

**IN THE COURT OF THE PRINCIPAL SENIOR CIVIL  
JUDGE, HUBBALLI**

Present:

**Sri. Yamanappa Karehanumanthappa,**  
Prl. Senior Civil Judge, Hubballi.

**Ex. No.228/2023**

**Dated this the 4<sup>th</sup> day of June - 2026**

**Decree holders** : Smt. Jakkavva Kampli and others.

**.Vs.**

**Judgment debtors** : Mallappa Amarshetty and others.

**PARTIES TO IA**

**Applicants** : Sri. P.K. Patil and another.

**.Vs.**

**Respondents** : Smt. Jakkavva Kampli and others.

**ORDER ON IA No.VI**

This I.A. is filed by the applicants in I.A. No.II U/s.151 of C.P.C. stating that the property bearing CTS No.504/B of Keshwapur, Hubballi is originally belonged to one Smt. Savakka W/o. Rudrappa Bengeri. During her lifetime she has leased the properties to Indian Cotton Company Ltd., Bombay under lease deed dated 07.11.1894 for a period of 10 years. As per the clause-5 of lease deed the lessee shall have the power to sub-let. The said company went into liquidation and lease hold rights were sold by the liquidator to one Siddalingappa Bulla under the registered indenture dated 19.04.1941. Siddalingappa Bulla entered into a

registered lease deed dated 06.0.1964 with one Krishnagouda Patil. The initial period of lease was 15 years. On 03.04.1984 the tenure of the lease was extended for a period of 30 years. The third party applicants have put up construction of commercial building consisting of 9334 sq. feet of super built up area by spending valuable money and they are in possession of the said property. The third party applicants have sub-let the premises.

2. They have further stated that as per the registered lease deed executed by S.I. Bulla in their favour on 06.04.1964, the open undeveloped land was leased to them with a condition that they have to develop the land and put up constructions and after the determination of the lease, the lessor was to take possession of the property by paying the value of the building existing on the said property. The Hon'ble Apex Court in its order dated 09.12.2025 in SLP No.1183/2025 and 4761/2025 clearly observed that "it would however, be open to respondents No.1 and 2 to seek intervention in the execution proceedings, if they wish to raise any claims, including claim for reimbursement for the value of the constructions made by them in the tenanted land." The applicants are exercising their rights to claim for reimbursement of value of the construction made by them in the tenanted land. Hence, prayed to directed the decree holders and judgment debtors No.1, 5 and 6 who are going to take possession to pay ₹96,13,000/- the value of the

building which is in possession of these third party applicants.

3. The third party applicant No.1 has filed affidavit stating that the third party applicants are in possession and occupation of the property bearing CTS No.504/B by virtue of registered lease deed executed by its lessee S.I. Bulla dated 06.04.1964. As per the terms and conditions mentioned in the said lease deed “on determination of the said term, the lessor shall take the possession of the buildings at a valuation to be mutually agreed to between the parties and if the parties disagree, by Arbitration by two Arbitrators, one to be named by the lessor and the other by the lessee, and in case such arbitrators differ, by an umpire of such Arbitrators, etc.” The predecessor of third party applicants immediately after taking possession of the property, developed the same and put up a commercial building at their own expenses measuring approximately 9334 sq. feet by spending huge amount. They have sub-leased some portions in favour of third parties who are in possession of the same as on date. The valuation of the commercial building is at ₹96,13,000/- as per the valuer. The Hon'ble Apex Court in SLP No.1183/2025 and 4761/2025 clearly held and permitted them who were respondents No.1 and 2 therein to seek intervention in the execution proceedings to raise any claims including claim for reimbursement for the value of the constructions made by

them in the tenanted land. They are lawfully entitled for the reimbursement of the above mentioned valuation of ₹96,13,000/- which is the value of the constructions made by them and the decree holders and judgment debtors are liable to pay the said amount before taking possession of the property with due process of law. Hence, prayed to allow the application.

