

Lalji Raja and Sons

Vs

Firm Hansraj Nathuram

Civil Appeal No. 2427 of 1966

(V. Bhargava, G. K. Mitter, K. S. Hegde JJ)

23.02.1971

JUDGMENT

HEGDE, J. -

1. This is an execution appeal. The decree-holders are the appellants herein. This case has a long and chequered history. The decree-holders obtained a decree against the respondents in the court of Sub-Judge, Bankura (West Bengal), for a sum of over Rs. 12,000/-, on December 3, 1949. On March 28, 1950, they applied to the court which passed the decree to transfer the decree together with a certificate of non satisfaction to the court at Morena in the then State of Madhya Bharat for execution. It was ordered accordingly. The execution proceedings commenced in the court of Additional District Judge at Morena on September 21, 1950 (Money Execution Case No. 8 of 1950). The judgment-debtors resisted the execution on the ground that the court had no jurisdiction to execute the same as the decree was that of a foreign court and that the same had been passed ex parte. The Court accepted that contention and dismissed the execution petition on December 29, 1950. On April 1, 1951, the Code of Civil Procedure (Amendment) Act (Act II of 1951), came into force. As a result of that the Code of Civil Procedure (in short the 'Code') was extended to the former State of Madhya Bharat as well as to various other places. Mean while the decree-holders appealed against the order of the learned Additional District Judges, Morena, dismissing the execution petition, to the High Court of Madhya Pradesh. The Madhya Pradesh High Court allowed their appeal. As against that the judgment-debtors appealed to this Court. This Court allowed the appeal of the judgment-debtors and restored the order of the learned Additional District Judge, Morena. The decision of this Court is reported in Hansraj Nathu Ram v. Lalji Raja and Sons of Bankura. ((1963) 2 SCR 619 : AIR 1963 SC 1180 : (1963) 2 SCJ 228.) Therein this Court ruled that the transfer ordered by the Bankura Court was without jurisdiction as on that date 'the Code' did not apply to the Morena Court. This Court held that Morena Court not being a court to which 'the Code' applied, the decree could not have been transferred to it. It further held that Sections 38 and 39 of 'the Code' did not afford jurisdiction for such a transfer. It may be noted that at the time the Bankura Court ordered the transfer of the decree, the Morena Court was governed by the Indian Code of Civil Procedure as adopted by the Madhya Bharat Adaptation Order, 1948. In other words it was governed by a law passed by the then Madhya Bharat State. In the course of its judgment this Court observed that under 'the Code' "a decree can be executed by a court which passed the decree or to which it was transferred for execution and the decree which could be transferred has to be a decree passed under the Code and the court to which it could be transferred has to be a court which was governed by the Indian Code of Civil Procedure". The first stage of the execution proceedings came to an end by the decision of this Court rendered on April 30, 1962.

2. On February 15, 1963, the decree-holders filed another execution case before the Bankura Court.

Therein they prayed for the transfer of the decree again to the Morena Court for execution. As noticed earlier, by that time 'the Code' had been extended to the Madhya Bharat State which had become a part of the State of Madhya Pradesh. The Bankura Court again ordered the transfer of the decree to the Morena Court on August 31, 1963 (Execution Case No. 1 of 1963). The judgment-debtors resisted the execution on various grounds viz. : (a) that it is barred by res judicata in view of the decision of this Court referred to earlier; (b) that it is barred by Section 48 of 'the Code'; (c) that it is barred by limitation and (d) that the decree is not executable as it is a decree of a foreign court.

3. The learned Additional District Judge rejected the objections raised by the judgment-debtors. The judgment-debtors appalled against that order to the High Court of Madhya Pradesh. The High Court agreed with the executing court that the execution petition is neither barred by res judicata nor by Section 48 of 'the Code', nor is there any bar of limitation but it disagreed with that court and held that the decree was not executable as the court which passed the decree was a foreign court. In arriving at that conclusion it purported to rely on the decision of this Court in *Raj Rajendra Sardar Maloji Narasingh Rao Shitole v. Sri Shankar Saran and Others.* ((1963) 2 SCR 577 : AIR 1962 SC 1737 : SCA 577.) Aggrieved by that decision, the decree-holders have brought this appeal by special leave.

