

APPELLATE CIVIL.

Before Sir Richard Garth, Kt., Chief Justice, and Mr. Justice Mitter.

LALJEE SAHOO (PLAINTIFF) *v.* ROGHOONUNDUN LALL
SAHOO (DEFENDANT).*

1880
Nov. 13.

Limitation Act (XV of 1877), s. 19, and sched. ii, art. 85—Acknowledgment of Debt due—Uncontradicted Acknowledgment of Debtor, not openly admitted by Creditor.

Article 85, sched. ii of Act XV of 1877, is intended to apply to cases where an account has been going on between two parties, and balances have been struck from time to time, showing the amount due from one of such parties to the other; and the suit to which that article is intended to apply is a suit brought by one of those parties against the other for the balance found to be due on that account.

A creditor who does not openly assent to an amount acknowledged by his debtor to be due to him, is nevertheless entitled to take advantage of such acknowledgment so long as it remains uncontradicted and unexplained by his debtor.

THIS was a suit brought on the 21st December 1877 to recover Rs. 17,590-3-6, principal and interest, due on an ikrar-nama, under the following circumstances:—

The plaintiff and defendant were members of the same family, and their ancestors carried on business as mahajuns, and owned a mahajani koti in Durbunga, which was known by the name of the Burra Koti. Subsequently the shareholders of eight annas of this business established a koti for themselves, which was called the Chota Koti; and these two kotis had mutual dealings with one another, independently of the business which they jointly carried on as mahajuns with the outside public.

On the 27th September 1871 the mahajani business with the public came to an end, but the accounts of the Burra Koti and Chota Koti as between themselves remained unsettled until the 23rd of November 1873, when the disputes between them were referred to arbitration.

* Appeal from Original Decree, No. 53 of 1879, against the decree of W. DaCosta, Esq., First Subordinate Judge of Tirhoot, dated the 12th December 1878.

1880

LALJEE
SAHOO
v.
RUGHOO-
NUNDUN
LALL
SAHOO.

Although some discussions took place with reference to the accounts, no regular meeting of the arbitrators was ever held: but, on the 24th December 1874, an ikrarnama was executed, in which the sums due from the members of the Burra Koti to the members of the Chota Koti, are said to have been ascertained; and upon this ikrarnama the claim of the plaintiff, who is a member of the Chota Koti, against the defendant, who represents the Burra Koti, is founded.

The parties who executed this instrument were the defendant Roghoonundun Lall Sahoo and his deceased father Bissessur Lall Sahoo, the members and representatives of the Burra Koti. It recited the disputes which had arisen between the members of the Burra Koti on the one hand, and the plaintiff and Roghubur Sahoo and Ram Golam Sahoo, the members of the Chota Koti, on the other; it further recited that an arbitration agreement had been drawn up, but had not been carried out, and that disputes with regard to their monetary dealings with one another had been settled on the basis, that up to the previous day, the 30th Aughran 1282 (corresponding with 23rd December 1874), there was found due to the members of the Chota Koti from the members of the Burra Koti the sum of Rs. 53,951-10-3. It further recited that the sum of Rs. 16,793-6-6 had been found due from the Chota Koti to the Burra Koti, and that, after setting that off against the Rs. 53,951-10-3, the balance, being the sum of Rs. 37,158-3-9, was due from the Burra Koti to the Chota Koti. Of this amount, Rs. 24,772-2-6, being two-thirds of the Rs. 37,158-3-9, were declared to be due to Roghubur Dyal Sahoo, Ram Golam Sahoo, and Turban Lall Sahoo, in respect to which they had executed a separate deed of assent to the ikrarnama in favor of the members of the Burra Koti, and the remaining sum of Rs. 12,386-1-3 was declared and acknowledged by Roghoonundun Lall Sahoo and Bissessur Lall Sahoo to be due from them to the plaintiff.

The Subordinate Judge found that the suit should have been brought within three years from the close of the year in which the last item in the accounts between the parties had been admitted or proved. The last admitted item bearing date the 27th September 1871, he held, that the suit was

barred under s. 85, sched. ii, of Act XV of 1877, inasmuch as the ikrarnama had been executed on the 24th December 1874, at a time when limitation had already expired, and therefore such an ikrarnama could not be said to be an acknowledgment of the debt due under s. 19 of the Limitation Act.

1880

LALJEE
SAHOO

v.

RUGHOO-
NUNDUN

LALL SAHOO.

The plaintiff appealed to the High Court.

