

Motilal Vs. Ujjar Singh

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Court : Mumbai

Decided On : Mar-15-1928

Reported in : (1928)30BOMLR856

Judge : Shaw,; Carson and; Lancelot Sanderson, JJ.

Appellant : Motilal

Respondent : Ujjar Singh

Disposition : Appeal allowed

Judgement :

Carson, J.

1. This action, in which the appellants are the plaintiffs, was brought for foreclosure of a mortgage dated March 6, 1914, and executed by the respondents to secure payment of a sum of Rs. 9,305, with interest at the rate of seven annas per cent, per mensem (the equivalent of 5 5/8 per cent, per annum).

2. The due date for repayment under the mortgage was February 15, 1923, and on June 21, 1923, the sum of Rs. 10,165 being overdue, the appellants brought the present suit, claiming foreclosure in default of payment.

3. On August 24, 1923, the suit came before the Court of the Additional District Judge of Bilaspur, who by his judgment of 1928 that date states that 'the

defendants (respondents) admit the mortgage deed and entire claim, but they pray '1'or instalments.' He held that the defendants had not proved that they were unable to pay and could not get instalments, and decreed full claim and costs and allowed six months for redemption. He further ordered that if such payment was not made on or before February 24, 1924, the defendants should be debarred of all right to redeem the property.

4. No payment was made by the said date, and on February 26, 1924, the plaintiffs applied that the decree should be made final, and that the property should be delivered to the plaintiffs. On July 5, 1924, the learned District Judge made a decree that the defendants should be debarred of all right to redeem the mortgaged property, and should put the plaintiffs in possession thereof. It appears from the record of the proceedings that on the same day the defendants applied for an extension of time for one year, offering to pay Rs. 8,000 if extension was promised, but the learned Judge refused this application, stating the judgment debtors' application did not disclose any reason for extension and did not state why payment could not be made earlier, and referred to the fact that the judgment debtors wanted to pay only if extension was promised. The appellants then applied for execution of the decree on July 26, 1924, and on August 16, 1924, were put into possession. Meanwhile the defendants, on July 24, 1924, appealed to the Court of the Judicial Commissioner of the Central Provinces to set aside the order of the Additional District Judge of July 5, 1924, refusing to extend the time and confirming the decree. The appeal was heard before the appellate Court on March 25, 1925, and it is from the order made by the appellate Court on that occasion that the present appeal is taken to His Majesty in Council.

5. Before considering the judgment of the appellate Court, it necessary to refer to Order XX XIV, Rule 3(2), of the Code of Civil Procedure (Act V of 1908), under which the order referred to was made by the Court of the Additional District Judge. It is in the following terms:-

Where such payment) is not so made (i.e., the payment ordered by the preliminary decree), the Court shall, on application made in that behalf by the plaintiff, pass a decree that the defendant and all persons claiming through or under him he

debarred from all right to redeem the mortgaged property and also, if necessary, ordering the defendant to put the plaintiff in possession of the property.

The order made by the Court of the Additional District Judge, it is to be noted exactly complies with this rule, Rule 3(2), however, goes on to provide that the Court may upon good cause shown and upon, such terms (if any) as it thinks fit from time to time postpone the day fixed for such payment. From an order under the rule quoted, refusing to extend the time for payment, an appeal lies under Order XLIII, Rule 1(o), of the same Act.

6. Now the appellate Court, in commenting upon the refusal of the lower Court to extend the time for payment, said:-

It is also beyond doubt that when the mortgagors asked for an extension of time they had no intention whatever of paying even at the end of the year for which they asked; they proposed to go on getting extensions in one way or another for as long as possible with a distinct hope that if the payment could be postponed long enough it might be avoided altogether. That certainly cannot be called 'good cause shown' for soon extension.

The appellate Court thereby confirmed the view held by the lower Court, whose jurisdiction to grant an extension as pointed out rested on good cause shown. The appellate Court, however, added that payment within the normal course is practically unknown, and mortgagors have become accustomed to this. The Court then expressed the view that the lower Court ought to have allowed the mortgagors a very short period in which to pay the whole amount 'after explaining to them the misconception under which they and most other mortgagors labour.' The Court then proceeded to order that the amount stated in the preliminary decree, with interest up to March 25, 1925, and costs, should be paid to the appellants or deposited in Court within ten days. The respondents, therefore, deposited the sum decreed, and by order of April 8, 1925, the appellate Court ordered this money be deposited to be paid to the plaintiff set aside the final decree of the lower Court, and, substituted for it declaration that the mortgage had been redeemed.

7. It is under these circumstances that the present, appeal comes before this Board asking that the two orders of March 25, and April 8, 1925, should be set aside and the final decree of the Additional District Judge of February 26, 1924, restored.

8. Their Lordships cannot agree with the course taken by the appellate Court. As found by it, there was no 'good cause shown' before the lower Court, and without such 'good cause shown' it was therefore bound to pass the judgment it did. The appellate Court do not say that any such 'good cause' was shown even before them, and it is difficult to understand, therefore, under what powers they claimed to overrule the lower Court. The only ground they state for the course they have taken is that the defendants were labouring under misconceptions 1928 such as other mortgagors laboured under, and that the lower Court ought to have explained this, and therefore apparently without any good cause shown have granted a short extension of time. Their Lordships point out that so far as appears from the Lord Canon record, no case of misconception of right seems to have been 'alleged by the defendants nor does any application founded thereon appear to have been put forward before the lower Court and their Lordships cannot find in the reasons referred to any justification for extending the time for payment. Under the circumstances their Lordships will humbly advise His Majesty that this appeal should be allowed, and that the decrees of the Court of the Judicial Commissioner of the Central Provinces, dated March 25, 1925, and April 8, 1925, should be set aside, that the decrees of the lower Court of August 24, 1923, and July 5, 1921, should be restored, and that the respondents should pay the costs of this appeal and of the appeal before the Judicial Commissioner.