From the contention advanced before us, two questions arise for decision. They are : (1) whether the decree under execution is not executable by courts situate in the area comprised in the former State of Madhya Bharat and (2) whether the decree is barred by Section 48 of 'the Code'.

4. The contention of the judgment-debtors is that the decree under execution being a decree of a foreign court is a nullity qua the courts in the former State of Madhya Bharat and therefore the same is not executable in the Morena Court. According to the decree-holders the decree in question is not a decree of a foreign court as contemplated by 'the Code' and the court to which the decree is transferred for execution namely the Morena Court is a 'court' as contemplated by Sections 38 and 39 of 'the Code' and therefore there can be no valid objection to its execution in the Morena Court. Before referring to the decided cases on the point it is necessary to read the relevant provisions of 'the Code' as the execution is sought in accordance with the provisions therein.

5. 'Foreign Court' is defined in Section 2(5) of 'the Code'. That definition as it stood on the date the decree under execution was passed read thus :

" 'foreign court' means a court situate beyond the limits of British India which has no authority in British India and is not established or continued by the Central Government."

A new definition of "foreign court" was substituted by the Code of Civil Procedure (Amendment) Act, II of 1951. That definition reads :

" 'foreign court' means a court situate outside India and not established or continued by the authority of the Central Government."

Whether we take the earlier definition or the present definition into consideration the Bankura Court cannot be considered as a "foreign court" within the meaning of that expression in the Code'. Foreign judgment is defined in 'the Code' as the judgment of 'a foreign court'. [Section 2(6) of 'the Code']. Hence the decree under execution cannot be considered as a foreign decree for the purpose of the Code.

Section 13 of 'the Code' provides that 'A foreign judgment shall be conclusive as to any matter thereby directly adjudicated upon between the same parties or between parties under whom they or any of them claim litigating under the same title except . . . . .

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(b) where it has not been given on the merits of the case."

6. The judgment with which we are concerned in this case was an ex parte judgment. The Bankura Court had no jurisdiction over the judgment-debtors. The Judgment-debtors did not submit themselves to the jurisdiction of that court though they were served with a notice of the suit. Hence if the Bankura Court can be considered as a foreign court then Section 13(b) would have come to the rescue of the judgment in question was not conclusive and consequently the decree is not binding against them. But as the judgment in question cannot be considered as a judgment of a foreign court, they can take no assistance from Section 13(b). But assistance was sought to be taken from Section 13(d) which says that the foreign judgments are not conclusive "where the proceedings in which the judgment was obtained are opposed to natural justice". It was urged on behalf of the judgment-debtors that as the decree under execution was an ex parte decree we must hold that the proceedings in which the judgment was obtained were opposed to natural justice. We are unable to accede to this contention. As mentioned earlier, the judgment-debtors were served with the notice of the suit. They did not choose to appear before the court. Hence there is no basis for the contention that any principle of natural justice had been contravened. Further as held earlier the judgment in question is not a foreign judgment.

7. Reliance was placed on Private International Law in support of the contention that in a personal action, a decree pronounced in absentem by a foreign court, to the jurisdiction of which the defendant had not in any way submitted himself is an absolute nullity. It was urged that the Bankura Court had no jurisdiction over the judgment-debtors and therefore the decree passed being one pronounced in absentem is a nullity. In support of this contention reliance was placed on the decision of the Judicial Committee in *Sirdar Gurdyal Singh v. The Rajah of Faridkote* (21 IA 171.). Therein the Judicial Committee observed :

"In a personal action, to which none of these causes of jurisdiction apply, a decree pronounced in absentem by a foreign Court, to the jurisdiction of which the Defendant has not in way submitted himself, is by international law an absolute nullity."

But the Board qualified those observations by the following words :

"He is under no obligation of any kind to obey it; and it must be regarded as a mere nullity by the Courts of every nation except (when authorised by special legislation) in the country of the forum by which it was pronounced."

