

**HIGH COURT OF PUNJAB AND HARYANA**  
**BENCH : HON'BLE MRS. JUSTICE ALKA SARIN**  
**Date of Decision: 29th April 2024**

RSA-821-1993 (O&M)

**Jagat Ram (deceased) through LRs ...APPELLANT(S)**

**VERSUS**

**Rachpal Singh & Ors. ...RESPONDENT(S)**

**Legislation:**

Transfer of Property Act, 1882 - Sections 58, 60, 62

Limitation Act, 1963 - Article 61(a)

**Subject:** Challenge to the judgments and decrees recognizing the respondents' ownership of the disputed land by prescription, contending the land had not been redeemed within the statutory period of 30 years.

**Headnotes:**

Property Law – Usufructuary Mortgage – Right of Redemption – Regular second appeal challenging lower courts' decrees affirming respondent's ownership by prescription due to non-redemption within 30 years – Supreme Court precedent underscores that "once a mortgage, always a mortgage," no time limit extinguishes right to redeem – High Court sets aside lower courts' judgments and dismisses the suit – "A usufructuary mortgagee cannot claim ownership merely due to the expiry of 30 years from the date of the mortgage" – Appeal allowed; plaintiff's claim dismissed as the suit was not maintainable. [Paras 9-12]

**Referred Cases:**

- Ram Kishan & Ors. Vs. Sheo Ram & Ors. [2008 (1) RCR (Civil) 334]
- Singh Ram (D) through LRs Vs. Sheo Ram & Ors [AIR 2014 SC 3447]
- Pankajakshi (dead) through LR's & Ors. vs. Chandrika & Ors. [2016 (6) SCC 157]
- Pankajakshi (dead) through LR's & Ors. vs. Chandrika & Ors., [2016 (6) SCC 157]

- Seth Ganga Dhar vs. Shankar Lal, [AIR 1958 SC 770]
- Jayasingh Dnyanu Mhoprekar vs. Krishna Babaji Patil, [2004 (10) SCC 190]
- Pomal Kanji Govindji vs. Vrajlal Karsandas Purohit & Ors., [1989 (1) SCC 458]
- Panchanan Sharma vs. Monmatha Nath Maity & Ors., [2006 (5) SCC 340]
- Harbans vs. Bansi, [1986 (Supp) SCC 727]
- Prabhakaran Nair vs. Narayanan Nair & Ors., [1987 (2) SCC 37]
- Sampuran Singh vs. Niranjana Kaur & Ors., [1999 (2) SCC 679]

Representing Advocates:

Ms. Harveen Kaur for appellants

Mr. Pardeep Rajput for respondent No.1

ALKA SARIN, J.

1. The present regular second appeal has been preferred by the defendant-appellants challenging the judgment and decree dated 24.02.1989 passed by the Trial Court and the judgment and decree dated 10.02.1993 passed by the First Appellate Court.
2. The brief facts relevant to the present case that the plaintiff-respondent No.1 filed a civil suit averring that the land in dispute had been mortgaged in 1942-43 by one Jai Karan in favour of his son Suram Chand. It was alleged that Suram Chand died on 14.12.1981 leaving a Will in favour of the plaintiff-respondent No.1 and thus the plaintiff-respondent No.1 had stepped into the shoes of Suram Chand. The mortgage had not been redeemed either by Jai Karan i.e. the original owner or his successors-in-interest and thus by efflux of time the plaintiff-respondent No.1 had become owner in possession of the land in dispute. Written statement was filed by the defendant-appellants wherein it was denied that the land in dispute was mortgaged by Jai Karan in favour of Suram Chand besides taking other preliminary objections. The execution of the Will by Suram Chand in favour of the plaintiff-respondent No.1 was also denied. Replication was filed controverting the pleas raised in the written statement and reiterating those taken in the plaint.

