
(1947) 02 BOM CK 0004

In the Bombay High Court

Case No : First Appeal No's. 404 of 1943 and 374 of 1944

Somashekhar Swami

APPELLANT

Vs

Bapusaheb Narayanrao Patil

RESPONDENT

Date of Decision : 06-02-1947

Acts Referred:

Land Acquisition Act, 1894 — Section 32

Citation : AIR 1948 Bom 176 : (1947) 49 BOMLR 784

Hon'ble Judges : Macklin, J;Gajendragadkar, J

Bench : Division Bench

Judgement

Gajendragadkar, J.—The proceedings giving rise to these two appeals were initiated at the instance of the Karnatak Education Society for acquiring certain plots of land under the Land Acquisition Act in 1938 when notifications under the Act were duly issued. The property sought to be acquired consisted of five survey numbers, 3941, 3942, 8943, 8944 and 3945. In these appeals we are Concerned with three of them, namely 8942, 3943, and 3944. The compensation amount awarded for the acquisition of these three numbers is Rs. 20,645-9-2; and the question which arises in these proceedings is as to the method of apportionment of this amount between two claimants.

2. These three survey numbers originally formed part of old survey No. 958 which was watan property assigned to the Patil watandar, who is one of the two claimants in this case. In 1865 the said property was sold to the predecessor of the Swami for Rs. 575. The alienee continued in possession of this property until 1915 when an application was made by the watandar to the Collector inviting his attention to the fact that the watan property had gone out of the watandar's family by alienation, and requesting him to pass orders u/s 9 of the Watan Act. On March 14, 1915, the Collector virtually declared that the alienation in favour of the Swami was void, and in 1917 a further order was passed under Sub-section (2) of Section 9 directing the alienee to pay Rs. 60 to the watandar and permitting him to remain in possession. The alienee who was thus permitted to

remain in possession of the land after the order of the Collector was passed u/s 9(2) of the Watan Act is the other claimant in the present proceedings. The learned Judge before whom these claims were made held that the alienee and the watandar were entitled to receive in the proportion of 25 to 75 as their respective shares in the compensation amount awarded. Both the parties feel aggrieved by this order, with the result that the alienee has filed First Appeal No. 404 of 1948 and the watandar has filed First Appeal No. 374 of 1944.

3. On behalf of the alienee Mr. Jahagirdar has contended that the learned Judge was wrong in holding that the alienee was not entitled to the beneficial interest in this property. He has referred to the fact that on the evidence it has been proved that this land yields about Rs. 560, out of which Rs. 60 are paid to the watandar, and Rs. 500 represent the net income of the alienee. He has suggested that these two respective amounts may well be taken to represent the value of the interests of the respective parties in the land. He has conceded that something more may be added in order to ascertain the full value of the watandar's interest in the land, because u/s 9(2) of the Watan Act the watandar may persuade the Collector to increase the rent payable by the alienee. In support of his contention Mr. Jahagirdar has relied upon the decisions of the Calcutta High Court as well as those of the Nagpur and the Madras High Courts. Dealing with the case of a landlord and an occupancy tenant it was held by the Nagpur High Court that the landlord is entitled to one-fourth and the occupant is entitled to three-fourths (*Sadasheorao v. The Collector, Nagpur* [1942] Nag. 740. The Calcutta High Court in a similar case where the claims of the permanent tenant as against those of the landlord were in question held that the landlord and the tenant were entitled to receive their shares in the compensation amount in the proportion of six to ten [*Shama Prosunno Bose Mozumdar v. Brakoda Sundari Dasi* ILR (1900) Cal. 146 *Dinendra Narain Roy v. Tituram Mukerjee* I.L.R.(1908) Cal. 801 Similarly, the Madras High Court has held that the landlord would be entitled to receive 25 per cent whereas the tenant would be entitled to receive 75 per cent, for his share in the compensation amount [*Natesa Ayyar v. Kaja Maruf Sahib* I.L.R.(1926) Mad. 706 and *Narayana v. Annapurnamma* [1941] Mad. 753. On the other hand, the Allahabad High Court have held that the landlord and tenant should recover in the proportion of ten to six [*Shiam Lal v. Collector of Agra* ILR (1933) All. 897.

