

Before S. S. Sandhawalia, C.J. & G. C. Mittal, J.

SAMPURAN KAUR and another,—Petitioners.

versus

SANT SINGH and another,—Respondents.

Civil Revision No. 280 of 1977.

February 19, 1982.

East Punjab Urban Rent Restriction Act (III of 1949)—Sections 2(a) and 13(3)(a)(iii)—Demised premises forming an integral part of a larger building—Substantial part of the integrated building becoming unfit and unsafe for human habitation—Demised premises, however, not unsafe and unfit—Tenant—Whether could be ejected under section 13(3)(a)(iii)—‘Building’—Meaning of.

Held, that the definition of the word ‘building’ in section 2(a) of the East Punjab Urban Rent Restriction Act, 1949 is not in terms absolute but is subject to contextual limitations. The very opening part of the said section makes it explicit that the definition is to apply only if there is nothing repugnant in the subject or the context. Consequently, the use of the word ‘building’ in section 13(3)(a)(iii) has to be viewed in its particular textual context and not with any inflexible absoluteness of the literal terms of clause (a) of section 2 of the Act. Therefore, it would be possible to construe the word ‘building’ as used in section 13(3)(a)(iii) of the Act to include the integrated larger building as a whole rather than the part thereof demised to a particular tenant alone. (Para 9).

Held, that section 13(3)(a)(iii) is not confined only to cases of buildings which are unsafe or unfit for human habitation. An identical right of ejection is given therein to the landlord where he has to carry out any building work at the instance of the Government or local authority or any Improvement Trust under some improvement or development scheme. In a way this provision has in view the concept of urban renewal as its underlying purpose. It is plain that in case any improvement or development scheme requires a rebuilding or reconstruction or even substantial alteration of the existing structure then the landlord is forthwith entitled to eject his tenants thereon. It has to be sharply kept in mind that in these cases the building need not satisfy the test of being unsafe or unfit for human habitation. Even if it is wholly safe and fit for occupation the tenant loses his rights in face of the larger purpose of improvement or development schemes at the instance of the specified authorities. The case of building becoming unsafe or unfit for human habitation has been expressly placed on the aforesaid pedestal and bracketed with the same in one comprehensive provision. In such cases also if it becomes necessary to

rebuild or reconstruct the structure then for reasons of larger social need the law gives the right to the landlord to forthwith eject his tenants. Viewed as a whole, section 13(3)(a)(iii), therefore, visualises the reconstruction of the building either at the behest of the Government or other authority or in the event of its being rendered unsafe or unfit for human habitation. The provision here does not seem to look at the matter in a narrower legalistic term of the individual rights of the tenants and landlords but perhaps on the larger social purpose of not obstructing urban renewal and the remodelling and reconstruction of structures either for their betterment at the instance of public authority or where they have outlived their usefulness and become unsafe or unfit for human habitation. It is, therefore, held that if the substantial part of the integrated larger building has become unsafe and unfit for human habitation, the tenant can be ejected from the demised premises forming part thereof, under section 13(3)(a)(iii) of the Act despite the fact that the particular portion in his occupation may not be so. (Paras 10, 11 & 18).

Amar Nath vs. Nand Kishore, Civil Revision 1711 of 1977 decided on April 18, 1980. **OVERRULED.**

Held, that if the whole of the building including the demised premises has become unsafe and unfit for human habitation the provisions of section 13(3)(a)(iii) are attracted *proprio vigore* and the tenants would be straightaway liable to ejection. (Para 8).

Petition Under Section 115 of Act V of 1908 with Section 15 of the East Punjab Rent Restriction Act for the revision of the Order of Shri Harbans Singh Chaudhary Appellate Authority under the Rent Restriction Act, (District Judge) Kapurthala, dated 28th September, 1976 affirming that of Shri R. P. Gaiind, P.C.S., Rent Controller, Kapurthala, dated 31st January, 1975, dismissing the application with costs.

D. V. Sehgal, Advocate, (K. S. Raipuri, Vinod Kataria and P. S. Rana, Advocate with him), for the Petitioner.

H. L. Sarin, Senior Advocate, (R. L. Sarin, B. R. Behal and L. M. Suri, Advocate with him), for the Respondents.

JUDGMENT

S. S. Sandhawalia, C.J.—

(1) The question posed for determination by the Division Bench in the reference order of the learned Single Judge is in the following terms:—

“Whether the ejection of a person, who is a tenant of a demised premises which is part and parcel of a bigger

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building, can be ordered, to enable the landlady to reconstruct the dilapidated building if the other portion of the building which is in possession of the landlady is found to be unsafe for human habitation ?”

