

(1964) 08 SC CK 0009
In the Supreme Court Of India
Case No : Appeal (civil) 293 of 1963

Vasumatiben Gaurishankar Bhatt

APPELLANT

Vs

Navairam Manchharam Vora and Others

RESPONDENT

Date of Decision : 14-08-1964

Acts Referred:

Bombay Rents, Hotel and Lodging House Rates Control Act, 1947 — Section 12
Transfer of Property Act, 1882 — Section 106

Citation : AIR 1967 SC 405 : (1964) 4 SCR 324

Hon'ble Judges : P. B. Gajendragadkar, J; K. C. Das Gupta, J

Bench : Division Bench

Final Decision : dismissed

Judgement

Gajendragadkar, J.—This appeal by special leave raises a short question about the construction and effect of s. 12(3)(a) of the Bombay Rents, Hotel and Lodging House Rates Control Act, 1947, (No. 57 of 1947) (hereinafter called 'the Act'). The appellant has been tenant of one room in a residential building known as Lalbang situated in Badekhan's Chakla in the City of Surat since October 18, 1935. Under the rent note, she is required to pay a monthly rent of Rs. 18. On October 12, 1949, respondents 1 and 2 purchased the said property. It appears that on November 21, 1950, they served a notice on the appellant to vacate the premises let out to her on the ground that she was in arrears of rent from July 1, 1950. On receiving the said notice, the appellant paid a part of the rent, but again fell into arrears, and so, the respondents served a second notice on her on February 7, 1951, claiming arrears from October 1, 1950. The appellant did not vacate the premises, nor did she pay all the arrears due from her. A third notice was accordingly served on her on March 27, 1953, in which the respondents claimed to recover arrears from January 1, 1951, that is to say, arrears for two years and two months. A few days after this notice was served, s. 12(3) of the Act was amended by the Bombay Amending Act No. 61 of 1953, and the amendment came into force on the 31st March, 1954. The respondents then filed the present suit against the appellant on April 12, 1954, in which they asked for

a decree for eviction against the appellant on the ground that they wanted the premises let out to the appellant bona fide for their personal use, and that the appellant was in arrears for more than six months. This suit was resisted by the appellant on several grounds. Pending the hearing of the suit, the appellant paid by instalments in all Rs. 470 before the date of the decree, so that at the date when the decree was passed, no arrears were due from her.

2. The learned trial Judge upheld both the pleas made by the respondents and passed a decree for eviction against the appellant. He held that the respondents reasonably and bona fide required the property for their personal use and that the appellant was in arrears of rent of more than six months. This decree was challenged by the appellant by an appeal preferred before the District Court at Surat. The learned District Judge held that the respondents had failed to prove that they needed the premises reasonably and bona fide for their personal use, but he accepted their case that the appellant was in arrears of rent for more than six months and that the suit fell within the scope of s. 12(3)(a) of the Act. That is how the decree passed by the trial Court was confirmed in appeal. The appellant then challenged the correctness of this decree by a revisional petition filed before the Gujarat High Court. This petition ultimately failed and the decree passed against her was confirmed. It is against this decision that the appellant has come to this Court : and on her behalf. Mr. Pai has contended that the High Court was in error in holding that the requirements of s. 12(3)(a) as amended justified the passing of the decree against the appellant.

3. It appears that section 12 of the Act has been amended from time to time. Before the Amending Act No. 61/1953 came into force, the said section read thus :

"12(1) - A landlord shall not be entitled to the recovery of possession of any premises so long as the tenant pays or is ready to pay, the amount of the standard rent and permitted increases, if any, and observes and performs the other conditions of the tenancy, in so far as they are consistent with the provisions of this Act.

(2) No suit for recovery of possession shall be instituted by a landlord against a tenant on the ground of non-payment of the standard rent or permitted increases due, until the expiration of one month next after notice in writing of the demand of the Standard rent or permitted increases has been served upon the tenant in the manner provided in section 106 of the Transfer of Property Act, 1882.

(3) No decree for eviction shall be passed in any suit if, at the hearing of the suit, the tenant pays or tenders in Court the standard rent or permitted increases then due together with the costs of the suit."

4. The explanation to this section dealt with cases where there was a dispute between the landlord and the tenant in regard to the amount of the standard rent. With that explanation we are not concerned in the present appeal.

5. It appears that the Bombay High Court interpreted the words "at the hearing of the suit" in s. 12(3) as including the hearing of the appeal arising from the suit, and so, it was held that under s. 12(3) of the Act, an appeal Court cannot confirm a decree for eviction if before the passing of the order in appeal, the tenant pays or tenders in Court the standard rent or permitted increases then due together with the costs of the suit and also appeal, vide *Dayaram Kashiram Shimpi v. Bansilal Raghunath Marwari* ([1952] 55 Bom. L.R. 30). After s. 12(3) was amended by the Amending Act 61 of 1953, the words "at the hearing of the suit" were construed by the Bombay High Court to mean that the application which the tenant can make offering to deposit the arrears from him be made before the Court of first instance and cannot be reserved to be made in the Court of appeal, vide *Laxminarayan Nandkishore Shravagi Vs. Keshardev Baijnath Narsaria*, .

