

(2004) 11 AP CK 0071

In the Andhra Pradesh High Court

Case No : AS No's. 1965, 1966 and 1967 of 2001

N.R. Srinivas

APPELLANT

Vs

Madduri Mallareddy and Others

RESPONDENT

Date of Decision : 25-11-2004

Acts Referred:

Andhra Pradesh Rights in Land and Pattadar Pass Books Act, 1971 — Section 5A
Civil Procedure Code, 1908 (CPC) — Order 39 Rule 1, Order 39 Rule 2
Contract Act, 1872 — Section 208
Evidence Act, 1872 — Section 102, 35
Transfer of Property Act, 1882 — Section 54

Citation : (2005) 1 ALD 268

Hon'ble Judges : D.S.R. Varma, J

Bench : Single Bench

Advocate : Subrahmanya Reddy, for the Appellant; E. Manohar, for the Respondent

Final Decision : Allowed

Judgement

D.S.R. Varma, J.—Heard Sri Subrahmanya Reddy, the learned Senior Counsel for the appellants, and Sri E. Manohar, the learned Senior Counsel for the respondents.

2. All these three appeals are directed against the common judgment and decree dated 20.7.2001 passed by the Court of Senior Civil Judge, Rangareddy District in O.S. Nos. 154, 155 and 156 of 2000. Since the plaint averments in all the three suits and the written statements are similar and under the same set of circumstances and as the defendants are common, all the three appeals are being disposed of by this common judgment.

3. For the sake of convenience, the parties will be referred to as per their array in the original suits.

4. The case of the plaintiffs in all the three suits is that they have purchased about 2,000 sq. yards in Sy.No. 50 of Yellareddyguda, Hamlet of Kesara Mandal,

Rangareddy District under three registered sale deeds dated 22.1.2000, 17.1.2000 and 18.1.2000 under Exs. A-9, A-1 and A-8 respectively from Defendants 1 and 2 who are the original owners of the property. After the said purchase, plaintiffs spent a considerable amount in developing the land, besides constructing rooms. Defendants 3 to 7 are in no way concerned with the said property. When they tried to interfere with the possession of the plaintiffs, they lodged police complaint, but no action had been taken. Hence, the present suits were filed for perpetual injunction.

5. Defendants 1 and 2, who are said to be the original owners, remained ex parte.

6. From the averments in the written statements and as well as in the counter-affidavit filed opposing the LA. filed by the plaintiffs seeking interim injunction, the admitted case of the Defendants 3 to 7 is that the 3rd defendant and one A. Laxmareddy purchased a total extent of land admeasuring Acs.6-19 guntas in Yellareddyguda, Hamlet of Kapra Village, Keesara Mandal, Rangareddy District under agreement of sale dated 2.8.1980 from the original owner M. Mallareddy and six others, after paying the entire sale consideration. Since then 3rd defendant and the husband of the 4th defendant have been in possession and enjoyment of the said property. 4th defendant is the wife of said Laxmareddy, who predeceased. During the lifetime of the said Laxmareddy, he and the 3rd defendant executed a General Power of Attorney in favour of the 5th defendant. Subsequent to the death of Laxmareddy, 3rd and 4th defendants executed another General Power of Attorney in favour of the 5th defendant. Even during the life time of Laxmareddy, an application was made by him along with 3rd defendant u/s 5-A of A.P. Rights in Land and Pattadar Pass Books Act, 1971 (for short "ROR Act") before Mandal Revenue Officer, Keesar to make necessary entries in the revenue records. After conducting an enquiry, the said sale was regularized and the names of 3rd defendant and Laxmareddy were ordered to be recorded in the revenue records. Subsequent to the death of Laxmareddy, his wife, who is the 4th defendant along with the 3rd defendant made an application for the issuance of the pattadar pass books and accordingly pattadar pass books and title deeds were issued. The 5th defendant has been managing the property on behalf of the 3rd and 4th defendants. No lay out was sanctioned as pleaded by the plaintiffs and that the land continued as agricultural lands. The G.P.A., on the basis of which sale deeds were executed was cancelled on 20.10.1992 and, therefore, the sale deeds relied on by the plaintiffs are null and void. These defendants also filed suit in O.S. No. 216/1998 on the file of Principal Senior Civil Judge, Rangareddy District against Defendants 1 and 2 and one Chandralekha seeking injunction. In the said suit an interim order was passed in their favour in respect of above said property, except to an extent of 1,473 sq. yards. The order passed in the interlocutory application is marked as Ex.A-7. Further, as the title of Defendants 3 and 4 was in cloud, they filed another suit in O.S. No. 60/1999 on the file of I Additional District Judge, Rangareddy District for declaration of title and the same is pending. The Defendants 3 and 4 established their

possession to the above land. Finally, the defendants have stated that the plaintiffs have no title and possession over the suit schedule property and hence sought for dismissal of the suits.

7. Basing on the above pleadings, the Court below framed the following issues in all the three suits:

1. Whether the plaintiffs are entitled for injunction?

2. To what relief?

8. In support of the case of the plaintiffs, P.Ws. 1 to 4 were examined and Exs.A-1 to A-11 were marked. On behalf of the defendants D.Ws. 1 to 3 were examined and Exs.B-1 to B-32 were marked.

9. The Court below upon appreciating the evidence available on record held that in view of cancellation of G.P.A., and in view of the continuous possession established by the defendants, the plaintiffs ought to have sought the relief of declaration and for recovery of possession. The Court below further held that the plaintiffs are not entitled for the relief of injunction and accordingly dismissed the suits. Aggrieved by the said dismissal, the plaintiffs filed the present appeals.

10. Sri Subrahmanya Reddy, the learned Senior Counsel appearing on behalf of the plaintiffs contends-

firstly, that the plaintiffs purchased the suit properties, roughly 2000 square yards as "plots" through the G.P.A. Holder by name one Harinarayana through Exs.A.9, A.1 and A.8 respectively in all the three suits through the registered sale deeds dated 22.1.2000, 17.1.2000 and 18.1.2000 respectively. Plots numbers were also duly given. Hence, it is contended that the plaintiffs purchased the "plots" only and not "agricultural lands". The power attorney in favour of the said Harinarayana was cancelled by D.1 and D.2 subsequently, i.e., on 25.3.2000. He further contended that even from the certified copies obtained from the Sub-Registrar's Office about the subsistence of the power attorney they could see no endorsement of cancellation of such Power of Attorney at any time before execution of sale deeds in favour of plaintiffs and therefore believing the subsistence of the Power of Attorney in favour of Harinarayana the plaintiffs purchased the plots through the registered sale deeds. He further contends that the interference by the defendants started soon after i.e., within a period of three months or so and hence plaintiffs simply filed the suits for perpetual injunction against the defendants on the strength of the registered sale deeds claiming absolute title over the suit properties;

secondly, that though the suits are filed for perpetual injunction, the said suits ought to have been treated and tried as suits for declaration of title and permanent injunction. He submits that the Trial Court ought to have gone into the issue of title also, though the suits were filed only for perpetual injunction, in the facts and circumstances of the cases;

thirdly, the defendants have failed in establishing their title, muchless their possession of the suit properties; and

fourthly, that the documents relied on by the defendants, particularly the entries made by the Revenue Officials as well as in other Revenue Records do not establish either the title or possession of the defendants over the suit properties.