4. It may be pointed out that in all these cases the right of the landlord was limited to receive a particular amount of rent in perpetuity without enhancement, and calculations about the value of his interest in the land were made on that basis. In the present case, however, it is obvious that the watandar's right is not limited to receive a particular amount of rent for all time. u/s 9, whenever it is brought to the notice of the Collector that any watan property has gone out of the watandar's family by alienation or otherwise, it is open to the Collector to declare the said alienation void and then adopt either of the two courses mentioned in Section 9(1) and (2), He may dispossess the alienee and restore possession of the property to the watandar, or in the alternative he may allow the alienee to remain in possession of the property subject to his paying such

rent to the watandar as the Collector may fix. In this particular case the Collector adopted the latter course and has permitted the transferee to remain in possession of the property. The Collector having once decided to permit the alienee to remain in possession of the land, it is not suggested that it would be open to him to dispossess him hereafter, though it is conceded on both the sides before us that it would be open to the Collector to revise the rent from time to time if he thinks proper to do so. It has been held by this Court in *Kalu Nayana Patil Vs. The Secretary of State for India*, that when Sub-section (2) of Section 9 provides that the decision of the Collector as to what is the full rent shall be final, that merely means that the said decision may not be subject to appeal or revision. That, however, does not deprive the Collector of his power to revise the said rent from time to time having regard to the change in the value of the lands in the locality where the watan property may be situated. It is thus clear that the alienee is entitled to remain in possession of the property, and in that sense may be said to be entitled to fixity of tenure. He is, however, not entitled to remain on the land subject to the payment of a uniform amount of rent. The said rent can be revised by the Collector from time to time. These two features of the holding of the alienee resulting from the order passed by the Collector u/s 9(2) of the Watan Act distinguish his position from that of the ordinary as well as the "permanent tenant and the occupant. In the case of a permanent tenant the landlord cannot increase the rent beyond three times the assessment. That would not be so in the case of the alienee in question. The Collector can increase his rent to any limit, though of course he would naturally consider the economic rents prevailing in the locality. The watandar's rights in this property are also very much limited. He is entitled to the profits of this property and the amount of the said profits has to be determined not by himself but by the Collector. Unlike owners of properties he is not entitled to enhance the rent payable by the person in possession, but must seek the assistance of the Collector, and in view of the provision that the decision of the Collector in the matter of fixing the rent is final, it is clear that the landlord would not be entitled to take this question to a civil Court for its determination. It is quite true that at present the alienee recovers Rs. 500 as net profit from the land. But in that connection it may be very material to mention the fact that in 1917 when the alienee was ordered to pay Rs. 60 to the watandar by the Collector the rent of the land was only Rs. 35 per year. That shows that it is open to the Collector to call upon the alienee in possession of the land to pay such amount to the watandar as the Collector deems fit even though the said amount may happen to be in excess of the economic yield of the land.

5. It is thus in reference to these respective rights and liabilities that the question of apportionment in the present case must be determined. In *Nowroji Sorabji Bunshah Vs. The Special Land Acquisition Officer*, this Court was dealing with the claims of the occupants and the khot in regard to bhati lands which had been acquired. The occupants were entitled to remain in possession of the lands on payment of a fixed amount of assessment, and the khot was entitled to

recover the said fixed amount and had no right to enhance that amount. It was held in that case that the occupant and the khot should recover their respective shares in the compensation amount in the proportion of two to one. Taking this decision as the basis for determining the question which arises in these appeals, we have to make some allowance on account of the fact that the person in possession of the land is liable to pay enhanced rent, and the rent in such a case could be enhanced not necessarily within the limits judicially prescribed in regard to permanent tenants. In view of the unusual nature of the rights of the parties in the property in question we do not think it would be fair to adopt the method of valuing the landlord's rights on the basis of capitalising the rent which he is entitled to receive, even though some further addition is made on a similar capitalisation basis in lieu of his right to have the rent increased. We think that in the circumstances of this case it may not be unfair to hold that the watandar and the alienee in possession of the land should receive their shares in the compensation amount in the proportion of 55 to 45. As I have already pointed out, the nature of the holding of the alienee cannot be classified as that of a permanent tenant or an ordinary tenant or an occupant. Its special features are the result of the provisions of the Watan Act. Similarly the nature of the right of the watandar cannot be easily defined, the limitations in that right being similarly the result of the provisions of the Watan Act. That being so, we must adopt what appears to us to be a fairly reasonable basis in determining the question as to their respective rights in this amount. The question does not admit of an easy answer, and the decisions of the other High Courts on which reliance has been placed by the alienee cannot afford any useful guidance in this particular case. Having given our best consideration to this case we think it would be reasonable on the whole to adopt the proportion which I have just mentioned.

