
INTERPLEADER SUIT: LEGAL FRAMEWORK, OBJECTIVE AND PROCEDURAL INSIGHTS

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I. Introduction

In the complex landscape of civil litigation, interpleader suits serve as a vital procedural tool designed to address situations where a third party, typically holding property, funds, or other assets, finds themselves entangled in conflicting claims from multiple parties. Codified under Section 88 and Order XXXV of the Code of Civil Procedure, 1908, interpleader suits offer a structured remedy to resolve these disputes efficiently and equitably.

The essence of an interpleader action lies in its ability to protect a disinterested stakeholder—who has no personal claim to the disputed asset—from the burden of multiple lawsuits and the risk of inconsistent judgments. By consolidating all conflicting claims into a single proceeding, the interpleader suit minimizes legal complexities and ensures that the rightful claimant is determined by the court. This not only safeguards the interests of the stakeholder but also promotes judicial efficiency, reducing the strain on the legal system.

“The Order on interpleader is derived from an Act of 1841, which itself was based on an English Statute. The Order provides for various matters such as when interpleader suit may be instituted; when the thing claimed must be paid into Court; the procedure at the first hearing, when agents and tenants can compel their principals or landlords to interplead; how the plaintiff's costs may be secured; and so on.”¹

This assignment delves into the significance of interpleader suits within the Indian legal framework, examining their purpose, essential elements, and procedural requirements. By exploring key judicial interpretations and the practical

¹ Law Commission of India — Report No. 54 (February, 1973)

implications of these provisions, the analysis aims to highlight the crucial role interpleader suits play in maintaining fairness and justice in civil litigation.

II. Meaning and Definition:

A legal action brought by an individual or organization in possession of assets, money, or property that are being contested by two or more parties is known as an interpleader suit. In order to prevent liability or several lawsuits, an interpleader suit is brought when the party holding the property have no interest in it other than possible charges or costs.

The primary disagreement in an interpleader suit usually occurs between the defendants who interplead against each other, instead of including the plaintiff and defendant in a case. An interpleader suit is distinguished by the fact that the plaintiff is not directly involved in the subject matter under contention. Resolving divergent claims amongst rival defendants is the primary goal of an interpleader proceeding. This situation occurs when there is a conflict about assets, funds, or anything that is specific to the defendants. In essence, the purpose of an interpleader suit is to resolve a dispute involving a third party. It is crucial for the plaintiff to uphold objectivity and refrain from arbitrariness in an interpleader claim. Take, for example, the situation where "A" has a total of Rs.10,000 that "B" and "C" are claiming against each other. The interpleader suit is filed by "A" against "B" and "C." It is discovered during the proceedings that "A" and "B" had already agreed upon a settlement before filing the lawsuit, according to which "B" would only accept Rs. 9,000 from "A" as full settlement of his claim should "A" win. Due to this arrangement, "A" has an interest in the suit's subject matter and is therefore ineligible to file an interpleader suit. As a result, the complaint ought to be dismissed.

“It is true that where it is found that the plaintiff instituting the interpleader suit has colluded with one of the claimants, as for example, where he is found to have taken an indemnity bond from one of the claimants or has entered into an

agreement with one of them to receive less than what is due, the suit can be held to be incompetent.”²

III. Essentials of an Interpleader Suit:

Section 88 and Order XXXV of the Code of Civil Procedure, 1908 encompass the provisions governing Interpleader suits. Section 88 delineates the criteria and conditions under which an interpleader suit can be initiated. “S. 88 of the Code of Civil Procedure confers a right on the person holding a debt, or a sum of money, or property, moveable or immovable, to which two or more persons claim adversely to one another, to seek the assistance of the court by filing an interpleader suit and obtain a decision as to the person to whom the payment or delivery shall be made so as to furnish indemnity for himself. The requirements of the section are that the plaintiff seeking to avail of this right must be ready to pay or deliver the debt, sum of money or other property to the rightful claimant subject to orders of the court and claim no interest therein.”³

The essential elements of an interpleader suit as follows:



a. Similar
disputed matter.



b. Revival
claims.



c. Disinterested
Claimant



d. Interpleader
Action

- a. Similar disputed matter:** There must be property/dispute involved that is of a similar nature, which can include a mortgage, a sum of money, or any movable or immovable property. “It is clear that in order to justify an interpleader suit, there must be two claimants to the same property or subject matter of the suit”⁴.

