Judgment Reserved On vs J.Babulal on 18 December, 2017

Author: V.M.Velumani

Bench: V.M.Velumani

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 18.12.2017

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THE HONOURABLE MS.JUSTICE V.M.VELUMANI

C.R.P.(NPD) No.2143 of 2009

Judgment reserved on 12.10.2017 Judgment pronounced on 18.12.2017

Abudhageer ... Petitioner

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1.J.Babulal

2.J.Ashok Kumar

3.J.Sovanlal

4.Nirmala

5.Prakash

6.Sangeetha ... Respondents

Civil Revision Petition is fileSeathiber 25 of the Tamil Nadu Buildings (Lease and

For Petitioner : Mr.T.M.Hariharan

For Respondents : Mr.M.Prabhakar for

Mr.B.Sekar

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ORDER

This Civil Revision Petition is filed against the fair and decreetal order of the learned Rent Control Appellate Authority (Subordinate Judge), Vellore dated 29.08.2008 in RCA No.2/2006 reversing the fair and decreetal order of the learned Rent Controller (Principal District Munsif), Vellore dated 28.10.2005 in RCOP No.71 of 1987.

- 2. The petitioner is tenant and the respondent is the landlord in HRCOP No.71 of 1987 on the file of Principal District Munsif, Vellore. One C.Juguraj through his Power Agent Soganlal filed the above RCOP under Sectio 10 (2) (i) (iii) & (vii) of the Tamil Nadu Buildings (Lease and Rent Control) Act 1960. According to the said Juguraj, the petitioner was inducted as tenant on 04.04.1985 on a monthly rent of Rs.500/-. The tenancy was entered by a deed dated 04.04.1985 executed by both the said Juguraj and the petitioner. The petitioner did not pay the rent upto 04.08.1997 amounting to Rs.14,000/-. The said Juguraj issued a notice on 11.04.1986 to the petitioner and two other tenants in the complex who had defaulted payment of rent. The other two tenants paid the arrears of rent. The petitioner failed to pay the rent and disputed the tenancy agreement.
- 2 (a) According to Juguraj, the petitioner falsely contended the said Juguraj agreed to sell the petition property and other portions to one V.K.Abdul Jabbar who was subsequently impleaded as second respondent in the HRCOP. The said arrangement of sale is false one. The petitioner and Juguraj entered into an agreement of tenancy and it is not open to the respondent to deny the tenancy or repudiate to avoid payment of rent. Non-payment of rent is wilful. The petitioner denied the title of said Juguraj as landlord fradulently and denial is malafide and is not bonafide. The petitioner has, without consent of the said Juguraj, demolished the entire back portion of the Door No.11 of the petition premises and converted the same for running his business, which was let out for residential purpose. The said Juguraj sought eviction of the petitioner on the ground of wilful default and act of waste.
- 2 (b) The petitioner filed counter and contended that the said Juguraj offered to sell his property bearing Door No.6 to 11 situated in Filter Bed Rod, Vellore to V.K.Abdul Jabbar s/o J.V.Kanniappa Rowther, the uncle of the petitioner. The said Abdul Jabbar accepted the offer of said Juguraj and paid advance of Rs.51,000/- for which the said Juguraj gave receipt dated 08.04.1985 to the petitioner containing terms of contract between the Juguraj and Abdul Jabbar. The said receipt was prepared in the Juguraj's office in the presence of his Advocate Srinivasan and signed by both the parties. One copy was given to said Abdul Jabbar and the other copy was retained by said Juguraj. After the said agreement, the petitioner and Abdul Jabbar came to know about the case pending with regard to the petition property. The said Juguraj postponed the execution of sale deed till the disposal of the civil suit. Accordingly, the petitioner paid a further sum of Rs.1,50,000/- on 18.04.1985 and the said Juguraj issued a receipt for the same. Thus, a total sum of Rs.2,01,000/was paid as advance to Juguraj and thereafter, the said Abdul Jabbar was in possession of the property and the petitioner, his uncle and other family members are residing in the premises bearing Door Nos.7, 10 and 11 without payment of rent. The petitioner is not a tenant on a monthly rent of Rs.500/- but he is in possession of property pursuant to the contract of sale entered into between Juguraj and Abdul Jabbar. The petitioner is not denying the title of Juguraj but his title is subject to agreement of sale and receipt of advance of Rs.2,01,000/-. The petitioner has spent Rs.10,000/- towards improvement of the petition premises.
- 2(c) Pending RCOP, the said Juguraj died and the respondents 1 to 3 herein were impleaded as legal heirs of the said Juguraj. The petitioner filed additional counter stating that the respondents are not owners or landlords of the petition premises and they are not entitled to collect the rent. There is no landlord tenant relationship between the parties or attornment of tenancy.

