

CASE NO.:
Writ Petition (civil) 1829 of 2007

PETITIONER:
VISHWAMITRA RAM KUMAR

RESPONDENT:
M/S VESTA TIME COMPANY

DATE OF JUDGMENT: 05/04/2007

BENCH:
H.K. SEMA & P.K. BALASUBRAMANYAN

JUDGMENT:
J U D G M E N T
CIVIL APPEAL NO. 1829 OF 2007
(Arising out of SLP(C) No.19290 of 2005)
{WITH C.A. No(s). 1830,1831,1832,1833,1834,1835 of 2007 [@ SLP
[C] No. 1707/2006, SLP[C] No. 1708/2006, SLP[C] No.
1709/2006, SLP[C] No.1710/2006, SLP[C] No.1713/2006, and
SLP[C] No.1714/2006}

P.K. BALASUBRAMANYAN, J.

1. Leave granted.

2. Seven suits were filed by the landlord of a line building consisting of eight rooms, for eviction of the tenants on the ground of rebuilding under Section 13(1)(f) of the West Bengal Premises Tenancy Act, 1956 (hereinafter referred to as, "the Act"). The relevant pleading in the plaint was not happy and the claim for rebuilding was mixed up with the requirement for own occupation, a ground covered by Section 13(1)(ff) of the Act. At the stage of trial or even before, the landlord gave up the claim under Section 13(1)(ff) of the Act of reasonably requiring the suit premises for its own use and purpose. It may be mentioned that the landlord is said to be a partnership firm.

3. In support of the claim for eviction under Section 13(1)(f) of the Act, it was pleaded that the building was 100 years old; that it was situate in a mixed locality but mainly residential; that even at the time of the purchase of the building, the intention of the landlord was to reconstruct the building and occupy a portion of it, being the upstairs portion of the building; that the claim for eviction on the ground of rebuilding was bona fide; and that the landlord was entitled to a decree for eviction considering the entire circumstances available. It was also disclosed that one of the rooms in the building was in the possession of the landlord, the same having been surrendered by a tenant earlier and that after reconstruction, the landlord would be in a position to provide separate rooms to the seven tenants remaining, but that the area to be given to each tenant, would be only 30% of what they now held in the building. It was also brought out that the entire land was occupied by the building and there was not even a staircase to go to the roof of the building and the only way to reach the roof was by the use of a ladder. It was further brought out that as per the rules existing, a car parking facility in the basement has to be provided and construction could be only in about 55% of the area presently occupied by the 100 years old building. In evidence, one of the partners examined on behalf of the landlord stated that

the landlord was willing to give 30% of the area presently occupied by each tenant in the reconstructed building and the landlord proposed to occupy the first, second and third floors intended to be put up, leaving the ground floor for occupation by the tenants.

4. The tenants resisted the separate suits. They questioned the bona fides of the claim made by the landlord. They pointed out that the landlord having given up the claim for eviction on the ground of own occupation had become disentitled to any relief at all in the suits since the need for rebuilding was interlinked with the need for own occupation projected in the plaint. While being examined, the landlord was asked questions about the financial capacity to rebuild and even questions on the title of the firm as set up in the plaint. In his evidence, one of the tenants examined, stated that the building did not require reconstruction and that it was not possible to carry on the business that is being carried on in the building in only 30% of the area presently occupied by that tenant. It was brought out that out of the seven tenants, one was running a Pan Shop and the other six were running watch sales cum repair shops.

5. The suits were jointly tried and disposed of by a common judgment by the trial court. The trial court held that the plaintiff firm was the owner of the building and there subsisted the relationship of landlord and tenant between the firm and the tenants. It further held that the premises is a one storeyed building having no vacant space on the side, back or front and the building covered the entire land. The building had no staircase of its own for going to the roof and one had to put up a ladder to climb on to the roof. The suit building was situated in a predominantly commercial area. It was evident that the proposed building will have a car parking space in the basement and the ground floor will be used for shop rooms and the upper floors will be for residential purposes. It was also evident that the landlord would be able to accommodate the existing tenants in the ground floor only to the extent of 30% of the area at present in their occupation. Though the building was 100 years old, the landlord had not got the building inspected by any Engineer to report about the physical condition of the building. The trial court rejected the claim for eviction by finding that the requirement for rebuilding has not been established by the landlord. The trial court also found that the landlord had not shown the financial capacity to rebuild. The suits were dismissed. The landlord filed appeals in the High Court. In the appeals, the landlord invoked Order XLI Rule 27 of the Code of Civil Procedure seeking to adduce additional evidence in that court in the form of a renewed approved plan for the construction of the building and documents for allegedly showing the financial capacity of the landlord to rebuild. The High Court took the view that no ground was made out for permitting the adducing of fresh evidence in appeals. The High Court, reiterating the reasons given by the trial court, dismissed the appeals. The High Court was of the view that since the plaintiff had abandoned its case of reasonable requirement of the suit premises for a residential purpose, it became apparent that it had no reasonable requirement for the purpose of rebuilding the suit premises upon demolition of the existing structure. Even while affirming the finding that the building was 100 years old, the High Court held that there was no evidence about the condition of the building, which would enable the court to hold that the claim for rebuilding, upon demolition of the existing structure, was a reasonable necessity. After

