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Case Comment: Mathai Mathai v Joseph Mary - A Case of Legal Complexities of Minor Contracts: “Analyzing the Supreme Court's Ruling on Mortgage Deed Validity and Deemed Tenancy”

Hemendra Vaishnav^a

^aHidayatullah National Law University, Raipur, India

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INTRODUCTION

The case *Mathai Mathai v Joseph Mary*¹ involves a legal dispute over a mortgage deed executed in 1909-1910, where a mortgage deed was executed in the favour of the minor. After the mother's death, the son sought recognition as a tenant under Section 4-A of the Kerala Land Reforms Act, 1963. The central issues included the validity of the mortgage deed, the son's entitlement as a deemed tenant, and the contradiction with Section 11 of the Indian Contract Act due to the mother's minor status at the time of the mortgage. The appellant argued that the High Court exceeded jurisdiction, emphasizing possession and entitlement under the Kerala Land Reform Act 1963². The respondent countered, questioning the appellant's right, highlighting omitted facts and the father's possession after the mother's demise. The Supreme Court ruled the

¹ *Mathai Mathai v Joseph Mary* (2015) 5 SCC 622

² Kerala Land Reform Act 1963

mortgage deed void due to the mother's minority, rejecting the appellant's claim as a deemed tenant. The analysis questions the judgment's rationale, suggesting a potential oversight of legal exceptions for minors in contracts, as seen in the *Mohori Bibee v Dharmodas Ghose*³ case, highlighting the need for nuanced consideration of legal precedents in similar situations.

FACT OF THE CASE

There are three individuals involved in this case an uncle, a son of the deceased mother, and the mother herself. Back in the years 1909-1910 uncle had mortgaged certain property in the favour of his deceased mother as a collateral security for the sum of 7000 chakrams as dowry money. Since then, till her death, for more than 50 years she has been in continuous possession of the property as of the date of the Kerala Land Reform Act substituted by Act 35 of 1969 immediately preceding the Kerala Land Reform (Amendment) Act 1969 published on the gazette of Kerala on 1-1-1970. after her death, her son got possession of the property. the age of the mortgagee i.e. at the time of the execution of the mortgaged deed the deceased mother is 15 years old, As per the mortgage deed. Once the son got possession of the property after her mother's death he filed the application before the land tribunal stating that, after the death of his mother he was in possession of the mortgaged land. Hence, he should be registered as deemed tenet of the mortgaged land under section 4-A of the Kerala Land Reform Act of 1963 (the KLR Act)⁴.

THE KEY ISSUES OF THE CASE

1. Does the mortgage deed under consideration is valid or not?
2. The appellant's assertion of being recognized as a tenant for the mortgaged land in question under Section 4-A of the Kerala Land Reforms Act, 1963, which was initially executed in favor of the minor mortgagee (the appellant's mother), be deemed valid.
3. How the mortgagees' possession of the land in question as a minor due to the mortgage deed, and continuous possession of it for more than a 50-year period, is in contradiction to the stipulations of Section 11 of the Indian Contract Act 1872 which rendered her

³ *Mohori bibi v Dharmodas ghose* (1903) ILR 30 Cal 539

⁴ Kerala Land Reform Act 1963, s 4A

legally incapable of entering into contracts, thus rendering the contract void from the outset?

THE CONTENTION RAISED BY THE PARTIES

The Plaintiff's Side: The argument raised from the appellant side is that, under section 103 of the KLR ACT⁵, The High Court has exceeded its jurisdiction by neglecting to address the legal issues and by providing erroneous judgments on the legal questions presented by the appellant authority. Another legal argument asserts that the High Court had no valid reason to interfere with the decisions made by the appellant authority and the land tribunal. On the legal and factual fronts, an issue that the respondent did not bring up before the appellant authority and the land tribunal. Further, when the high court found the fact that the appellant and his mother were in possession of the property for the statutory periods prescribed in section 4-A of the KLR act, by reversing the order of the land tribunal and appellant authority the court was not justified in doing that.

Further, the appellant urged that he is entitled to relief as he was deemed tenet under section 4-A of the KLR act. When his late mother was in possession of the land in question, he subsequently continued to hold it. Both the fact-finding authorities confirmed their possession for a duration exceeding the statutory period as specified in the aforementioned act. It was argued that the High Court incorrectly invalidated the unanimous decision of both the authorities. Consequently, he asserted that the order should be annulled.

The Defendant's Side: In response, the respondent, in their counter-affidavit and written submission, argued that the appellant needed to establish three key points: that he held the status of a mortgagee, that possession of the land was transferred to him as a mortgagee, and that both his late mother and himself maintained possession of the property for over 50 years, up to January 1, 1970, the date when the KLR Act took effect, in order to qualify for the benefits related to the land in question. There is no recital in the document of the mortgage deed contended by the learned counsel. Further, it was not specified in the mortgaged deed that the

⁵ Kerala Land Reform Act 1963, s 103

mortgagee be put in possession of the land by virtue of the document. There is no express clause mentioned in the document that binds the mortgagor to deliver the property in favour of the mortgagee.