² Asuda Singh v. R. B. Pahlaj Singh, 1974 SCC OnLine Del 156 : ILR (1975) 1 Del 115

³ Ibid2

⁴ Ibid2

- b. Revival Claims:** Regarding the property at issue, two or more parties need to file conflicting claims against one another. Regarding the property at issue, two or more parties need to file conflicting claims against one another. A person may initiate an interpleader suit against all claimants in order to determine who will receive payment or delivery and to obtain indemnity for oneself. The necessary conditions for invoking S. 88 of the C.P.C. in order to file an interpleader suit are that two or more persons should be adversaries to one another by the same debt or sum of money or other property.
- c. Disinterested Claimant:** The person initiating the suit (plaintiff) claiming the property must not have any interest in it, except for potential charges or expenses. “This disinterest is crucial, as the plaintiff must be in a position to deliver or transfer the property to the rightful claimant. In an inter-pleader proceeding, the plaintiff does not have any interest except to ensure that the original owner of the property is declared and that he has lawful dealings with such persons.”⁵
- d. Interpleader Action:** A person claiming property may commence an interpleader action against all the claimants involved. the object is to Identify that which claimant is qualified to get money or ownership of the property. In the meantime, the plaintiff also seeks indemnity for themselves.

In an interpleader suit, the contest is between the defendants for title and the plaintiff has got nothing to do with that contest. “The language of S. 88 itself suggests that a plaintiff can file an interpleader suit firstly, for obtaining a decision as to the person to whom the payment or delivery should be made and, secondly, for obtaining an indemnity for himself. Where therefore, plaintiff claims any interest in the property concerned, interpleader suit has to necessarily fail.”⁶The provision to Section 88 also states that when there is an ongoing lawsuit in which the interests of both parties can be fairly ascertained, no interpleader suit may be filed.

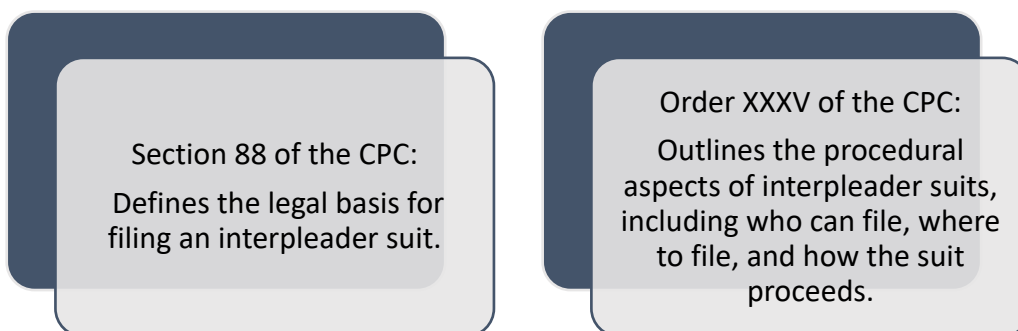
⁵ Asian Hotels Ltd. v. Y.A. Ghulam Mohamed, 2010 SCC OnLine Del 774 : (2010) 168 DLT 537 (Del)

⁶ Mangal Bhikaji Nagpase v. State of Maharashtra, 1997 SCC OnLine Bom 59 : (1997) 2 Mah LJ 55 : (1997) 99 (3) Bom LR 91

In the *Asan v. Saroda* decision, the Hon'ble Calcutta High Court held that a matter cannot be classified as an interpleader suit under the CPC if the defendants do not make competing claims against one another. Additionally, the plaintiff must agree to pay the defendant or give the property to them, or else plaintiff won't be able to claim the title.