- 3. Before the learned Rent Controller, one J.Madan Lal who was second petitioner in the RCOP was examined as PW1 and marked 19 documents as Exs.A1 to A19 on behalf of the respondents. The petitioner examined himself as DW1 and marked two documents as Exs.B1 & B2. The learned Rent Controller, considering the pleadings, oral and documentary evidence and especially considering the evidence of PW1 that his father Juguraj did not have any title to the property when he executed the Will bequeathing the property to PW1 and respondents, considering the order in I.A.No.6 of 1995 in O.P.No.32 of 1975 filed by the respondents and second petitioner in RCOP to implead them as respondents 1 to 4 in O.P.No.32 of 1975, held that the respondents are not entitled to maintain the petition and petitioner's denial of title is bonafide and the Rent Controller has no authority to decide the matter. The learned Rent Controller further held that the proper course available to the respondents is to refer the matter to Civil Court to decide the title and dismissed the RCOP.
- 4. Against the said order dated 28.10.2005 made in RCOP No.71 of 1987, the respondents filed RCA No.2 of 2006 before Sub Court, Vellore.
- 5. The learned Appellate Authority allowed the RCA holding that the petitioner has admitted that he has entered into a tenancy agreement, as evident by Ex.A1 and he signed the same after reading it. The order in I.A.No.6 of 1995 in O.P.No.32 of 1975 has no relevancy to the issue in the present proceedings and set aside the order of the learned Rent Controller.
- 6. Against the said judgment dated 29.08.2008 made in RCA No.2 of 2006, the present Civil Revision Petition has been filed by the petitioner.
- 7. The learned counsel for the petitioner contended that the Appellate Authority allowed the appeal categorically and summarily assuming the case of the respondents were true. The learned Appellate Authority did not consider the specific finding of the Rent Controller and without reversing the specific findings of the Rent Controller on material issues, substituted its own order for that of Rent Controller. The learned Appellate Authority has not properly appreciated Exs.B1 & B2 and conclusion of Appellate Authority that those documents have no relavance to the issue in the proceedings is erroneous. The learned Appellate Authority ought to have seen that Juguraj, father of the respondents who was the original petitioner, has obtained Letter of Administration to administer the estate of Pani Bai who was the owner of the petition premises. The said authority, by Letter of Administration lapsed with death of Juguraj. The respondents have not obtained any letter of administration or got any decree of declaration that they are the owners of the petition premises. I.A.No.6 of 1995 filed by the respondents to implead themselves as respondents in O.P.No.32 of 1975 was dismissed and it was held in the said order that Juguraj himself has mismanaged the estate of Pani Bai. In view of said finding, Exs.B1 and B2 are relevant in deciding the issue. The respondents who are the legal heirs of Juguraj cannot proceed with RCOP as their application in I.A.No.6 of 1995 was dismissed and appointment of Juguraj as administrator was terminated on his death.
- 7 (a) The petitioner has further stated that his uncle Abdul Jabbar, second respondent in RCOP entered into the agreement of sale with Juguraj and petitioner and others are in possession of the suit property as agreement holder and not as tenant. This is not a different stand from Ex.A1, the

rental agreement signed by the petitioner. The learned Appellate Authority erred in holding that the petitioner has taken different stand than that of Ex.A1. The learned Appellate Authority failed to see that respondents are not landlords as defined by the Act and not entitled to receive the rent. The learned Appellate Authority failed to see that denial of title by the petitioner is bonafide and Rent Control proceedings is not maintainable.

