

Facts and Background:

The Appellant's husband used to own a stationery store, which was later taken over by the Appellant after her husband died suddenly. Later, when the defendant approached her about running the company, she agreed to hand over the shop to the Respondent and accept the royalty of 90 Rupees per month as stipulated in the agreement. However, the deal between the two was originally set for two years, but it was repeatedly extended. The Appellant received a notice on December 20, 1980, claiming that she wishes to restart her husband's business and that the Respondent must vacate the suit premises by January 31, 1981. The Respondent's response to the notice stated that it was not a sale of a business, but rather a stricto sensu tenancy agreement. The Appellant then filed a civil suit in Pune's Joint Civil Judge Court, and the Trial Court ordered the Respondent to hand over the suit property, including everything on the premises, to the Appellant. As a result, the Respondent lodged a second appeal with the Bombay High Court, which overturned the Trial Court's decision and determined that the Respondent had entered into a license agreement that was protected by Section 15A of the Bombay Rent Act. All licensees have become tenants as a result of the incorporation of Section 15 (A). All licensees have become tenants as a result of the incorporation of Section 15 (A). As a result of the Appellant's dissatisfaction with the Bombay High Court's decision, he filed this appeal.

Court's observation:

The Supreme Court in the above-mentioned case observed that parties agreed to move the business from Appellant to Respondent for the duration of the contract, and the extension was for the same reason and on the same terms and conditions. The defendant's only argument was that the document's wording was incorrect. However, under Section 95 of the Indian Evidence Act, the contract must be read in conjunction with all extant evidence presented in the case, and the evidence indicates that the license was only created to continue the current business, not to lease or license the shop premises. The apex court also held that the rent receipt presented by the Respondent's counsel is inadmissible in the eyes of the law. It is stated in the contract that royalties of 90 rupees per month were to be paid for the continuation of the business in the name of 'Karandikar Brothers.' However, since no lease or license is created, such agreements are not covered by the Bombay Rent Act. As a result, the Bombay High Court lacked jurisdiction to hear the case. Because of which the trial court's jurisdiction is upheld in this case.

Held:

The Supreme Court ruled that the Bombay High Court's ruling that the Respondent is the shop's tenant is unsustainable and should be overturned. The trial court's decree was reinstated, and the present appeal was permitted.