

Privy Council Appeal No. 67 of 1909. Bengal Appeal No. 8 of 1906.

**Barhamdeo Prasad, since deceased (now
represented by Ram Sumiran Prasad), and
another** - - - - - *Appellants.*

v.

Tara Chand and others - - - - - *Respondents.*

FROM

**THE HIGH COURT OF JUDICATURE AT FORT WILLIAM
IN BENGAL.**

JUDGMENT OF THE LORDS OF THE JUDICIAL COMMITTEE OF
THE PRIVY COUNCIL, DELIVERED THE 1ST DECEMBER 1913.

Present at the Hearing:

LORD MOULTON.
SIR JOHN EDGE.

MR. AMEER ALI.

[*Delivered by* SIR JOHN EDGE.]

This Appeal has arisen in a suit which was brought by the Plaintiffs on the 17th November 1900, in the Court of the Subordinate Judge of Monghyr, to enforce payment of principal moneys and interest which were charged upon immovable property by a deed dated the 19th September 1887, by which one Kalu Babu mortgaged to the Plaintiffs Mouzah Chak and other properties. The mortgage money was repayable on the 18th November 1888. By the suit, so far as it concerned the Defendants Barhamdeo Prasad and Ram Sumran Prasad, the Plaintiffs sought a decree against them for Rs. 12,197. 8. 3, together with interest, on the ground that they were in possession of a sum of Rs. 12,197. 8. 3, which had been

deposited in the Court of the Subordinate Judge of Monghyr, and was the balance remaining over of the purchase money of Mouzah Chak, after satisfying a decree for sale of that Mouzah of the 8th October 1890, such possession having been obtained by them wrongfully with full knowledge that it was affected with a charge to the Plaintiffs under a mortgage of Mouzah Chak. Barhamdeo Prasad, now dead, is represented in this Appeal by his brother, Ram Sumran Prasad. The only question in this Appeal is whether the suit so far as it related to Barhamdeo Prasad and Ram Sumran Prasad was a suit to enforce payment of money charged upon immovable property within the meaning of Article 132 of the Second Schedule of the Indian Limitation Act, 1877, or was a suit to which Article 120 of that Schedule applied.

The facts, briefly stated, are as follows: On the 21st May 1887, Kalu Babu mortgaged Mouzah Chak and other properties to Barhamdeo Prasad and Ram Sumran Prasad. On the 19th September 1887, Kalu Babu mortgaged Mouzah Chak and other properties to the Plaintiffs, and on the 19th July 1889, Kalu Babu further mortgaged Mouzah Chak to Barhamdeo Prasad and Ram Sumran Prasad. On the 8th October 1890, Barhamdeo Prasad and Ram Sumran Prasad obtained a decree for sale on their mortgage of the 21st May 1887. To the suit in which that decree was obtained the Plaintiffs in this suit were made parties, but they did not appear. In execution of the decree of the 8th October 1890, Mouzah Chak was sold. After satisfying that decree a balance amounting to Rs. 12,197. 8. 3 of the moneys which were realised by the sale of Mouzah Chak remained, and that balance was deposited in the Court of the Subordinate Judge of Monghyr. On the 14th January 1891, Barhamdeo Prasad and Ram Sumran Prasad obtained

a decree for sale on their mortgage of the 19th July 1889, and in execution of that decree they, on the 22nd April 1892, drew out of Court the balance of Rs. 12,197. 8. 3 which had been deposited in Court. Barhamdeo Prasad and Ram Sumran Prasad were well aware of the existence of the Plaintiffs' mortgage and that it had priority to the charge they were seeking to enforce, but they did not make the Plaintiffs parties to the suit, nor did they give them notice that under the decree of the 14th January 1891 they were drawing out of Court the balance of Rs. 12,197. 8. 3.