2. At the outset, however, it may be mentioned that the learned counsel for the parties are agreed that the core question here can be more felicitously formulated in general terms as under :—

“Whether a tenant of the demised premises which are an integral part of a larger building, can be ejected under the provisions of section 13(3) (a) (iii) of the East Punjab Urban Rent Restriction Act, 1949, on the ground of the building having become unsafe and unfit for human habitation despite the fact that the particular portion in the occupation of the tenant may not be so.”

3. The facts may be delineated with relative brevity with particular reference to the question aforesaid.

(3-A) An application under Section 13 was preferred by Sampuran Kaur and Rajinder Kaur against their tenants Sant Singh and the firm M/s. Sobha Singh Sant Singh for their ejection from the shop No. 203 situate in Sadar Bazar, Kapurthala. One of the grounds which was pointedly pressed before the Courts below was that the landladies sought eviction because the building was in a dilapidated condition, and was unfit for human habitation and the whole of it was needed for the reconstruction thereon. The stand on behalf of the petitioners was that the demised premises, namely, the shop was part and parcel of a bigger building, which consisted of a ground floor and the first floor. Another adjoining shop towards the west was shown in the site plan Exhibit RW 4/2 to be in dilapidated condition and in possession of the petitioners themselves. The back portion of the ground floor was also shown to be demolished. It was also the stand that there was evidence to show that a part of the building on the first floor was burnt and the rest had fallen with the result that there was no habitable construction on the first floor. The trial Court on this, aspect of the case came to the conclusion that it was not established that the building was unfit and unsafe for human habitation within the ambit of Section 13(3) (iii) of the East Punjab Urban Rent Restriction Act, 1949, hereinafter called ‘the Act’ and consequently dismissed the ejection application. On appeal the Appellate Authority affirmed the order

of the Rent Controller. Aggrieved the landladies have preferred the present revision petition.

4. When the case came up before the learned Single Judge, it was argued on behalf of the petitioners that on the established evidence on the record, coupled with the fact that there were also cracks on the walls of the premises demised to the tenants as well, the ejectment application should have been allowed by the Rent Controller. Particular reliance was placed by the learned counsel for the petitioners on *Smt. Shakuntla Devi v. Daulat Ram* (1); *Ranjit Kaur v. Piar Singh*, (2) and *Parkash Chand v. Jagdish Rai*, (3) to contend that if the demised premises were part and parcel of a larger building which was in a dilapidated condition and therefore unsafe and unfit for human habitation, then ejectment of the tenant could be ordered on that ground.

5. However, on behalf of the respondent-tenant, particular reliance was placed on *Amar Nath v. Nand Kishore*, (4) Resting on the observations made therein it was contended that the fact of some portion of the building in possession of the landlord being unfit and unsafe for human habitation would be extraneous and of no consequence for furnishing any ground for ejectment of the tenant from the demised premises.

6. Noticing an apparent conflict of precedent within this Court on the point, the learned Single Judge has referred the question for authoritative decision and that is how the matter is before us.

7. At the very outset we would wish to make it clear that we propose to decide only the significant legal issue arising herein leaving the merits to be pronounced upon by a Single Bench. The question herein arises on the admitted position that the demised premises are part and parcel of an integrated larger building. However, as the question has to be examined only in the light of the statutory provision it is apt to first read the definition of building as spelt out in section 2(a) and the relevant provisions of section 13(3) (a) (iii) of the Act :—

"S.2. In this Act, unless there is anything repugnant in the subject or context,—

(a) 'building' means any building or part of a building let for any purpose whether being actually used for that

(1) 1967 P.L.R. 251.

(2) 1968 P.L.R. 803.

(3) 1975 R.C.J. Short Note 11.

(4) CR. 1711 of 1977, decided on 18th April, 1980.

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purpose or not, including any land, godowns, out-houses, or furniture let therewith, but does not include a room in a hotel, hostel or boarding-house, and

S. 13 (3) (a) : A landlord may apply to the Controller for an order directing the tenant to put the landlord in possession—

(iii) In the case of any building or rented land, if he requires it to carry out any building work at the instance of the Government or local authority or any Improvement Trust under some improvement or development scheme or if it has become unsafe or unfit for human habitation."

