



settled ; that any other beneficial relief should be granted ; and that costs should be decreed against any of the defendants who might be found liable. The suit was brought under section 92 of the Code of Civil Procedure, 1908. The plaintiffs had obtained the consent in writing of the Legal Remembrancer of the United Provinces to the institution by them of the suit, such Legal Remembrancer having been the officer appointed under section 93 of the Act to exercise in those Provinces the powers in that respect which are conferred on the Advocate General by section 92.

The parties to the suit are residents of Etawah in the United Provinces, and are Hindus of the Agarwal caste. The caste name is also written Aggarwall. The plaintiffs are through a common ancestor related, more or less distantly, to the defendants, and are persons who were interested in the proper management of the trust properties of the endowment. The defendants are descendants of one Sital Prasad who founded the endowment by his will of the 24th February, 1904.

The Agarwal is a well-known caste and has caste subdivisions. The members of the caste in the United Provinces and the Punjab are mainly Zamindars, or agriculturists, or are engaged in other forms of trade. The Agarwals of the United Provinces and of the Punjab carry on their business, whatever it may be, either separately or as joint families. When the business is carried on as the business of a joint family it is as a rule carried on in the name of the managing member of the joint family or in a firm name.

The first of these appeals is by Lala Jai Narain, who was defendant 1. The other of these appeals is by Lala Prag Narain and Lala Brahma Narain, who were respectively defendants 2 and 3.

As there are nine defendants in the suit against all of whom a common liability is not alleged it is advisable to state at once who the different defendants are. Sital Prasad, who founded the endowment in question, and his elder brother, Kunj Behari Lal with their father Lala Gopi Nath, constituted a joint Hindu family, which was governed by the law of the Mitakshara. After the death of Lala Gopi Nath, the brothers Kunj Behari Lal and Sital Prasad separated in 1900, and subsequently Kunj Behari Lal died childless. Before the endowment in question was founded Kunj Behari Lal had by his will left all his property to his eldest nephew, Banke Behari Lal. Sital Prasad had married and had sons, Banke Behari Lal, above mentioned, Girwardhari Lal, Banarsi Das and Sheo Narain, defendant 8. Banke Behari Lal married and had sons Lala Jai Narain, eldest son, defendant 1, Rup Narain, who died before suit leaving a son, Shyam Behari Lal, defendant 4, Lala Prag Narain, defendant 2, and Lala Brahma Narain, defendant 3. Girwardhari Lal, second son of Sital Prasad, married and had sons Lala Gur Narain, defendant 9, and Lachmi Narain. Banarsi Das, third son of Sital Prasad, married and had sons Lala Suraj Narain, defendant 5, Brij Narain, defendant 6, and Keshab Narain, defendant 7.

Sital Prasad separated from his sons in or before 1903 and made his will of the 24th February, 1904 and died on the 5th March, 1904. There is evidence on which their Lordships find that Banke Behari Lal separated from his brothers. Banke Behari Lal and his sons constituted a joint Hindu family. Banke Behari Lal and his sons carried on business under a firm name of Banke Behari Lal Jai Narain. It is not proved, nor, indeed, has it been even alleged, that Banke Behari Lal and his sons had ever separated, and as such a separation has not been proved the presumption in law is that they continued joint. It has not been proved that the sons of Banke Behari Lal after he died, on the 5th March, 1907, separated. Consequently it is to be assumed, unless the contrary has been proved and it has not been proved, that the business which was carried on under the firm name of Banke Behari Lal Jai Narain has continued to be the business of a joint family. At all material times Lala Jai Narain, defendant 1, was a member of that joint family, and appears to have acted as the managing member of the joint family, and he was also a member of a committee of trustees which was appointed by the will of Sital Prasad to manage the property of the endowment created by that will. When Shyam Behari Lal, defendant 4, was born has not been proved, but it is stated in the plaint of the 20th May, 1915, that he was then about 8 years of age ; it is thus uncertain whether he became a member of the joint family before or after the death of his grandfather Banke Behari Lal, but the question is not material as it appears to their Lordships.