4. The decree holders have filed objections to the I.A. No.6 contending that the applicants have filed I.A. No.II U/o.21 Rule 97 of C.P.C. The said application was seriously disputed by the decree holders. The matter went upto Hon'ble Supreme Court in SLP No.1183/2025 wherein the Hon'ble Supreme Court held that applicants shall be precluded from again raising the claims that they had raised by way of application U/o.21 Rule 97 of C.P.C. But the applicants can seek can seek for intervention in the execution proceedings if they wish to raise any claims for the reimbursement for the value of the constructions made by them in the tenanted land. Hon'ble Supreme Court has not given permission to the applicants to stop the issuance of possession possession warrant till the adjudication of the claim of the applicants for reimbursement of the value of construction in the tenanted land. The claim of amount of ₹96,13,000/- is mic-conceived and same is not maintainable. Admittedly Savakka W/o. Rudrappa Bengeri executed registered lease deed dated 07.11.1894 in respect of the

property in question in favour of Indian Cotton Company Ltd., Bombay. The terms of lease deed are binding on the purchaser of lease hold rights namely Siddalingappa Bulla, who has purchased the said leasehold rights of the Indian Cotton Company Ltd., under registered indenture dated 19.04.1941. The original lease deed makes it clear that on determination of the lease the lessee is bound to vacate the leased premises by removing all their plant, machineries, engines, boilers, etc., including the roo, flooring, windows of the press house.

5. They further contended that the agreement between deceased father of applicants and Siddalingappa Bulla is beyond the scope of the original lease deed dated 07.11.1894. The alleged registered lease deed dated 05.04.1964 said to have been entered between Siddalingappa Bulla with Krishnegouda H. Patil. The terms and conditions of sub-lease deed is not binding on the decree holders. Further contended that the decree holders are not parties to the lease deed dated 06.04.1964 and 03.04.1984 respectively entered into between S.I. Bulla-lessee and predecessor of third party applicants namely Krishnegouda H. Patil. As such there is no privity of contract between the decree holders and applicants. Hence, prayed to reject the application.

6. On 19.01.2026 this court has passed order with regard to appointment of court commissioner and leading the

evidence. Thereafter the advocate for applicants of third party has filed application U/o.26 Rule 10 of C.P.C. This court has allowed the said application. The Assistant Executive Engineer of PWD Department is appointed as court commissioner. The applicant No.1 is examined as PW.1 and got marked Ex.P.1 to 8. The cross of PW.1 is completed. The Court commissioner has submitted report and he has examined himself as CW.1 and got marked Ex.C.1 and 2 and Ex.R.1 to 8. Thereafter, heard on I.A. No.6 and perused the record. The following points arise for my consideration:

1. Whether the applicants have made out the grounds to claim the amount of ₹96,13,000/- and decree holders and judgment debtors No.1, 5 and 6 are liable to pay the said amount?

2. What order?

7. My answer to the above points are as under.

**Point No.1 : Partly Affirmative.**

**Point No.2 : As per final order,  
for the following:**

### **REASONS**

8. **Point No.1**: The Hon'ble Supreme Court in Civil Appeal No.14663 and 14664 of 2025 held as under:

“It would, however, be open to respondent Nos.1 and 2 to seek intervention in the execution proceedings, if they wish to raise any claims, including a claim for reimbursement for the value

of the constructions made by them in the tenanted land. They shall be precluded from again raising the claims that they had raised by way of their application under Order XXI Rule 97 of the C.P.C.

Given the length of the time that has lapsed during the pendency of this case, we would request the executing court to take up the execution proceedings and conclude the same as expeditiously as possible and, preferably, within a period of six months from today.”

9. In view of the direction by the Hon'ble Supreme Court in order to ascertain the value of the construction made by the applicants in tenanted land, the applicant No.1 is examined as PW.1 and got marked Ex.P.1 to 8. The PW.1 in his evidence has stated that CTS No.504/B of Keshwapur is originally belongs to one Smt. Savakka W/o. Rudrappa Bengeri. She leased the property to Indian Cotton Co. Ltd., Bombay under lease deed dated 07.11.1894. The said company went into liquidation and lease holds of company were sold by the official of the liquidator in the liquidation proceedings Sri. Siddalingappa Bulla on 19.04.1941. The said Siddalingappa Bulla entered into registered lease deed dated 06.04.1964 in respect of property and lease was extended upto 30 years. They have put up construction consisting of 9334 sq. feet of super built area. Therefore, the value of the building of ₹96,13,000/- is liable to pay to

decree holders. To prove his oral evidence got marked Ex.P.1 to 8 which are Ex.P.1 is CTS extract, Ex.P.2 is certified copy of lease deed dated 07.11.1894. Ex.P.3 is certified copy of indenture deed. Ex.P.4 is certified copy of lease deed dated 06.04.1964. Ex.P.5 is extension of lease deed dated 03.04.1984. Ex.P.6 and 7 are P.T. sheet and Ex.P.8 is valuation certificate.

10. After completion of cross-examination of PW.1, this court has appointed court commissioner. The court commissioner carried out the commission work and submitted the commission report. Thereafter, he has examined as CW.1 and got marked Ex.C.1 and 2 and Ex.R.1 to 8. After completion of evidence of applicants, to rebut the evidence of PW.1 and CW.1, the decree holders have not chosen to lead evidence.