noticing Section 18A of the Act which entitled the tenants in case of eviction for rebuilding, to get back the building after reconstruction, the High Court held that the landlord had not made out a case for grant of a decree for eviction under Section 13(1)(f) of the Act. It proceeded to say that no order was required to be passed on the application under Order XLI Rule 27 of the Code seeking permission to adduce additional evidence, in the light of the finding that the landlord had not made out a case for rebuilding. It was thus that the decrees of the trial court were confirmed and the appeals dismissed.

6. Section 13(1)(f) of the Act providing one of the grounds for eviction reads:

"13(1)(f). Subject to the provisions of sub-section (3A) and Section 18, where the premises are reasonably required by the landlord for purposes of building or rebuilding or for making thereto substantial additions or alterations, and such building or rebuilding or additions or alterations, cannot be carried out without the premises being vacated."

Section 18A of the Act confers a right on the tenant who is evicted under Section 13(1)(f) of the Act, to be restored to possession in the reconstructed building as laid down therein. The court has to specify, while passing a decree for eviction under Section 13(1)(f) of the Act, the period within which the rebuilding has to be done, subject to a right in the court to extend the time in appropriate cases. On completion of the building, the premises has to be offered to the tenant. If the landlord does not put the tenant in possession, the tenant is entitled to approach the Rent Controller for a direction in that behalf and for consequences arising therefrom. In other words, the Act confers a right on the tenant evicted under Section 13(1)(f) of the Act to be put back in possession of the premises after its rebuilding. The provision also contemplates that in appropriate cases, the tenant may be put in possession of such part of the rebuilt premises as the Rent Controller may specify. As there is no argument based on Section 13(3A) of the Act, it is not relevant for the disposal of these appeals.

7. Learned counsel for the plaintiff - appellant contended that the trial court and the High Court were in error in dismissing the claim for eviction under Section 13(1)(f) of the Act especially in the context of the law laid down by this Court in VIJAY SINGH ETC. ETC. . Vs. VIJAYLAKSHMI AMMAL [(1996) Supp. 7 S.C.R. 385]. It is submitted that it was not necessary for the landlord to show that the building was about to fall down while seeking a decree for eviction under Section 13(1)(f) of the Act. All relevant circumstances had to be considered while entertaining a claim under Section 13(1)(f) of the Act. The bona fides of the claim of the landlord in the context of whether the object was only to get rid of the tenants, the age and condition of the building, the financial position of the landlord to demolish and erect a new building, the locality in which the building is situated are all relevant aspects to be considered by the court. Here, the court had misunderstood the case of the landlord and has erred in proceeding on the basis that since the landlord has given up his claim for eviction under Section 13(1)(ff) of the Act for own occupation, the landlord could not pursue his claim for eviction under Section 13(1)(f) of the Act. Learned counsel submitted that what the landlord has given up was the need to occupy the entire building after reconstruction and had expressed his willingness to give back the ground floor to the

tenants by confining his claim to one under Section 13(1)(f) of the Act. The decrees declining relief call for interference. Learned counsel for the tenants on the other hand submitted that the trial court and the High Court have rightly construed the pleadings in the plaint and have correctly understood the consequences of the landlord giving up its case for eviction on the ground of own occupation. The two claims were inextricably interlinked in the case and when one of them falls, the other had automatically to fall. Even otherwise, the landlord had not established that it had the financial capacity to rebuild. The building was structurally sound. The offer to put the tenants back in possession of 30% of the areas now occupied by them, was not in consonance with the spirit of Section 18A of the Act. Though a tenant may not be in a position to insist that he must have the identical area in the reconstruction building also, when the whole area could not be reconstructed in the light of the relevant building laws, that would not mean that the tenants will be unreasonably deprived of the areas in their possession just to suit the convenience of the landlord. The High Court was also justified in not permitting the landlord to adduce additional evidence in the appeals and even otherwise, what was sought to be produced as additional evidence was inadmissible material and it did not in any manner show that the landlord had the financial capacity to reconstruct the building as proposed.