8. Per contra, the learned counsel for the respondents contended that the petitioner admitted his signature in Ex.A1 dated 04.04.1985 which is the rental agreement and petitioner became tenant under Juguraj on a monthly rent of Rs.500/-. The petitioner did not pay the rent for two decades and Rent Controller, without considering the Exs.A1 and specific admission of the petitioner, dismissed the RCOP. The learned Appellate Authority, properly appreciating Ex.A1 and admission of the petitioner that he entered into an agreement with said Juguraj, allowed the appeal. The petitioner claims that his uncle Abdul Jabbar entered into an agreement of sale with Juguraj, father of the respondents and paid Rs.51,000/- as advance on 08.04.1985 and again Rs.1,50,000/- on 18.04.1985. This will not entitle the petitioner not to pay the rent as per the rental agreement dated 04.04.1985, Ex.A1. The petitioner, as a tenant is liable to pay the rent to the respondents. The denial of title by the petitioner is not bonafide. The property in question was purchased by the brother of Juguraj and after his death, his wife Panibai inherited the property. She was murdered on 03.01.1975 and after that, Juguraj inherited the property as sole Class 2 legal heir and obtained Letters of Administration in O.P.No.32 of 1975 and the said order has become final. After the death of Juguraj, one Rikab Chand filed I.A.No.1152 of 1994 in O.P.No.32 of 1975 for appointing him as receiver to the estate of deceased Panibai. Only after that application, the respondents have filed I.A.No.6 of 1995 in OP No.32 of 1975 and both the applications were dismissed. The respondents filed CRP No.970 of 2002 and subsequently, the same was dismissed as infructuous in view of the subsequent event. The petitioner is estopped from disputing the landlord-tenant relationship when the petitioner has admitted execution of rental agreement, Ex.A1 and admitted that only after reading of Ex.A1, he signed the same. The learned counsel for the respondent, in support of his contention, relied on the following judgments -

(1) 2000 (1) L.W. 782 [Thangappan S v. P.Padmavathy]

12. With reference to the subsequent event the other submission for the appellant is with reference to the Devasthanam suit, viz., the affidavit by the respondent in which it is urged he admits to be lessee of Devasthanam and thus his averment in the present proceeding being the owner of the premises is wrong. This also would be of no avail. Firstly, we are not called up to examine the said suit. The respondent No.1 was not even impleaded hence was not a party there. This apart relationship between the appellant and the respondent is of tenant and landlord under the Act while relationship between the respondent and Devasthanam may be of lessee and lessor in a different set of fact. This would make no difference. The definition of landlord is under Section 2 (6) and under its explanation even tenant is treated to be landlord. The aforesaid two decisions, viz., Mangat Ram and others (supra) and D. Satyanarayan (supra) neither render any help to the appellant nor could it be distinguished as not to apply to the facts of the present case. On the contrary the two

decisions squarely applies to the present case. Section 116 of the Indian Evidence Act deals with the principle of estoppel against a tenant where he denies the title of his landlord.

- 13. This section puts an embargo on a tenant of an immovable property, during the continuance of his tenancy to deny the title of his landlord at the beginning of his tenancy. The significant words under it are at the beginning of the tenancy. This is indicative of the sphere of the operation of this section. So a tenant once inducted as a tenant by a landlord, later he cannot deny his landlord title. Thus, this principle of estoppel debars a tenant from denying the title of his landlord from the beginning of his tenancy. Howsoever defective title of such landlord could be, such tenant cannot deny his title.
- (2) Vol.83 L.W. 713 Sadasivam v.Ratnasabapathy Chettiar] The above decisions clearly lay down that in a suit in ejectment the question of title cannot be gone into and that so long as the tenant continues to be in possession on the basis of the lease between the lessor and himself he is estopped from questioning the lesses's title and his right to possession, under S.116 of the Evidence Act.
- (3) AIR 1995 MAD 172 [Mrs. Vasundara Bhalla v. Haridas Bhagat and Company Private Ltd.]
- 11.The learned single Judge has also held that the respondent/plaintiff was in possession of the suit property 'for a quite long time' for more than 25 years as a tenant and that subsequently as the tenant holding over, and he has to be dispossessed only in accordance with law. A contract for sale in this case, the alleged oral agreement by itself does not create any interest or charge in the suit property. As has been held in the above rulings, of this court, the respondent, plaintiff can use equity in his favour only as a shield, and not as a sword restraining the, appellants/defendants from selling the suit property.
- (4) 1999 (7) SCC 474 [S.Thangappan v. P.Padmavathy]
- 13...... Section 116 of the Indian Evidence Act deals with the principle of estoppel against a tenant where he denies the title of his landlord. Section 116 reads as under;
- 116. Estoppel of tenant and of licensee of person in possession No tenant of immovable [roperty, or person claiming through such tenant, shall, during the continuance of the tenancy, be permitted to deny that the landlord of such tenant had, at the beginning of the tenancy, a title to such immovable property; and no person who came upon any immovable property by the licence of the person in possession thereof, shall be permitted to deny that such person had title to such possession at the time when such licence was given.