11. I have gone through the evidence of PW.1 and evidence of CW.1 and documents placed by respective parties. The admitted fact that the owner of CTS No.504/B is Savakka W/o. Rudrappa Bengeri. Further admitted that lease dated 07.11.1894 between Savakka and Indian Cotton Co. Ltd., Bombay and also there is no dispute that the lease deed dated 19.04.1941 and 06.04.1964 and 03.04.1984 between the Siddalingappa Bulla and Krishnegouda Patil. Further admitted fact that Savakka is not party to the lease deed dated 19.04.1941. As per Ex.P.2 the terms and

conditions of lease agreement, the condition No.4 speaks that the lessee on the expiration of the above term of ten years or on their determination of this lease any time thereafter shall be at liberty to remove their press or presses engines boilers and all fixtures and plant and machinery also the roof flooring, windows of the press house leaving the godown and office premises only. The plan reading of the condition No.4 is very clear that after expiration of the lease period the lessee shall remove their press, presses, engine, boilers, etc., leaving the godown and office premises only. Thereafter, the Indian Cotton Co. Ltd., Bombay sold out the leasehold rights in favour of Siddalingappa Bulla as per Ex.P.4. By virtue of Ex.P.4 the late Siddalingappa Bulla has executed the lease deed in favour of Krishnegouda Patil as per Ex.P.4. Siddalingappa Bulla exceeding his rights agreed in condition No.10 stating that on the expiry of the lease period namely 15 years commencing from 01.04.1964 or sooner determination of the said term by voluntary surrender by the lessee to lessor together with all such erections and buildings as may then be upon the said premises as the lessor shall desire to take over at a valuation to be manually agreed between the parties to this deed and if the parties disagree by the arbitration of two arbitrators one to be named by the lessor and the other by the lessee and in case such arbitrator shall differ by an umpire of such arbitrators or if either of them the lessor or lessee shall neglect to appoint an arbitrator within a fortnight after being served with the

notice from the other of them requiring him to do so then by the sole arbitration of the arbitrator appointed by the party serving such notice. The condition No.11 speaks that the valuation of the buildings and structures referred to above shall not include the cost of levelling construction of drainage laying of pipe lines for diversion of rain water, etc., initially invested by the lessee.

12. Therefore, with regard to valuation of the property there is no preivity contract between the decree holders i.e. Savakka and Krishnegouda Patil. Therefore, the lease deed dated 06.04.1964 and 03.04.1984 are not binding upon the decree holders. Moreover, Savakka are not party in the documents. When she was not party in the documents, the recital or condition in lease deed are not binding upon the decree holders. Therefore, the legal heirs of Siddalingappa Bulla are liable to pay the cost of the building i.e. valuation of the property to the applicants.

13. So far as valuation of the building is concerned, the court commissioner who is a competent authority submitted before this court stating that valuation of the building is ₹74,04,491/- and renewal cost of ₹47,05,429/-. The court commissioner is examined as CW.1 and commissioner report is marked as Ex.C.1. Though the advocate for decree holders cross-examined in length, nothing elicited during cross-examination to disprove the

Ex.C.1. Moreover the decree holder did not chose to rebut the evidence of CW.1. Therefore, this court has accepted the evidence of CW.1 and commissioner report. The applicants have not claimed renewal cost of ₹47,05,429/-. Therefore, this court has not awarded renewal cost to the applicants might be the renewal cost is come under valuation of the building of ₹74,04,491/-. As per evidence of PW.1 and documents and evidence of court commissioner, I am of the considered opinion that the legal heirs of Siddalingappa Bulla are hereby liable to pay the valuation of the property. Hence, I answer point No.1 in **partly Affirmative**.

14. **Point No.2:** In view of my answer to point No.1 as stated above, I proceed to pass the following;

### **ORDER**

The I.A. No.VI filed by the third party applicants U/s.151 of C.P.C. is hereby partly allowed.

The legal heirs of Siddalingappa Bulla i.e. judgment debtors No.7 to 10 are hereby directed to pay the valuation of the property as mentioned in the commissioner report of ₹74,04,491/- to the applicants i.e. third party applicants.

Issue possession warrant.

(Dictated to the Stenographer directly on computer, computerized by her, script corrected directly on computer and then pronounced by me in the Open Court on this the **4<sup>th</sup> day of June - 2026**)

**(Yamanappa Karehanumanthappa)**  
**Pri. Senior Civil Judge, Hubballi.**