8. The above remarks of the Board indicate that even a decree which is pronounced in absentem by a foreign court is valid and executable in the country of the forum by which it was pronounced when authorised by special local legislation. A decree passed by a foreign court to whose jurisdiction a judgment-debtor had not submitted is an absolute nullity only if the local Legislature had not conferred jurisdiction on the domestic courts over the foreigners either generally or under

specified circumstances. Section 20(c) of 'the Code' confers jurisdiction on a court in India over the foreigners if the cause of action arises within the jurisdiction of that court. Hence the observation of the Board quoted in some of the decision of the Courts in Indian including the decision of this Court in Shitole's case (supra) that such a decree is an 'absolute nullity' may not be apposite. It may be more appropriate to say that the decree in question is not executable in courts outside this country. The board itself had noticed that this rule of Private International Law is subject to special local legislation. Clause (c) of Section 20 of 'the Code' provided at the relevant time and still provides that subject to the limitations mentioned in the earlier sections of 'of Code', a suit can be instituted in a court within the local limits of whose jurisdiction the cause of action, wholly or in part, arises. There is no dispute in this case that the cause of action for the suit which led up to decree under execution arose within the jurisdiction of Bankura Court. Hence it must be held that the suit in question was a properly instituted suit. From that it follows that the decree in question is a valid decree though it might not have been executable at one stage in courts in the former Indian States.

9. This takes us to Sections 38 and 39 of 'of Code'. Section 38 provides that a decree may be executed either by the court which passed it, or by the court to which it is sent for execution. Section 39(1) to the extent it is material for our present purpose prescribes :

"The Court which passed a decree may, on the application of the decree-holder, send it for execution to another Court -

(a) if the person against whom the decree is passed actually and voluntarily resides or carries on business, or personally works for gain within the local limits of the jurisdiction of such other Court. . . ."

Section 40 prescribes :

"Where a decree is sent for execution in another State, it shall be sent to such Court and executed in such manner as may be prescribed by rulers in force in that State."

10. Rulers are defined in Section 2(12) as meaning Rules and Forms contained in the 1st Schedule or made under Section 122 or Section 125 of 'of Code'. On a combined reading of Sections 2(12), 38, 39 and 40, it follows that a decree can be transferred for execution only to a court to which 'of Code' applies. This is what was ruled by this Court in Hansraj Nathu Ram v. Lalji Raja and Sons of Bankura (supra). But by the date the impugned transfer was made, 'of Code' had been extended to the whole of India. In fact the court to which the decree was transferred is now an entirely new court in the eye of the law-see the decision of this Court in Shitole's case (supra).

11. From the foregoing discussion, it follows that the decree under execution is not a foreign decree and its transfer to the Morena Court is in accordance with the provisions of 'of Code'. That being so the decree under execution satisfies the dictum of this Court in Hansraj Nathu Ram v. Lalji Raja and sons (supra) that "a decree can be executed by a court which passed the decree or to which it was transferred for execution and the decree which could be transferred has to be a decree passed under the Code and the Court to which it could be transferred has to be a Court which was governed by the Indian Code of Civil Procedure."

12. It was next urged on behalf of the judgment-debtors that in view of the decision of this Court in Shitole's case (supra) we must hold that the decree is a nullity and that it cannot be executed at all in the courts situated in the former State of Madhya Bharat. In Shitole's case (supra) this Court was

called upon to consider a converse case. Therein the decree under execution was one passed by a court in Gwalior State in a suit instituted in May, 1947. The defendants were the residents of U.P. They did not appear before the Gwalior Court though served with the notice. An ex parte decree was passed against them in November, 1948. On September, 1951, the Gwalior Court transferred the decree for execution to Allahabad and on October 16, 1951, the decree-holder filed an application for execution of the decree before the Allahabad Court. The judgment-debtors contended that the decree being a decree of a foreign court to whose jurisdiction they had not submitted, was a nullity and the execution application in respect thereof was not maintainable. That contention was accepted by this Court. It may be noted that the Gwalior Court was not a court constituted under purpose of any proceedings under 'of Code'.

13. The ratio of that decision is wholly inapplicable to the present case. The question whether a decree is a foreign decree or whether it can be transferred to another court for execution has to be judged by the provisions of 'of Code'.

