

REFERENCE  
UNDER STAMP  
ACT, s. 46.

The Acting Government Pleader (Mr. *Powell*) for the Board of Revenue.

The judgment of the Full Bench (Collins, C.J., Kernan, Muttusámi Ayyar, Brandt, and Parker, JJ.) was delivered by

COLLINS, C.J.—We are of opinion that the instrument in question is a declaration of trust and an agreement not otherwise provided for, and that the intended fund, indicated as security, is in this case not specified property within the meaning of s. 2, cl. (13).

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## APPELLATE CIVIL.

*Before Sir Arthur J. H. Collins, Kt., Chief Justice, and  
Mr. Justice Muttusámi Ayyar.*

1887.  
Oct. 21.

VENKATARATNAM AND OTHERS (DEFENDANTS), APPELLANTS,

and

KAMAYYA (PLAINTIFF), RESPONDENT.\*

*Limitation Act, s. 20—Payment of interest—Prescribed period—Extension of period.*

The words "prescribed period," used in s. 20 of the Limitation Act, 1877, mean the period prescribed by the Act.

The contention that only one extension of the period of limitation is given by payment of interest is unfounded.

APPEAL from the decree of J. Thomsen, Acting District Judge of Ganjam, reversing the decree of M. Visvanatha Ayyar, Acting District Múnsif of Berhampore, in suit No. 128 of 1886.

Plaintiff sued to recover Rs. 1,169-2-8, the balance due on an unregistered bond, dated 14th March 1879, payable on the 26th March 1880.

The Múnsif dismissed the suit on the ground that, although the suit was instituted within three years from the date of the last payment of interest, such payment was not made within the prescribed period, *i.e.*, three years from 26th March 1880.

On appeal, the District Judge remanded the suit, holding that as each payment of interest had been made within three years of the last preceding it, the suit was not barred.

Defendants appealed.

\* Appeal against Order No. 103 of 1887.

Mr. *Michell* for appellants.

*Bhāshyam Ayyangār* for respondent.

The Court (Collins, C.J., and Muttusāmi Ayyar, J.) delivered the following

VENKATA-  
RATNAM  
v.  
KAMAYYA.

\* JUDGMENT :—The bond A was executed in 1879 and the date fixed for repayment was the 26th March 1880. Interest was paid in June 1880, in November 1882, and in March 1884. The present suit was brought in 1886. It is contended by the defendants' counsel that the words "prescribed period" in s. 20, Act XV of 1877, mean the period prescribed in the contract for repayment, and it is also contended by the defendants' counsel that the debt is barred by limitation, that s. 20 of Act XV of 1877 only gives one new period of limitation of three years, and that, as the last payment within the three years was made in November 1882, the debt was time-barred in November 1885.

Section 20 provides that, when interest on a debt is paid before the expiration of the prescribed period, a new period of limitation shall be computed from the time when such payment was made, and there is no doubt but that the prescribed period is the period prescribed by the Act and not by the contract. It is also clear that each payment of interest gives a fresh starting point, and neither the language of the section nor the intention which may reasonably be inferred from it affords ground for the contention that the section has application to only one payment of interest.

We also find the same view had been taken by the High Courts of Calcutta and Bombay—see *Mohesh Lal v. Busunt Kumaree*(1) and *Atmaram v. Govind*(2).

The claim is, therefore, not barred by limitation, and the appeal is dismissed with costs.

(1) I.L.R., 6 Cal., 340.

(2) I.L.R., 11 Bom., 282.