisions of law. Section 51 CPC deals with Powers of Court to enforce execution. The same reads as under:

> "**51. Powers of Court to enforce execution.**—Subject to such conditions and limitations as may be prescribed, the Court may, on the application of the decree-holder, order execution of the decree—
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> (a) by delivery of any property specifically decreed;
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> (b) by attachment and sale or by the sale without attachment of any property;
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> (c) by arrest and detention in prison 3 [for such period not exceeding the period specified in section 58,

where arrest and detention is permissible under that section];

(d) by appointing a receiver; or

(e) in such other manner as the nature of the relief granted may require:

[Provided that, where the decree is for the payment of money, execution by detention in prison shall not be ordered unless, after giving the judgment-debtor an opportunity of showing cause why he should not be committed to prison, the Court, for reasons recorded in writing, is satisfied—

(a) that the judgment-debtor, with the object or effect of obstructing or delaying the execution of the decree, —

(i) is likely to abscond or leave the local limits of the jurisdiction of the Court, or

(ii) has, after the institution of the suit in which the decree was passed, dishonestly transferred, concealed, or removed any part of his property, or committed any other act of bad faith in relation to his property, or

(b) that the judgment-debtor has, or has had since the date of the decree, the means to pay the amount of the decree or some substantial part thereof and refuses or neglects or has refused or neglected to pay the same, or

(c) that the decree is for a sum for which the judgment-debtor was bound in a fiduciary capacity to account.

Explanation. —In the calculation of the means of the judgment-debtor for the purposes of clause (b), there shall be left out of account any property which, by or under any law or custom having the force of law for the time being in force, is exempt from attachment in execution of the decree.]"

13. It is a matter of record that the decrees in the present case in favour of the petitioner and respondent No.1 against respondents No.2 to 6 are money decrees. In the execution of decree passed in favour of respondent No.1, the properties of JDs have been sold. Order XXI Rule 41 reads under:

> "**41. Examination of judgment-debtor as to his property.**— [(1)] Where a decree is for the payment of money the decree-holder may apply to the Court for an order that—
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> (a) the judgment-debtor, or
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> (b) [where the judgment-debtor is a corporation], any officer thereof, or
>
> (c) any other person,
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> be orally examined as to whether any or what debts are owing to the judgment-debtor and whether the judgment-debtor has any and what other property or means of satisfying the decree; and the Court may make an order for the attendance and examination of such judgment-debtor, or officer or other person, and for the production of any books or documents.
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> [(2) Where a decree for the payment of money has remained unsatisfied for a period of thirty days, the Court may, on the application of the decree-holder and without prejudice to its power under sub-rule (1), by order require the judgment-debtor or where the judgment-debtor is a corporation, any officer thereof, to make an affidavit stating the particulars of the assets of the judgment-debtor.
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> (3) In case of disobedience of any order made under sub-rule (2), the Court making the order, or any Court to which the proceeding is transferred, may direct that the person disobeying the order be detained in the civil prison for a term not exceeding three months unless before the expiry of such term the Court directs his release.]"

14. Order XXI Rule 64 CPC deals with Power of the Executing Court to order property attached to be sold and proceeds to be paid to the person entitled. The same reads as under:

> "**64. Power to order property attached to be sold and proceeds to be paid to person entitled.**—Any Court executing a decree may order that any property attached by it and liable to sale, or such portion thereof as may see necessary to satisfy the decree, shall be sold, and that the proceeds of such sale, or a sufficient portion thereof, shall be paid to the party entitled under the decree to receive the same."