6. There is one more decision of the Bombay High Court to which reference must be made before dealing with the points raised for our decision in the present appeal. In *Kurban Hussen Sajauddin Vs. Ratikant Nilkant and Another*, , it was held that the word "may" used in s. 12(3)(a) as amended really meant "must" and that in case where the conditions of the said provision were satisfied the Court had to pass a decree for the recovery of possession in favour of the landlord. It is in the light of these decisions that we have to consider the contention of the appellant that under s. 12(3)(a) as amended, it was not open to the Court to pass a decree for ejectment against her in the present proceedings.

7. On behalf of the appellant Mr. Pai has emphasised the fact that the provisions of s. 12, sub-section (1) and (2) are mandatory and there can be no doubt that they imposed severe restrictions on the landlord's right to sue the tenant in ejectment. He, therefore, contends that in construing the effect of s. 12(3)(a), we must bear in mind the fact that the legislature has enacted the present statute and particularly the provisions of s. 12 with a view to protect the interests of the tenant. He further contends that it cannot be disputed that before s. 12(3)(a) was amended, it was open to the tenant to pay the arrears at any time during the pendency of the suit, or even during the pendency of the appeal, and so, when the tenant failed or neglected to pay the arrears due from her immediately after receiving the notice of demand from the landlord, it is easy to imagine that she knew that her failure to pay the arrears of rent immediately on receiving the notice would not lead to her eviction and that she would have the option to deposit the amount as required by s. 12(3) either in the trial Court or in the Court of Appeal. That being so, he suggests that in order to avoid hardship to the tenant, section 12(3)(a) should be read as requiring the landlord to issue a fresh notice after the amended section came into force. The notice given by the landlord prior to the date of the amendment did not convey to the tenant the knowledge that her failure to comply with it would necessarily lead to her ejectment, and so, the relevant provisions of this beneficent statute should be construed in a liberal way. That, in substance, is the first contention raised by

Mr. Pai before us.

8. We are unable to accept this argument. What s. 12(3)(a) requires is that in cases where there is no dispute between the landlord and the tenant regarding the amount of standard rent or permitted increases, if the landlord is able to show that the tenant is in arrears for a period of six months or more and the said arrears continued in spite of the fact that a notice was served on him before the institution of the suit and no payment was made within a month thereafter, the landlord is entitled to get a decree for ejectment against the tenant. It is true that s. 12(3)(a) refers to a notice, but in terms, it refers to a notice served by the landlord as required by s. 12(2), and in s. 12(2) the legislature has made no amendment when it amendmended sub-section (3). If we turn to s. 12(2), it would be noticed that the notice given by the respondents to the appellant in the present case satisfies the requirements of the said sub-section. The respondents told the appellant by their notice that arrears were due from her, and there is no doubt that the arrears were not paid up by the appellant until the expiration of one month next after the notice in writing was served on her in that behalf. Section 12(2) never required the landlord to state to the tenant what the consequences would be if the tenant neglected to pay the arrears demanded from him/her by the notice. Therefore, if the notice served by the respondents on the appellant prior to the institution of the present suit is in order and it is shown that the arears have not been paid as required, then s. 12(2) has been complied with, and it is on that footing that the case between the parties has to be tried under s. 12(3)(a).

9. Mr. Pai then contends that s. 12(3)(a) seems to suggest that the neglect or failure of the tenant to make the payment of arrears must be subsequent to the date on which the Amending Act came into force. He relies on the fact that s. 12(3)(a) refers to the case where the tenant "neglects to make payment" of the rent. The section does not say "has neglected to make payment", says Mr. Pai. In our opinion, there is no substance in this argument. The use of the word "neglect" in the present tense has to be construed in the light of the fact that the clause refers to the tenant neglecting to make payment of the rent until the expiration of one month next after receipt of the notice, and that clearly would have made the use of the past tense inappropriate. The position, therefore, is that if notice has been served as required by s. 12(2) and the tenant is shown to have neglected to comply with the notice until the expiration of one month thereafter, s. 12(2) is satisfied and s. 12(3)(a) comes into operation.

10. Mr. Pai also argued that the right given to the tenant to pay the arrears at the hearing of the suit was a vested right, and so, in construing s. 12(3)(a) we should not adopt the construction which would defeat that vested right. It is not easy to accept the contention that the provisions of s. 12(3)(a) really confer any vested right as such on the tenant. What s. 12(3)(a) provided was that a decree shall not be passed in favour of the landlord in case the tenant pays or tenders in Court the standard rent at the hearing of the suit. This provision cannot prima

facie be said to confer any right or vested right on the tenant. But even if the tenant had a vested right to pay the money in court at the hearing of the suit, we do not see how that consideration can alter the plain effect of the words used in s. 12(3)(a). The suit was filed after the amended section came into force, and clearly the amended provision applies to the suit and governs the decision of the dispute between the parties. If that is so, the plain meaning of s. 12(3)(a) is that if a notice is served on the tenant and he has not made the payment as required within the time specified in s. 12(3)(a), the Court is bound to pass a decree for eviction against the tenant. That is the view taken by the Gujarat High Court and we are satisfied that view clearly gives effect to the provisions of s. 12(3)(a) as amended in 1953. We must accordingly hold that there is no substance in the appeal. The appeal, therefore, fails and is dismissed with costs.

11. Appeal dismissed