Owing to a misconception of the effect of a judgment of the Board which was delivered by Lord Davey in *Balabux Ladhuram v. Rukhmabai*, L.R. 30, I.A. 130, it was generally, but erroneously, assumed that the Board had decided that when a Hindu governed by the law of the Mitakshara, who had sons living, separated from his brothers it was a presumption of law that he had separated from his sons and that he and his descendants ceased to constitute amongst themselves a joint family unless it was proved that they had agreed to continue to be a joint Hindu family. It was pointed out, however, by the Board in a judgment which was delivered on the 22nd January, 1924, in *Hari Bakhsh v. Babu Lal* and another that that was an erroneous conception of the effect of what Lord Davey had said, and that no authority had been brought to the attention of their Lordships for introducing a novel principle into the law of joint Hindu families governed by the law of the Mitakshara. In the case of *Hari Bakhsh v. Babu Lal* and another the parties were Hindus of the Bakkal Aggarwall caste of the Punjab. In the present case the learned Judges of the High Court in appeal decided that Shyam Behari Lal, defendant 4, was not liable in respect of the waqf trust fund, which was deposited by Banke Behari Lal with Banke Behari Lal Jai Narain. Possibly, the explanation of that decision is that the learned Judges had,

as others had done, misconceived the effect of the judgment which had been delivered by Lord Davey.

In their plaint the plaintiffs alleged that Sital Prasad, who died on the 5th March, 1904, had by his will, dated the 24th February, 1904, made a waqf of his property for religious and charitable purposes; had appointed a committee of trustees, of which his eldest son Banke Behari Lal should be president; that after the death of Sital Prasad the whole of the waqf property was taken possession of by Banke Behari Lal; that the defendants 1, 2, 3 and Shyam Behari Lal defendant 4, were at the date of the suit in possession of the waqf property.

The defendants 1, 2, 3 and 4 jointly filed a written statement in which they did not deny or admit the statement in the plaint that the defendants 1 to 4 were, when the suit was brought, in possession of the waqf property, consequently it must be taken that that statement was not traversed and was not in issue. They alleged that the will of Sital Prasad created a private endowment and that section 92 of the Code of Civil Procedure, 1908, did not apply, the meaning of that allegation is that Sital Prasad's will did not create any trust for public purposes of a charitable or religious nature. They also alleged that they had been satisfactorily carrying on the management of the waqf, and they denied that there had been any misappropriation of the waqf fund and that there was any liability on them. It is not necessary to refer to the written statement of any other defendant.

Sital Prasad, who was by occupation a moneylender and zamindar, made his will on the 24th February, 1904. As translated it was so far as is material as follows :—

“ I, Sital Prasad, son of Lala Gopi Nath, deceased, caste Agarwal Sahu resident of the city of Etawah, do declare as follows :—

Let it be known that under the decree of the Civil Court, dated the 16th April 1903, passed by the Subordinate Judge of the district of Mainpuri on the basis of the arbitration award, dated the 31st March 1903, the whole of my property is partitioned as against my sons and grandsons. I enjoy full proprietary rights of every sort in respect of the said property and have no co-sharer or co-parcener therein. I, therefore, give it in writing as regards the said property that I shall remain in proprietary possession of the property during my lifetime. that as regards the movable and immovable properties that might remain in my possession at the time of my death, I make a will as follows :—A committee should be formed to carry out the directions given below. The Committee would have all sorts of powers regarding the management of the said properties. My eldest son, Bankey Behari Lal, should be appointed as the president (of the committee), Banarsi Das, my third son, should be the secretary and Sheo Narayan, my fourth son; Jai Narayan, son of Bankey Behari Lal aforesaid, Gur Narayan, son of Girdhari Lal and Gauri Shanker, son of Raghubar Dayal, should be appointed as the members of the said committee. The president's vote should be treated as three votes, the secretary's vote as two, and each member's vote as one. The resolutions should be always passed with reference to the majority of votes and the resolution passed should be considered to be the orders of the committee and all proceedings of every sort should invariably be taken in accordance therewith. The power to remove or re-appoint the president, secretary and the members shall remain in the hands of the committee, but

let it be known that anyone who shall be admitted into the committee as directed above shall be from amongst my sons, grandsons and their descendants. No stranger can be admitted into the committee, nor can he, under any circumstances, make any sort of interference.