11. On the other hand, Sri E. Manohar, the learned Senior Counsel appearing on behalf of the defendants contends-

firstly, that since the present suits are simply filed seeking perpetual injunction only, the only requirement is that the plaintiffs shall establish their possession over the suit properties as on the date of the suits and the issue of title cannot be gone into;

secondly, no oral or documentary evidence is on record to show that the plaintiffs were in possession of the suit properties as on the date of filing of the suit. He further contends that the defendants could successfully establish that they were in possession of the suit properties before filing of the suits;

thirdly, the pattadar passbooks were issued by the Competent Authority under the ROR Act and the proceedings issued by the M.R.O. or the entries in the Revenue Records are not questioned by the plaintiffs. It is his further contention that there cannot be any presumption u/s 6 of the ROR Act in favour of the plaintiffs;

fourthly, the original pattedars, i.e., D.1 and D.2, entered into an agreement of sale in favour of D.3 and one Laxmareddy, who died later and who is no other than the husband of D.4, in the suit. The entire sale consideration was paid and since then it is Defendants 3 to 7 who have been in possession of the property. The said purchase was made through the Power of Attorney holder, who is no other than D.5;

fifthly, on 23.4.1992, the M.R.O, Keesara incorporated names of defendants in the pahanies and Adangals. Later on another application was filed by D.3 and after the death of Laxmkreddy, his wife-D.3 filed an application on 17.6.1999 for issuance of pattadar passbooks. It is his further contention that earlier an I.A. No. 621 of 1998 in O.S. No. 216 of 1998, on the file of Principal Senior Civil Judge's Court, Rangareddy District, was filed by the defendants against the original owners, who are no other than Defendants 1 and 2 and some others for temporary injunction. Temporary injunction was granted in the said LA over the remaining the extent of land, except in four plots claimed by the plaintiff therein.

It is further contended that an order of temporary injunction was passed on 7.4.1999 against D.1 and D.2 who are the original owners in the said suit in I.A. No. 621/1998 in O.S.No. 261/1998.

It is further brought on record that on 7.4.1999 D.3 and A.4 filed O.S.No. 60 of 1999 on the file of I Additional District Court, Rangareddy District for cancellation

of the sale deeds in favour of one Chandralekha, who is no other than the defendant in O.S.No. 216 of 1998 and the said suit is pending.

sixthly, that the main contention of D.3 to D.7 was that the vendor of plaintiffs (i.e., D.1) was not the owner and possessor of the property and that he had no valid title to convey to the plaintiffs through the sale deeds, Ex.A.9, A.1 and A.8 respectively;

seventhly, that the alleged G.P.A. executed by D.1 in favour of Harinarayana was cancelled on 21.11.1992 and consequently the said Harinarayana, in the capacity of G.P.A. holder, would not have sold the property by way of executing the sale deeds in ExsA.9, A.1 and A.8 respectively.

12. In support of their respective contentions, both the learned Counsel relied on judgments of the Apex Court and the High Courts. They will be referred to in the course of judgment.

13. In the light of the pleadings and the relative contentions of the parties and also on the basis of the material available on records, the points that fall for consideration in these appeals are:

1. Whether, in a suit for permanent injunction, particularly of the present nature, the issue of declaration of title can be gone into.
2. What is the evidentiary value of the entries made in the Revenue Records?
3. What is the effect of the proceeding of the M.R.O. under Ex.B-1?
4. Whether the defendants could establish their indefeasible title? (What is the effect of agreement of sale vis-a-vis Section 5-A of the ROR Act, 1971?)
5. What is the effect of cancellation of Power of Attorney by D-1 and D-2 executed in favour of Harinarayana on 20.10.1992 and its consequential effect on the plaintiffs, who purchased the land in the year 2000 under registered sale deeds under Exs.A-9, A-1 and A-8 from Harinarayana
6. Whether the plaintiffs could establish their title followed by possession?

14. Point No. 1: It is well-established principle that granting relief of injunction is discretionary and equitable. For this proposition, no case law need be cited. No doubt, the Court while dealing with the aspect of injunction under Order 39, Rules 1 and 2 or in suits for permanent injunction have to necessarily weigh various facts and circumstances. While dealing with an application under Order 39, Rules 1 and 2 C.P.C., the Court has to necessarily go basically into three important aspects-firstly, prima facie case, secondly, balance of convenience and thirdly, loss that is likely to be caused to the parties. Whereas, while dealing with the question of granting permanent injunction, various other circumstances on record have to be gone into. Normally, the Court while dealing with the suit for permanent injunction, the question of possession of the plaintiff as on the date of filing of the suit will be taken as the prime factor for consideration. It is also the

well settled proposition of law that in a suit for injunction, the question of title has to be and can be gone into. What is the effect of consideration and decision regarding the finding relating to title in a suit for injunction is a different subject. But, the law established and remained unsettled is that the question of title can be gone into in a suit for injunction.

15. Way back in 1936, the High Court of Madras, in *Muthayyan Swaminatha Sastrial and Others Vs. S. Narayanaswami Sastrial and Others*, held that the plaintiff can file a suit for permanent injunction without asking for declaration.

16. Again in 1968, the High Court of Bombay, in *Narayandas S. Kanuga Vs. Sarasvatibai D. Joshi and Another*, held that where the plaintiff is unable to allege any recognizable right, obligation, nor breach of the same, he is not entitled for permanent injunction.

17. In *Saraswati v. Veerabhadra Rao* 1985 (1) ALT 1, Justice M. Jagannadha Rao (as His Lordship then was) held as under:

In view of the provisions of Sections 37 and 38 of the Specific Relief Act, 1963, the Court may grant an injunction as a substantive relief without any prayer for a declaration although in many such cases, a declaration may be implicit in the grant of a perpetual injunction. The fact that the question of title also may have to be incidentally gone into in deciding whether an injunction can be given or not, is not any justification for holding that the suit is to be treated as one for declaration of title and injunction. There can be no objection to the maintainability of a suit only for injunction. Where title is denied, a suit for bare injunction is maintainable, though it is not coupled with a prayer for declaration of title, for the relief of injunction necessarily involves a declaration of title. If the question of title is either implicit or can be gone into incidentally in the suit for perpetual injunction there is no reason as to why the question of prima facie title cannot be gone into in an application under Order 39, Rule 1, C.P.C., filed in such suits."

18. Further, in the decision reported in *Yadhavan v. Md. Dayanudin* 1998 (3) ALT 5.3 (DN OHC), the High Court of Madras, taking into account the observations of earlier judgments of said High Court, held that a mere denial of title of the plaintiffs by the defendants will not debar the plaintiffs from seeking for a bare injunction decree against the defendants.

