



RSA-542-2026 (O&amp;M)

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**IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH**RSA-542-2026 (O&M)  
Date of decision: 29.04.2026

Kamla Devi ...Appellant

Versus

Satwanti Devi ...Respondent

**CORAM: HON'BLE MR. JUSTICE DEEPAK GUPTA**Present: Ms. Rajvinder Kaur Sohal, Advocate  
for the appellant.

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**DEEPAK GUPTA, J. (ORAL)**

The present Regular Second Appeal has been filed by the appellant–defendant challenging the judgment & decree dated 05.12.2025 passed by the learned Additional District Judge, Karnal, whereby the appeal preferred by the appellant was dismissed and the judgment & decree dated 06.03.2018 passed by the learned Civil Judge (Junior Division), Assandh, decreeing the suit of the plaintiff–respondent for recovery of ₹1,30,000/- along with interest, was affirmed.

2. The case arises out of an agreement to sell dated 18.08.2004. As per the pleaded case of the plaintiff, the defendant agreed to sell the suit property for total sale consideration of ₹1,30,000/-, which was paid by the plaintiff to the defendant at the time of execution of the agreement, and possession of the property was also delivered to him. It was specifically agreed between the parties that the defendant would ensure execution and registration of the sale deed through the recorded owners of the property, namely Tejbir and Mahindro, in whose names the property stood recorded. It was further stipulated that in case the defendant failed to get the sale deed executed, the plaintiff would be entitled to recover the entire amount



of ₹1,30,000/- along with interest at the agreed rate. According to the plaintiff, despite repeated requests, the defendant failed to fulfil her contractual obligation. Subsequently, the plaintiff came to know that the recorded owners had executed sale deeds in favour of third parties, namely Krishna, Santro and Binder Kaur, in December 2015 and January 2016. As a result, the plaintiff was dispossessed from the suit property. The plaintiff then demanded refund of the amount along with interest, and also served a legal notice dated 05.05.2016, but to no avail. On these premises, the plaintiff instituted a suit for recovery of ₹1,30,000/- along with interest.

3. The defendant contested the suit raising various preliminary objections, inter alia, regarding maintainability, limitation, lack of cause of action, estoppel and concealment of material facts. On merits, it was asserted that the plaintiff was already in possession of the property and continued to enjoy the same. It was further pleaded that disputes regarding the property were already pending between third parties and the plaintiff was aware of such litigation at the time of entering into the agreement. The defendant denied any liability to refund the amount and prayed for dismissal of the suit.

4. On the basis of pleadings, the learned trial Court framed issues, the principal one being whether the plaintiff was entitled to recovery of ₹1,30,000/- along with interest on the basis of the agreement dated 18.08.2004. The parties led both oral and documentary evidence. The plaintiff examined herself and other witnesses and proved the agreement as well as the subsequent sale deeds executed in favour of third parties. The defendant also stepped into the witness box and examined another witness in support of her defence.

5. Upon appreciation of evidence, the learned trial Court decreed



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the suit holding that the agreement and payment of consideration stood proved and that the defendant had failed to perform her part of the contract, thereby entitling the plaintiff to recovery of the amount along with interest.

6. Aggrieved, the defendant preferred an appeal, which came to be dismissed by the learned Additional District Judge, Karnal, vide judgment dated 05.12.2025. The first appellate Court, upon re-appraisal of the entire evidence, concurred with the findings recorded by the trial Court and upheld the decree.

7. Assailing the above findings, Learned counsel for the appellant raised following grounds:

7.1 *Firstly*, it is contended that the agreement dated 18.08.2004 was neither duly stamped nor registered and, therefore, was inadmissible in evidence and could not have been relied upon by the Courts below.

7.2 *Secondly*, it is argued that the suit is barred by limitation, as the agreement was executed in the year 2004 and the suit was instituted only in the year 2016.

7.3 *Thirdly*, it is submitted that the plaintiff remained in possession of the property and, therefore, was not entitled to seek recovery of the amount.

