

**IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION**

CIVIL APPEAL NO(S). 8576/2011

INDIAN OIL CORPORATION LTD.APPELLANT(S)

VERSUS

**P.C. SATHIYADEVAN (D) BY
LRS. AND ANOTHERRESPONDENT(S)**

O R D E R

We have heard learned senior counsel, Sri. V Chitambaresh for the Appellant and learned counsel for the Respondents at length. We have perused the material on record.

2. The brief facts leading up to this appeal are that on 17.03.1966, the Appellant herein and the second Respondent herein entered into a dealership agreement to operate a petrol pump in the suit property which belongs to the first Respondent and his family. The suit property was leased to the Appellant for a period of twenty years on 29.11.1966. On 09.09.1994, the first Respondent filed a suit being O.S. No. 831/1994 before the II Additional Sub Judge, Ernakulam

(“Trial Court”) for recovery of possession of the suit property. In the year 1996, the Trial Court referred the matter to the Land Tribunal under the Kerala Land Reforms Act (“the Act”, for short) for determining whether the Appellant was a “commercial lessee” under the said Act entitled to protection under Section 106 of the said Act. Essentially, what was to be determined was, whether, the buildings for commercial or industrial purposes were constructed before the appointed date, i.e. 20.05.1967. If so, the Appellant would be protected from eviction and liable only to pay rent in terms of Section 106 of the said Act. On 29.06.1988, the Tribunal found that the Appellant had indeed started construction before the appointed date, i.e. 20.05.1967. As such, the Trial Court on 29.08.1998, decreed the suit O.S. No. 831/1994 in favour of the Appellant. The first Respondent approached the Kerala High Court in appeal as AS No. 570 of 1999. However, vide order dated 03.02.2010, the High Court allowed the appeal finding that the documents relied on by the Tribunal were not sufficient to prove that the Appellant had commenced and completed any construction before the appointed date, i.e.

20.05.1967. Aggrieved, the Appellant is now before this Court.

3. The High Court was principally concerned with Section 106 of the Kerala Land Reforms Act in order to ascertain whether the Appellant herein could have been granted the benefit of the said Section or not. Section 106 of the said Act reads as under:

“106. Special provisions relating to leases for commercial or industrial purposes.-

(I) Notwithstanding anything contained in this Act, or in any other law, or in any contract, or in any order or decree of Court, where on any land leased for commercial or industrial purpose, the lessee has constructed buildings for such commercial or industrial purpose before the 20th May, 1967, he shall not be liable to be evicted from such land, but shall be liable to pay rent under the contract of tenancy, and such rent shall be liable to be varied every twelve years.

Explanation.- For the purposes of this section-

- (a) “lessee” includes a legal representative or an assignee of the lessee; and
- (b) “building” means a permanent or a temporary building and includes a shed.”

4. A plain reading of the aforesaid Section makes it clear that there are primarily two conditions to be fulfilled by a lessee in order to have the benefit of the said Section:

firstly, the lease must be for commercial or industrial purposes; and

secondly, the lessee must have constructed buildings for such commercial or industrial purpose before 20.05.1967 which is the appointed date.

4.1 If both the conditions are fulfilled; such a lessee shall not liable to be evicted from such land but shall be liable to pay rent under the contract of tenancy and such rent shall be liable to be varied every twelve years.

4.2 It was pointed out during the course of arguments that the Appellant-Lessee herein had constructed the buildings before 20.05.1967 and therefore, the Appellant had the benefit of the said provision. However, the High Court in paragraphs 8 to 10 has recorded, on verification of the documents produced in the suit, that there was no evidence to the effect that the Appellant-Lessee had put-up the constructions prior to 20.05.1967. In the circumstances, the High Court set aside the decree passed by the Trial Court and decreed the suit filed by the first Respondent herein.

5. We find that the High Court was justified in decreeing the suit and therefore, we find no merit in this appeal. Hence, the appeal is dismissed.

6. At this stage learned senior counsel sought for some time to vacate and handover vacant possession of the subject property to the first Respondent herein.

7. Taking note of the fact that the petrol pump in existence on the said property, we grant six months' time to the Appellant herein to vacate and handover the vacant possession of the said property to the first Respondent herein.

8. We say so for the reason that the suit was filed in the year 1994 and till date the first Respondent has not been able to seek possession of the suit scheduled property.

9. In order to make the Appellant herein bound by the aforesaid relief, we direct a responsible officer of the Appellant-Corporation to file an affidavit of undertaking before this Court within a period of three weeks from today stating that:

(i) the Appellant will vacate and handover vacant possession of the subject property to the first respondent

herein within a period of six months from today;

- (ii) the Appellant will not seek any further extension of time;
- (iii) the Appellant shall not create any third party interest in the subject property;
- (iv) that the Appellant shall tender all arrears of rent, if any.

10. The appeal is dismissed in the aforesaid terms.

Pending application(s), if any, shall stand disposed of.

.....J.
(B.V. NAGARATHNA)

.....J.
(ALOK ARADHE)

NEW DELHI;
JANUARY 21, 2026.

S U P R E M E C O U R T O F I N D I A
RECORD OF PROCEEDINGSCIVIL APPEAL NO(S). 8576/2011

INDIAN OIL CORPORATION LTD.

Appellant(s)

VERSUS

P.C.SATHIYADEVAN (D) BY
LRS. AND ANOTHER

Respondent(s)

Date : 21-01-2026 This appeal was called on for hearing today.

CORAM :

HON'BLE MRS. JUSTICE B.V. NAGARATHNA
HON'BLE MR. JUSTICE ALOK ARADHE

For Appellant(s) Mr. V Chitambaresh, Sr. Adv.
 Mr. K. Rajeev, AOR
 Mr. Shinoj K.narayanan, Adv.
 Mr. C Govind Venugopal, Adv.
 Mr. E Krishna Perumal, Adv.
 Ms. Niveditha R Menon, Adv.
 Mr. Tarun Kumar, Adv.

For Respondent(s) : Mr. A. Raghunath, AOR

Mr. E. M. S. Anam, AOR

UPON hearing the counsel the Court made the following
O R D E R

1. The Civil Appeal is dismissed in terms of the signed order.
2. Pending application(s), if any, shall stand disposed of.

(RADHA SHARMA)
ASTT. REGISTRAR-cum-PS
(Signed order is placed on the file)(DIVYA BABBAR)
COURT MASTER (NSH)