Now for clarity's sake the three facets of the issue which arise for consideration may be noticed as under :—

- (i) Whether the tenant can be ejected when any part whatsoever of the larger building has become unsafe or unfit for human habitation ;
- (ii) Whether the tenant can be ejected only if a substantial part of the integrated larger building has become unsafe and unfit for human habitation; and
- (iii) Whether the tenant can be ejected only if the whole and every part of the building including the particular one demised to him satisfies the test of being unsafe or unfit for human habitation.

8. Now it seems to be plain that so far as the last question No. (iii) is concerned the answer thereto seems to be simple enough. If the whole of the building including the demised premises has become unsafe and unfit for human habitation the provisions of section 13(3) (a) (iii) are attracted *proprio vigore* and the tenants would be straightaway liable to ejection. On this there seems to be hardly any dispute and the learned counsel were agreed that where the total structure including the portion thereof which is in occupation of the particular tenant satisfies the aforesaid twin condition then the liability for ejection would arise under the statute *stricto sensu*.

9. Therefore only the remaining two facets (i) and (ii) above seem to call for a closer analysis. As would appear hereinafter within this jurisdiction the question is not *res integra* and consequently has to be viewed in the context of the existing precedent. However, before adverting thereto the statutory provision calls for some examination and interpretation. Herein what first deserves highlighting is the fact that the definition of the word 'building' in section 2 of the Act is not in terms absolute but is subject to contextual limitations. The very opening part of the said section makes it explicit that the definition is to apply only if there is nothing repugnant in the subject or the context. Consequently "the use of the word 'building' in section 13(3) (a) (iii) has to be viewed in its particular textual context and not with any inflexible absoluteness of the literal terms of clause (a) of section 2 of the Act. Therefore it would be possible to construe the word 'building' as used in section 13(3)(a)(iii) of the Act to include the integrated larger building as a whole rather than the part thereof demised to a particular tenant alone." Specifically this question came up before J. V. Gupta J., in *Mulkh Raj v. Hari Chand etc.*, (5), who held as follows :—

"Thus, the definition of the building, as given in section 2(a) of the Act, has to be read with reference to the opening words of section 2, reproduced above. Section 13(3)(a) (iii) of the Act *inter alia* provides that in the case of any building or rented land if the landlord requires it to carry out any building work at the instance of the Government or the local authority or any improvement scheme, or if it has become unsafe or unfit for human habitation, the landlord is entitled to eject the tenant therefrom. Now in this clause, the word 'building', cannot be said to mean only a part of the building which is included in the definition of the term 'building', as given in section 2(a) of the Act, because it will be repugnant in the context of section 13(3)(a)(iii) of the Act. If a landlord is required to carry out any building work at the instance of the Government or the local authority or any Improvement Trust, it cannot be said that the rented premises being a part of the building will not be included therein and the tenant can claim protection in view of the definition of the term 'building' as given under section 2(a) of the Act."

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It is unnecessary to labour the point as I am in agreement with the aforesaid view which is unreservedly affirmed.

10. The other aspect which calls for somewhat pointed notice is that section 13(3)(a)(iii) is not confined only to cases of buildings which are unsafe or unfit for human habitation. An identical right of ejection is given therein to the landlord where he has to carry out any building work at the instance of the Government or local authority or any Improvement Trust under some improvement or development scheme. In a way the aforesaid provision has in view the concept of urban renewal as its underlying purpose. It is plain that in case any improvement or development scheme requires a rebuilding or reconstruction or even substantial alteration of the existing structure then the landlord is forthwith entitled to eject his tenants thereon. It has to be sharply kept in mind that in these cases the building need not satisfy the test of being unsafe or unfit for human habitation. Even if it is wholly safe and fit for occupation the tenant loses his rights in face of the larger purpose of improvement or development schemes at the instance of the specified authorities.

11. Now the case of building becoming unsafe or unfit for human habitation has been expressly placed on the aforesaid pedestal and bracketed with the same in one comprehensive provision. In such cases also if it becomes necessary to rebuild or reconstruct the structure then for reasons of larger social need the law gives the right to the landlord to forthwith eject his tenants. "Viewed as a whole, section 13(3)(a)(iii), therefore, visualises the reconstruction of the building either at the behest of the Government or other authority or in the event of its being rendered unsafe or unfit for human habitation. The provision here does not seem to look at the matter in a narrower legalistic term of the individual rights of the tenants and landlords but perhaps on the larger social purpose of not obstructing urban renewal and the remodelling and reconstruction of structures either for their betterment at the instance of public authority or where they have out-lived their usefulness and become unsafe and unfit for human habitation."