IV. Legal Framework for Interpleader Suit:

The legal framework related to Interpleader suit originates from Section 88, which provides for the institution of interpleader suit. Further, Order XXXV of the Civil Procedure Code, lays down the procedure and requirements to be followed for the institution of the interpleader suit. These provisions provide rules from the essential components of the plaint to the court's authority in adjudicating these disputes, and provides a comprehensive guide to this powerful legal tool. By following the framework, stakeholders can safeguard their rights and find a path towards a fair and efficient resolution. A brief of all the relevant provisions related to interpleader suit is as:



a. Section 88 of the Civil Procedure Code:

Section 88 of the Civil Procedure Code provides that a interpleader suit can be instituted when, two or more persons claim adversely to one another the same debts, sum of money or other property from another. Property may be movable or immovable. The person from whom the property is claimed, claims no interest therein other than for charges or costs. In order to effectively determine on the rights of all parties, there cannot be an ongoing lawsuit.

“The Delhi High Court reiterated the principle that an interpleader suit is an appropriate remedy when multiple parties assert competing claims to a specific property or fund held by a third party.”⁷

b. Order XXXV Rule 1 – Plaintiff in an Interpleader Suit:

“Order XXXV Rule 1 of the Code of Civil Procedure, 1908 pertains to the Plaintiff in an interpleader suit. According to this rule, the plaintiff's complaint must contain the following essential components:

- **Lack of Interest:** The plaintiff, in the interpleader suit, must explicitly state that they have no interest in the subject matter of the suit or in the individual claims made by the defendants.
- **Absence of Conspiracy:** The plaintiff must unequivocally assert that there is no collusion or conspiracy between the claimants and any of the defendants throughout the course of the case.
- **Listing Defendant's Claims:** The plaintiff is required to include all the arguments and claims presented by the defendants in the complaint.
- **Willingness to Present Property:** If the property in dispute is movable, the plaintiff must express their willingness to place it before the court for resolution.

In the case of *Mangal Bhikaji Nagpase v. State of Maharashtra*⁸, the Hon'ble Bombay High Court emphasized that the plaintiff must affirm, in compliance with Rule 1, that they have no interest in the disputed subject matter other than possible charges or expenses.”

c. Order XXXV Rule 2 – Payment of the Thing Claimed into Court:

The circumstances under which the contested property can be paid into court or

⁷ Ram Gopal v. Pooran Chand Kanodia, 2004 SCC OnLine All 999

⁸ 1997 SCC OnLine Bom 59 : (1997) 2 Mah LJ 55 : (1997) 99 (3) Bom LR 91

placed under court custody are outlined in Order XXXV Rule 2, and the plaintiff may be required to follow these steps before being entitled for any orders in the matter. In the case of *Syed Shamshul Haque v. Sitaram Singh & Ors.*⁹, the Hon. Patna High Court made it clear that the court has the authority to make decisions on disputed property, and that the party in question must abide by these decisions before seeking legal recourse.

d. Order XXXV Rule 3 – Procedure where Defendant is Suing the Plaintiff in an Interpleader Suit:

The process which is to be followed when a defendant in an interpleader suit is also suing the plaintiff on the subject matter is outlined in Order XXXV Rule 3. When this happens, the court where the plaintiff's lawsuit is currently pending has to be stayed upon being notified by the court wherein the interpleader complaint is filed.

e. Order XXXV Rule 4 – Procedure at First Hearing in Interpleader Suit:

The procedure for the first hearing of the interpleader suits are laid down in Order XXXV Rule 4. "It provides that at the first hearing of the suit, the Court may either declare that the plaintiff is discharged from all liability to the defendant in respect of the claim, award him his costs and dismiss him from the suit or if the interest of justice or convenience requires, retain all the parties until the final disposal of the suit".¹⁰ This rule empowers the court the to:

- **Plaintiff's Release from Liabilities:** The court has the authority to release the plaintiff from all liabilities at the first hearing. As a result, the plaintiff may be awarded costs, and the matter may be dismissed by the court. "Thus looking at it in a pragmatic manner it must be held that when the Court grants a declaration to the plaintiff in an interpleader suit such a declaration results in his discharge from liability to the defendants."¹¹

⁹ AIR1978PAT151, 1978(26)BLJR325, AIR 1978 PATNA 151

¹⁰ Groundnut Extractions Export Development Association v. State Bank of India, 1976 SCC OnLine Bom 123 <https://indiankanoon.org/doc/1066861/>