I.—I consider it admissible to give some of the directions below :—  
The Committee, so far as possible, shall be bound to comply with them.

(a) Bisrent (ghat) of Sri Jamunaji should be built in Etawah at a cost of about Rs. 2,500.

(b) A 'dharamsala' containing two temples, one of Sri Mahadeoji Maharaj and the other of Sri Thakurji Maharaj should be built in Etawah, at a cost of about Rs. 5,000.

(c) In the said 'dharamsala' each of the four sons of mine should cause 4 small rooms to be built at his own cost under the management of the committee, with reference to the plan of the 'dharamsala.' The amount that might be given in charity on the occasions of the marriages of my sons, grandsons or their male children, should be given in this 'waqf' fund to the extent of  $\frac{1}{4}$ . Should anyone fail to do so, he and his sons should be debarred from holding any of the aforesaid offices so long as they do not comply with the above directions.

(d) The principal amount of cash or the property should not be utilised in defraying any expenses other than those enumerated above. So far as possible about  $\frac{2}{3}$  of the income yielded thereby, *i.e.*, interest or profits should be spent on the following objects according to the discretion of the committee or on any other act of charity.

1. Such quantity of unparched grain, flour or parched barley should be given for eating to 'sadhus,' 'bairagis' (mendicants) and pilgrims as might be considered proper or in the winter season some clothes, etc., or medicine might be distributed to the sick.'

2. Expenses in connection with the staff, pay of employees, repairs of the 'dharamsala,' temple and 'bisrent,' etc. (should be defrayed out of the said fund).

3. Should any of my sons or their descendants lead a retired life and sit in contemplation and wish to be supplied with clothes and food, then the said person should get such assistance so long as he lives in the 'dharamsala.'

II.—The president and the secretary shall have power to realise every sort of money, grant receipts, acknowledge full payment, affix signature, purchase and sell property, verify at the time of registration, advance money on interest, carry on every sort of trade, take all sorts of court proceedings either themselves or through their general attorney, in short they shall have power to take all the proceedings of every sort, but all the said proceedings relating to the 'waqf' shall be taken in the name of me, Lala Sital Prasad. The president and the secretary shall be competent to institute every sort of suit, set up defence and take court proceedings in their own names. There shall be no necessity to include the names of other members.

III.—In addition to the cash, etc., due to or by me under my account-books and 'hundis,' a 5 biswa zamindari share in mauza Kutubpur, pargana Bhartna, district Etawah, which forms the subject-matter of a former gift and in respect of which my name is entered in the public papers, *i.e.*, the 'khewat,' is also included in the subject-matter of this will. As regards the said property it is also directed that it may be sold if it can be sold with profit at a low rate of interest.

IV.—No one at any time under any circumstances shall have any sort of claim in respect of the aforesaid property. The income and expenditure, etc., of every sort shall be daily entered in the account-book.

V.—The president and the secretary should, according to the arbitration award, dated the 31st March 1903, take all proceedings in the cases relating to the shops at Cawnpore, the full particulars whereof are given in the said arbitration award and get their names entered in the court (papers) in

place of my name. They should incur expenses out of the amount standing to my credit in the papers. Moreover, the president and the secretary should cause mutation proceedings to be taken in respect of such property or land as might belong to any party under the said arbitration award but which might be entered in my name and in respect of which mutation proceedings, etc., might not be completed in my lifetime.

I have, therefore, executed this will so that it may serve as evidence."

It is obvious to their Lordships that Sital Prasad by his will disposed of all his property.

When Sital Prasad died his property was represented by Rs. 48,000 in cash or securities, two houses at Etawah valued at Rs. 2,000, and zamindari property valued at Rs. 2,000. The committee took over the houses and the zamindari property. His eldest son, Banke Behari Lal got possession of the cash and securities and handed them over to a "shop" which he and his sons carried on as a joint family, trading under the firm name of "Banke Behari Lal Jai Narain."