14. It was next contended that in view of Section 20, clause (b) of 'of Code' of Civil Procedure (Amendment) Act, 1951, by which the Code is extended to Madhya Bharat and other areas, the judgment-debtors' right to resist the execution of the decree is protected. Section 20(1) of the Act deals with Repeals and Savings. That sections to the extent relevant for our present purpose reads :

"If, immediately before the date on which the said Code comes into force in any Part B State corresponding to the said Code, that law shall on that date stand repealed :

Provided that the repeal shall not affect -

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(b) any right, privileges, obligation or liability acquired, accrued or incurred under any law so repealed. . . . . as if this Act had not been passed."

15. This provisions undoubtedly protects the rights acquired and privileges accrued under the law repealed by the amending Act. Therefore the question for decision is whether the non-executability of the decree in the Morena Court under the law in force in Madhya Bharat before the extension of 'of Code' can be said to be a right accrued under the repealed law. We do not think that even by straining the language of the provision it can be said that the non-executability of a decree within a particular territory can be considered as a privilege. Therefore the only question that we have to consider is whether it can be considered as a 'right accrued' within the meaning of Section 20(1)(b) of the Code of Civil Procedure (Amendment) Act, 1950. In the first place, in order to get the benefit of that provision, the non-executability of the decree must be a right and secondly it must be a right that had accrued from the provisions of the repealed law. It is contended on behalf of the judgment-debtors that when the decree was passed, they had a right to resist the execution of the decree in Madhya Bharat in view of the provisions of the Indian Code of Civil Procedure (as adapted) which was in force in the Madhya Bharat at that time and the same is a vested right. It was further urged on their behalf that that right was preserved by Section 20(1)(b) of the Code of Civil Procedure (Amendment) Act, 1950. It is difficult to consider the non-executability of the decree in Madhya Bharat as a vested right of the judgment-debtors. The non-executability in question pertains to the jurisdiction of certain courts and not to the rights of the judgment-debtors. All that has happened in view of the extension of ' of Code' to the whole of India in 1951 is that the decrees which could have been executed only by courts in British India are not made executable in the whole of India.

The change made is one relating to procedure and jurisdiction. Even before 'the Code' was extended to Madhya Bharat the decree in question could have been executed either against the person of the judgment-debtors if they had happened to come to British India or against any of their properties situate in British India. The execution of the decree within the State of Madhya Bharat was not permissible because the arm of 'the Code' did not reach Madhya Bharat. It was the invalidity of the order transferring the decree to the Morena Court that stood in the way of the decree-holders in executing their decree in that court on the earlier occasion and not because of any vested rights of the judgment-debtors. Even if the judgment-debtors has not object to the execution of the decree, the same could not have been executed by the court at Morena on the previous occasion as that court was not properly seized of the execution proceedings. By the extension of 'of Code' to Madhya Bharat, want of jurisdiction on the part of the Morena Court was remained and that court is now made competent to execute the decree.

16. That a provision to preserved the right accrued under a repealed Act "was not intended to preserved the abstract rights conferred by the repealed Act. . . . It only applies to specific rights given to an individual upon happening of one or the other of the event specified in statute" - see Lord Atkin's observation in *Hamilton Gell v. White*. ((1922) 2 KB 422.) The mere right, existing at the date of repealing statute, to take advantage of provisions of the statute repealed is not a "right accrued" within the meaning of the usual saving - see *Abbot v. Minister for Lands* ((1895) AC 425.) and *G. Ogden Industries Pvt. Ltd., v. Lucas*.((1969) 1 ALL ER 121.) 17. From what has been said above, it follows that the view taken by the High Court that the decree in question is a nullity qua the Morena Court cannot be accepted as correct. The decree in question is neither a 'foreign decree' as contemplated by 'the Code' nor its transfer to the Morena Court impermissible under 'the Code'. By the provisions of 'the Code' the Morena Court is required to proceed with the execution unless there is any valid objection.

18. We now come to the question whether the execution is barred by Section 48 of 'the Code'. (That section was replaced in 1963.) Both the exacting court as we as the High Court have taken the view that on the facts of this case, the limitation prescribed in Section 48 of 'the Code' is extended under Section 14(2) of the Limitation Act, 1908. Both those courts have concurrently come to the conclusion that the previous execution proceedings had been prosecuted by the decree-holders with due diligence and with good faith and the same became infructuous in view of the fact that the Morena Court has no jurisdiction to proceed with the execution. The finding that the previous execution proceedings were carried on with due diligence and good faith and that the same became infructuous for want of jurisdiction on the part of the Morena Court was not challenged before us. But it was urged on behalf of the judgment-debtors that Section 48 prescribed a bar and not a period of limitation and consequently the decree-holding cannot take the benefit of Section 14(2) of the Limitation Act. It is necessary to examine the correctness of this contention.

