

(2000) 07 SC CK 0025
In the Supreme Court Of India
Case No : C.A. No. 5182 of 1993

R. K. Mohammed Ubaidullah and Others APPELLANT
Vs
Hajee C. Abdul Wahab (D) By Lrs. and Others RESPONDENT

Date of Decision : 18-07-2000

Acts Referred:

Penal Code, 1860 (IPC) — Section 52
Specific Relief Act, 1963 — Section 19
Transfer of Property Act, 1882 — Section 3

Citation : AIR 2001 SC 1658 : (2000) AIRSCW 4794 : (2000) 4 ALT 83 : (2000) 8 JT 1 : (2000) 3 LW 675 : (2000) 3 MLJ 192 : (2000) 126 PLR 502 : (2000) 5 SCALE 186 : (2000) 6 SCC 402 : (2000) 1 SCR 524 Supp : (2000) 5 Supreme 147

Hon'ble Judges : Shivaraj V. Patil, J;D. P. Mohapatra, J

Bench : Division Bench

Advocate : A.T.M. Sampath and V. Balaji, for the Appellant; K. Parasaran Krishnamurthi Swami and Prabha Swami, for the Respondent

Final Decision : dismissed

AI Structured Summary

AI-generated summary — verify against the full judgment text before relying on it in practice.

FACTS

The plaintiff filed a suit for specific performance of a contract regarding a property owned by the first defendant. The plaintiff had been a tenant of the property since 1962 and expressed interest in purchasing it, leading to a contract on July 27, 1971, for a sale price of Rs. 55,000. However, the first defendant later sold the property to defendants 2-5, who claimed to be bona fide purchasers without notice of the prior agreement. The trial court ruled in favor of the plaintiff, leading to an appeal by the defendants.

LAW POINTS

- The enforceability of a specific performance contract against bona fide purchasers for value without notice of the original contract.
- The definition of notice under Section 3 of the Transfer of Property Act and its

implications for subsequent purchasers.

- The burden of proof on parties claiming to be bona fide purchasers for value.

ACTS & ARTICLES

Specific Relief Act, 1963

Transfer of Property Act, 1882

JUDGMENTS REFERRED

Mummid Reddi Papannagari Yella Reddy v. Salla Subbi Reddy and Ors. AIR 1954 AP 20

Veeramalai Vanniar (Died) and Others Vs. Thadikara Vanniar and Others

Dr. Govinddas and Another Vs. Shrimati Shantibai and Others

OBITER DICTA

The court noted that defendants 2-5, being neighbors in business, were likely aware of the plaintiff's tenancy and the existence of the prior agreement. It emphasized the necessity for purchasers to make inquiries regarding the title and interest of a tenant in possession.

RATIO DECIDENDI

The court established that defendants 2-5 were not bona fide purchasers as they failed to make necessary inquiries about the plaintiff's prior agreement. Actual possession of the plaintiff gave constructive notice to the defendants about any existing rights or interests they had.

FINAL RULING

The appeal filed by defendants 2-5 was dismissed, affirming the trial court's decree for specific performance in favor of the plaintiff. Defendants 2-5 were found liable for costs.

PLAIN-LANGUAGE GIST

The dispute centered around a suit for specific performance of a contract concerning a property sold to defendants 2-5 despite an existing agreement with the plaintiff. The court ultimately ruled in favor of the plaintiff, confirming the validity of his prior agreement and dismissing the claims of the subsequent purchasers.