It has been held by the two courts below, the District Judge and the High Court, that Sital Prasad by his will created a trust for public purposes of a charitable or religious nature and that it was not void as being vague or uncertain as to the charities to which it applied. Their Lordships agree with that construction of the will. Having regard to the fact that the bathing ghat might be washed away or damaged by floods in the Jumna and the expenses which might have to be incurred in replacing it or in repairing it, and having regard to the fact that the expenses of maintaining a dharamsala would much depend on the number of pilgrims using it, it was a prudent provision of the will, as their Lordships understand it, that one-fourth of the income of the endowment should ordinarily be kept in reserve by the trustees to meet such extraordinary expenses when they should occur. It is quite clear from clause IV of the will that no one, except as provided by the will, should have any claim to any part of the income of the waqf property.

From 1904 until 1907 the committee appear practically to have done nothing to carry out Sital Prasad's directions, it is doubtful if during that period the committee held any meetings. So far as has been proved the first meeting of the committee was held on the 5th December, 1907. The Committee, however, on the 12th September, 1904, or one of them applied to the municipality of Etawah for permission to construct a bathing ghat on the Jumna and to erect a dharamsala. The application to construct the bathing ghat was refused because the committee required the municipality to divert a pucca drain from the land which the committee required for the construction of the ghat. The application for permission to erect the dharamsala was refused because the committee wanted the government to grant to them Nazul lands gratis. It may be doubted whether either of those applications was made bona fide. Nothing further was done by the committee for the construction of a bathing ghat, and until 1907 nothing further was done by the committee with

the object of erecting a dharamsala or of providing a building which could be used as a dharamsala.

Banke Behari Lal died on the 5th March, 1907, and was succeeded as President of the committee of trustees by his second son Rup Narain, and later Lala Jai Narain, defendant 1, was appointed Secretary. On the 14th March, 1907, Banarsi Das and Sheo Narain, two of the younger sons of Sital Prasad, brought a suit against Lala Jai Narain, defendant 1 of this suit, Girwardhari Lal their then eldest surviving brother and Gur Narain, the elder son of Girwardhari Lal, for cancellation of the will of 24th February, 1904, of Sital Prasad and for possession of their share of the estate of Sital Prasad, or in the alternative, if that will should be held to be genuine, an order that the directions contained in that will should be carried out. It may be inferred that the directions given in that will were not being carried out by the committee.

It is now necessary to be considered whether there were any misappropriations of the waqf property by the trustees, and if there were, then it is to be considered whether the joint family trading as "Banke Behari Lal Jai Narain" can be made liable to repay any of the moneys misappropriated. The misappropriations which the District Judge and High Court have concurred in finding began in 1907 and ended in 1914, and in the aggregate amounted to Rs. 48,000. Their Lordships agree with the courts below that these misappropriations for which the trustees are responsible were committed and amounted in the aggregate to Rs. 48,000. These misappropriations began after Banke Behari Lal died and they were committed with the knowledge and assent of Lala Jai Narain, defendant 1, and for those misappropriations of the trust fund their Lordships agree with the courts below that Lala Jai Narain, defendant 1, is responsible.

After the death of Banke Behari Lal in 1907, the joint family continued to carry on the business which had been carried on in the firm name of "Banke Behari Lal Jai Narain." Whether there was any change in the trading name of the joint family after the death of Banke Behari Lal their Lordships do not know, it is immaterial whether there was or not a change in that trading name, and their Lordships will continue to refer to that trading name as the trading name of the joint family. It appears to their Lordships that after the death of Banke Behari Lal his eldest son Lala Jai Narain was the managing member of the joint family. After the death of Banke Behari Lal the joint family continued to hold on behalf of the trustees the moneys of the waqf fund which Banke Behari Lal had, on the death of Sital Prasad, deposited with "Banke Behari Lal Jai Narain." Lala Jai Narain, defendant 1, on behalf of the joint family, was a party to the following transactions which affected the trust fund of the trustees in the possession of the joint family. In 1907 some people in Etawah trading in the name of "Durga Prasad and Sital Prasad" owed to "Banke Behari Lal Jai Narain" Rs. 16,000. The debtors were in difficulties, and