any law or agreement and there is threat to such tenant of his eviction by subsequently acquired paramount title holder then any denial of title by such tenant to the landlord who inducted him into the tenany will not be covered by this principle of estoppel under this Section.

- (5) 2012 (8) SCC 516 [Ahmed Saheb v. Sayed Ismail]
- 12. It is needless to emphasize that admission of a party in the proceedings either in the pleadings or oral is the best evidence and the same does not need any further corroboration.
- 15.However, for reasons set out in the earlier paragraphs of our judgment we reiterate that the claim of the appellants for recovery of rent was established by the Defendant s own categorical admission about the rate as well its non-payment right from day one.
- (6) Order of this Court dated 02.07.2012 in CRP(NPD) No.1825 of 2010 in K.Nagarajan v. V.Subramaniam]
- 10. As such, it is crystal clear that non payment of arrears even during the pendency of the proceedings would be fatal to the case of the tenant.
- 9. In reply, the learned counsel for the petitioner contended that the said Juguraj was granted only limited Letters of Administration and in O.P.No.32 of 1975, the said Juguraj was appointed by District Court, Vellore as an Administrator of the Estate of Panibai and was granted Letters of Administration only for the limited right of looking after the Estate. In view of the same, the petitioner filed additional counter denying the title of the respondent which is bonafide. One Harish Kumar, represented by his Power Agent by his father Rikab Chand filed I.A.No.1152 of 1994 in O.P.No.32 of 1975 claiming rights to be appointed as receiver of the estate of Panibai. Both I.A.No.6 of 1995 in O.P.No.32 of 1975 filed by the respondents and I.A.No.1152 of 1994 in O.P.No.32 of 1975 filed by one Rikab Chand were dismissed. By virtue of the order of the Principal District Judge, Vellore dismissing I.A.No.6 of 1995 in O.P.No.32 of 1975 filed by the respondents, the respondents cannot claim any right to get themselves impleaded as legal heirs of their father C.Juguraj as the petition premises is not the personal property of Juguraj.
- 10. The learned counsel for the petitioner further contended that the petitioner has not committed any wilful default in view of the agreement between the said Juguraj and Abdul Jabbar for purchase of the said property. In view of the bonafide denial of title of the respondents, the proceedings under the Rent control Act is not maintainable and title of the respondents has to be decided only by a Civil Court. In support of his contention, the learned counsel for the petitioner relied on the following judgments -
- (1) 1987 (4) SCC 319 [Mangat Ram v. Sardar Meharban Singh]
- 11. In the premises, the High Court as well as the learned Additional District Judge were clearly in error in decreeing the suit brought by respondent No. 1 under Section 20(2)(a) of the Act by relying on the rule of stopped embodied in Section 116 of the Evidence Act, 1872. The estoppel

contemplated by Section 116 is restricted by the denial of title at the commencement of the tenancy and by implication it follows that a tenant is not stopped from contending that the title of the lessor had since come to an end.