¹¹ Ibid <https://lawbhoomi.com/interpleader-suit/>

- **Retention of Parties:** However, if the court believes that it is necessary for the sake of justice, propriety, or convenience to retain all parties to the suit, until the suit reaches its final resolution, the plaintiff may not be discharged. This rule allows the court to decide whether it is appt to release the plaintiff or to keep them involved in the suit.
- **Framing and Trying Other Issues:** If the court deems it suitable, it may also order that additional issues be framed and tried concurrently with the suit. Additionally, if the court determines that it is essential to designate any complainant (the defendant in the interpleader suit) as a plaintiff in addition to or instead of the original plaintiff.

f. Order XXXV Rule 5 – Who cannot file Interpleader suit:

Order XXXV Rule 5 bars the category of person from filing the interpleader suit. It provides for the persons who are ineligible to file an interpleader suit. “Rule 5 provides that the tenants and the agents cannot institute a interpleader suit”.¹² “A person claiming independent right not claiming such rights through their brothers as landlords interpleader suit cannot lie”.¹³

In one interesting case, “the petitioner has filed a suit against the respondent. But the case gets dismissed by the civil judge. Then the third petitioner has filed a case against petitioner to recover the rent along with the profit He filed an interpleader suit. In the judgment of this case the judge dismissed the application of the petitioner under Order 35 Rule 5 of CPC.”¹⁴

g. Order XXXV Rule 6 – Charge of Plaintiff’s Cost:

Order XXXV Rule 6, the final rule in this order, deals with the charge of the plaintiff’s costs. When an interpleader suit is appropriately initiated, the court will determine how the original plaintiff’s costs will be compensated. This compensation may be obtained by charging the plaintiff a fee equivalent to the amount in dispute or by utilising a similar method that proves to be equally

¹² Sadashiv Govind Arekar v. Yashvant Bhikaji Vilankar, 1938 SCC OnLine Bom 60

¹³ Gour Hari Ghosh v. Punjab National Bank, 2005 SCC OnLine Cal 9 : (2005) 2 CHN 248

¹⁴ Neeraj Sharma vs The District Sangpur Khadi Gram Udyog (2006)142PLR791

effective and successful. It states that no appeal shall be filed against the decree passed under Rule 5 of Order XXXV of the Act.

In nut shell, the legal framework for interpleader suit, as outlined in Section 88 and Order XXXV of the Civil Procedure Code, 1908, provides a structured legal remedy for stakeholders facing conflicting claims over the same property. It allows stakeholders with no personal interest to seek judicial resolution, consolidating multiple claims into one proceeding. The framework ensures transparency, fairness, and judicial efficiency by detailing the necessary procedures, including the discharge of the plaintiff from liability or their retention until final judgment. Ultimately, this mechanism protects stakeholders from multiple liabilities while ensuring an equitable and efficient resolution of disputes.

V. Objective of filing an Interpleader Suit:

An interpleader suit under the Civil Procedure Code (CPC) serves as a legal mechanism to resolve disputes involving competing claims over the same property or asset. Its primary objectives include the adjudication of claims, ensuring that the rightful claimant is determined through a fair legal process. This helps prevent unjust enrichment or unfair treatment. It also facilitates the efficient distribution of property, particularly in cases where a deceased person's assets are claimed by multiple family members. The interpleader suit consolidates these claims into a single legal action, thereby avoiding the need for multiple lawsuits and promoting judicial efficiency. By allowing the court to resolve all related claims in one proceeding, it not only expedites the resolution process but also minimizes the burden on the courts. Moreover, the interpleader suit allows the stakeholder, who holds the disputed asset, to discharge their obligation by depositing the asset with the court, thereby releasing them from further liability.

An interpleader suit in CPC have the following objectives:

Adjudication of claims.



Ensure proper property distribution.



Avoid multiple lawsuits.



Promote efficient judicial resolution.



Discharge stakeholder's liability.