Lala Jai Narain, defendant 1, repaid that debt to the joint family by transferring Rs. 16,000 from the credit account of the trustees to "Banke Behari Lal Jai Narain" and took a mortgage for Rs. 16,000 in favour of the trustees, thus substituting the trustees for "Banke Behari Lal Jai Narain" as the creditors of "Durga Prasad and Sital Prasad". Another instance is, the Bharat Bank owed to "Banke Behari Lal Jai Narain" Rs. 10,000. The Bharat Bank got into difficulties and subsequently failed. Lala Jai Narain, defendant 1, on behalf of the joint family transferred that debt to the waqf account of the trustees with "Banke Behari Lal Jai Narain." In 1914, after Lala Prag Narain, defendant 2, who was one of the joint family, had become a member of the committee of trustees, a firm trading as "Ram Din and Sital Prasad" owed Rs. 15,000 to "Banke Behar Lal Jai Narain." The debt was unsecured and the debtors were unable to pay it. Lala Jai Narain, defendant 1, in the interests of "Banke Behari Lal Jai Narain" transferred that debt of Rs. 16,000 to the waqf account of the trustees. The three instances to which their Lordships have referred represent in the aggregate Rs. 41,000 of the total sum of Rs. 48,000 which was misappropriated, and in their Lordships' opinion for that Rs. 41,000 Lala Prag Narain and Bramha Narain, defendants 2 and 3, as members of the joint family trading in the name of "Banke Behari Lal Jai Narain" are equally responsible in this suit with Lala Jai Narain, defendant 1, but in their Lordships' opinion it has not been proved that the joint family is responsible for the balance of Rs. 7,000 of the Rs. 48,000 of misappropriation of the waqf fund.

The learned District Judge decreed the suit in the manner following :—

"(1) The committee will be reconstituted as follows subject to their acceptance : Lala Sheo Narayan, president ; Lala Prag Narayan, Lala Suraj Narayan, defendants, Lala Gauri Shankar, plaintiff and Babu Dharam Narayan, pleader, Mainpuri, members.

(2) The entire property will be put in charge of the said trustees for management on the lines suggested.

(3) Lala Jai Narayan will, within 3 months, furnish full accounts of the affairs of the trust, showing how the capital sum estimated at Rs. 52,000 has been utilised, and also how the interest thereon at a rate fixed by the court at 4 per cent. per annum has been spent. Neither the transfers to Lala Jai Narayan, himself in lieu of mortgages, 'hundis' or other securities can be accepted by the court, nor can the release to Lala Benarsi Das of Rs. 10,000, with interest thereon be allowed as a charge against the fund. The balance due to the fund on these accounts which are to be furnished will be handed over to the committee in the form of cash or realisable securities.

(4) The committee will have full power to carry out the testators' wishes as laid down in the will. They will close the Gracey Hindu School, prepare a scheme of systematic charity and either build a 'dharamshala' or some similar institution of a kind approved by this court.

5. The plaintiffs' costs will be borne by Lala Jai Narayan personally, who will bear his own costs and those of Lala Gur Narayan.

The other defendants will bear their own costs with the proviso that those of the heirs of Lala Benarsi Das will be paid out of the estate of Lala Benarsi Das. Interest at 6 per cent. per annum will be allowed on the costs as usual.



And that the sum of Rs. 1,079-2-0 be paid by Jai Narayan, defendant, to the plaintiff on account of costs of this suit with interest thereon at the rate of 6 per cent. per annum from this date to date of realisation.

It is further ordered that Jai Narayan, defendant, do pay Rs. 76-8-0 to Gur Narayan defendant, with interest at 6 per cent. per annum from this date up to the date of realisation and Rs. 203-4-0 on account of costs of Suraj Narayan and others, defendants, with interest be charged to the property of Lala Benarsi Das."

From that decree the plaintiffs appealed to the High Court as also did Lala Jai Narain defendant 1, and Lala Sheo Narain, defendant 8, who so far as his costs only were concerned, filed a cross-objection.