19. From the pleadings, it is clear that if the plaintiff puts forth his claim prima facie on an unquestionable title basing on registered sale deeds and seeks relief of mere injunction such suit for perpetual injunction is maintainable. In other words, if the plaintiff has a strong feeling coupled with a strong reason to believe that he has valid and unimpeachable title it is permissible for such plaintiff to maintain a suit for mere permanent injunction without asking for the relief of declaration. Seeking the relief of declaration by itself denotes that the plaintiff has the knowledge that somebody else has been challenging his title or possession thereof or he has reasonable apprehension that his title and

possession, if any, is being or likely to be interfered with, in which event institution of suit for declaration and consequential injunction of any kind, may be necessary.

20. Coming to the case on hand, it is to be noted and could be seen from the plaint averments that the plaintiffs never apprehended that the defendants were interfering with the peaceful possession of the property on the ground that they had a better title. The plaintiffs have a strong feeling that they have a valid and unimpeachable title since they purchased their respective properties by way of plots through registered documents got executed by Defendants 1 and 2, who are undisputedly the owners of the suit properties, through their general Power of Attorney holder by name Harinarayana. It appears that the plaintiffs did not even mention in the plaint averments that they purchased these properties of Defendants 1 and 2 through their G.P.A. Holder, since the plaintiffs did neither doubt nor there was any scope to doubt the validity of Power of Attorney holder by name Harinarayana. A plain reading of the plaint averments would disclose that the plaintiffs were under the strong belief that their purchase of the respective properties was absolutely valid. Therefore, they instituted the suits for permanent injunction only, to the satisfaction of the observations and principles laid down in the judgments referred to above.

21. It further appears from the facts on record that after purchasing the suit plots under Exs.A.9, A.1 and A.8 dates 22-1-2001, 17-1-2000 and 18-1-2001 respectively, within months thereafter when the defendants started interfering with their possession, the plaintiffs immediately reacted and lodged a complaint with the police and sought the relief of permanent injunction in the present suits. It further appears that the plaintiffs never expected that their very title would be questioned by the defendants. This is very much apparent from the averments made by the Defendants 3 to 7 in their written statement.

22. From the averments made in the written statement, it could be seen that for the first time the defendants came forward with various set of facts, which were in fact, not in the knowledge of the plaintiffs themselves, including the alleged cancellation of the authorization of G.P.A. holder Harinarayana in the year 1992, by Defendants 1 and 2, who were admittedly the original owners.

23. By way of narration of additional facts, the defendants brought out totally a new case with various other particulars, which are exclusively within the knowledge of the defendants only, regarding title. The contentions of the Defendant No. 3 and the Defendant No. 4 are that the suit properties were purchased in the year 1980 by way of an agreement dated 2.8.1980 from one Sri Mallareddy (DI) and six others originally by D.3 and husband of D.4 and also paid sale consideration. Subsequently, the husband of D.4 died. During the life time of late Laxma Reddy (husband of D-4) the Defendant No. 3 had executed G.P.A., in favour of one Mohanreddy (D.5) and after the death of Laxmareddy the fourth defendant, who is his wife, executed G.P.A. separately in favour of said Mohanreddy. Further that during the lifetime of Laxmareddy he along with

Defendant No-3 made application u/s 5-A of ROR Act in respect of the suit property admeasuring Ac.6-19 guntas. Upon the said application made by late Laxmareddy i.e., the husband of Defendant No-4 and the Defendant No-3, the M.R.O., Keesara, conducted a detailed enquiry after issuing notices to the interested parties and passed final orders on 23.4.1993 in respect of the properties said to have been purchased under an agreement of sale by ordering incorporation of the names of the Defendant No-3 and late Laxmareddy as owners of the suit properties in the Revenue Records. Subsequently, after the death of Laxmareddy, the Defendant No. 4 again made an application to the M.R.O., for issuance of pattadar pass book to the extent of share of late Laxmareddy. Upon such application, the M.R.O., issued proceedings, dated 23.4.1992. Obviously the effect of the said proceedings issued by M.R.O., u/s 5-A of the ROR Act was regularization of the alienations made under the agreements of sale and conferment of title.

24. It is the further specific averment of the defendants that the vendors of the plaintiffs, i.e., Defendants 1 and 2 themselves had no title to execute the registered sale deeds, Exs.A.9, A.1 and A.8 respectively in favour of the plaintiffs inasmuch as the authorization (G.P.A) given to one Harinarayana on 5.1.1989, by the Defendants 1 and 2, who were the owners of the property, was cancelled in 1992 itself (20.10.1992).

25. The facts and particulars, which are capable of challenging the very title and possession of the plaintiffs, for the first time, were unraveled by the defendants only. In other words, it is the defendants who are claiming title under an agreement of sale said to have been entered into in the year 1980. Therefore, in my view, it is the predominant contention of the defendants regarding title rather than the plaintiffs. Therefore, in the present suit filed by the plaintiffs for permanent injunction the question of title and consequential possession has to be essentially gone into. In other words, in the suit for injunction the question of title occupies the first place virtually relegating the question of possession to the next. Therefore, by virtue of the facts and circumstances, particularly since the defendants themselves set up altogether a new case with new set of facts, which were absolutely not within the knowledge of the plaintiffs, I am of the considered view that the issue of declaration of title can be and shall be gone into essentially. Therefore, Point No. 1 is answered accordingly.

26. Point Nos. 2 and 3: In this regard it has to be seen that the Trial Court placed heavy reliance on the entries made in the revenue records. The said revenue records are the pahanies of the years 1995-1996, 1996-1997, 1980-1981, 1991-1992, 1992-1993, 1993-1994, 1981-1982, 1982-1983, 2000-2001 and adangals of the years 1997-1998, 1998-1999, 1999-2000. They are marked as Exs.B-3 to B-9, Ex.B-12, B-13, B-16 to B-18, B-29. The pattadar books were marked as Exs.B-19 to B-22. Ex.B-21 is the pass book and on 23.4.1992 the M.R.O. ordered regularization. All the revenue records relied on by the defendants are certified copies. But in fact those documents are xerox of certified

copies. Whether copies of certified copies can be treated as secondary evidence and admissible, is yet another subject of debate. However, from the record it could be seen that no objection was raised by the plaintiffs. Hence, I do not propose to deal with that controversy.

27. At this juncture, it is necessary too look into the judgment of a learned Single Judge of this Court reported in Chirra Musala Reddy Vs. The Joint Collector, Prakasam Dist. at Ongole and Others, . In the said judgment considering the evidentiary value of the records to establish title, it was held as under:

"Proceedings before the Revenue authorities is not a judicial proceeding and title to or right to any Immovable property is not determined by these proceedings. They are more only in the nature of fiscal enquiry instituted in the interests of the State for the purpose of ascertaining which of several claimants for the occupation of Immovable property may be put in occupation of it with greater confidence for the recovery of the revenue being made feasible. Even the certified copies of revenue extracts are not conclusive of title or right to the land. Such an entry is only prima facie evidence of possession and a right to ? hold the land, but it does not confer any title. Therefore, it is for the parties who claim title to the property to establish the same by adducing evidence of the nature and source of title and the character of right acquired and other pieces of evidence bearing on the subject. That evidence has to be considered by the Civil Court. The Revenue Courts have no jurisdiction to conclusively decide the question of title.