- a. **Adjudication of Claims:** The suit aims to adjudicate the competing claims made by the defendants, thereby determining the rightful claimant. The interpleader suit allows the court to determine the rightful claimant to the disputed asset, ensuring that it is distributed according to law and equity. This prevents unjust enrichment or unfair treatment of any party involved.
- b. **Property Distribution:** In cases where a person passes away without transferring property to other family members, a family member may need to claim the property or money from a bank. The bank, in turn, may initiate an interpleader suit to decide who should receive the property. This type of suit is filed in the court where the doctrine of res judicata applies.
- c. **Avoid multiplicity of Legal Actions:** The primary objective is to protect the stakeholder (the person or entity holding the disputed asset) from facing multiple lawsuits from different claimants over the same asset. Instead of multiple claimants filing separate lawsuits, the interpleader suit consolidates all claims into one legal action.
- d. **Efficient Judicial Resolution:** The interpleader suit promotes judicial efficiency by resolving all claims related to the disputed asset in a single proceeding. This not only speeds up the resolution process but also reduces the burden on the courts by preventing multiple lawsuits over the same issue.
- e. **Discharge Stakeholder's Obligation:** a. Release of Stakeholder from

Subsequent Liability: Upon depositing the contested asset with the court, the stakeholder is usually released from further liability, enabling them to withdraw from the dispute without risk of additional claims. In the primary submissions, the court may forgo plaintiff from all the liability award him the cost and dismiss him from the suit. The court may also make a decision based on the available evidence. If there is insufficient convincing proof the court can set out the issues and try the case by declaring one of the claimants as the plaintiff in lieu of or in addition to the initial plaintiff, and the suit will proceed ordinarily.

In nutshell the objective of interpleader suit is to resolve the disputes involving competing claims over the same asset. By consolidating all related claims into a single proceeding, it ensures a fair and equitable adjudication of rights, prevents unjust enrichment, and minimizes the burden on the judiciary. This process not only protects the stakeholder from facing multiple lawsuits but also allows for the efficient distribution of property, especially in cases involving deceased persons' estates. The interpleader suit releases the stakeholder from further liability, ensuring a swift and orderly resolution of disputes, thereby promoting judicial efficiency and justice for all parties involved.

VI. Procedural insights for filing Interpleader Suit:

An interpleader suit, as governed by Order 35 of the Code of Civil Procedure, 1908, is a legal remedy available to a party (the plaintiff) who holds property or funds over which multiple parties (the defendants) have conflicting claims. The plaintiff, who does not assert any ownership interest beyond possible charges or costs, initiates this suit to seek the court's intervention in resolving these disputes. The purpose of an interpleader suit is to protect the plaintiff from multiple liabilities and to ensure that the rightful claimant is determined by the court. The rules under Order 35 outline the specific procedures and requirements for filing and conducting such a suit, ensuring transparency and fairness in the legal process. The interpleader suit may be initiated by the party who does not assert any ownership interest in the property beyond charges or costs. "Where the plaintiff has no claim as such against a particular defendant but is interested only

for his debt, he can file an interpleader suit, under Or. 35.”¹⁵ Further, the procedure for initiation of interpleader suits is governed by Order 35, Rules 1 to 6 of the Code of Civil Procedure, 1908. The procedure is derived from Rules of Order 35 (Interpleader) of CPC which is as follows:

- a. **Rule 1:** This rule requires that while filing a Interpleader suit-
 - The plaintiff have to declare that he has no interest in the subject matter of the dispute other than charges and costs of the suit.
 - The defendants have several (not jointly) claims.
 - That none of the defendants and the plaintiff are involved in collusion.
- b. **Rule 2:** Before the plaintiff, as per the orders in the case, may be required to pay for the object of his claim, present it to the court, or place it in the court's custody.
- c. **Rule 3:** It stipulates that, upon being notified by the court where the interpleader suit is filed, any court where a lawsuit against the plaintiff is proceeding must stay the previous lawsuit in question if the defendant in an interpleader suit actually sues the plaintiff regarding the subject matter.
- d. **Rule 4:** At first hearing the court may declare that:
 - In regards to the matter of contention, the plaintiff is deemed to be discharge from the liability towards the defendant.
 - The court may retain a party if it determines that doing so is necessary to achieve the goals of justice and that they should be retained until the end.

This rule states that at the initial hearing, the court may pronounce the plaintiff fully relieved from all liability, give them costs, and dismiss the lawsuit. The court may also decide whether to issue the contested property's title based on the evidence presented. The court may order that one of the claimants may be added to or substituted as the original plaintiff if adjudication is not possible. From there, the lawsuit moves forward as usual.