The High Court heard the two appeals together and dealt with them and the cross-objection in one judgment, as the Court was entitled to do. The High Court made the following decree :—

"It is ordered and decreed that the decree of the Judge of Mainpuri be modified to this extent that the direction to Jai Narain to render accounts to the new committee be deleted therefrom and instead thereof it is hereby directed that the first three defendants shall pay to the new committee Rs. 48,000 with interest at 4 per cent. per annum from the 5th of March, 1904, to the date of payment, less a sum of Rs. 1,308 and shall deliver the houses and the share in the village of Kutubpur to the new committee and that the rest of the said decree be maintained and this appeal and the cross-objection filed by Sheo Narayan under Order 41, Rule 22 of the Code of Civil Procedure be and they hereby are dismissed.

And it is further ordered that the appellant aforesaid do pay to the respondents Nos. 1 to 3 aforesaid, the sum of Rs. (1,331-11-3) one thousand three hundred and thirty-one annas eleven and pies three only, the amount of costs incurred by the latter in this Court.

And it is further ordered that the costs incurred in the Lower Court be paid with interest thereon as awarded by the said Court."

Their Lordships, having considered the facts in the suit and the law which appears to them to be applicable to the facts will humbly advise His Majesty that the appeal of Lala Jai Narain, defendant 1, should be dismissed, but the decree against Lala Prag Narain and Brahma Narain, defendants 2 and 3, should be varied by making the principal sum which they are jointly and severally with Lala Jai Narain liable to pay to the new committee to be Rs. 41,000 with interest at 4 per cent. per annum from the 5th March, 1904, to the date of payment less the sum of Rs. 1,308 and that the rest of the decree of the High Court should stand. Lala Jai Narain must pay two-thirds of the costs of the respondents in these consolidated appeals, and Lala Prag Narain and Brahma Narain must pay one-third of the costs of the respondents in these consolidated appeals, as the variation of the decree of the High Court which their Lordships advise should be made was not suggested by them or on their behalf, and they have made no payment into court, and have resisted the claim of the plaintiffs from the first.

Before concluding, their Lordships must refer to a matter which has caused much trouble in the preparation of the advice which they will humbly offer to His Majesty.

In the judgment delivered by the learned Judges of the High Court they correctly said :—“ The two appeals Nos. 140 and 241 of 1916 are connected and arise out of a suit brought under section 92 of the Code of Civil Procedure.” In the case which was filed in this appeal on behalf of Lala Jai Narain, his counsel stated :—“ Against the said decree of the District Judge, Jai Narain and the plaintiffs both appealed to the High Court.” In the case which was filed in this appeal on behalf of Lala Prag Narain and Lala Brahma Narain their counsel stated : “ The 1st defendant, Jai Narain, appealed from the said decree of the District Judge to the High Court of Judicature at Allahabad, and the plaintiffs filed cross-objections in regard to costs.” No copy of the appeal which presumably was filed by the plaintiffs appears in the record which is before their Lordships, and the cross-objections in regard to costs which were in fact filed were filed not by the plaintiffs, but by the defendant Lala Sheo Narain. In the case which was filed in this appeal on behalf of two of the plaintiffs by another counsel it is stated : “ Lala Jai Narain alone appealed to the High Court against the decree of the learned District Judge, and impleaded as respondents the plaintiffs and the defendants who had not appealed.” Such contradictory statements as to matters which were of record very rarely occur in cases filed in appeals to His Majesty in Council, but in the present case the contradictory statements and the absence from the record before their Lordships of a copy of the memorandum of appeal to the High Court of the plaintiffs who did appeal to that Court must be the results of negligence for which persons in India are presumably responsible. Their Lordships must accept as correct the statement of the learned Judges of the High Court in their judgment that there were two appeals before them, but they observe that only one decree is included in the printed record, and that was in the appeal No. 140 of 1916 of Lala Jai Narain.

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In the Privy Council.

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LALA JAI NARAIN

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LALA UJAGAR LAL AND OTHERS

LALA PRAG NARAIN AND ANOTHER

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LALA UJAGAR LAL AND OTHERS.

*(Consolidated Appeals.)*

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