3. On the basis of the pleadings of the parties the following issues were framed by the Trial Court :
  1. Whether deceased Jai Karan mortgaged the property in suit with possession to his son Suram Singh in year 1940 ? OPP Whether Suram Singh executed a valid will dated 14.12.1981 in favour of the plaintiff ? OPP
  2. If issue No.1 is proved, whether said Jai Karan or his successors/LRs have not got redeemed the property and as such plaintiff has become owner of the same by way of afflux of time ? OPP
  3. Whether Jai Karan had mortgaged the property in suit to Nathu son of Dheru r/o village Bhatoli and got redeemed the same in the year 1942 on payment of Rs.400/- as mortgage money ? If so, its effect ? OPD 5. Whether the plaintiff has no locus standi to file the present suit ? OPD
  6. Whether the plaintiff is estopped to file the present suit by his own acts and conduct ? OPD
  7. Whether the suit is barred under order 23 Rule 1 as well as under Order 2 Rule 2 CPC ? OPD
  8. Whether the suit is bad for mis-joinder of parties ? OPD
  9. Whether no cause of action has arisen to the plaintiff to file the present suit ? OPD 10. Relief.
4. The Trial Court decreed the suit vide judgment and decree dated 24.02.1989. Aggrieved by the same, some of the defendant-appellants (being LRs of original defendant Nos.1 to 3) preferred an appeal before the First Appellate Court which appeal was dismissed vide judgment and decree dated 10.02.1993. Hence, the present regular second appeal which has been preferred only by the LRs of original defendant No.1.
5. Learned counsel for the defendant-appellants would contend that the suit itself was not maintainable as the same was filed on the ground that the plaintiff-respondent No.1 had become owner in possession of the land in dispute by prescription of time as the suit property had not been redeemed within the statutory period of 30 years. Reliance has been placed by the learned counsel on the decision in the case of Ram Kishan & Ors. Vs. Sheo Ram & Ors. [2008 (1) RCR (Civil) 334] which has been affirmed by the Supreme Court in the case of Singh Ram (D) through LRs Vs. Sheo Ram & Ors [AIR 2014 SC 3447].
6. Per contra, the learned counsel for the plaintiff-respondent No.1, who is the contesting respondent, has contended that both the Courts have concurrently

found that the land in dispute had not been redeemed within the statutory period and hence the suit was rightly decreed.

7. I have heard the learned counsel for the parties.
8. As per the law laid down by a Constitution Bench of the Hon'ble Supreme Court in the case of Pankajakshi (dead) through LR's & Ors. vs. Chandrika & Ors. [2016 (6) SCC 157] there is no requirement for framing of substantial questions of law.
9. In the present case the suit filed by the plaintiff-respondent No.1 was for declaration that he had become owner in possession of the land in dispute by prescription of time since the same was not redeemed by Jai Karan or his successors-in-interest. The Full Bench of this Court in the case of Ram Kishan (supra) has held as under :

“40. The limitation of 30 years under Article 61(a) begins to run "when the right to redeem or the possession accrues". The right to redemption or recover possession accrues to the mortgagor on payment of sum secured in case of usufructuary mortgage, where rents and profits are to be set off against interest on the mortgage debt, on payment or tender to the mortgagee, the mortgage money or balance thereof or deposit in the court. The right to seek foreclosure is co-extensive with the right to seek redemption. Since right to seek redemption accrues only on payment of the mortgage money or the balance thereof after adjustment of rents and profits from the interest thereof, therefore, right of foreclosure will not accrue to the mortgagee till such time the mortgagee remains in possession of the mortgaged security and is appropriating usufruct of the mortgaged land towards the interest on the mortgaged debt. Thus, the period of redemption or possession would not start till such time usufruct of the land and the profits are being adjusted towards interest on the mortgage amount. In view of the said interpretation, the principle that once a mortgage, always a mortgage and, therefore always redeemable would be applicable.

41. The argument that after the expiry of period of limitation to sue for foreclosure, the mortgagees have a right to seek declaration in respect of their title over the suit property is not correct. From the aforesaid discussion, it is apparent that the mortgage cannot be extinguished by any unilateral act of the mortgagee. Since the mortgage cannot be unilaterally terminated, therefore, the declaration claimed is nothing but a suit for foreclosure. It is equally well settled that it is not title of the suit, which determines the nature of the suit. The nature of the suit is required to be determined by reading all

the averments in the plaint. Such declaration cannot be claimed by an usufructuary mortgagee. Thus, we prefer to follow the dictum of law laid down by the larger Bench in Seth Ganga Dhar's case (supra) as well as judgments of Hon'ble Supreme Court in Jayasingh Dnyanu Mhoprekar's case (supra), Pomal Kanji Govindji's case (supra), Panchanan Sharma's case (supra) and Harbans's case (supra) in preference to the judgments relied upon by the mortgagees in Prabhakaran's case (supra) and Sampuran Singh's case (supra).