On behalf of Barhamdeo Prasad and Ram Sumran Prasad it was contended in the Court of the Subordinate Judge that this suit, so far as it related to the claim of the Plaintiffs against them in respect of the Rs. 12,197. 8. 3, surplus moneys of the sale of Mouzah Chak, was barred by limitation; their contention on the point of limitation was that Article 120, and not Article 132, of the Second Schedule of the Indian Limitation Act, 1877, applied to that claim. They also raised various other contentions in the Court of the Subordinate Judge to which it is not now necessary to refer. The Subordinate Judge held that the surplus sale proceeds of Mouzah Chak were part of the mortgage security to which the Plaintiffs were entitled under their mortgage, and gave the Plaintiffs a decree. From that decree of the Subordinate Judge Ram Barhamdeo Prasad and Ram Sumran Prasad appealed to the High Court at Calcutta. In that appeal two learned Judges, Henderson and Sale, JJ., held that the surplus sale proceeds of Mouzah Chak were portion of the security to which the Plaintiffs were entitled to look for satisfaction of their mortgage, and that they were entitled to follow that mortgage security in the hands of Barhamdeo Parsad and Sumran Prasad.

Mr. Justice Henderson also suggested that Barhamdeo Prasad and Sumran Prasad, having obtained possession of the surplus proceeds which had been deposited in Court with the knowledge that they were subject to the claim of the Plaintiffs in priority to their own claim, and that they had abstained from giving notice of that suit to the Plaintiffs, might be taken to hold the surplus proceeds under an implied trust for the Plaintiffs. The High Court, holding that the suit was a suit to enforce a claim for money charged upon immovable property and had been brought within time, dismissed the Appeal. From that decree of the High Court this Appeal has been brought.

Before this Board it was contended on behalf of the Appellants that this suit, so far as it related to the Appellants, was not a suit to enforce payment of money charged upon immovable property, and that it was a suit to which Article 120 of the Second Schedule of the Indian Limitation Act, 1877, applied, and consequently that the suit was not brought within time. It was also contended by one of the Counsel of the Appellants that as the Rs. 12,197. 8. 3, surplus assets, had been received by Barhamdeo Prasad and Ram Sumran Prasad, who were not entitled to receive such surplus assets, the case came within Section 295 of the Code of Civil Procedure, 1882, and the remedy of the Plaintiffs by a suit under that section was barred by time. As to the last-mentioned contention, it is sufficient to say that the facts of this case show that Section 295 of the Code of Civil Procedure, 1882, does not apply.

If Mouzah Chak had not been sold under the decree for sale of the 8th October 1890 it could not be suggested that the Plaintiffs could not by suit, subject to the rights of the prior mortgagees, have enforced payment of the money charged

upon that Mouzah by their mortgage of the 19th September 1887. Mouzah Chak was sold under the decree for sale of the 8th October 1890, which Ram Barhamdeo Prasad and Ram Sumran Prasad had obtained on their prior mortgage, and the surplus moneys of that sale represented the security which the Plaintiffs had under their mortgage of the 19th September 1887, and did not cease to represent that security owing to the fact that Ram Barhamdeo Prasad and Ram Sumran Prasad had wrongfully and in fraud of the Plaintiffs drawn them out of the Court in which they had been deposited. Their Lordships do not think that it is necessary to decide the point referred to in the Judgment of Mr. Justice Henderson, viz., that under the circumstances of this case the money in the hands of the Appellants was saddled with a charge in favour of the Plaintiffs to the amount of their charge, but they do not wish to be understood to express dissent from that view. For the decision of this case, it suffices to say that in their Lordships' opinion this is a suit to enforce payment of money charged upon immovable property within the meaning of Article 132 of the Second Schedule of the Indian Limitation Act, 1877, and having been brought within twelve years from the time when the money sued for became due is within time. The Appeal fails.

Their Lordships will humbly advise His Majesty that this Appeal should be dismissed. The Appellants must pay the costs of the Appeal.

In the Privy Council.

BARHAMDEO PRASAD, SINCE DE-
CEASED (NOW REPRESENTED BY
RAM SUMIRAN PRASAD), AND
ANOTHER

v.

TARA CHAND AND OTHERS.

DELIVERED BY SIR JOHN EDGE.

LONDON:

PRINTED BY EYRE AND SPOTTISWOODE, Ltd.,
PRINTERS TO THE KING'S MOST EXCELLENT MAJESTY.

1913.