Orders of the Courts of limited jurisdiction like Revenue Courts are only conclusive as far as these proceedings are concerned. The Revenue Courts have no jurisdiction to decide the title conclusively."

28. Another Division Bench of this Court in Ramanna v. Sambamoorthy, AIR 1962 AP 361, while considering the evidentiary value of the entries in revenue records held as under:

"9.....In our view, the entries in the revenue records, though they may be relevant evidence u/s 35 of the Evidence Act, are not evidence of title. In Nirman Singh v. Rudra Patrab Narain Singh 53 I A. 220 :98 Ind Cas 1013 : AIR 1926 PC 100 at p.103, it was observed at Page 227 (of Ind App): (at p. 103 of AIR) by the Judicial Committee as follows:

"The perusal by their Lordships of the judgment of the Court of the Judicial Commissioner of Oudh leads their Lordships to think that it is to a great degree based on the mischievous but persistent error that the proceedings for the mutation of names are judicial proceedings in which the title to the proprietary rights in immovable property are determined. They are nothing of the kind, as has been pointed out times innumerable by the Judicial Committee. They are much more in the nature of fiscal inquiries instituted in the interest of the State for the purpose of ascertaining which of the several claimants for the occupation

of certain denominations of immovable property may be put into occupation of it with the greater confidence that the Revenue for it will be paid."

10. In our view, therefore, though the entries in the Diglot register may be evidence, they are by themselves not conclusive evidence of the facts which they purport to record. It may turn out that they are in accord with the general bulk of the evidence in the case and they may supply gaps in it. When viewed in the light of other compelling circumstances from which inference contrary to such entries can be drawn, they may become unimportant and their value insignificant."

29. In *Yeluri Vijayabharathi and Others Vs. Yeluri Manikyamma and Others*, , another learned Single Judge of this Court while considering the evidentiary value of the entries in revenue records held as under:

"8. ... Although the entries in the Record of Rights register enjoy the presumption in law that the entries are true unless the contrary is proved and may not be discredited, the records of rights are no records of documents of title. Such a question has been clearly dealt with by the Hon''ble Supreme Court in *Nagar Palika, Jind Vs. Jagat Singh, Advocate*, . And following *Nirman Singh v. Lal Rudra Pratap* AIR 1926 PC 100, it has been held that such documents are more in the nature of fiscal inquiries instituted in the interest of the State for the purpose of ascertaining which of the several claimants for the occupation of certain denominations of immovable property may be put into occupation of it with greater confidence that the revenue for it will be paid. In other words, the records of rights are the documents ensuring the person to be made liable to pay the revenue and for no other purpose. However, it may not be hastened to be decided that such entries have got corroborating value regarding the possession of a party in regard to an immovable property."

30. In *Pogiri Jagannadha Rao Vs. Gorla Venkataiddu and others*, , another learned Single Judge of this Court took the same view as that of in the above referred judgments, while dealing with presumption u/s 6 of the ROR Act.

31. From the above judgments, the evidentiary value of the entries made in the revenue records, can be summarized as that firstly they are only in the nature of fiscal enquiry instituted in the interest of the State for the purpose of ascertaining which of the several claimants for the occupation of certain denominations of immovable property may be put into occupation of it with greater confidence that the revenue for it will be paid; secondly presumption on the basis of entries in the revenue records as rebuttable and not conclusive; thirdly the entries in the revenue records are not conclusive proof of title; fourthly the Revenue Courts have limited jurisdiction and they have no jurisdiction to decide the title conclusively and it is always desirable to have the question of title decided by competent Civil Courts rather than by Revenue Courts.

32. From the above, it is clear that the entries in revenue records may be useful

to prove the prima facie possession and not conclusive proof with regard to title. Therefore, I am of the considered view that the Trial Court was in serious error in solely relying on the entries made in the revenue records under the exhibits noted above.

33. Another glaring error committed by the Trial Court is regarding the description of the documents and the reasoning while dealing with the aspect of possession, basing on Exs.B-1 and B-2. A perusal of the original suit documents relied on by the contesting defendants during the trial of the suits would reveal that Ex.B-1 is the certified copy of the order passed by the M.R.O., Keesara and Ex.B-2 is the certified copy of the order passed by the RDO in File No. A2/3195/95. But the Trial Court at Paragraph No. 16 of the judgment while discussing about Exs.B-1 and B-2 noted that:

"Ex.B-1 is the certified copy of agreement of sale wherein the original pattadars sold the property under agreement of sale dated 2.8.1980 in favour of the Defendant No. 3 and Laxmareddy. This document is in respect of an extent of 6 acres 19 guntas of land. Under Ex.B-1 it is shown that the possession is delivered to the purchasers. Under Ex.B-2 dated 23.4.1992 the MRO confirmed the same by way of regularization."

34. As noted above, neither Ex.B-1 is the certified copy of the agreement of sale nor Ex.B-2 is the document confirming the above said transaction under Ex.B-1 by way of regularization. In fact Ex.B-2 were the proceedings of the R.D.O. initiated in an appeal filed one Smt. G. Chandra Lekha against 3rd defendant and one Lakshmareddy. Therefore, it is totally indiscernible as to how the learned Trial Judge could describe so phonetically that Ex.B-1 is the certified copy of the agreement of sale dated 2.8.1980.

35. Hence, from the above description of the documents, it is rather irresistible for this Court to comment that the learned Trial Judge did not even care to apply his mind to look into crucial documents, which were marked during the trial in the suit, while dealing with the same. This type of haphazard attitude in dealing with the important documents has to be deprecated.

36. Regarding the effect of Ex.B-1 i.e., the proceedings of the M.R.O., it is to be seen that the said proceedings were issued u/s 5-A(4) of the ROR Act, which authorizes the Mandal Revenue Officer, subject to deposit of prescribed amount, to issue certificate to the alienee or the transferee declaring that the alienation or transfer as valid from the date of issue of certificate.

37. In this connection, as already pointed out, in K.G. Krishna Murthy's case (supra), the jurisdiction of the Revenue Courts is limited, and question of title is desirable to be decided by a competent Civil Court. The proceedings of the M.R.O. under the ROR Act or any other authority, in my considered view, are not final. The finding, if any, recorded by a competent Civil Court in this regard are conclusive and binding on the parties.

38. It is further important to note that to the said proceedings issued by the M.R.O., the plaintiffs were not the parties, for the simple reason that the said proceedings were dated 23.4.1992 and the plaintiff became purchasers of suit plots only in the year 2000 and, therefore, proceedings issued by the M.R.O. under Ex.B-1 are not binding on the plaintiffs and the plaintiffs are always at liberty to file suit for perpetual injunction, or challenge the title of the defendants. In other words, the serious dispute with regard to title had fallen for consideration before the Civil Court at the instance of the plaintiffs much after the regularization of the alleged agreement of sale by the Revenue Authorities.

