
(1913) 01 AHC CK 0022

Allahabad High Court

Case No: None

Narain Das and Another

APPELLANT

Vs

Prohit Basant Lal and Another

RESPONDENT

Date of Decision: Jan. 7, 1913

Acts Referred:

- Contract Act, 1872 - Section 73

Citation: 18 Ind. Cas. 449

Hon'ble Judges: Henry Richards, C.J; Banerji, J

Bench: Division Bench

Final Decision: Allowed

Judgement

1. This appeal arises out of a suit in which the plaintiffs claimed the sum of Rs. 6,000. This sum of Rs. 6,000 was made up in the following way. The plaintiffs had sold to the defendants certain mortgagee rights in consideration of the sum of Rs. 8,000. Of this Rs. 8,000, Rs. 4,750 was left with the defendants for payment of certain debts due by the plaintiffs. One debt was a sum of Rs. 1,375 to a creditor called Lala Baij Nath. A second sum was Rs. 1,375 to be paid to one Sahu Parshadi Lal. The third was a sum of Rs. 2,000 left for payment to miscellaneous creditors. The plaintiffs alleged that the defendants never paid the sum of Rs. 4,750 to the creditors, and that as a consequence the plaintiffs suffered a loss of Rs. 1,250. They claimed, therefore, Rs. 4,750, the balance of the unpaid purchase money, and Rs. 1,250 damages.

2. The Court below has found, and we entirely agree with the finding, that the defendants neglected to pay the money left in their hands in the manner provided by the sale-deed. We also agree with the Court below that the defendants were in no wise justified in deferring the making of these payments until after mutation of names had been effected in their favour. The only question which arises in the present appeal is whether or not the Court below was justified in awarding the plaintiffs Rs. 1,000 as damages. This sum of Rs. 1,000 was arrived at as follows: The

plaintiffs proved to the satisfaction of the Court below that the creditor Parshadi Lal had agreed with the plaintiffs that if his debt was satisfied by one lump sum, he would remit out of the amount due to him the sum of Rs. 1,000 and that it was in consequence of the nonpayment, by the defendants of the sum of Rs. 1,375 that the debt of Parshadi Lal was not discharged. In our opinion, the Court below was not legally justified in awarding this sum of Rs. 1,000 to the plaintiffs. The plaintiffs' claim is really for unpaid purchase money. In the agreement between the parties, there was no agreement or contract by the defendants to make good any damage that might arise by reason of Parshadi Lal's debt not being paid off at a certain time or in a certain manner. As a matter of fact, if the plaintiffs had sufficient money in their hands, they might have discharged Parshadi Lal's debt and got the benefit of any remittance which he might be pleased to make. The law cannot recognise any loss which does not naturally follow from the breach of the contract between the parties. The illustration in Section 73 of the Contract Act clearly demonstrates this proposition. We, therefore, think that the present appeal must be allowed. As we think the defendants did not behave well and tried to insist that they were entitled to get mutation of names before they made the payments to the creditors, we do not think that they ought to get any costs of the present appeal. We accordingly allow the appeal and vary the decree of the Court below by reducing the amount decreed to the sum of Rs. 4,750. In all other respects, we affirm the decree. We make no order as to the costs of the present appeal.