8. During the course of the hearing, it was submitted on behalf of the landlord that the landlord was in occupation of 700 square feet as surrendered by one of the tenants and the landlord was willing, while reconstructing the ground floor, to give the remaining tenants that area also with the result that the areas to be put in their possession would be something more than 30% of the present areas occupied by them. It was submitted that the carpet area at present available was 2200 square feet and after reconstruction, it would come to 738 square feet only and this entire area other than the area needed for constructing a convenient staircase, the landlord was willing to divide among the tenants thus giving up 236.50 square feet which the landlord was entitled to keep proportionately. It was submitted that only a convenient area needed for the construction of a staircase for going upstairs would be retained by the landlord. On behalf of the tenants, it was submitted that the tenants were willing to suffer decrees for eviction provided the landlord was willing to give them equal areas in the reconstructed building and that any reduction in the respective areas occupied by tenants would practically put them out of business and hence the tenants were not in a position to agree to decrees for eviction. It was pointed out that the landlord had not made a bona fide attempt to ensure that a plan for rebuilding is prepared causing the least prejudice to the tenants as is evident from the evidence of the Architect P.W. 5 and in that context, the present offer was not a reasonable one which could be accepted by the tenants.

9. The law on the adjudging of a claim for eviction by a landlord on the ground of reconstruction or rebuilding is settled. In *Neta Ram Vs. Jiwan Lal* [(1962) Supp. 2 S.C.R. 623], this Court held:
"The Controller has to be satisfied about the genuineness of the claim. To reach this conclusion, obviously the Controller must be satisfied about the reality of the claim made by the landlord, and this can only be established by looking at all the surrounding

circumstances, such as the condition of the building, its situation, the possibility of its being put to a more profitable use after construction, the means of the landlord and so on. It is not enough that the landlord comes forward, and says that he entertains a particular intention, however strongly, said to be entertained by him. The clause speaks not of the bona fides of the landlord, but says, on the other hand, that the claim of the landlord that he requires the building for reconstruction and re-erection must be bona fide, that is to say, honest in the circumstances. It is impossible, therefore, to hold that the investigation by the Controller should be confined only to the existence of an intention to reconstruct, in the mind of the landlord. This intention must be honestly held in relating to the surrounding circumstances."

In *Kalliani & ors. VS. Madhavi & ors.* [1970 K.L.T. 257], a learned judge of the Kerala High Court (as he then was) after referring to the decision in *Neta Ram* (supra) stated:

"It is obvious, therefore, that a wider and more realistic meaning must be given to the expression "condition of the building". The social purpose of this provision is to remove the road blocks in the way of progress in building programmes. Old structures in newly developing areas may be like pimples on fair faces. Replacement and renewal of obsolescent and unsightly buildings to make room for larger, modern constructions is a social necessity, provided existing tenants are not thrown into the streets. The "condition of the building" is a larger concept which includes considerations of social surroundings and allied factors. Where the building is very old and incongruous with the social setting and the surroundings of the place, the Court has got to take a more liberal view in applying the provision of law. However, the primary purpose of the statute viz., prevention of unreasonable eviction must also inform the Court when applying this provision."

In *Vijay Singh* (supra), a Constitution Bench of this Court held:

"For recording a finding that requirement for demolition was bona fide, the Rent Controller has to take into account : (1) bona fide intention of the landlord far from the sole object only to get rid of the tenants; (2) the age and condition of the building; (3) the financial position of the landlord to demolish and erect a new building according to the statutory requirements of the Act. These are some of the illustrative factors which have to be taken into consideration before an order is passed under Section 14(1)(b). No court can fix any limit in respect of the age and condition of the building. That factor has to be taken into consideration along with other factors and then a conclusion one way or the other has to be arrived at by the Rent Controller."