¹⁵ Law Commission of India — Report No. 54 (February, 1973)

- e. **Rule 5:** It prescribes the bars for initiation of the interpleader suit by restricting a selected category of the person. It states that tenants and agents, respectively, are not permitted to file interpleader lawsuits against their landlord and principal.
- f. **Rule 6:** Rule 6 is the salutary provision which provides that if a suit is correctly filed, the court may provide the original plaintiff's expenses in exchange for the item being sued for, in some feasible manner.
- g. **Note:** An order dismissing an interpleader suit is a decree and is therefore appealable as one whereas a decision under Order 35 is an appealable order.

Thus, interpleader suit under Order 35 of the Civil Procedure Code, 1908, serves as a crucial legal mechanism for stakeholders with no ownership interest in disputed property. It safeguards them from multiple liabilities by consolidating conflicting claims into a single judicial process. The procedural rules ensure fairness and transparency, allowing the court to determine the rightful claimant, thereby providing a clear and equitable resolution to complex disputes.

PROCEDURE IN INTERPLEADER SUIT:

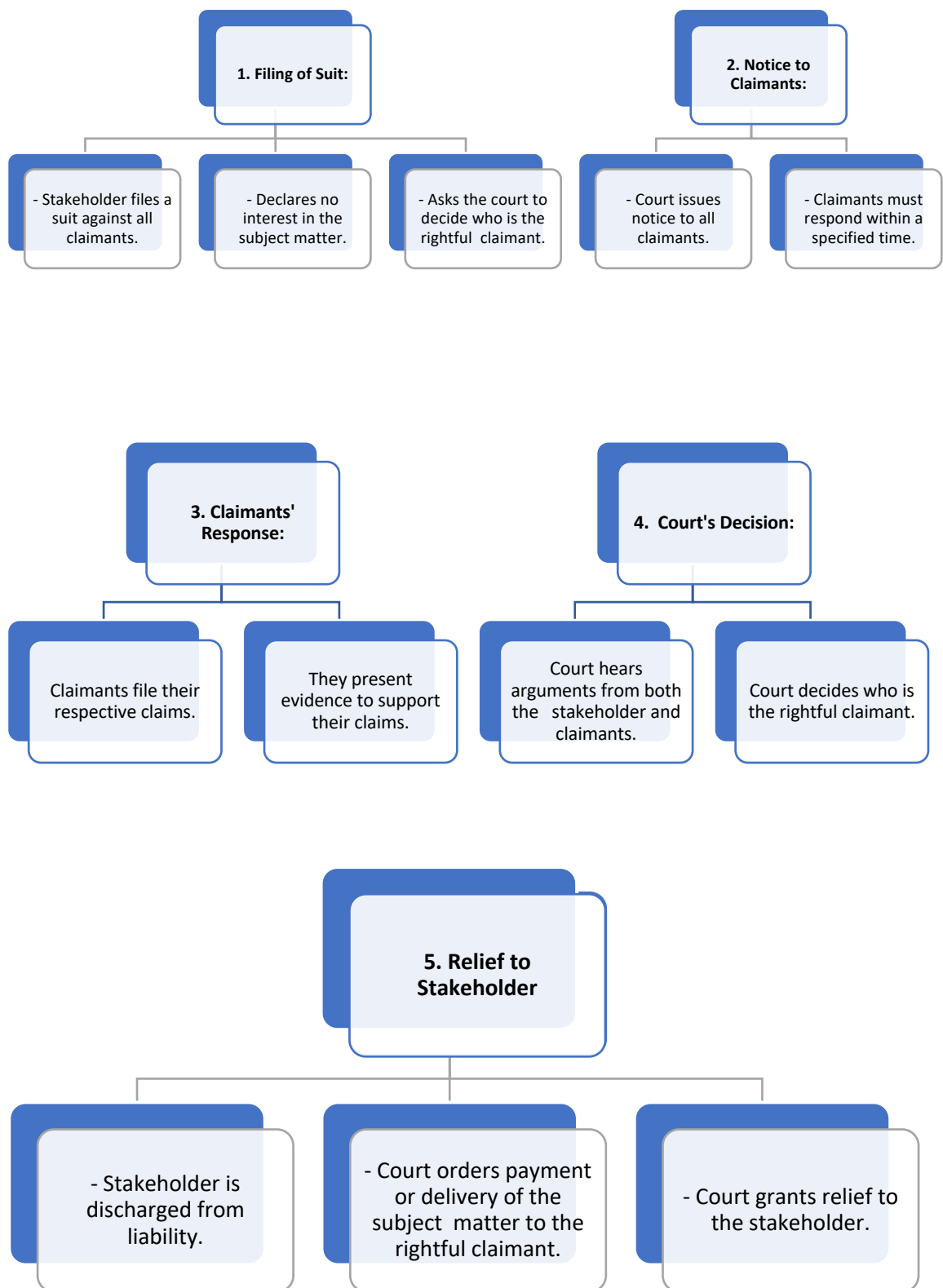
1. Filing of Suit.