39. The most significant aspect that is to be considered about Ex.B-1 issued by the M.R.O. regularizing the alienation under agreement of sale is that, whether the M.R.O., can regularize the alienations u/s 5-A of the R.O.R. Act, when the lands were plotted for construction of houses? In other words, the question is whether the M.R.O. can regularize any land other than agricultural land. In this connection it is relevant to note Sub-section (4) of Section 2 of the R.O.R. Act as under:

(4) "Land" means land which is used or is capable of being used for purposes of agriculture, including horticulture but does not include land used exclusively for non-agriculture purposes.

40. From the above definition, it is clear that land means, which is used for agriculture and horticulture purposes, but does not include the land which is used for non-agricultural purposes.

41. Now, the incidental question, but crucial, that falls for consideration is whether as on the date of making application as pleaded by the Defendants 3 to 7 seeking regularization on the strength of the alleged agreement of sale dated 2.8.1980, the land was being used for agricultural purposes or for non-agricultural purposes.

42. In this context, it is to be examined whether Defendants 3 to 7, if at all really entered into agreement, after paying the full consideration and obtained possession, could make an application seeking regularization after the date of such agreement of sale said to have been entered into in 1980. In the present case, the application seeking regularization u/s 5-A of R.O.R. was obviously made in the year 1992 only i.e., after a period of 12 years. This is yet another intriguing factor.

43. In this connection, it is to be noted that under Ex.A-2, which is certified copy of lay out, the land said to have been purchased by the plaintiffs under registered sale deeds was already plotted and proposed lay out was submitted to the concerned Gram Panchayat way back in the year 1971. From the said document it could be seen that Defendants 1 and 2 who were described as vendors represented by G.P.A. holder by name V. Harinarayana submitted the plan to Gram Panchayat for sanctioning of the proposed lay out of Venkateshwara Nagar in S. No. 50 situate at Yellareddyguda, Hamlet of Kapra village. The

contention of the plaintiffs appears to be that it is a sanctioned lay out. But as could be seen from Ex.A-2 it is only a proposed lay out. Whether it was sanctioned or not, no documentary proof was filed by the plaintiffs. However, it could be reasonable presumed that in 1971 itself, the original owners in an extent of Acs.5-33 guntas Plotted Acs.4-05 guntas and submitted the proposed lay out to the Gram Panchayat for sanction. That means even from 1971 the suit land belonging to Defendants 1 and 2 did cease to be agricultural or horticulture land. Therefore, when the suit land was plotted and proposed lay out was submitted to the Gram Panchayat for sanction of lay out, it is incomprehensible as to how the M.R.O. could regularize the alleged agreement of sale, whose jurisdiction is confined to regularize only lands defined u/s 2(4) of the R.O.R. Act. It appears that much water has flown and so many developments might have taken place by way of litigation.

44. Typical example of the litigation so raised by the defendants themselves against the original owners and Smt. G. Chandralekha is, LA. No. 621/1991 in O.S. No. 216/1998 on the file of Principal Senior Civil Judge, Rangareddy District. Smt. G. Chandralekha is 4th defendant/respondent in that suit. Through the order in the said LA. No. 621/1991 (marked in the present suit as Ex.A-7) the Court while granting interim injunction by order dated 8.6.1998 recorded that so far as Plot Nos. 91 to 96 to an extent of 1,473 sq. yards in Sy.No. 50, the Respondent No. 4 prima facie successfully established her title and possession over the same and she also obtained a decree in her favour in O.S. No. 954/1992 against the original owners. Accordingly excluding the land covered by Plot Nos. 91 to 96 claimed by Respondent 4 therein as per lay out map, granted temporary injunction against present D.1 and D.2 (original owners) with regard to remaining extent. In the present case also, the claim of the plaintiffs is that they have purchased different extents in Sy.No. 50.

45. Therefore, from the above findings of the lower Court in LA. No. 621/1998 in O.S. No. 216/1998 and from Ex.A-2 it is clear that the total extent of the suit schedule property was in the shape of plots only.

46. Further, the Defendants 3 to 7 are claiming title and possession over the entire extent of about Acs.6-00 acres. Therefore, whether the land purchased by the Defendants 3 to 7 in the year 1980 which was regularized in the year 1992 from Defendants 1 and 2 was to an extent of Acs.5-00 or Acs.6-00 and odd is again a debatable issue and there is no concrete evidence from either side on record.

47. From the pahanies filed by the plaintiffs, which were marked as Exs.A-10 and A-11 pertaining to the years 1988-1989 and 1989-1990 respectively, it is categorically recorded in Column No. 22 as "plots" meaning thereby that even during the said years, in the revenue records, the land was shown as plots. In such a case, it is again difficult to understand as to how the M.R.O. could regularize the land in the year 1992 which was said to have been purchased under the agreement of sale dated 2.8.1980.

48. Therefore, in view of the above, I am to hold that firstly that the evidentiary value of the entries made in the revenue records is very limited and not conclusive and further that the proceedings of the M.R.O. dated 23.4.1992 is inoperable and incapable of being recognized for two reasons viz., (1) the land which was regularized was not being used for agricultural or horticulture purposes as defined u/s 2(4) of the Act and (2) the said proceedings of the M.R.O. are not binding on the plaintiffs, since they were not the parties to those proceedings.

49. Accordingly, Point Nos. 2 and 3 are answered in favour of the plaintiffs and against the defendants.

50. Point No. 4: As already pointed out in Point No. 1 it is the Defendants 3 to 7 who set up the plea of title in the suit for permanent injunction by way of bringing several new facts, which were not in the knowledge of the plaintiffs and claimed title. Therefore, the established principle is that the person who claims declaration of title shall establish the same. In other words the burden heavily lies on the defendants to prove their title, since the issue of declaration of title had attained primacy to the relief of permanent injunction. Hence, I propose first to proceed with the point as to whether the defendant could establish their title.

51. The first and foremost contention advanced on behalf of the contesting defendants is that 3rd defendant and the husband of the 4th defendant by name Lakshmareddy originally entered into agreement of sale on 2.8.1980 with Defendants 1 and 2 along with others. Nextly that the Power of Attorney executed by Defendants 1 and 2 in favour of one Harinarayana on 5.9.1989 was cancelled on 20.10.1992 through Ex.B-32 and further that they got regularized the said alienations u/s 5-A of R.O.R. Act and, therefore, they are the absolute owners and have been in possession of the entire extent of Acs.06-19 guntas of land.

52. In this connection, it is to be noted that the agreement of sale by itself does not confer any title, nor the regularization is permitted u/s 5-A of the Act, since such power under the Act can be exercised, by the Competent Authority subject to certain conditions and satisfaction and that too after following the procedure prescribed under the Act and Rules. From the evidence of 5th defendant as D.W.I, who is said to be the Power of Attorney appointed by Defendants 3 and 4 it could be seen that it was an agreement of sale simplicitor, as not being registered.

