

PETITIONER:
P. VEERAPPA

Vs.

RESPONDENT:
M.A. MOHAMMED AMANULLA

DATE OF JUDGMENT 04/12/1995

BENCH:
RAMASWAMY, K.
BENCH:
RAMASWAMY, K.
PARIPOORNAN, K.S.(J)

CITATION:
1996 SCC (1) 415 JT 1995 (9) 356
1995 SCALE (7) 336

ACT:

HEADNOTE:

JUDGMENT:

O R D E R

Leave granted.

We have heard the counsel on both sides. This appeal is filed against the order dated September 23, 1991 made by the Karnataka High Court in C.R.P. No.3019/87. The facts are clearly not in dispute. They are stated as under:

The appellant was a tenant prior to 1959. In 1959, the appellant had entered into an agreement with the respondent to purchase the premises for some consideration. Since the appellant claimed that the respondent was not willing to perform his part of the contract, he laid the suit for specific performance. In the suit, the parties ultimately had compromised the dispute and agreed to enhance the consideration to a sum of Rs.38,000/-/- payable within the specific time. Unfortunately, the appellant had not paid the amount within the agreed time which put an end to the rights asserted by the appellant under the contract.

When an application for eviction under Section 21 of the Karnataka Rent Control Act was filed, the appellant raised preliminary objection that his tenancy rights had got merged in his right as an agreement-holder and he was in possession of the suit-premises as an agreement-holder and not as a tenant and thereby he disputed the title of the respondent. The appellant sought for a decision by the Civil Court in that behalf. The Controller negatived it and the High Court by the impugned order affirmed the same. Thus this appeal by special leave.

It is contended by Mrs. Kiran Suri, learned counsel for the appellant that the tenancy rights which the appellant had prior to 1959 stood merged with the rights as an agreement-holder. The appellant was always ready and willing to perform his part of the contract and was entitled to the benefit of Section 53-A of the Transfer of Property Act, 1882. The tenancy rights thereby stood merged with the right as an agreement-holder and that, therefore, the application

for eviction did not lie. The Rent Control Court under those circumstances had no jurisdiction to go into that question. We find no force in that contention.

So long as the agreement subsists, it is settled law that the lesser right of tenancy stood merged with larger rights accrued under the agreement. But unfortunately in the compromise itself it was recognised that the appellant was to pay arrears of rent till the date of compromise. In other words, the appellants recognised the reversion to his pre-existing rights as tenant upto the date of the compromise. In other words, subject to compliance of the terms of the contract, his tenancy rights continued. The terms have not been complied with and the agreement came to amend. Thereby, the appellant's pre-existing rights as a tenant stood revived and the appellant and the respondent were bound by the relationship of landlord and tenant. Therefore, the Rent Controller was entitled to proceed with the matter in accordance with law. We do not say any further since the matter is pending before the Rent Controller. It would be open to the appellant to raise all the defences open to him in the Rent Control proceedings.

The appeal is accordingly dismissed. No costs.