

1960

September 8.

RAM NATH AND ANOTHER

v.

M/s. RAM NATH CHHITTAR MAL AND
OTHERS(B. P. SINHA, C. J., J. L. KAPUR,
P. B. GAJENDRAGADKAR, K. SUBBA RAO and
K. N. WANCHOO, JJ.)*Suit for ejectment—Bona fide requirements for rebuilding—
Delhi & Ajmer Rent Control Act, 1952 (38 of 1952), ss. 13(g), 15.*

Three separate suits for eviction by the appellant were brought against the three respondents within the framework of the Delhi & Ajmer Rent Control Act and were based on the provisions of s. 13(g) for the bona fide requirements of rebuilding. Terms of compromise which were substantially in accordance with the provisions of s. 15 of the Act were put in by the parties and decrees were passed in the suits, under which the premises had to be vacated by the respondents on a specified day, which condition the respondents failed to observe and actually handed over the possession of the premises in suit at a later date. On completion of the building the respondents filed an application under s. 15 of the Act for their being put into possession. The High Court inter alia held that though s. 15 of the Act was not applicable to the proceedings yet the respondents could impose the terms of the decree and the proceedings could be treated as execution proceedings for enforcing the said terms. The appellants challenged the judgments of the High Court and contended that on the facts of the case and the circumstances, the decrees in suit under s. 13(1) proviso (d) shows that the order was passed and a decree made in accordance with the terms of s. 15 of the Act and further it was significant that the respondents themselves had made the application to the Court under s. 15 of the Act. The respondents submitted that the decree was not one under s. 15 of the Act because the decree was based on a compromise and the time for giving possession was not of the essence of the contract:

Held, that as the tenant respondents did not deliver possession of the premises to the landlord appellant on or before the dates specified in the decree, the provisions of s. 15 (3) of the Delhi and Ajmer Rent Control Act (38 of 1952) were not available to them and they were not entitled to be put in possession.

CIVIL APPELLATE JURISDICTION: Civil Appeals
Nos. 401 to 403 of 1960.

Appeals by special leave from the judgment and orders dated March 1, 1960, of the Punjab High Court

(Circuit Bench) at Delhi in Civil Revision Cases Nos. 166-D, 167-D and 168-D of 1958.

A. V. Viswanatha Sastri, S. S. Chadha and R. S. Narula, for the appellants (in all the appeals).

C. B. Aggarwala and B. Kishore, for the respondents (in C. A. No. 401 of 60).

C. B. Aggarwala, R. M. Gupta and G. C. Mathur, for the respondents (In C. As. Nos. 402 & 403 of 60).

1960. September 8. The Judgment of the Court was delivered by

KAPUR J.—These appeals are directed against three judgments and orders of the Punjab High Court in three Civil Revisions Nos. 166-D, 167-D and 168-D which were brought by the appellants against three of their tenants under s. 35 of the Delhi & Ajmer Rent Control Act (XXXVIII of 1952), hereinafter termed the Act. The appellants in all the three appeals are the landlords and the respondents in the three appeals are three different tenants.

The appellants filed three separate suits for the eviction of their three tenants under cl. (g) of proviso to s. 13(1) of the Act on the ground that the premises were bona fide required for purposes of rebuilding. On February 27, 1953, the parties in all the three suits entered into a compromise in the following terms:

“We have compromised the case with the plaintiff. A decree may be passed for Rs. 82/8/- on account of rent in suit and for ejection in respect of the shop in suit in favour of the plaintiff against the defendants. The defendants will vacate the shop by 4-3-53 and hand over possession to the plaintiff and the plaintiff will hand over its possession again (second time) to the defendants within six months from 4-3-53 after constructing it afresh. We shall pay such rent as this court will fix”.

Thereupon the court passed the following order and a decree followed thereon:—

“In terms of the statements of the plaintiff, defendant and counsel for defendants—a decree for Rs. 82/8/- on account of rent in suit be passed in favour

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of the plaintiff against the defendants. Also decree for ejectment be passed in respect of the shop in suit in favour of the plaintiff against the defendants and that the defendants do give possession of the shop in suit by 4-3-53 to the plaintiff and that the plaintiff after constructing it afresh within six months from 4-3-53 give it to the defendants. From out of the money deposited, a sum of Rs. 82/8/- be paid to the plaintiff and the balance returned to the defendants. The defendants shall be responsible to pay the rent fixed by the court ”.

According to the decree the possession was to be given to the appellants on March 4, 1953, but it was actually delivered by the three respondents between March 7 and 15, 1953. On the completion of the building the three respondents filed three separate applications under s. 15 of the Act for their being put into possession. These applications were filed on October 7, 1953. The High Court held that the compromise did not comprise any matter which was not the subject matter of the suit; that the respondents could enforce the terms of the decree in the proceedings which they took, i. e., under s. 15 of the Act; that time was not of the essence of the compromise and therefore of the decree and consequently in spite of the possession of the premises having been given by the respondents after the date specified in the decree, i. e., March 4, 1953, the respondents were entitled to enforce the decree by execution and apply for possession being restored to them; at any rate they could apply for restitution under the inherent powers of the Court. Thus the High Court was of the opinion that though s. 15(2) of the Act was not applicable to the proceedings they could be treated as Execution proceedings. Against this judgment and order the appellants have come in appeal to this court by special leave.