Moreover, the respondent argued that regarding the mortgage deed, both the land tribunal and the appellant overlooked certain crucial facts. Specifically, they failed to consider that at the time of his mother's demise, the appellant was a minor and, consequently, could not have obtained possession of the property as he asserts. Hence, they did not take into consideration, that following the passing of the appellant's mother, the possession of the land was transferred to the appellant's father, who is the first respondent. Consequently, the appellant does not have the right to assert uninterrupted possession in order to qualify for benefits under Section 4-A of the KLR Act. Even assuming that the appellant mother without conceding acquired the right over the property under Ext. A-1, the mortgaged deed. Both the appellant authority and land tribunal should have observed that the land was not under the complete control of the mother but was exclusively held by the father, in accordance with a family settlement made in 1965. The learned counsel argued that both the land tribunal and the appellant authority failed to consider this aspect of the issue.

JUDGMENT OF THE CASE

In this case, the Supreme Court ruled that at the time the document was executed and registered, the appellant's mother was only 15 years old, a fact explicitly stated in the mortgage deed. Hence, she had not reached the age of majority in accordance with the Majority Act of 1875⁶. In order to possess the capacity to engage in a contract, a party must have reached the age of majority, as stipulated in Section 11 of the Indian Contract Act, of 1872⁷. This judgment is also in conformity with the principle of contract that has been executed by minors in the landmark judgment of the *Mohori Bibi v Dharmodas Ghose*⁸.

⁶ Indian Majority Act 1875

⁷ Indian Contract Act 1872, s 11

⁸ *Mohori Bibi v Dharmodas Ghose* (1903) ILR 30 Cal 539

Also, the question came in front of the court, whether there exists of the possibility of the voidability of the contract, as stated in section 64 of the Indian Contract Act⁹, is not in question, and the judges concluded by stating the ICA, for an agreement to contract the parties must attain the age of majority is a condition for competency. The court would not hold the mortgage valid if it is the name of the minor, if the minor is represented by his/her guardian then it may be considered valid. therefore, it was held by the court that the mortgaged deed entered by the minor is *void ab intio* in the eyes of the law and here the appellant is not allowed to claim any benefit under such a mortgaged deed.

Further, as far as the appellant's claim over the possession of the property is concerned the court referred to the preceding decision of the law tribunal as an error in law as there was no mention of the fulfillment of the obligation that was accused to be fulfilled by the parties and there was no mentioning of the standing of originally asked dowry amount, for which land was, supposedly, mortgaged in the first places. Since there was no clarity nor any evidence on such matters, therefore, the court decided in the favour of the defendant and said the appellant cannot be allowed to claim as a deemed tenet of the property in question, under the Kerala Reform Act, 1963.

JUDGMENT ANALYSIS

The above judgment of the Supreme Court depicts the rationale of the court and emphasizes the facts that, whenever the court is interpreting the law which is in question then it must be similar for both the party i.e., mortgagor and mortgagee in the case of minor. As far as the judgment of the case is concerned, in the Author's view the reason and rationality upon which the judgment of the court is based was not correctly given because if the fact and circumstances of the case of Mohiri Bibee v Dharmodas Ghose are taken into account, in any case whatsoever the minor doesn't straight away sideline from being party to the contract. Rather, the court in its judgment specifies certain clear provision that provides some exceptions to minor contracts such as in the case of a contract for necessity goods, an executed contract, and a contract

⁹ Indian Contract Act 1872, s 64

beneficial for the minor. In another case of *Leslie Ltd. v Shell*,¹⁰ the court said in its judgment that if a minor obtains some property or money worth something by fraudulently misrepresenting his age. Then minor can be compelled to restore the things that are traceable in his possession here the court applied the doctrine of restitution. By compelling, the minor to restore the things that are in his possession, in one or another way minors are being made a party to the contract. By applying the same analogy in this case. The decision in this particular case was undeniably surprising, as some legal scholars have considered it a regressive move and assessment has been made without a thorough examination of the facts, especially when cases involve minors and essential goods but have resulted in contrasting judgments. The court's strict interpretation may not fully consider exceptions like necessity goods, executed contracts, and contracts beneficial to the minor, as acknowledged in legal precedents. A nuanced approach, taking into account established precedents and the evolving legal landscape, would contribute to a more equitable and just resolution in cases involving minors and contractual obligations.

CONCLUSION

In conclusion, the Supreme Court's emphasis on equal treatment and similar interpretation of the law for both parties, mortgagor and mortgagee, in the case of a minor is a commendable principle. However, it appears that the judgment in question may not have adequately considered the exceptions and nuances provided for in legal precedents, such as *Mohiri Bibee v Dharmodas Ghose*. This landmark case recognized that minors should not be automatically excluded from contracts and identified exceptions like necessity goods, executed contracts, and contracts beneficial to the minor.

¹⁰ *Leslie (R) Ltd v Shell* [1914] 3 KB 607