- (2) 1987 (4) SCC 424 [D.Satyanarayana v. P.Jagadish] The rule of estoppel embodied under s. 116 of the Evidence Act is that, a tenant who has been let into possession cannot deny his landlord's title, however defective it may be, so long as he has not openly restored possession by surrender to his landlord. During the continuance of the tenancy, the tenant cannot acquire by prescription a permanent right of occupancy in derogation of the landlord's title by mere assertion of such a right to the knowledge of the landlord. See: Bilas Kumar v. Desraj Ranjit Singh ILR (1915) 37 All 557 (PC) and Atyam Veerraju & Ors. v. Pechetti Venkanna & ors., [19661 1 SCR 83 1. The general rule is however subject to certain exceptions. Thus a tenant is not precluded from denying the derivative title of the persons claiming through the landlord. See: Kumar Krishna Prosad Lal Singha Deo v. Baraboni Coal Concern Limited & ors., AIR (1937) PC 251. Similarly, the estoppel under s. 116of the Evidence Act is restricted to the denial of the title at the commencement of the tenancy. From this, the exception follows, that it is open to the tenant even without surrendering possession to show that since the date of the tenancy, the title of the landlord came to an end or that he was evicted by a A paramount title holder or that even though there was no actual eviction or dispossession from the property, under a threat of eviction he had attorned to the paramount title-holder.
- (3) 1991 (3) SCC 230 [East India Corporation Ltd.
- v. Shree Meenakshi Mills Ltd.]
- 9. What is stated in the second proviso to section 10(1) is the sole circumstance in which the civil court is invested with jurisdiction in matters of evictions. But this jurisdiction cannot be invoked otherwise than as stipulated in the second proviso. This means that the conditionprecedent to the exercise of jurisdiction by a civil court is that the tenant should have denied the title of the landlord or claimed right of permanent tenancy and the Controller should, on such denial or claim by the tenant, reach a decision whether such denial or claim is bona fide. Upon such decision, the Controller must record a finding to that effect. In that event, the landlord is entitled to sue for eviction of the tenant in a civil court. Where these conditions are satisfied, the civil court will have jurisdiction to pass a decree for eviction on any of the grounds mentioned, in section 10 or Sections 14 to 16, notwithstanding that the Court has found that the tenant's denial of the landlord's title does not involve forfeiture of the lease, or, his claim of right of permanent tenancy is unfounded. Except to this limited extent, the jurisdiction of the civil court in matters of eviction of a tenant is completely barred and the jurisdiction in such matters is vested in the tribunals set up under the statute.
- 10. Significantly, the jurisdiction of the civil court can be invoked only where the controller comes to a decision, and records a finding, that the denial or claim by the tenant, as aforesaid, is bona fide.
- (4) 2002 (3) SCC 98 [J.J.Lal Pvt. Ltd. v. M.R.Murali and another]

18. What amounts to denial of title, and whether such denial is bona fide or not, are the questions to be determined in the facts and circumstances of each case. As a general rule the vulnerability of denial of title by the tenant shall be tested by reference to rule of estoppel contained in Section 116 of the Evidence Act which estoppes the tenant from denying the title of the landlord at the commencement of the tenancy and the estoppel continues to operate so long as the tenant does not surrender possession over the tenancy premises to the landlord who inducted him in possession. The tenant is not estopped from denying the title of the landlord if it comes to an end subsequent to the creation of the tenancy nor is he estopped from questioning the derivative title of a transferee of his landlord. However, the rule of estoppel contained in Section 116 of the Evidence Act is not exhaustive. To operate against the tenant as providing a ground for eviction under Section 10 of the Act a mere denial of the title of the landlord is not enough; such denial has to be 'not bona fide'. 'Not bona fide' would mean absence of good faith or non genuineness of the tenant's plea. If denial of title by the tenant is an outcome of good faith or honesty or sincerity, and is intended only to project the facts without any intention of causing any harm to the landlord it may not be 'not bona fide'. Therefore, to answer the question whether an assertion of denial of landlord's title by the tenant was bona fide or not, all the surrounding circumstances under which the assertion was made shall have to be seen.

(5) 2002 (5) SCC 337 [A.V.G.P. Chettiar & Sons v. T.Palansamy Gounder]

- 41. The impugned judgment is erroneous. It failed to consider that the appellants had denied the derivative title of the respondent and that this would not afford a ground for eviction under Section 10(2)(vii) of the Act. The High Court also failed to examine the issue from the perspective and from within the confines of the Rent Controller's limited jurisdiction.
- 43. The High Court's reasoning was far removed from the pleadings of the respondent. The respondent had claimed that Gowthaman was the absolute owner of the suit property and that such absolute interest had been purchased by the respondent. Given this pleading the respondent could not be allowed to set up a different case and take shelter behind the definition of 'landlord' in the Act. The definition of 'landlord' is an enabling provision in the sense that it enables persons who are not the owners to ask for eviction under the Act. But it does not mean that a person who has claimed to be the landlord qua owner can jettison his case as pleaded in his eviction petition and establish his claim on the basis that he was otherwise entitled to claim as landlord of the suit premises. As held in M/s Trojan & Co. V. RM N.N.Nagappa Chettiar. "It is well settled that the decision of a case cannot be based on grounds outside the pleadings of the parties and it is the case pleaded that has to be found".
- 11. Heard the learned counsel appearing for the petitioner as well as respondents and perused the materials available on record.
- 12. One Juguraj, the father of the respondents filed HRCOP No.71 of 1987 for eviction of the petitioner on the ground of wilful default and act of waste. In the counter statement originally filed by the petitioner, he has stated that in view of the agreement of sale between the said Juguraj and his uncle V.K.Abdul Jabbar, his uncle and his family members are residing and carrying on business