The principle stated in Vijay Singh (supra) was followed in S. Venugopal Vs. A. Karruppusami & Anr. [(2006) 4 S.C.C. 507], wherein the developments in the surroundings areas was also taken into consideration while adjudging the bona fides of the claim for eviction on the ground of reconstruction.

10. Applying these tests to the facts of the present case, what do we get? The building is admittedly 100 years old. It is a single storeyed building. There is no access by way of a staircase to go to the roof of the building. The actual structure occupies the entire land leaving no further option for addition to the existing structure. The building is in a fairly important locality in the city of Calcutta. The area appears to be an area of mixed use, not totally residential, not totally commercial. In this context, the landlord pleads that he requires the building for putting up a four storeyed building after demolishing the existing structure. He points out that as per the present Building Rules, he has to have a basement for car parking and he can have a construction only in about 55% of the area of the land available. He intends to give the existing tenants corresponding areas in the ground floor but reduced to 30% of the area currently in their occupation in view of the building restrictions and intends to use the other floors for the residential purposes of the landlord. The landlord is a firm of which two brothers are partners. As against this, what is pointed out is that the landlord has not made available any evidence to show that the building was in such a physical condition that it required reconstruction. There was nothing to show that the building was structurally weak. The landlord was a builder and his idea was merely to evict the tenants and this is clear from his original claim for eviction on the ground of bona fide need for own occupation under Section 13(1)(ff) of the Act, which was subsequently given up. The landlord had not led clear evidence to show that the firm has or the partners have the means to construct the proposed new building. No doubt, the landlord has an approved plan, the period of validity of which stood subsequently extended, but in the proposed building, the tenants are to be allotted only areas equivalent to 30% of the areas presently occupied by them. This would make it impossible for the tenants to carry on their existing businesses and the circumstances taken as a whole, would show that the claim of the landlord was not bona fide but was a mere pretext for evicting the tenants.

11. We find that the trial court and the High Court were, to a great extent, carried away by the fact that the landlord gave up his claim for eviction under Section 13(1)(ff) of the Act, even while attempting to pursue his claim for eviction under Section 13(1)(f) of the Act. No doubt, there is some confused pleading by the landlord in the plaint by mixing up the claim for eviction under Section 13(1)(ff) and Section 13(1)(f) of the Act. But all the same, by the time the matter came up for trial, both sides knew that the claim was based solely on the ground under Section 13(1)(f), namely, bona fide need for rebuilding after demolition of the existing structure. The landlord had realised his obligation to put the tenants back in possession in terms of Section 18A of the Act. Therefore, when the parties went to trial, the issue was really the claim for eviction under Section 13(1)(f) of the Act and it was so understood by both the parties.

12. No doubt, the landlord still intends to occupy the floors other than the ground floor for residential purposes. But, so long as he is in a position to satisfy the requirement of Section 18A of the Act consistent with the building to be put

up in terms of the relevant building laws, it could not be held that the claim for eviction on the ground of rebuilding is not bona fide. After all, the building is 100 years old. It is situated in a growing city like Calcutta and it is fetching a meagre income for the landlord by way of rents. Surely, an intention to put the building to better use by way of earning better income consistent with the developments in the locality, cannot be held to be not a bona fide intention, unless of course there is some clear material negating the bona fides of such an intention. We do not see anything in the present case which would militate against the bona fides of that intention of the landlord. Coupled with this, is the fact that the landlord wants to occupy the upstairs portions of the building after reconstruction. Clearly, he cannot do so now, by building over the existing structure, in view of its location and in view of the absence of a staircase to go upstairs and the age of the structure. It is no doubt true that a shop room is in possession of the landlord, the same having been vacated by a tenant and the claim for eviction relates to the other seven rooms in the possession of tenants. Even if a staircase is provided in that portion in the possession of the landlord, the question still remains whether he could be permitted to put up one or more floors in the building as proposed by him in view of the relevant Building Rules and their possible violation. Thus, viewed from these angles, which are relevant considerations as indicated by the decisions referred to by us earlier, it cannot be said that the need put forward by the landlord is not a bona fide one. We are therefore of the view that the High Court and the trial court were not justified in finding that the bona fides of the claim under Section 13(1)(f) of the Act for eviction of the tenants is not made out by the landlord.