Mr. *Phillips* and Baboo *Chunder Madhub Ghose* for the appellant.

The *Advocate-General* (Mr. *Paul*) and Baboo *Hem Chunder Banerjee* for the respondent.

The judgment of the Court (GARTH, C. J., and MITTER, J.) was delivered by

GARTH, C. J. (who having stated the facts continued):—We think that the lower Court has made a mistake in this case.

The plaintiff says in his plaint that he was a party to the adjustment of accounts which resulted in this deed of settlement, but he has not been called as a witness, and it has not been proved that he was actually a party to that adjustment. This suit was brought just within the three years from the time when that deed was executed, and it was contended by the plaintiff in the Court below, that this deed was a sufficient admission of a debt due from the defendant to the plaintiff to prevent the suit being barred by limitation.

The Subordinate Judge, however, considered that the case must be governed by art. 85, sched. ii, div. i, of the Limitation Act of 1877, which provides for a suit brought “for the balance due on a mutual, open and current account, when there have been reciprocal demands between the parties,” and as in that case the period of limitation would run from the close of the year in which the last item admitted and proved is entered in the account, he considered that the limitation would run in this case from the end of the year 1871, in which year the last item of Rs. 2,000, placed to the credit of the members of the Chota Koti, appears to be entered under date 27th September 1871. As the case fell under this article, and the limitation ran from

1880
 LALJEE
 SAHOO
 v.
 RUGHOO-
 NUNDUN
 LALL SAHOO.

the end of 1871, the lower Court held the plaintiff's suit to be barred. We consider that, in dealing with the case in this way, the lower Court has misapprehended both the nature of the suit and the true meaning of art. 85 in the Limitation Act.

That article, as it seems to us, is intended to apply to cases where an account has been going on between two parties and balances have been struck from time to time showing the amount due from one of such parties to the other; and the suit to which that article is intended to apply, is a suit brought by one of those parties against the other, for the balance found to be due to him on that account.

It seems to us that this is a suit of a totally different nature. It is not brought to recover the balance due upon any account at all; it does not appear that in the accounts which were kept between these parties there were ever any balances struck, or that any balance was ever found to be due to the plaintiff upon that account. On the contrary, we must presume that the parties to that account would be the members of the Burra Koti on the one hand, and of the Chota Koti on the other, and it would be quite inconsistent with the nature of such an account that any balance should be found due on that account to the plaintiff separately.

The plaintiff's real claim, as it seems to us, consists in this:— At the time when the mahajani business ceased,—*i.e.*, in the year 1871,—disputes were going on between the members of the Burra Koti and those of the Chota Koti with reference to their unsettled accounts. They had been carrying on at that time a partnership business, in which certain members of the partnership had had separate transactions with the other members of the partnership. Whilst these disputes were pending, it was competent, of course, for the members of either koti or for any one of these members, making all the other members of the partnership parties, to institute a suit for an account, and until the accounts had been adjusted and a particular sum found due to one of the members from all or some of the other members, no member could have brought a separate suit for a specific sum—such as the plaintiff claims in the present case. The plaintiff, as we take it, could only bring the suit to recover the sum,

which he claims here, upon an adjustment of account having taken place, the result of which was; that a debt was found due from one or more of the other members of the concern to himself.

But his case is, that such an adjustment of account has in fact taken place, and that the ikrarnama of the 24th December 1874 is of itself sufficient evidence of it.

It was contended before us in the first instance, that the admission made by the defendant in the ikrarnama of 24th December 1874 amounted, in fact, to an account stated with the plaintiff; and if that were so, of course the account stated would be itself sufficient to enable the plaintiff to maintain an action. But in order to make it an account stated, the plaintiff himself must have been a consenting party to it; and there is certainly no evidence that he was a consenting party to it. On the contrary, it would appear from the latter portion of the ikrarnama that the other three persons who constituted the Chota Koti with the plaintiff had assented to the ikrarnama and had given a deed to the members of the Burra Koti to confirm their assent, but that the plaintiff had not done so. We think, therefore, that the plaintiff has not established any case upon an account stated.

But then it was argued by Mr. Phillips that the ikrarnama at least amounts to this; to an admission by the members of the Burra Koti that they had adjusted accounts with the members of the Chota Koti, including the plaintiff; and that, upon such adjustment of accounts, they acknowledged that a sum of Rs. 12,386-1-3 was due to the plaintiff. Whether the plaintiff himself was a party to that acknowledgment does not appear, but the deeds of the 24th of December 1874, and the other deed, which was executed by the three members of the Chota Koti, amount, at any rate, to an acknowledgment by all the other members of both concerns, except the plaintiff, that the plaintiff is entitled to receive the sum found to be due to him from the defendant.