Section 48, read thus :

"(1) Where an application to execute a decree not being a decree granting an injunction has been made, no order for the execution of the same decree shall be made upon any fresh application presented after the expiration of 12 years from -

(a) the date of the decree sought to be executed, or,

(b) where the decree or any subsequent order directs any payment of money or the delivery of any property to be made at a certain date or at recurring periods, the date

of the default in making the payment or delivery in respect of which the applicant seeks to execute the decree.

(2) Nothing in this section shall be deemed -

(a) to preclude the Court from ordering the execution of a decree upon an application presented after the expiration of the said term of twelve years, where the judgment-debtor has, by fraud or force, prevented the execution of the decree at some time within twelve years immediately before the date of the application; or

(b) to limit or otherwise affect the operation of Article 183 of the First Schedule to the Indian Limitation Act, 1908."

Article 183 of the Indian Limitation Act, 1908 reads thus :

#-----"Description of Period of  
Time from which period application Limitation begins to run-----  
-----To enforce Twelve years. When a present rights  
judgment, to enforce the decree or order judgment, decree or of any order accrues  
to Court established some person capable of by Royal Charter releasing the right :in  
the exercise of Provided that when the its ordinary original judgment, decree or civil  
jurisdiction or order has been revived, an order of the or some part of the Supreme  
Court. principal money secured thereby or some interest on such money has been  
paid or some acknowledgment of the right thereto has been given in writing signed  
by the person liable to pay such principal or interest or his agent, to the person  
entitled thereto or his agent, the twelve years shall be computed from the date of such  
revivors, payment or acknowledgments, as the case may be."-----  
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19. At this stage it is also necessary to read Article 181 of the Limitation Act of 1908. That Article prescribed that an application for which no period of limitation is provided elsewhere in the Schedule to the Limitation Act, 1908 or by Section 48 of the Code, the period of limitation is three years and that period begins to run when the right to apply accrues. Article 182 of that Act provided that for the execution of a decree or order of any Civil Court not provided for by Article 183 or by Section 48 of 'the Code', the period of limitation in three years or where a certified copy of the decree or order has been registered - six years. The time from which the period was to run is set out in the 3rd column of the Schedule.

20. The argument advanced on behalf of the judgment-debtors is that Section 48 is a self-contained Code and the period prescribed therein is a bar and not a period of limitation and hence the decree-holders cannot taken the benefit of Section 14(2). In support of this argument reliance is placed on sub-section 2(a) of Section 48 of the 'the Code'. That sub-section undoubtedly lends some support of the contention of the judgment-debtors. It indicates as to when the period prescribed under Section 48(1) can be extended. By implication it can be urged that the period prescribed under Section 48(1) of the Code can only be extended under the circumstances mentioned in that clause and not otherwise. But in assessing the correctness of that contentions we have to take into consideration clause (b) of sub-section (2) of Section 48 of 'the Code' as well as Article 181 and 182 of the Limitation Act, 1908. The provisions clearly go to indicate that the period prescribed under Section 48(1) of 'the Code' is a period of limitation. This conclusion of ours is strengthened by the

subsequent history of the legislation. By the Limitation Act 1963, Section 48 of 'the Code' is deleted. Its place has now been taken by Article 136 of the Limitation Act of 1963.

21. At one stage, there was considerable conflict of judicial opinion as to whether Section 48 is controlled by the provisions of the Limitation Act, 1908. But the High Courts which has earlier taken the view that section 48 prescribes a bar and not limitation have now revised their opinion. The opinion a bar and not limitation have now revised their opinion. The opinion amongst the High Court is now unanimous that section 48 of 'the Code' is controlled by the provisions of the Limitation Act, 1908 - see *Kandaswami Pillai v. Kamappa Chetty* (AIR 1952 Mad 186 (FB) : (1951) 2 MLJ 668 : 65 LW 11.); *Durg v. Pancham*(ILR 1939 ALL 647 : 1939 ALL 403.); *Sitaram v. Chunnilalsa*; (ILR (1944) Nag 250 : 1944 Nag 155.) *Amarendra v. Manindra* (AIR 1955 Cal 269 : 59 CWN 695.); *Krishna Chandra v. Paravatamma* (AIR 1953 Ori 13 : ILR 1952 Ori 522 : 19 CLT 168.) and *Ramgopal v. Sidram*.(AIR 1943 BOM 164 : 45 BOM LR 234 : 208 IC 254.)

