
(1921) 10 MAD CK 0017
In the Madras High Court

M.V.K.T.S.R. Seethalakshmi Ammal by her Authorised Agent
T.A. Narayana Sastrial

APPELLANT

Vs

Co-Operative Distrubutive Society Ltd. and Others

RESPONDENT

Date of Decision : 07-10-1921

Acts Referred:

Citation : AIR 1921 Mad 594 : 70 Ind. Cas. 636 : (1922) 15 LW 205

Hon'ble Judges : Kumaraswami Sastri, J

Bench : Single Bench

Judgement

Kumaraswami Sastri, J.—It is not disputed that the Secretary of the Co-operative "Stores was asked to rent premises for the opening of a

branch. The President of the Stores states in his evidence that no directions were given to the Secretary as to the terms on which the premises

were to be engaged. Evidently the terms were left to the discretion of the Secretary. The resolution, Exhibit E, authorises the Secretary to arrange

for not exceeding Rs. 32 for the establishment expenses, etc., for the branch store in the Mahadanam Street. The premises in question are situate in

the Street and it is not disputed that the society occupied the premises and has been paying rent. The Secretary leased the premises for three years

and executed a registered rental agreement acting on behalf of the Society. The expenses of Registration are entered in the Society's accounts and

the accounts, which included the sum spent on registration, were passed by the Directors at a meeting held on the 17th February 1918 as appears

from Exhibit E. There was nothing to show that there was any fraud or collusion or that the Secretary, when he negotiated for the lease and

executed the agreement, was not acting bona fide. The, evidence of the plaintiff's agent and the Secretary shows clearly that it was in consideration

of the lease being for 3 years that the rent was fixed at the low rate of Rs. 12-8-0 a month. I find it difficult to believe that the President and the

Directors did not inquire what the terms of the lease were or were not told by the Secretary the terms on which he engaged the premises. Where

the authority of the Secretary to lease premises for a branch is general and where he acts bona fide and in the interests of the Society, it is difficult

to see how the lease can be held not to be binding on the Society, In *Ireland v. Living stone* (1872) 5 H.L. 395 Lord Chelmsford observed:

Now it appears to be that if a principal gives an order to an agent in such uncertain terms as to be susceptible of two different meanings and the

agent bona fide adopts one of them and acts upon it, it is not competent to the principal to repudiate the act as unauthorised, because he meant the

order to be read in the other sense of which it is equally capable.

3. I am of opinion that the Secretary's act in leasing the premises for 3 years is, on the facts of the present case, binding on the Society, I set aside

the decree of the lower Court and pass a decree for Rs. 12-8-0 in favour of the plaintiff against the 1st defendant with the costs in this and in the

lower Court.

4. The petitioner's Vakil states that he gives up his claim against the 2nd defendant and will not execute the decree against him.