We think that this contention is well founded. It does not appear when the adjustment took place, but I think the ikrarnama is sufficient evidence as against the defendant, especially

1880

LALJEE
SAHOO

v.

RUGHOO-
NUNDUN

LALL LAHOO.

1880
 LALJEE
 SAHOO
 v.
 RUGHOO-
 NUNDUN
 LALL SAHOO.

as it is uncontradicted and unexplained, that the sum of Rs. 12,386-1-3 is a separate debt acknowledged to be due by the defendant to the plaintiff at some time prior to the date of the ikrarnama.

But then it is said that, as no time is shown when the adjustment took place, and consequently when the separate debt first had an existence, it is improper to say that the ikrarnama, which contained an acknowledgment of the debt, was made within three years of the time when the debt first arose; but the answer to this argument appears to us to be patent upon the evidence.

As long as the account remained unsettled and no adjustment took place, it is clear that the separate debt, for which the plaintiff now sues, could have had no existence; and it appears from the evidence of the plaintiff's first witness, that those disputes were unsettled and were referred to arbitration so lately as the 23rd November 1873. The adjustment of accounts, therefore, must have taken place, and the separate debt due to the plaintiff by the defendant must have had its origin, at some time between the 23rd November 1873 and the 24th of December 1874. The acknowledgment, therefore, which was made on the 24th December 1874 in the ikrarnama, was made within three years from the time when the debt first accrued due; this acknowledgment would be clearly sufficient under s. 19 of the Limitation Act, and it was made within three years from the commencement of this suit.

It may then be said, that the plaintiff, by never openly assenting to the amount of the debt thus acknowledged to be due to him by the defendant, has placed it out of his power to take advantage of it now; but we think that he has a right to take advantage of it at any time, so long as the acknowledgment of the debt remains uncontradicted and unexplained by the defendant. Assuming that the execution of the ikrarnama was unknown in the first instance to the plaintiff, still if he afterwards became aware of it, and communicated to the defendant, as he did at any rate by bringing this suit, that he had assented to the adjustment, unless the defendant repudiated or explained away the admission that he had made, we consider that the

plaintiff is entitled to take advantage of that admission in this suit.

We think, therefore, that the plaintiff is entitled to recover the amount admitted by defendant to be due, and the only question that remains is as to interest. With regard to this, as it does not appear that the plaintiff took any steps to enforce his claim, or to take advantage of defendant's admission, before he brought this suit in December 1877 we do not think that he ought to be entitled to any interest up to that time. But from the commencement of the suit to the date of decree we think that he should be entitled to interest at 12 per cent, and from that time till payment to the usual 6 per cent. He should also obtain his costs in proportion to the amount recovered in both Courts.

1880

 LALJEE
 SAHOO
 v.
 RUGHOO-
 NUNDUN
 LALL SAHOO.

Appeal allowed.

Before Sir Richard Garth, Kt., Chief Justice, and Mr. Justice Field.

HURRI PRASAD (PLAINTIFF) v. JAUMNA PRASAD AND ANOTHER
 (DEFENDANTS).*

1880
 Nov. 26.

*Survey Proceedings—Beng. Act V of 1875, s. 45, cl. (b), and s. 62—
 Survey Proceedings not taken for public purposes—Right of Suit.*

Section 45, cl. (b) of Beng. Act V of 1875 applies only to a survey or some similar proceeding taken by a revenue officer "for some public purpose," and against which any party who may be affected by the boundary laid down by such officer would have a right to object.

Therefore, where such a proceeding, although initiated under Beng. Act V of 1875, has been taken for the purpose of settling the boundaries of private property as between the owners of it, the party aggrieved by the order of the Collector in such proceeding is not debarred by s. 62 of the Act from bringing a suit in the Civil Court to have the boundaries ascertained.

THIS was a suit brought for the purpose of having the plaintiff's right and possession in three bighas one cotta of land declared, and certain boundary pillars removed, and a map, sanctioned by a Collector, rectified.

* Appeal from Appellate Decree No. 2151 of 1879, against the decree of Baboo Koylash Chunder Mookerji, Subordinate Judge of Bhagalpore, dated the 25th August 1879, affirming the decree of Moulvi Mahomed Nurul Hosain, Khan Bahadur, Munsif of that district, dated the 26th March 1879.