42. Therefore, we answer the questions framed to hold that in case of usufructuary mortgage, where no time limit is fixed to seek redemption, the right to seek redemption would not arise on the date of mortgage but will arise on the date when the mortgagor pays or tenders to the mortgagee or deposits in Court, the mortgage money or the balance thereof. Thus, it is held that once a mortgage always a mortgage and is always redeemable.

43. Having answered the questions of law framed, we do not find any merit in the present appeal filed by the mortgagees to seek declaration in respect of their title. The appeal is dismissed.”

10. The said judgment of the Full Bench of this Court was affirmed by the Supreme Court in the case of Singh Ram (D) through LRs (supra) wherein it has been held as under :

“12. It will be appropriate to refer to the statutory provisions of the Transfer of Property Act and the Limitation Act :

“T.P. Act

58. ‘Mortgage’, ‘mortgagor’, ‘mortgagee’, ‘mortgagemoney’ and ‘mortgaged’ defined.

(a) A mortgage is the transfer of an interest in specific immoveable property for the purpose of securing the payment of money advanced or to be advanced by way of loan, an existing or future debt, or the performance of an engagement which may give rise to a pecuniary liability.

The transferor is called a mortgagor, the transferee a mortgagee; the principal money and interest of which payment is secured for the time being are called the mortgage-money, and the instrument (if any) by which the transfer is effected is called a mortgage-deed.

(b) Simple mortgage - Where, without delivering possession of the mortgaged property, the mortgagor binds himself personally to pay the mortgage-money, and agrees, expressly or impliedly, that, in the event of his failing to pay according to his contract, the mortgagee shall have a right to cause the mortgaged property to be sold and the proceeds of sale to be

applied, so far as may be necessary, in payment of the mortgage-money, the transaction is called a simple mortgage and the mortgagee a simple mortgagee.

(c) Mortgage by conditional sale - Where, the mortgagor ostensibly sells the mortgaged property - on condition that on default of payment of the mortgage- money on a certain date the sale shall become absolute, or on condition that on such payment being made the sale shall become void, or on condition that on such payment being made the buyer shall transfer the property to the seller, the transaction is called a mortgage by conditional sale and the mortgagee a mortgagee by conditional sale:

PROVIDED that no such transaction shall be deemed to be a mortgage, unless the condition is embodied in the document which effects or purports to effect the sale.

(d) Usufructuary mortgage - Where the mortgagor delivers possession or expressly or by implication binds himself to deliver possession of the mortgaged property to the mortgagee, and authorizes him to retain such possession until payment of the mortgage-money, and to receive the rents and profits accruing from the property or any part of such rents and profits and to appropriate the same in lieu of interest or in payment of the mortgage-money, or partly in lieu of interest or partly in payment of the mortgage-money, the transaction is called a usufructuary mortgage and the mortgagee a usufructuary mortgagee.

(e) English mortgage - Where the mortgagor binds himself to repay the mortgage-money on a certain date, and transfers the mortgaged property absolutely to the mortgagee, but subject to a proviso that he will retransfer it to the mortgagor upon payment of the mortgage-money as agreed, the transaction is called an English mortgage.

(f) Mortgage by deposit of title-deeds - Where a person in any of the following towns, namely, the towns of Calcutta, Madras, and Bombay, and in any other town which the State Government concerned may, by notification in the Official Gazette, specify in this behalf, delivers to a creditor or his agent documents of title to immovable property, with intent to create a security thereon, the transaction is called a mortgage by deposit of title-deeds.