22. We are of the opinion that the ratio of the above decisions correctly laws down the law. That apart, it would be appropriate to unsettle the settled position in law.

23. For the reasons mentioned above this appeal is allowed and the order of the High Court is set aside that the Trial Court restored. The executing court is directed to proceed with the execution. The respondents shall pay the costs of the appellants both in this Court as well as in the High Court.

REDDY, J. ❖

I agree with my learned brother Hegde, J., that the appeal should be allowed. In the case of *Kishendas v. Indo Carnatic Bank Ltd.* (AIR 1958 AP 407 : ILR 1958 AP 891.) I had while delivering the Judgment of the Bench expressed certain views which may appear to conflict with the view now taken. In that case the executability of a decree passed by the Madras High Court in 1940 by the City Civil Court Hyderabad on the ground of its being a foreign decree was called in question. The Respondent went into liquidation and a liquidator was appointed by the original side of Madras High Court. The liquidator filed an application under Section 191 of the Indian Companies Act for the recovery of a sum of Rs. 1,375/- from the appellant who was a subject of H.E.H. the Nizam and a resident of Hyderabad on account of unpaid calls and the Court passed an ex parte decree on 15-8-1940 against the appellant. The liquidator filed an execution petition in that Court praying for a transfer of the decree to the City Civil Court Hyderabad which was ordered on 15-3-1951 when the Hyderabad Civil Procedure Code was in force in the Hyderabad State, under which the decree of the Madras High Court would be a foreign decree and the only way in which the liquidator could recover the decretal amount was by filing a suit on that decree. No doubt the Madras High Court could not on that date i.e., 15-3-1951 pass an order directing the transfer of the decree as it was to a Court which was not governed by the Indian Civil Procedure Code (hereinafter called the Code) nor on that date were there any reciprocal arrangements for executing those decrees in the Hyderabad State. Madras High Court could not therefore transfer a decree passed by it for execution to a Court could not therefore transfer a decree passed by it for execution to a Court which did not satisfy the provisions of Section 43 to 45 on that date. It did not also appear from the facts of that case whether any notice was served on the appellant - but following the decision of the majority of the High Courts in this country and also relying on the observations of their Lordships of the Privy Council in *Sardar Gurdial Singh v. Raja of Faridkote* (21 IA 171 : 22 C 222), that a decree pronounced in absentem by a foreign Court the jurisdiction to which the defendant has not in any way submitted himself is by international law a nullity, I also took the view that non-executability of the decree is to be determined as on the date on which it was passed and that to

distinction can conceivably be made between the decree passed by British Indian Courts before the merger or before the Independence when it was a foreign decree and a decree passed by the Courts of a native State before the Independence or merger - in both cases the character of the Judgment would be that of a foreign Judgment and if it suffers from any want of jurisdiction or otherwise it will continue to be subject to that defect. This Court had also expressed a similar view in *Raj Rajendra Sardar Maloji Narasingh Rao Shitole v. Sri Shankar Saran and Other*, (1963 (2) SCR 577 : AIR 1962 SC 1737 : ILR (1962) 2 ALL 1991.) when it held that an ex parte decree passed in 1948 by the Gwalior Court against residents of U.P. who did not appear was not executable in Allahabad even though the Gwalior Court had transferred the decree in October 1957 after the Civil Procedure Amendment Act II of 1951 came into force after which the Gwalior Court was a Court under the Code. It was held by a majority that the decree passed by the Gwalior Court did not change its nationality in spite of subsequent constitutional changes or amendments in the Code of Criminal Procedure, that if a decree was unenforceable in particular Court at the time it was passed it would not become enforceable and valid simply because of the political changes that took place unless there is a specific provision to the contrary and that the decree being a nullity outside the Court of the United States (Madhya Bharat) in the absence of any specific provision it could not be enforced in the United States (Madhya Bharat). Kapur, J., speaking for himself, Rajagopala Ayyangar and Mudholkar, JJ., observed at pages 594-595 thus :