53. In this connection, it is relevant to note the observations made by a Division Bench of this Court in K. Seetharama Reddy and Another Vs. Hassan Ali Khan and Others, , while dealing with ROR Act, particularly with reference to the procedure prescribed u/s 5-A of the Act, observed that agreement of sale simplicitor is not enough for regularization of the document u/s 5-A of the Act. The relevant portion at Paragraph No. 23 is extracted as under for ready reference:

"We have gone through Section 5-A of the said Act carefully and we are of the considered view that an agreement of sale simplicitor is not enough for regularization of the document u/s 5-A of the Act."

54. In the decision reported in K. Siddiah Naidu Vs. District Collector and Others, , while dealing with serious dispute with regard to title vis-a-vis Section 5-A of the R.O.R. Act, I took the view to the effect that change in the entries in the revenue records, only on the agreement of sale, particularly under the circumstances where there is serious dispute with regard to title and possession, the same should be decided by a competent Civil Court.

55. It is pertinent to note the observations of a Division Bench of this Court in Konkana Ravinder Goud and Others Vs. Bhavanarishi Co-operative House Building Society and Others, , to the extent relevant as under:

"54.....The question whether agreement of sale can be treated as alienation or transfer within the scope and meaning of Section 5-A of the Act will have to be decided keeping in view the purpose with which this provision was inserted in the main Act enabling the Mandal Revenue Officer to pass appropriate orders for regularization of alienations or other transfers of land not effected by registered documents in accordance with the provisions of the Registration Act, 1908. The Society filed applications seeking regularization of agreements of sale, treating it to be as transfer of the land by the vendors. On the face of it, the two documents are nothing but agreements of sale by which the vendors had agreed to transfer and convey their land to the Society. The same cannot be termed as contract of sale but only agreements by which vendors had agreed to transfer and convey their title in favour of the Society on fulfillment of certain conditions; therefore, the same cannot be termed as a complete act of sale.....

There was already a provision in the Act as regards transfers effected by registered documents and to give effect to such transfers. Transfers, not evidenced by any registered document, would not confer any right, title or interest on the transferee even as per Section 54 of the Transfer of Property Act read with Section 17 of the Registration Act. The sole purpose of regularization of such transfers, effected otherwise than by registered document is to keep the record of right update. Only on the Mandal Revenue Officer satisfying that the transfer or alienation has been effected by an unregistered document he has authority to call upon the transferee to pay the requisite registration and stamp duty after further ensuring that such transfer or alienation is not in contravention of any provisions of law, he is obliged to issue necessary certificate to the alienee or transferee. Such certificate notwithstanding anything contained in Registration Act, 1908 has the effect of "transfer" as evidence of such alienation or transfer as against the alienor or transferor or any person claiming interest under him."

56. Further, at Paragraph No. 57, it was further held as under:

"Even a contract of sale in view of Section 54 of transfer of Property Act does not by itself create any interest in or charge on the property. It is only on registration

of such completed contract under the provisions of the Registration Act that title passes in the property. In *Narandas Karsondas Vs. S.A. Kamtam and Another*, , Supreme Court following the ratio in *Rambaran Prosad Vs. Ram Mohit Hazra and Others*, , held that the word "conveys" in Section 5 of the Transfer of Property Act is used in the wider sense of conveying ownership and that agreement of sale or contract of sale in view of Section 54 of Transfer of Property Act does not by itself create any interest in or charge on the property."

57. The judgment of the earlier Division Bench in *K. Seetharama Reddy's* case (supra) was referred to in the later judgment of the Division Bench in *Konkana Ravinder Goud's* case (supra). Further, at Paragraph No. 62 of the latter judgment, it was held as under:

".....Thus, the only right a person acquires by execution of agreement is not an interest in the property but a right to seek enforcement of the agreement by resorting to provisions of the Specific Relief Act and filing a suit to enforce the agreement of sale."

58. Further, at Paragraph No. 67 it was further held as under:

"In the instant case, we are concerned with the purport and meaning of the word "transfer" as contained in Section 5-A of the Act in the light of the objects and reasons in introducing the said provision, namely, to regularize an unregistered sale transaction, which would not mean to regularize incomplete transfer. There is no machinery or mechanism provided in the Act that even a person who has entered into an agreement of sale and in case is not completed but he has been put into possession of the property even on payment of entire sale consideration that can approach the Mandal Revenue Officer for grant of a certificate u/s 5-A of the Act. The Mandal Revenue Officer in such a case cannot proceed to hold an enquiry as to whether agreement of sale has been complied with or not. On the failure on the part of vendor to complete the sale transaction, a person in whose favour there is an agreement of sale can seek specific performance of the agreement of sale so as to convey right, title or interest of the ? vendors. The machinery provided under the Act is not the appropriate machinery for perfecting title merely on the basis of agreement of sale."

59. The above elaborate observations of the Division Benches of this Court, taking in account the judgments of Apex Court and other High Courts, is to the effect; firstly that the agreements of sale regardless of registration does not confer any title automatically; secondly regularization of agreement of sale u/s 5-A of the R.O.R. shall not mean regularizing incomplete transfer; thirdly the M.R.O. cannot proceed to hold an enquiry as to whether the agreement of sale has been complied with or not and; fourthly if there is a failure on the part of vendor to complete the sale transaction, the person in whose favour the agreement of sale is executed, can file a suit for specific performance of the said agreement, in order to have the title conveyed.

60. In the case on hand, the specific case of the Defendants 3 to 7 is that by

virtue of the agreement of sale dated 2.8.1980, they have paid the entire sale consideration and also got the said sale regularized u/s 5-A of the R.O.R. Act.

61. The most crucial factor that is conspicuously noticed is that there is no evidence whatsoever, on record, in order to establish that there was an agreement of sale, dated 2.8.1980, at all, inasmuch as the said agreement of sale was not tendered for admission during trial of the suit, as per the procedure prescribed under Order 13, Rule 4 of C.P.C., let alone proving the execution and contents of the same by examining any witness.

62. So much so there was no opportunity for the Court to test the alleged agreement of sale, as to whether the said document was registered deed or not, or it was a complete contract. In the absence of such vital document being admitted as documents, which is the fulcrum of the very claim of the defendants regarding title, the Court cannot and in fact shall not agree with the contention of the Defendants 3 to 7. Therefore, the question of going into the effect of unregistered sale deed or sale agreement, which is capable of being a source of regularization u/s 5-A of R.O.R. Act, does not arise and in which event, the law laid down in the decisions referred to supra may become almost academic.

63. Even assuming that the said document was presented to the M.R.O. for the purpose of regularization, nothing prevented the contesting defendants from obtaining the same and got it marked before the Trial Court and making it as suit document. Mere making of averments that there was an agreement of sale and the transaction was complete, and the same was registered, is not sufficient to establish the title without making available such a document for the scrutiny of the Court and without an opportunity for the other party to rebut the same.

64. Perhaps, the Trial Court also could not record a finding regarding the validity or otherwise of the alleged agreement of sale. Therefore, it is irresistible for this Court to hold that the defendants have miserably failed at the very fundamental stage of their defence.