2. Notice to Claimants.

3. Claimants' Response.

4. Court's Decision.

5. Relief to Stakeholder.



VII. Conclusion and Suggestions:

The interpleader suit is governed by Section 88 and Order XXXV of the Civil Procedure Code, 1908, serves as a vital legal remedy for stakeholders caught between conflicting claims over the same property. This legal framework ensures that disputes are resolved equitably and efficiently by bringing all the claimants into a single proceeding, thus protecting the stakeholder from multiple liabilities and conflicting judgments.

Section 88 of the Civil Procedural Code, sets a stage by allowing the stakeholder with no personal interest in the disputed property to seek judiciary when faced with adverse claims from multiple parties. The Order XXXV further refines this process, outlining the necessary components of the plaint, such as the requirement for the plaintiff to declare their lack of interest and to present the disputed property.

“These rules also emphasize the absence of collusion and the need for transparency in listing the defendants’ claims.”¹⁶ “The Supreme Court emphasized that interpleader suits serve the purpose of preventing the stakeholders from being drawn into multiple, time-consuming, and costly litigations and that they provide a convenient mechanism for resolving competing claims.”¹⁷

The procedural rules under the Order XXXV provide a balanced approach to resolving interpleader suits. It offer the court flexibility in either discharging the plaintiff from further liability or retaining them in the case until the final judgment, depending on the circumstances. The rules also delineate the categories of individuals, such as tenants and agents, who are barred from filing such suits, ensuring that only genuine stakeholders can invoke this remedy. The interpleader suit framework under CPC is designed to streamline the judicial process and minimize legal complexities, and ensure that the rights of all parties are fairly adjudicated. By protecting the stakeholder from the risk of multiple lawsuits and

¹⁶ <https://www.drishtijudiciary.com/to-the-point/ttp-code-of-civil-procedure/interpleader-suit/>

¹⁷ Chaturbhuj Vithaldas Jasani v. Moreshwar Parashram & Ors. (1987) 1954 AIR 236 1954 AIR 236, 1954 SCR 817.

ensuring an equitable resolution of claims, these provisions reinforce the principles of justice, efficiency, and fairness in civil litigation.

Along with the above mentioned intricacies the procedure of interpleader suits demands more advancements. The below suggestions aim to make the process of interpleader suits more efficient, accessible, and just, ensuring that they serve their purpose without causing unnecessary delays or burdens on the parties involved. There is more rays of hope in enhancing the process and efficacy of interpleader suits as it requires a multifaceted approach. The advancements in process of interpleader suit includes simplifying the old procedures, improving the court efficiency, leveraging and advancing the technology, increasing legal awareness, amending relevant laws, encouraging alternative dispute resolution, and focusing on cost efficiency will be key strategies. These improvements will aim to ensure that interpleader suits fulfil the purpose of fairly resolving disputes over property or funds, while minimizing delays, reducing costs, and preventing misuse of the legal process.

VIII. Appendix A: Relevant Legal Provisions

PART IV

SUITS IN PARTICULAR CASES

INTERPLEADER

Section 88. Where interpleader suit may be instituted.

Where two or more persons claim adversely to one another the same debts, sum of money or other property, movable or immovable, from another person, who claims no interest therein other than for charges or costs and who is ready to pay or deliver it to the rightful claimant, such other person may institute a suit of interpleader against all the claimants for the purpose of obtaining a decision as to the person to whom the payment or delivery shall be made and of obtaining indemnity for himself:

Provided that where any suit is pending in which the rights of all parties can properly be decided, no such suit of interpleader shall be instituted.

