

Ram Chander Vs. Mt. Rure Kunwar

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Court : Allahabad

Decided On : Sep-13-1939

Reported in : AIR1939All738

Appellant : Ram Chander

Respondent : Mt. Rure Kunwar

Judgement :

Allsop, J.

1. This second appeal arises out of a suit against an agent for the recovery of money collected by him on account of his principal. The only question that has been argued is whether the suit was barred by limitation. It is not denied that Article 89 of Schedule 1 to the Limitation Act applies to this suit. The only question is when the period of limitation began to run. If it so began to run on 17th March 1933, when according to the Court below notice of revocation of the agency was served on the agent, then the suit is within time. On the other hand, if it began to run on the date when the letter containing the revocation was consigned to the post, then the suit is barred. Learned Counsel has relied upon Section 201, Contract Act. He has also, referred to the provisions of Section 208 which, he argues, give the agent a right as though the agency continued but do not burden, him with any liabilities. His point is that the agent's rights are secured by Section 208, but the rights of the principal are terminated when the revocation becomes

binding, upon him under the provisions of Section 4, Contract Act. I do not think that it could possibly have been the intention of the Legislature that an agent should be able to claim a right as such and at the same time-repudiate liabilities. It is unnecessary to decide the question in this case because the principle to be applied is a very simple one. Obviously under the Limitation Act limitation begins to run when a cause of action accrues. It is obvious that it would be the right of the agent to claim that no cause of action on the basis of revocation could arise against him until the termination of his authority as an agent. In so far as the cause of action was the revocation of the agency he could not be sued until he had received notice of such revocation. It follows, therefore, that the period of limitation would begin to run on that date and would extend for a period of 3 years. It is a finding of fact that the authority of the agent was terminated (sic). There is no force in this appeal and I dismissed with costs. Leave to appeal under the Letters Patent is refused.

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