65. Further it is to be seen that though the defendants marked several documents, which are pahanies and adangals, right from the year 1980-81, the names of Defendants 3 to 7 do not figure in the relevant columns in those documents. Only in Exs.B-16 to B-18, which are adangals for the years 1997 to 2000, the names of the contesting defendants were recorded. Again in Ex.B-29, which is the pahani for the year 2000-01, during which period the plaintiffs obtained the registered sale deeds, the names of the contesting defendants do not figure.

66. Further if really the case of the contesting defendants is to be believed that the suit land was purchased under agreement of sale dated 2.8.1980 (which was not marked in evidence in the suit), the same should have been reflected in the pahanies.

67. Nextly, when the M.R.O. issued proceedings in the year 1992 regularizing the

alleged agreement of sale dated 2.8.1980 u/s 5-A of R.O.R. Act, from that year, the names of the contesting defendants should have figured in the revenue records like pahanies or adangals. But as noted above, even upto the year 1997, in the revenue records, the names of original owners alone (D-1 and D-2 along with others) were recorded. Though during the years from 1997 to 2000 the names of contesting defendants were recorded, again for the year 2000-01, their names do not figure.

68. Exs.B-19 to B-22 are the pattadar pass books issued in favour of D-3 and D-4 under the R.O.R. Act. The issuance of these pass books are again, obviously, on the basis of the proceedings of the M.R.O. As already discussed, when the issue of title is at large in a competent Civil Court, the entries made either in the pahanies or in the pattadar passbooks, which entries however not conclusive, are always subject to the result of the suit, since as noted already, the title has to be proved independently before the Civil Court. Therefore, in order to test these entries in the passbooks, I have to necessarily fall back upon the validity or otherwise of the alleged agreement of sale, said to have been entered on 2.8.1980, which is not a suit document.

69. In view of the above discussion and findings, however may be voluminous the documentary evidence on behalf of the contesting defendants, the same is of no consequence, in order to hold that the title is satisfactorily established by the defendants.

70. From these doubtful circumstances, which are in abundance, I am of the considered view that there was something more than what meets the eye.

71. Accordingly, Point No. 4 is also answered in favour of the plaintiffs and against the Defendants 3 and 7.

72. Point No. 5 : Insofar as the aspect of cancellation of Power of Attorney, which admittedly was executed in favour of one Harinarayana, who executed registered sale deeds under Exs.A-9, A-1 and A-8 respectively in favour of the plaintiff, is concerned, the contention of the contesting defendants is that the said Power of Attorney was cancelled way back on 20.10.1992 and the same was intimated through Ex.B-30 letter addressed by the Advocate by name P. Narasimha Reddy to Hari Narayana dated 21.11.1992. The said letter was sent to Hari Narayana under certificate of posting, which is marked as Ex.B-31. The contesting defendants also got marked the deed of cancellation of Power of Attorney under Ex.B-32. Therefore, the contention of the contesting defendants is that when the Power of Attorney issued by D-1 and D-2 in favour of Harinarayana on 5.9.1989 was revoked on 20.10.1992 itself, the question of said Power of Attorney executed registered sale deed in the year 2000 does not arise.

73. Per contra, the contention on behalf of the plaintiffs is that when the plaintiffs applied for certified copies of the Power of Attorney before purchase, in order to verify whether the authorization in favour of Harinarayana was still in force, they came to know through the certified copies issued by the concerned Registrar,

that the said Power of Attorney was still in force, inasmuch as there was no endorsement on the certified copies of the Power of Attorney that the said deed was cancelled. The certified copies obtained by the plaintiffs were marked as Exs.A-4 to A-6. Therefore, it was contended that the plaintiffs acted in good faith.

74. In this context it is to be noticed that Ex.A-4 is the certified copy of the G.P.A. dated 9.2.2000 and Exs.A-5 and A-6 are the certified copies of the G.P.A. obtained in 1996 and 1997. From a perusal of these documents, it could be seen that there is no endorsement by the concerned Registrar, to the effect that the said Power of Attorney was cancelled on 20.10.1992. Therefore, it cannot be presumed by the plaintiffs that the said Power of Attorney was cancelled.

75. Further except the documentary evidence adduced on behalf of contesting defendants with regard to cancellation of Power of Attorney under Ex.B-32 and also similarly except the documentary evidence adduced on behalf of the plaintiffs under Exs.A-4 to A-6, no satisfactory oral evidence was adduced by either party, in order to prove the said documents. Therefore, it is rather difficult as to, precisely on what date the Power of Attorney in favour of Harinarayana was cancelled. But the admitted fact is that the Harinarayana was the original agent appointed by D-1 and D-2 in the year 1989. Therefore, in these circumstances, I would like to consider the effect of cancellation of Power of Attorney in the light of available documentary evidence and also in the light of legal position.

76. In these circumstances, the incidental question that falls for consideration is under what circumstances, the termination of agency would come into effect and from which date, the said termination affects the rights of third parties. In this context it is necessary to take into consideration Section 208 of the Indian Contract Act, 1872, which deals with the effect of termination of agent's authority against the third person. The said provision and the relevant illustration is extracted as under for ready reference:

Section 208. When termination of agent's authority takes effect as to agent and as to third person:-The termination of the authority of an agent does not, so far as regards the agent, take effect before it becomes known to him, or so far as regards third persons, before it becomes known to them. (a)

(b) A, at Madras, by letter directs B to sell for him some cotton lying in a warehouse in Bombay, and afterwards, by letter revokes his authority to sell, and directs B to send the cotton to Madras, B, after receiving the second letter, enters into a contract with C, who knows of the first letter, but not of the second, for the sale to him of the cotton C pays B the money, with which B absconds. C's payment is good as against A.

(c)

77. From a reading of the above provision it is abundantly clear that the termination of agency would come into effect, insofar as the agent is concerned,

from the date of his knowledge and so far as the third parties are concerned, from the date of their knowledge. In other words, even if the cancellation of agency is very much in the knowledge of the agent, that would only prevent the agent to act on behalf of the principal, since apparently he has the knowledge. But insofar as third parties are concerned, till it is established that they had knowledge of termination of agency, the transactions entered by them with the agent, despite his (agent's) knowledge that he ceased to be an agent, would be binding on the principal. In other words, the principal should take some steps, either express or constructive, that the cancellation of termination is made known to the entire world, apart from agent and then only he would be seized {sic ceased) of the responsibility, otherwise he will be held responsible to the third parties, for the transactions entered into by the agent.

78. In Halsbury's Laws of England, fourth, Edn., reissue, Vol 1(2), at Paragraph No. 201 it was held as under:

"....In the absence of actual notice, or of constructive notice by lapse of time or other indications, the principal will remain liable to those dealings in good faith with the agent on the assumption that his authority still continues."

79. The above position is made crystal clear under the illustration (b) Section 208, which is to the effect that if the third party enters into transaction without the knowledge of the revocation of authority, the same is binding on the principal.