7.4 *Fourthly*, it is urged that the rate of interest awarded is excessive and not supported by the terms of the agreement.

7.5 *Lastly*, it is contended that both the Courts below have misread and mis-appreciated the evidence on record, and their findings are liable to be set aside.

8. I have heard learned counsel for the appellant and carefully gone through the judgments passed by the Courts below as well as the



paper-book.

9. At the outset, it is necessary to note that the scope of interference in a Regular Second Appeal is limited. This Court can interfere only if a substantial question of law arises. Findings of fact concurrently recorded by the Courts below are not to be disturbed unless the same are shown to be perverse or based on no evidence.

10. Upon consideration of the matter, this Court finds no merit in the present appeal for the following reasons:

(a) *On the issue of agreement and receipt of consideration* : Both the Courts below have concurrently held, on the basis of cogent evidence, that the agreement dated 18.08.2004 was duly executed and that the defendant had received ₹1,30,000/- from the plaintiff. These findings are pure findings of fact based on appreciation of evidence and cannot be re-opened in second appeal.

(b) *Objection regarding admissibility of agreement* : The argument that the agreement is inadmissible due to lack of stamp or registration is misplaced. The present suit is not one for specific performance but for recovery of money on failure of contractual obligation. The agreement has been rightly looked into for the collateral purpose of proving the transaction and receipt of money. No illegality can be found in the approach adopted by the Courts below.

(c) *On limitation* : The Courts below have rightly held that the cause of action arose, when the plaintiff was dispossessed and when the defendant failed to perform her obligation after the execution of sale deeds in favour of third parties in 2015–2016. The suit filed thereafter is clearly within limitation. This finding is based on correct application of law to the facts and does not give rise to any substantial question of law.



(d) *On possession and entitlement to recovery* : The plea that the plaintiff continued in possession stands negated by concurrent findings that she was dispossessed. Once the defendant failed to fulfil her contractual obligation and the property stood transferred to third parties, the plaintiff became entitled to recover the amount paid.

(e) *On rate of interest* : Though the grant of interest is based on the terms of the agreement and the surrounding circumstances and the same cannot be said to be so excessive or arbitrary, but this Court finds substance in the limited contention raised on behalf of the appellant with regard to the rate of future interest. The transaction in question emanates from an agreement to sell between private individuals concerning a residential property and does not partake the character of a commercial transaction.

11. In terms of Section 34 of the Code of Civil Procedure, 1908, while the Court has discretion in awarding interest, the future interest in non-commercial transactions ordinarily ought not to exceed 6% per annum. The award of interest at a higher rate for the post-decree period, therefore, cannot be sustained.

12. Accordingly, while maintaining the decree passed by the Courts below with respect to the principal amount and other findings, the rate of future interest is modified and reduced to 6% per annum from the date of decree till realization.

13. Except for the limited intervention as above, the appellant has failed to demonstrate that the findings recorded by the Courts below are perverse, based on misreading of evidence, or contrary to law. The entire endeavour of the appellant is to seek re-appreciation of evidence, which is impermissible in a second appeal.



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14. In view of the detailed discussion and reasons recorded hereinabove, this Court finds no merit in the present Regular Second Appeal insofar as the findings on facts and entitlement of the respondent–plaintiff are concerned. The concurrent findings recorded by both the Courts below are based on proper appreciation of evidence and do not suffer from any illegality or perversity so as to warrant interference in exercise of jurisdiction under Section 100 CPC. No substantial question of law arises for consideration.

15. However, this Court finds merit in the limited aspect relating to the rate of future interest, as discussed above. Accordingly, while affirming the decree passed by the Courts below on all other counts, the rate of future interest is modified and reduced to 6% per annum from the date of decree till realization.

16. Consequently, the present Regular Second Appeal stands dismissed with the aforesaid modification in the rate of future interest. Decree be drawn accordingly. No order as to costs.

**29.04.2026***Yogesh***(DEEPAK GUPTA)  
JUDGE**Whether speaking/reasoned:-  
Whether reportable:-Yes/No  
Yes/No