in the petition premises. In view of the agreement of sale and payment of advance of Rs.2,01,000/-by V.K.Abdul Jabbar to the said Juguraj, there is no landlord—tenant relationship. The petitioner has stated in the counter that Juguraj issued receipt for payment of the advance amount which was prepared in the office of Advocate of said Juguraj in the presence of his Advocate Srinivasan in duplicate and one copy was retained by said Juguraj and another copy was given to Abdul Jabbar. The petitioner has not produced those two receipts alleged to have been given by the said Juguraj for having received advance amount and has also not let in any acceptable evidence to substantiate his claim.

13. Admittedly, Juguraj has obtained Letters of Administration to administer the Estate of Panibai, his brother's wife. According to Juguraj, his brother and Panibai died without any issues. He inherited the property as sole Class II legal heir of his brother and Panibai. The petitioner has not disputed the assertion of Juguraj and did not let in any contra evidence to prove that Juguraj is not the sole Class II legal heir of Panibai. That apart, except Juguraj, no other person has obtained Letters of Administration or obtained any decree claiming ownership of the property belonging to Panibai. On the other hand, some of the proceedings initiated by persons claiming right over the property were also dismissed. In view of the fact that there is no dispute that Juguraj is the sole Class II legal heir of Panibai, he becomes the owner and landlord of the petition premises and after his death, the legal heirs have become the owner and landlords of the petition premises. Even though the petitioner has stated that apart from Juguraj, other persons also claim right over the property, no other person has obtained any order showing them as owner or right to collect rent from the petition premises.

14. The learned counsel for the respondents has contended that once a person admits the tenancy, he cannot subsequently dispute the title of the landlord. On the other hand, the learned counsel for the petitioner contended that even after admitting the tenancy, the petitioner can challenge the title of landlord once it is proved that landlord lost his title, interest or right over the suit property. In the present case, as already held, Juguraj is the sole Class II legal heir to his brother and his wife Panibai. On the death of Juguraj, his sons, the respondents herein are entitled to succeed the rights of their father and they become landlords of the petition premises. It is pertinent to note that there are other tenants in the petition premises and they also did not pay the rent initially. After notice, they paid the arrears of rent and continued to paythe rent to the respondents. The learned counsel for the respondents produced the receipts for having received rent from other two tenants. The petitioner did not pay the rent from the inception and deposited a sum of Rs.40,000/- when this Court directed him to pay the same as condition for granting stay.

15. The petitioner, even after admitting Juguraj as Administrator of petition premises, did not pay the rent. The reason given by the petitioner for non-payment of rent is not a valid ground. The petitioner failed to prove agreement of sale and that he is in possession of the petition premises as agreement holder. The petitioner has committed wilful default in payment of rent. The learned Appellate Authority, appreciating Ex.A1 has held that the petitioner is a tenant under Juguraj and allowed the RCA. There is no irregularity or illegality in the said order warranting interference by this Court.

16. In the result, this Civil Revision Petition is dismissed confirming the order dated 29.08.2008 made in RCA No.2/2006 reversing the fair and decreetal order of the learned Rent Controller dated 28.10.2005 in RCOP No.71 of 1987. No costs. The petitioner/tenant is granted two (2) months time, i.e. till 17.02.2018 to vacate and hand over vacant possession of the petition premises to the respondent/landlord.

18.12.2017 Index: Yes/No To

1. The Subordinate Judge, Vellore.

2. The Principal District Munsif, Vellore.

V.M.VELUMANI, J.

rgr Order in 18.12.2017