12. It is with this background of principle and the statutory provisions that one may now proceed to examine the authorities on the point. There appears to be a catena of unbroken precedent

which is a pointer to the fact that where a larger building has become substantially unsafe or unfit for human habitation then the landlord has the right to get the whole of it vacated for purposes of reconstruction and renewal. Pride of place in this context may straightaway be given to the Division Bench judgment of this Court in *Dr. Piara Lal Kapur v. Smt. Kaushalya Devi and others*, (6), wherein it has been observed as under :—

“None of the cases cited by Mr. Roop Chand lays down the proposition of law for which he is canvassing. No case has been cited before us where it might have been laid down that the entire demised premises must be proved to have become unsafe or unfit for human habitation before the order for eviction can be passed under the relevant clause. A finding of fact has been recorded in the present case by the Appellate Authority to the effect that at least a portion has been demolished or removed would not, in our opinion take the case out of the mischief of sub-clause (iii) of clause (a) of sub-section (3) of section 13 of the Act.”

Following the aforesaid basic tenet of the Division Bench, the later Single Benches have in a way added and elaborated the ratio thereof. In *Shri Sham Dass v. Shri Sunder Singh and another*, (7), Harbans Lal J., held the following as axiomatic—

“***. The principle of law is not disputed that if a part of the building is unfit and unsafe for human habitation, the order of ejectionment can be passed in respect of the whole building.”

In *Bhagwanti v. Yasodha Devi*, (8), R. N. Mittal J., was even more categoric in holding :—

“***. The question to be determined is that if a part of the building is unsafe and unfit for human habitation whether a land lord can seek ejectionment of the tenant from the building leased out to him on this ground. It

(6) 1970 P.L.R. 411.

(7) 1978(1) R.L.R. 596.

(8) 1980(1) R.L.R. 573.

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is well settled that a building includes apart of a building. It has not been provided in the Act that if a part of the building is unfit for human habitation, the landlord can seek ejection only with respect to that part of the building. The intention of the Act is clear that if a part of the building has become unsafe and unfit for human habitation the landlord can seek ejection of a tenant."

To the same tenor are the observations of A.D. Koshal J., in *Parkash Chand v. Jagdish Rai*, (8A) and *Mulkh Raj's* case supra.

12. However, it was not the Division Bench judgment in *Piara Lal Kapur's* case (supra) which is the first mile-stone in the law on this point within this Court. Even earlier the trend towards the same was visible in the observations of I.D. Dua J. (as his Lordship then was) in *Madan Lal Kapur and others v. Shri Nand Singh*, (9), and Shamsheer Bahadur J., in *Ranjit Kaur v. Piar Singh*, (supra). However, a pointed discordant note in this context has been struck in *Amar Nath v. Nand Kishore* (supra). Undoubtedly therein a view has been taken that unless the portion demised to the tenant was itself unsafe and unfit for human habitation he could not be ejected therefrom even though a substantial part of the larger building has already crumbled or had become unsafe and unfit for human habitation. It was, therefore, held that the condition of the premises demised to the tenant alone could furnish a ground of ejection. Having taken so strict a view the learned Judge has observed as follows :—

"***. I am fully conscious of the fact that the conclusion arrived at by me appears to be quite odd and would cause a lot of hardship to the landlord who has to leave out a small portion of the building as it is, while reconstructing whole of the remaining portion but it is not possible to take any other view on the provisions of the statute noticed above and it is for the legislature to look into this matter and bring about a suitable amendment in the law to remove this obvious hardship to the landlords."