80. In Dasarath Patel v. Brojo Mohan Gaontia 18 CLJ 621 : (22 IC 90), the High Court of Calcutta considering the effect of revocation of authority of agent and its effect on the third parties, held that unless the revocation of the authority of the agent is made known to third parties, the principal would be binding for the acts of the agent. The relevant portion is extracted as under for ready reference:

"...the revocation of the authority of an agent may take effect, insofar as third persons are concerned, at a point of time different from the moment when it takes effect with regard to the agent himself... as to the agent himself, the revocation takes effect from the time when it is made known to him, and as to third persons, when it is made known to them and not before; and until revocation is so made known, it is inoperative. If known to the agent as against his principal, his rights are gone, but as to third persons who are ignorant of the revocation, his acts bind both himself and his principal."

81. Following the Dasarath's case (supra), the High Court of Nagpur in Janardhan v. Gangaram AIR (38) 1951 Nag. 313, considering the scope of Section 208 of the Indian Contract Act, held as under:

"10. It is of course true, as has been held by the lower Appellate Court, that insofar as third parties are concerned the termination of a contract of agency will take effect only from the time the third party obtained knowledge of it. That is clear from Section 208, Contract Act as well as the decision in Dasarath v. Brojo Mohan 18 CLJ 621: (22 IC 90).

82. Further the High Court of Patna in *Union of India v. Motilal*, AIR 1962 Patna 384, held at Paragraph No. 10 of the judgment that Section 208, Contract Act provides that the termination of the authority of an agent does not take effect so far as regards third persons before it becomes known to them.

83. The High Court of Madhya Pradesh in *Kulsekarapatnam Hand Match Workers' Co-operative Cottage Industrial Society Ltd., Madras State Vs. Radhelal Lalloolal and Others*, , held at Paragraph No. 12 as under:

"As regards the liability of the principal on the agreement of 16th October 1964, there is no manner of doubt that the contract of agency terminated with effect from 30th September 1964, but we are of the view that such termination would not affect the buyer. So far as third parties are concerned, the law is that the termination of a contract of agency takes effect only from the time the third party obtains knowledge of it. This is clear from Section 208 of the Contract Act. The principle is also now well settled that a third party is not affected unless he has knowledge of such termination (See *Janardhan v. Gangaram* ILR (1951) Nag 90 : AIR 1951 Nag 313."

84. As already noted above, the quintessence of the above judgments and the provision of law is that if the contract of agency is terminated, the same should be known to the third parties or to the entire word entire either express or constructive, then only the principal will be seized of the responsibility, otherwise, he will be liable for the transactions entered into by the agent with the third parties.

85. Coming to the case on hand, as already noticed, the case of the contesting defendants is that the Power of Attorney executed in favour of Harinarayana on 5.9.1989 by Defendants 1 and 2 was cancelled on 20.10.1992 under Ex.B-32 and the same was communicated to Harinarayana through letter dated 21.11.1992 (Ex.B-30), under certificate of posting marked as Ex.B-3. Therefore, their case is that the sale deeds executed by Harinarayana in favour of plaintiffs in the year 2000 is null and void.

86. But as already held that unless such cancellation is made known to the third parties, who are plaintiffs, either by way of express notice of constructive, such cancellation will have no effect and the transactions entered by Harinarayana with the plaintiffs will be binding on the principals i.e., the Defendants 1 and 2.

87. In this regard it is to be seen that the plaintiffs before their purchase have applied for certified copy of the Power of Attorney under Ex.A-4, which is dated 9.2.2000 and earlier also they have applied certified copies under Exs.A-5 and A-6 in the years 1996 and 1997. From a perusal of these documents, there is no endorsement to the effect that the Power of Attorney in favour of Harinarayana was revoked. If really there was cancellation of Power of Attorney as contended by the contesting defendants, the same should have reflected in the certified copies obtained by the plaintiffs.

88. Apart from that, there is no evidence whatsoever on record to show that such revocation of Power of Attorney was made known to the entire world or to the plaintiff by way of either express or constructive notice. Therefore, even if there was any such cancellation, the same would not be binding on the plaintiffs, inasmuch as their purchase can be equated with that of bona fide or in good faith. Therefore, the interest of title, which has cascaded from D-1 and D-2 to the plaintiffs through the Power of Attorney holder Harinarayana, has to be protected.

89. From the above it is clear that plaintiffs after verification under Exs.A-4 to A-6 have reasonably believed the existence of the Power of Attorney in favour of Harinarayana and entered into transaction with him. This shows that they have acted in good faith.

90. In view of the above discussion, the Point No. 5 is answered in favour of the plaintiffs.

91. Point 6: In order to find out whether the plaintiffs have established their title followed by possession, it is to be seen that this Court already found fault with the regularization of the disputed land, said to be have been purchased by Defendants 3 to 7 under agreement of sale dated 2.8.1980, by M.R.O. under the R.O.R. Act through proceedings dated 23.4.1992, in view of the fact that the disputed land ceased to be agricultural land even from the year 1971, as the proposed lay out was submitted by the original owners to the Gram Panchayat for sanction; and also in view of the fact that even under Exs.A-10 and A-11 pahanies of the year 1988-1990, the nature of the land was noted in the relevant columns as "plots"; and further in view of denial of interim injunction to contesting defendants with respect to the suit property in LA. No. 621/1998 in O.S. No. 216/1990. As the alleged agreement of sale, which is the very basis for the claim of the contesting defendants, was not marked in the suit, this Court has taken serious note of it. This Court on a careful scrutiny of the documents filed by the contesting defendants, found that the names of the contesting defendants were not consistently recorded in the revenue records and there was any amount of discrepancy. Further this Court in the earlier part of the judgment taking into consideration Section 208 of the Indian Contract Act, held that cancellation of G.P.A. by D-1 and D-2 in favour of Harinarayana who executed registered sale deeds, is of no consequence, since such cancellation was not in conformity with the provisions of law. Therefore, in the light of these findings, the contention of the Defendants 3 to 7 that they have been in possession of the suit lands as agricultural lands, prior to or subsequent to the filing of the suit cannot be believed.

92. Similarly in view of the above findings and the documentary evidence available on record, the statement of 5th defendant who was examined as D.W.1 that "the suit land is open agricultural land. No lay out was sanctioned for the Survey No. 50 of Kapra village" cannot be believed.

93. Further when the defendants who propounded the theory of title and consequential possession, utterly failed to establish their title and in view of the various discrepancies as pointed out above, and also in the light of the probabilities and preponderances of evidence on record, it can safely be inferred and held that the plaintiffs are the real and true owners by virtue of the registered sale deeds.

94. Furthermore, the plaintiffs being the registered owners, when there was interference from D-3 to D-7 promptly reacted and gave a police complaint. The result of which is not material, but the alleged interference is obviously within few months of their purchase.

95. Therefore, in view of the above facts and circumstances, and in view of my conclusion that the plaintiffs are the true owners, the possession in their favour, insofar as suit schedule property is concerned, can safely be inferred and the contra case set up by the defendants is liable to be discarded.

96. In view of the above discussion, the Point No. 7 is also answered in favour of the plaintiffs.

97. For the foregoing reasons, the impugned judgment and decrees are set-aside and the suits are decreed as prayed for.

98. In the result, all the three appeals are allowed. In the circumstances of the case, there shall be no order as to costs.