(g) Anomalous mortgage - A mortgage which is not a simple mortgage, a mortgage by conditional sale, a usufructuary mortgage, an English mortgage or a mortgage by deposit of title-deeds within the meaning of this section is called an anomalous mortgage. 60. Right of mortgagor to redeem At any time after the principal money has become due, the mortgagor has a right, on payment or tender, at a proper time and place, of the mortgage-money,

to require the mortgagee (a) to deliver to the mortgagor the mortgage-deed and all documents relating to the mortgaged property which are in the possession or power of the mortgagee, (b) where the mortgagee is in possession of the mortgaged property, to deliver possession thereof to the mortgagor, and (c) at the cost of the mortgagor either to re-transfer the mortgaged property to him or to such third person as he may direct, or to execute and (where the mortgage has been effected by a registered instrument) to have registered an acknowledgment in writing that any right in derogation of his interest transferred to the mortgagee has been extinguished:

Provided that the right conferred by this section has not been extinguished by the act of the parties or by decree of a court.

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62. Right of usufructuary mortgagor to recover possession

In the case of a usufructuary mortgage, the mortgagor has a right to recover possession of the property together with the mortgage-deed and all documents relating to the mortgaged property which are in the possession or power of the mortgagee, -

- (a) where the mortgagee is authorised to pay himself the mortgage-money from the rents and profits of the property, - when such money is paid;
- (b) where the mortgagee is authorised to pay himself from such rents and profits or any part thereof a part only of the mortgage-money, when the term (if any) prescribed for the payment of the mortgage-money has expired and the mortgagor pays or tenders to the mortgagee the mortgage money or the balance thereof or deposits it in court hereinafter provided.

xxx Limitation Act :

Article 61 By a mortgagor

a) To redeem or recover possession of immovable property mortgaged	Thirty years	When the right to redeem or to recover possession accrues
b) xxx	xxx	xxx

(emphasis supplied)

A perusal of above provisions shows that Article 61 refers to right to redeem or recover possession. While right of mortgagor to redeem is dealt with under section 60 of the Transfer of Property Act, the right of usufructuary mortgagor to recover possession is specially dealt with under Section 62. Section 62 is applicable only to usufructuary mortgages and not to any other mortgage. The said right of usufructuary mortgagor though styled as right to recover possession' is for all purposes, right to redeem and to recover possession. Thus, while in case of any other mortgage, right to redeem is covered under Section 60, in case of usufructuary mortgage, right to recover possession is dealt with under Section 62 and commences on payment of mortgage money out of the usufructs or partly out of the usufructs and partly on payment or deposit by the mortgagor. This distinction in a usufructuary mortgage and any other mortgage is clearly borne out from provisions of sections 58, 60 and 62 of the Transfer of Property Act read with Article 61 of the Schedule to the Limitation Act. Usufructuary mortgage cannot be treated at par with any other mortgage, as doing so will defeat the scheme of section 62 of the Transfer of Property Act and the equity. This right of the usufructuary mortgagor is not only an equitable right, it has statutory recognition under section 62 of the Transfer of Property Act. There is no principle of law on which this right can be defeated. Any contrary view, which does not take into account the special right of usufructuary mortgagor under section 62 of the Transfer of Property Act, has to be held to be erroneous on this ground or has to be limited to a mortgage other than a usufructuary mortgage. Accordingly, we uphold the view taken by the Full Bench that in case of usufructuary mortgage, mere expiry of a period of 30 years from the date of creation of the mortgage does not extinguish the right of the mortgagor under section 62 of the Transfer of Property Act.

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15. We, thus, hold that special right of usufructuary mortgagor under section 62 of the Transfer of Property Act to recover possession commences in the manner specified therein, i.e., when mortgage money is paid out of rents and profits or partly out of rents and profits and partly by payment or deposit by mortgagor. Until then, limitation does not start for purposes of Article 61 of the Schedule to the Limitation Act. A usufructuary mortgagee is not entitled to file a suit for declaration that he had become an owner merely on the expiry of 30 years from the date of the mortgage. We answer the question accordingly.”

11. The above reproduced extracts from the judgments in the cases of Ram Kishan (supra) and Singh Ram (D) through LRs (supra) clearly reveal



that the suit filed by the plaintiff-respondent No.1 was not maintainable. It is trite that once a mortgage always a mortgage and there would be no period for redemption for the same.

12. In view of the above, the present appeal is allowed and the judgments and decrees passed by both the Courts are set aside. The suit of the plaintiff-respondent No.1 stands dismissed. Pending applications, if any, also stand disposed off.

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