15. The deposit by purchaser of an immoveable property in execution is governed by Order XXI Rule 84 CPC which reads as under:

> "**84. Deposit by purchaser and re-sale on default.**—(1) On every sale of immovable property the person declared to be the purchaser shall pay immediately after such declaration a deposit of twenty-five per cent. on the amount of his purchase-money to the officer or other person conducting the sale, and in default of such deposit, the property shall forthwith be re-sold.
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> (2) Where the decree-holder is the purchaser and is entitled to set-off the purchase-money under rule 72, the Court may dispense with the requirements of this rule. "

16. Order XXI Rule 92 CPC provides for when sale becomes absolute and reads as under:

> "**92. Sale when to become absolute or be set aside.**—(1) Where no application is made under rule 89, rule 90 or rule 91, or

where such application is made and disallowed, the Court shall make an order confirming the sale, and thereupon the sale shall become absolute:

[Provided that, where any property is sold in execution of a decree pending the final disposal of any claim to, or any objection to the attachment of, such property, the Court shall not confirm such sale until the final disposal of such claim or objection.]

(2) Where such application is made and allowed, and where, in the case of an application-under rule 89, the deposit required by that rule is made within [sixty days] from the date of sale, [or in cases where the amount deposited under rule 89 is found to be deficient owing to any clerical or arithmetical mistake on the part of the depositor and such deficiency has been made good within such time as may be fixed by the Court, the Court shall make an order setting aside the sale]:

Provided that no order shall be made unless notice of the application has been given to all persons affected thereby:

[Provided further that the deposit under this sub-rule may be made within sixty days in all such cases where the period of thirty days, within which the deposit had to be made, has not expired before the commencement of the Code of Civil Procedure (Amendment) Act, 2002.

(3) No suit to set aside an order made under this rule shall be brought by any person against whom such order is made.

[(4) Where a third party challenges the judgment-debtor's title by filing a suit against the auction-purchaser, the decree-holder and the judgment-debtor shall be necessary parties to the suit.

(5) If the suit referred to in sub-rule (4) is decreed, the Court shall direct the decree-holder to refund the money to the auction-purchaser, and where such an order is passed the execution proceeding in which the sale had been held shall, unless the Court otherwise directs, be revived at the stage at which the sale was ordered]."

17. In aid of the provisions under the Code of Civil Procedure, Punjab and Haryana High Court framed High Court Rules and Orders. Volume 1, Chapter-12, Part-L thereof deals with sale of property and delivery to purchaser. Rule 12 deals with payment of purchase money to decree-holder or its refund. The same reads as under:

> “**12. Purchase money: its payment to decree-holder or its refund - Refund of commission.** - Purchase money deposited in Court upon the sale of immoveable property shall be retained by the Court until the expiry of a period of fifteen days from the date of the order confirming the sales If no notice of an appeal having been presented by the party seeking to set the sale aside, be given to the Court within that period, the purchase money less the sum which has to be credited to Government or paid to the Court Auctioneer as commission on the sale (see paragraph 22)may be paid on the demand of the decree-holder. If such notice be given within the prescribed period, the purchase money shall be retained in deposit until the appeal is decided, unless the party at the time entitled to receive it gives security, to the satisfaction of the Court to repay it at any time when he may be required by the Court, so to do.”

18. Modes of paying money under decree are governed by Order XXI Rule 1 CPC, which reads as under:

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

19. The aforesaid provision has been interpreted by Supreme Court in ***K.L. Suneja's case*** (supra), observing as under:

> "xxx xxx xxx
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> 30. The rule was explained in another decision of this court, in ***V. Kala Bharathi & Ors. v. The Oriental Insurance Company Ltd 2014 (5) SCC 577***, dated 1st April 1947 :
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> > "A bare perusal of the aforesaid provisions makes it amply clear that the scope of Order XXI Rule 1 of the Code of Civil Procedure is that the judgment debtor is required to pay the decretal amount in one of the modes specified in Subrule (1) thereof. Sub-rule (2) of Rule 1 provides that once payment is made Under Sub-rule (1), it is the duty of the judgment debtor to give notice to the decree-holder through the Court or directly to him by registered post acknowledgement due. Sub-rule (3) of Rule 1 merely indicates that in case money is paid by postal money order or through a bank under Clause (a) or Clause (b) of Sub-rule (1) thereof, certain particulars are required to be accurately incorporated while making such payment. Sub-rules (4) and (5) of Rule 1 states from which date, interest shall cease to run-in case amount is paid under Clause (a) or (c) of Sub-rule (1), interest shall cease to run from the date of service of notice as indicated Under Sub-rule (2); while in case of out of court payment to the decree-holder by way of any of the modes mentioned under Clause (b) of Sub-rule (1), interest shall cease to run from the date of such payment."