14. With the greatest respect it appears to me that the ratio in the aforesaid *Amar Nath's* case is rather untenable. A perusal

(8A) All India Rents Control Journal Short Notes 11.
(9) 1966 Curr. L.J. 772.

of the judgment discloses that the larger social purpose of the statute and the concept of urban renewal which underlies section 13(3)(a)(iii) of the Act was not even remotely agitated before the Bench and has, therefore, missed consideration altogether. A narrow constricted view of the definition of building under section 2(a) was taken whilst omitting the meaningful prelude thereto to the effect that the said definition was subservient to anything repugnant in the subject or context. Inevitably the question whether the provisions of section 13(3)(a)(iii) had the seeds of repugnancy to the literal definition of the word 'building' did not come up for consideration at all. In this context Krishna Iyer J., in *Carew and Company Ltd. v. Union of India*, (10) had pithily observed :—

“***. Surely, definitions in the Act are a sort of statutory dictionary to be departed from when the context strongly suggests it.

15. It would appear that because of the aforementioned factors the learned Judge in *Amar Nath's* case held that it was not possible to take any other view of the provisions of the statute. As would be manifest from the earlier discussion of the authorities there appears to be a plethora of precedent taking a contrary view. Consequently it is not easy to subscribe to the observation that the statute is incapable of two interpretations. In such a situation it is again apt to recall the observations in *Carew & Company's* case (supra)—

“***. To repeat for emphasis, when two interpretations are feasible, that which advances the remedy and suppresses the evil, as the Legislature envisioned, must find favour with the Court. Are there two interpretations possible? There are, as I have tried to show and I opt for that which gives the law its claws.”

Lastly the learned Judge was himself alive to the anomalous results that would flow from his view and rightly observed that the conclusion arrived at by him appeared to be quite odd and would cause grave hardship to the landlords. He, however, chose to leave this matter to the legislature. With the greatest respect

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this interpretative approach has now given way to the more wholesome method of construction which keeps the scheme and the purpose of statute at a higher pedestal. Way back in *Seaford Court Estates Ltd. v. Ashar*, (11) Lord Denning had observed as follows :—

“***. A judge, believing himself to be fettered by the supposed rule that he must look to the language and nothing else, laments that the draftsmen have not provided for this or that; or have been guilty of some or other ambiguity. It would certainly save the judges trouble if Acts of Parliament were drafted with divine prescience and perfect clarity. In the absence of it, when a defect appears a judge cannot simply fold his hands and blame the draftsman.”

and again

“A judge should ask himself the question: If the makers of the Act had themselves come across this ruck in the texture of it, how would they have straightened it out? He must then do as they would have done. A judge must not alter the material of which it is woven, but he can and should iron out the creases.”

I am inclined to the view that this was a case merely of ironing out a crease and if the language used in the statute could be broadly construed as to salvage the remedial intendment then the Court must adopt the same. It is well-settled that an interpretation which leads to glaringly anomalous results must be avoided. It is not always that the busy legislature has either the time or the inclination to make minor corrections in the innumerable statutory provisions and, therefore, the burden of meaningfully interpreting even obscure statute must be borne by the Court willingly.

16. For the aforesaid reasons I would hold that *Amar Nath's* case (supra) does not lay down the law correctly on the point and is hereby overruled.

17. The extreme stand that where any or even an infinitesimal part of the larger building has become unsafe or unfit for human

(1) (1949)2 K.B. 481.

habitation that also would give the landlord a right to eject the tenant was not seriously pressed before us even by the learned counsel for the petitioner. Neither principle nor precedent could be cited in support of such a proposition. There is thus no option but to reject the same.

18. To conclude the answer to the question posed in para 2 above is rendered in the affirmative and it is held that if the substantial part of the integrated larger building has become unsafe and unfit for human habitation the tenant can be ejected from the demised premises forming part thereof, under section 13(3)(a)(iii) of the Act despite the fact that the particular portion in his occupation may not be so.

19. The answer to the legal question referred having been rendered in the terms above, the revision would now go back before a learned Single Judge for a decision on merits in accordance therewith.

N.K.S.

Before R. N. Mittal, J.

STATE BANK OF INDIA,—Appellant.

versus

M/S. QUALITY BREAD FACTORY, JULLUNDUR ROAD, BATALA and another,—Respondents.

Regular Second Appeal No. 2040 of 1981.

December 8, 1982.

Contract Act (IX of 1872)—Sections 141, 151, 152 and 176—Loan by a Bank—Key loan system and open credit system—Distinction between the two concepts—Goods hypothecated under the open credit system—Debtor furnishing a surety as well for repayment of the loan—Pledged goods lost due to the negligence of the Bank—Surety—Whether stands discharged—Section 141—Whether applicable to open credit system.—Pawnee—Whether entitled to file a suit for recovery of the debt without first selling the