ORDER XXXV

INTERPLEADER

Rule 1: Plaint in interpleader-suit.

In every suit of interpleader the plaintiff shall, in addition to the other statements necessary for plaints, state—

- (a) that the plaintiff claims no interest in the subject-matter in dispute other than for charges or costs;
- (b) the claims made by the defendants severally; and
- (c) the plaintiff and any of the defendants.

Rule 2: Payment of thing claimed into Court.

Where the thing claimed is capable of being paid into Court or placed in the custody of the Court, the plaintiff may be required to so pay or place it before he can be entitled to any order in the suit.

Rule 3: Procedure where defendant is suing plaintiff.

Where any of the defendants in an interpleader-suit is actually suing the plaintiff in respect the subject-matter of such suit, the Court in which the suit against the plaintiff is pending shall, on being informed by the Court in which the interpleader-suit has been instituted, stay the proceedings as against him; and his costs in the suit so stayed may be provided for in such suit; but if, and in so far as, they are not provided for in that suit, they may be added to his costs incurred in the interpleader-suit.

Rule 4: Procedure at first hearing.

(1) At the first hearing the Court may—

- (a) declare that the plaintiff is discharged from all liability to the defendants in respect of the thing claimed, award him his costs, and dismiss him from the suit; or

(b) if it thinks that justice or convenience so require, retain all parties until the final disposal of the suit.

(2) Where the Court finds that the admission of the parties or other evidence enable it to do so, it may adjudicate the title to the thing claimed.

(3) Where the admissions of the parties do not enable the Court so to adjudicate, it may direct—

(a) that an issue or issues between the parties be framed and tried, and

(b) that any claimant be made a plaintiff in lieu of or in addition to the original plaintiff and shall proceed to try the suit in the ordinary, manner.

Rule 5: Agents and tenants may not institute interpleader suits.

Nothing in this Order shall be deemed to enable agents to sue their principals, or tenants to sue their landlords, for the purpose of compelling them to interplead with any persons other than persons making claim through such principals or landlords.

Illustrations:

(a) A deposits a box of jewels with B as his agent. C alleges that the jewels were wrongfully obtained from him by A, and claims them from B. B cannot institute an interpleader-suit against A and C.

(b) A deposits a box of jewels with B as his agent. He then writes to C for the purpose of making the jewels a security for a debt due from himself to C. A afterwards alleges that C's debt is satisfied, and C alleges the contrary. Both claim the jewels from B. B may institute in interpleader-suit against A and C.

Rule 6: Charge for plaintiff's costs.

Where the suit is properly instituted the Court may provide for the costs of the original plaintiff by giving him a charge on the thing claimed or in some other effectual way.

XI. Appendix B:

- *Asuda Singh v. R. B. Pahlaj Singh*, 1974 SCC OnLine Del 156 : ILR (1975) 1 Del 1155.
- *Asian Hotels Ltd. v. Y.A. Ghulam Mohamed*, 2010 SCC OnLine Del 774 : (2010) 168 DLT 537 (Del).
- *Mangal Bhikaji Nagpase v. State of Maharashtra*, 1997 SCC OnLine Bom 59 : (1997) 2 Mah LJ 55 : (1997) 99 (3) Bom LR 91.
- *Ram Gopal v. Pooran Chand Kanodia*, 2004 SCC OnLine All 999
- *Groundnut Extractions Export Development Association v. State Bank of India*, 1976 SCC OnLine Bom 123.
- *Sadashiv Govind Arekar v. Yashvant Bhikaji Vilankar*, 1938 SCC OnLine Bom 60.
- *Gour Hari Ghosh v. Punjab National Bank*, 2005 SCC OnLine Cal 9 : (2005) 2 CHN 248.
- *Neeraj Sharma vs The District Sangpur Khadi Gram Udyog* (2006)142PLR791.
- *Chaturbhuj Vithaldas Jasani v. Moreshwar Parashram & Ors.* (1987).
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- The Indian Evidence Act, 1872.

iii. Reports:

- Law Commission of India — Report No. 54 (February, 1973)
- Law Commission of India — Report No. 240 (May, 2012)