> 31. The provisions of Order XXI are applicable to decrees of civil court. However, they embody a sound policy principle, that if the amount is deposited, or paid to the decree holder or person entitled to it, the person entitled to the amount cannot later seek interest on it. This is a rule of prudence, inasmuch as the debtor, or person required to pay or refund the amount, is under an obligation to ensure that the amount payable is placed at the disposal of the person entitled to receive it. Once that is complete (in the form of payment, through different modes, including tendering a Banker's Cheque, or Pay Order or Demand Draft, all of which require the account holder / debtor to pay the bank, which would then issue the instrument) the tender, or `payment' is complete.
>
> xxx xxx xxx”

20. In the present case, decree in favour of respondent No.1 reads as under:

> "This suit coming on 5th day of January 2018 for final disposal before me (Kapil), Civil Judge (Jr. Divn.), Safidon, in the presence of Shri M.P. Jain, Advocate for plaintiff and Shri J.S. Malik, Advocate for defendants no.1 to 3 whereas defendants no.4 and 5 already proceeded against exparte. It is ordered that suit of the plaintiff succeeds and is hereby decreed with cost and the plaintiff bank is held entitled to recover Rs.56,25,817/- from the defendants along with interest @18% per annum from the date of filing of the present suit till its realization. The defendants are directed to make the payment of the decretal amount within a period of three months."

21. Respondent No.1 filed execution application on 02.04.2018. In execution of the aforesaid decree, two shops belonging to respondents No.2

to 6 were attached. First shop i.e., No.65 was auctioned on 31.10.2018 for an amount of Rs.66,11,000/-. On 16.11.2018, challan for deposit of total amount was received in Executing Court.

22. Second shop i.e., No.58 was sold in auction on 16.01.2019 for an amount of Rs.65,00,000/-. On 23.01.2019 total balance amount was deposited in the Court. Order dated 23.01.2019 passed by the Executing Court reads as under:

> **"M/s Shiv Lal Versus M/s Sidhi Vinayak etc.**
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> Present : Shri M.P. Jain, Advocate for DH
> Shri Vikas Kundu, Advocate for Auction Purchaser Anshul Jindal
>
> Heard. Perusal of warrant of sale shows that same has been duly executed. Thereafter, power of attorney and an application for permission to deposit balance sale consideration of Rs.4,87,5000/- by way of demand draft filed by Shri Vikas Kundu, Advocate. Heard. Allowed. Now, the case is adjourned to 8.2.2019 for further proceedings.
>
> (Kapil)
> CJ(JD), Safidon,
> UID: HR0407"

23. From above, it is thus clear that on the day the total sale consideration was deposited, i.e., on 23.01.2019, decree-holder participated in the proceedings through his counsel and was aware of the fact that the amount stands deposited.

23.1. In terms of Rule 12 of the High Court Rules and Orders, purchase money deposited in the Court upon the sale of immovable property can be retained by the Court until the expiry of a period of fifteen days from the date of the order confirming the sale. Thus, the Executing Court was under an obligation to pay the decretal amount in terms of the decree to the decree-holder. The decree-holder should have sought payment of the decretal amount immediately after the sale was confirmed.

24. In view of the aforesaid facts, this Court finds that the impugned order passed by the Executing Court cannot be sustained and deserves to be set aside.