"It will not be correct to say that the decree which was a nullity before the Constitution came into force suffered only from the defect of enforceability by execution. Section 13 creates substantive rights and is not merely procedural and therefore defences which were open to the Respondents were not taken away by any constitutional changes in the absence of a specific provision to the contrary. It is erroneous to say therefore that the decree of the Gwalior Court was unenforceable when passed because of some impediment which the subsequent Constitutional changes had removed; but that decree suffered from a more fundamental defect of being a nullity and the rights and liabilities created under it remained unaffected by subsequent changes."

25. The contention that the decree of the Gwalior Court could be executed after its transfer on September 14, 1951, when the Civil Procedure Code came into force throughout India by virtue of Act 11 of 1951 and that therefore the Gwalior Court had the power to transfer the decree which the Allahabad Court had under the law authority to execute was also negated for the reason that the "Court which made the order of transfer in September 1951 was then not the Court which passed the decree within the meaning of Section 39". Das Gupta, J., with whom Sarkar, J., as he then was, concurred, did not find it necessary to deal with the question of foreign decree which as he said the Allahabad Court rightly considered a nullity. On the second and third question he held that Allahabad had no power to execute the decree under Section 38 of the Civil Procedure Code as there was no valid transfer to it from 'the Court which passed the decree' nor did Section 43 of the Civil Procedure Code as it stood applied to the execution of that decree.

26. Even though the observations in *Kishendas's case* (supra) finding support in the above Judgment the ratio of the decision in that case being that the Madras Court on the date of the order could not transfer the decree to the Hyderabad Court, the facts of this case however do not warrant an application of the principles of International law or of the decree being a nullity. The earlier execution proceedings ended unsuccessfully with the decision in *Hansraj Nathu Ram v. Lalji Raja and Sons of Bankura*. ((1963) 2 SCR 619 : AIR 1963 SC 1180 : (1963) 2 SCJ 228.) It was decided in that case, that Morena Court not being a Court to which the Code applied the decree could not

have been transferred and that Sections 38 and 39 of the Code did not afford jurisdiction for such transfer as the Morena Court at the time of transfer was governed by the Madhya Bharat Civil Procedure Code and not by the Code. What is relevant in the present case is that when the decree-holders again applied to the Bankura Court for execution of his decree by the Morena Court after the decision of this Court in Hansraj's case (supra), both the Court that passed the decree and the Court to which it is transferred for execution were Courts under the Code, as such no question of the Bankura decree being a foreign decree or it being a nullity could arise. The Morena Court on the date when the order of transfer of the decree was passed by the Bankura Court is not a Court governed by the Gwalior law or Madhya Bharat law as such the impediment to executability of the Bankura decree no longer exists nor could it be considered in the light of Section 20(c) of the Amendment Act II of 1951 as having saved any right or privileges under the Repealed Procedure Code of Gwalior or Madhya Bharat. Whatever may be the views expressed in the several decisions a view which I was also inclined to take in the decision referred to, though on the facts of that case it may not have been necessary, on a further a fuller consideration I agree with great respect with the views of my learned brother Hegde, J., that no question of a vested right or a privilege arises to entitle the Respondent to challenge the execution proceedings in Morena Court. The decree granted by Bankura Court was executable the Court to which it is transferred. Once the Code is made applicable to the whole of India by the Amendment Act II of 1951 the decree is no longer a foreign decree qua the Morena Court which is a Court under the Code to which the Bankura Court could transfer the decree for execution. No doubt in Shitole's case (supra) it was observed that Section 13 of the Code creates substantive rights and not merely procedural and therefore defences that were open to the Respondents were not taken away by any Constitutional changes but the ratio of the decision was that the Gwalior Court not being a Court that passed the decree after the coming into force of Act II of 1951 the Allahabad Court could not execute it. That impediment does not exist now in that the Bankura Court has transferred the decree to a Court under the Code. The plea that Section 48, Civil Procedure Code presents a bar of limitation is also not tenable. In the result I agree that the appeal should be allowed as directed by me learned brother.

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