6. In the appeal preferred by the watandar Mr. Sukthankar has urged an additional point. He has contended that the order passed by the learned Joint Judge u/s 32 of the Land Acquisition Act in regard to the amount which the watandars are entitled to receive is not justified by the provisions of the said section, and he has suggested that the said order should be set aside and his clients should be permitted to withdraw the amount allotted to their share under the award. Section 32 provides that when any money is deposited in Court u/s 31(2), if it appears to the Court that the land in respect whereof the same was awarded belonged to any person who had no power to alienate the same, the Court shall make certain specified orders. The learned Judge took the view that the land which was being acquired in the present case belonged to the watandar and that he had no power to alienate the same in view of the provisions of Section 5 of the Watan Act. In support of his conclusion the learned Judge has relied upon a decision of this Court in *Collector of Belgaum Vs. Bhimrao V. Patel*, . Mr. Sukthankar has contended that Section 32 in fact refers to properties belonging to persons under disqualification such as minors or lunatics, or limited owners as for instance Hindu widows, and in support of this contention he has referred us to a decision of this Court in *Mahadev v. District Deputy Collector*,

Poona (1937) 40 Bom. L.R. 432 . In our opinion, the position of a watandar cannot be regarded as being substantially different from that of persons under disability mentioned by Mr. Sukthankar, since u/s 5 there is a certain limitation imposed upon the watandar to alienate the watan property. It is quite true that an alienation made by a watandar is good enough during his lifetime and would be valid even beyond his lifetime if the alienee happens to be a watandar of the same watan. But having regard to the object of Section 32, we are not prepared to hold that when watan properties are acquired the Court cannot act u/s 32 of the Land Acquisition Act. Besides, a division bench of this Court has held that Section 32 applies to acquisitions of watan property [Collector of Belgaum v. Bhimrao.] We are in any case bound by the said decision. That being so, we do not think that we would be justified in reversing the order passed by the learned Judge in that behalf. Incidentally, it may be mentioned that the said order would obviously be in the interest of the watandars who are minors.

7. The result is that first Appeal No. 374 of 1944 fails and must be dismissed with costs in favour of respondent No. 2.

8. First Appeal No. 404 of 1943 partly succeeds in that the amount payable to the appellant has been increased.

9. In the circumstances we think the proper order as to costs would be that parties should bear their costs in proportion throughout.

Macklin, J.

10. I agree that in the circumstances of this particular case we should apply the decisions of this High Court relating to khoti cases and modify them to suit the requirements of the present situation, and on that principle I agree that the results should be as my learned brother has indicated, namely 55 to 45 in favour of the landlord. But I do not pretend that the results which we have reached are necessarily an exact representation of the respective values of the holdings of each side. These cases present considerable difficulties and the diversity not only of results but even of principles of decision disclosed by the decided cases to which we have been referred shows how difficult many of them can be. The decision of the Calcutta High Court in Shama Prosunno Bose Mazumdar v. Brakoda Sundari Dasi I.L.R.(1000) Cal. 146 discloses a principle which has the merit of simplicity, but generally speaking it is too simple for general application. That was a case where the landlord's rights were capable of comparatively easy estimation, with the result that their Lordships estimated the value of the landlord's rights, present and future, and deducted that value from the amount awarded and gave the balance to the other side. But I have considerable doubt as to the fairness of the procedure adopted. It seems to me that the adoption of such a procedure, namely estimating the present value of the rights of one side and giving the balance to the other side, is bound to lead to unfairness to one side or the other unless it can be definitely stated that the valuation of the combined rights of all the parties as arrived at in the award is a strictly correct

valuation. If for example the award errs on the side of generosity and the value of the landlord's rights is deducted from the amount awarded, then all the advantage goes to the tenant. If on the other hand the award errs on the side of stinginess and the tenant is given only the balance after the landlord's rights have been deducted, then it is the tenant who bears the full disadvantage of the award. Theoretically the only correct way of arriving at a decision in these cases would be to ignore the award for the moment and to estimate as nearly as possible the present value of the landlord's rights independently of the tenant's rights and the present value of the tenant's rights independently of the landlord's rights and to see what proportion they bear to each other and then to give the landlord and the tenant their shares in the award according to those proportions. But obviously in many cases it would be quite impossible to work out the present values to sufficient accuracy and some rule of thumb is required. We have a rule in Bombay applicable to cases arising between a khot and his occupants, and though such cases cannot be made strictly applicable to cases of the present kind, they do, I think, form some sort of basis which can be modified to suit the circumstances of any particular case. That is the principle on which we have decided this case; and though I do not pretend to accuracy, I doubt if we have been seriously unjust to either side.