25. In cases where the Executing Court orders execution of money decree by way of sale, the purchaser is an under obligation to deposit 25% of the amount of purchase money to the officer or the person conducting the sale in terms of Order XXI Rule 84 CPC. The full amount has to be paid by the purchaser in the Court before the Court closes on the fifteenth day from the sale of property in terms of Order XXI Rule 85 CPC. In terms of Order XXI Rule 92 CPC where no application is made under Order XXI Rule 89, Rule 90 or Rule 91 challenging sale, the Court is to pass an order confirming the sale. Since the limitation for filing application challenging the sale in terms of Article 127 of the Limitation Act, 1963 is '60 days', the Court is required to pass an order confirming the sale on the 61^{st} day from the date of sale on deposit of purchase money. Thereafter, the Court has to wait for fifteen days in terms of Rule 12 of the High Court Rules and Order. On expiry of fifteenth day the amount becomes payable to be paid to the decree-holder. In these circumstances, the amount payable to respondent No.1 in

execution of decree dated 05.01.2018 in his favour has to be treated as under:

(i) **<u>Amount of Rs.66,11,000/</u>-** The purchase amount of Rs.66,11,000/- *qua* the shop bearing No.65 was deposited on **27.11.2018**
Remarks: • First the amount shall be adjusted towards interest payable to respondent No.1 in terms of decree, up to 27.11.2018 and thereafter towards principal. • The residual principal (if any) has to be realized from sale proceeds of Shop No.58 which is the second property sold in execution.

(ii) **<u>Amount of Rs.65,00,000/</u>-** The entire purchase money *qua* the second Shop bearing No.58, i.e., Rs.65,00,000/- was deposited on 23.01.2019.
Remarks: • The said amount has to be utilized for payment of residual principal along with interest payable on residual principal from 27.11.2018 till 23.01.2019. • The residual amount shall remain with the Executing Court. The same can be utilized to satisfy decree in favour of the petitioners against respondents No.2 to 6.

26. Since the amount of sale proceeds of auction were deposited by the purchaser in the presence of counsel representing the decree-holder, i.e., respondent No.1, the interest shall cease to run from the date of such deposit in terms of Order XXI Rule 1(4) CPC.

27. The revision petition is allowed in the aforesaid terms.

28. However, this Court will be failing in its duty without referring to following directions issued by Supreme Court in ***K.L. Suneja's*** case (supra) :

> "35. Before parting with this case, this court is of the opinion that all courts and judicial forums should frame guidelines in cases where amounts are deposited with the office / registry of the court / tribunal, that such amounts should mandatorily be deposited in a bank or some financial institution, to ensure that no loss is caused in the future. Such guidelines should also cover situations where the concerned litigant merely files the instrument (Pay Order, Demand Draft, Banker's Cheque, etc.) without seeking any order, so as to avoid situations like the present case. These guidelines should be embodied in the form of appropriate rules, or regulations of each court, tribunal, commission, authority, agency, etc. exercising adjudicatory power."

28.1. Accordingly, the matter be placed before the Hon'ble the Chief Justice for framing of necessary guidelines complying with directions issued by Supreme Court *ibid*.

29. In addition to the aforesaid directions, this Court deems it necessary to direct the Executing Courts in the States of Punjab, Haryana and U.T., Chandigarh that the amounts received in execution proceedings be immediately deposited with nationalized bank instead of keeping the same idle. This will ensure that the parties are not at loss due to act of court. Money deposited in execution shall be deposited in interest bearing Fixed Deposits with a nationalized bank. Fixed Deposit should be transferred to the party entitled. Party concerned may withdraw the interest or continue with the fixed deposit. Otherwise, the question *qua* interest for the period amount remained deposited with Executing Court shall keep on bothering the courts. The act of Court shall not prejudice any party.

July 07, 2026 **(Pankaj Jain)**
Dpr **Judge**

Whether speaking/reasoned : Yes
Whether reportable : Yes