Under s. 13 of the Act the respondents are protected against eviction excepting for the reasons given in the proviso. The appellants had filed the original suits for eviction under s. 13, proviso (g), which was as under :—

Section 13 :—“ Notwithstanding anything to the contrary contained in any other law or any contract, no decree or order for the recovery of possession of any premises shall be passed by any court in favour of the landlord against any tenant (including a tenant whose tenancy is terminated) :

Provided that nothing in this sub-section shall apply to any suit or other proceeding for such recovery of possession if the Court is satisfied—

(g) that the premises are bona fide required by the landlord for the purpose of rebuilding the premises or for the replacement of the premises by any building or for the erection of other building and that such building or rebuilding cannot be carried out without the premises being vacated ; ”.

Thus when the suits were brought the provisions of the Act were invoked. The decrees passed were on the basis that the premises were required by the landlord for rebuilding which falls under s. 13 and the decrees also incorporated the requirements of s. 15 which provides :—

“The Court shall, when passing any decree or order on the grounds specified in clause (f) or clause (g) of the proviso to sub-section (1) of section 13 ascertain from the tenant whether he elects to be placed in occupation of the premises or part thereof from which he is to be evicted and if the tenant so elects, shall record the fact of the election in the decree or order and specify therein the date on or before which he shall deliver possession so as to enable the landlord to commence the work of repairs or building or rebuilding, as the case may be.

(2) If the tenant delivers possession on or before the date specified in the decree or order, the landlord shall, on the completion of the work of repairs or building or rebuilding place the tenant in occupation of the premises or part thereof.

(3) If, after the tenant has delivered possession on or before the date specified in the decree or order the landlord fails to commence the work of repairs or building or rebuilding within one month of the specified date or fails to complete the work in a reasonable

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time or having completed the work, fails to place the tenant in occupation of the premises in accordance with sub-section (2), the Court may, on the application of the tenant made within one year from the specified date, order the landlord to place the tenant in occupation of the premises or part thereof on the original terms and conditions or to pay to such tenant such compensation as may be fixed by the Court".

The compromise, the order and the decree provided (1) that the respondents will vacate their respective shops on March 4, 1953, and hand over possession to the appellants; (2) they elected to get back possession after rebuilding which the appellants agreed to hand back on September 4, 1953; (3) the rent after such possession was to be determined by the court. It was contended on behalf of the appellants that the above facts taken with the circumstances that the decree was passed in a suit under s. 13(1), proviso (g), show that this was an order passed and a decree made in accordance with the terms of s. 15 of the Act. It is significant that the respondents themselves made the applications to the court under s. 15 of the Act.

For the respondents it was argued that the decree was not one under s. 15 of the Act because the decree was based on a compromise whereby the parties fixed the date of delivery of possession to the appellants; fixed the date for completion of the rebuilding and agreed between themselves as to repossession by the respondents. It was submitted that although the time for giving delivery to the appellants was fixed in the compromise it was not of the essence of the contract.

In our opinion the contentions raised by the appellants are well founded and the appellants must succeed. The suits for eviction were brought within the framework of the Act and were based on the provisions of s. 13, proviso (g). No eviction would have been possible excepting when conditions laid down in s. 13 were satisfied. The decrees which were passed were substantially in accordance with the provisions of s. 15 of the Act and as was contended by the appellants they were decrees under which the premises had to be vacated by the respondents on a specified day.

Under that section they had the right to elect and did elect to get possession after rebuilding; this possession was to be given by the landlords to the tenants within a reasonable time and six months' period was fixed by consent between the parties and the rent, if the respondents were not put into possession on the same terms as before, was to be settled by court and that is what was done under the terms of the consent decree. The applications for being put into possession which were filed by the respondents were really under s. 15(3) of the Act. As the respondents did not deliver possession to the appellants on or before the dates specified in the decree the provisions of s. 15 contained in sub-s. (3) of that Act were not available to them and they were not entitled to be put into possession as prayed by them.

It was argued that the appellants had taken possession of the premises after the specified date without protest and had even accepted rent upto then and were therefore estopped from raising that defence. The appellants had conceded in the courts below that that plea could be raised in a suit if it was brought. In the view we have taken we think it unnecessary to express any opinion on this point.

The High Court was, in our opinion, in error in ordering possession to be delivered to the respondents. The appeals must therefore be allowed and the judgments and orders of the High Court set aside. The appellants will have their costs in this Court. One set of hearing costs.

Appeal allowed.

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