13. The landlord in his evidence has held out that he has the means to undertake the reconstruction. Before the Appellate Court, he has also produced some evidence in that regard. These are days when finances for such construction activity are more easily available as judicially noticed by one of the decisions. We see no justification for doubting the financial capacity of the landlord to rebuild. The landlord has shown that he has got the validity of the approved plan for rebuilding extended. The High Court, in our view, was not justified in not accepting the evidence produced by the landlord in appeal. We are satisfied that the landlord has made out the ground for eviction under Section 13(1)(f) of the Act on the facts and in the circumstances of the case. We reverse the finding of the High Court in that regard.

14. Under Section 18A of the Act, the landlord in a case of eviction under Section 13(1)(f) of the Act has the obligation to put the tenants back in possession of rooms in the reconstructed building, that is an obligation attached to any decree for eviction that may be passed under Section 13(1)(f) of the Act. Certainly, any attempt to defeat that obligation under Section 18A of the Act cannot be encouraged and should be put down with an iron hand. In other words, the landlord will be pinned down to his obligations under Section 18A of the Act and would not be allowed to extricate himself from it or delay the performance of his obligations by resort to devious means. But, that is different from saying that because of the right available to the tenant under Section 18A of the Act, an order for eviction under Section 13(1)(f) of the Act cannot be passed unless the building is about to fall down over the head of the occupant.

15. It is the case of the landlord that under the present Building Rules, he has to use the basement for providing parking space and construction can be made only in about 55% of the land available on demolition of the existing building. It is not shown that this claim is not true, or that it is unsustainable. No doubt, P.W. 5 was not instructed to prepare the plan with the obligation to the tenants in mind. It is the further case of the landlord that the landlord is in a position to provide the tenants, seven in number, only with areas roughly corresponding to 30% of the areas occupied by them. The landlord has offered that the area in its possession on the ground floor, could also be made available to the tenants. Even then, the area available to the tenants would fall short of the areas that are now in their possession or that may normally be allotted to them. When the new construction to be put up consists only of a plinth area of about 55% of the existing construction, it will be reasonable for the tenants to be expected to be put back in possession of at least 50% of the areas now in their occupation. According to the landlord, he proposes to provide all the tenants with rooms in the ground floor. It is seen that one of the rooms is occupied by a tenant who runs a Pan Shop therein and he is at present in occupation of an area of 5 square feet only. Two of the tenants are in occupation of only about 62 square feet; one of the tenants is in occupation of 184 square feet and another in occupation of 292 square feet. One of the tenants is in occupation of 315 square feet and the other is in occupation of 580 square feet. The landlord has also to provide a staircase or a lift well and for that reasonable space on the ground floor is required. We think that it will be appropriate to direct the landlord to slightly alter his plan so that after accommodating the tenant running a Pan Shop in a small area, the rest of the tenants could be provided with 50% of the areas now occupied by them, by accommodating, if need be, one or two or three of them (tenants holding the larger extents) on the first floor. For this, the landlord will seek a slightly modified plan from the concerned Authority which will grant it expeditiously in the interests of the tenants and will ensure that all the Building Laws are respected by the landlord while constructing. The modified plan will be produced by the landlord before the trial court so as to enable that court to pass formal decrees for eviction and consequential orders for the tenants being put back in possession in the reconstructed building as directed above in terms of Section 18A of the Act. We trust that the concerned Authority when approached in that behalf will take note of the fact that our direction is in the interests of the sitting tenants in the building and that the little modification needed in the Plan is permitted without violating any of the Building Laws. If the Plan as such does not require any alteration in the light of our directions as per the relevant Building laws treating it as only an internal adjustment of the space on the ground floor and on the first floor, it will be open to the landlord to adopt such stand before the trial court and seek decrees for eviction with consequential directions in terms of Section 18A of the Act. In that case, the trial court will satisfy itself on that aspect. We are sure that the trial court will expedite the passing of formal decrees for eviction in terms of Section 13(1)(f) of the Act in the context of Section 18A of the Act by imposing whatever conditions that are required in terms of the statute.

16. We therefore allow these appeals and hold that the landlord is entitled to decrees for eviction under Section 13(1)(f) of the Act. We direct the trial court to expeditiously pass decrees and consequential orders in terms of Section 18A

of the Act when moved in that behalf by the landlord. We direct the trial court to pass the consequential decrees within three months of it being approached either with the existing plan or with the modified plan by the landlord as we have directed above. The parties will appear before the trial court for seeking appropriate directions for further appearance on 14.5.2007.

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