IN THE HIGH COURT OF JUDICATURE AT BOMBAY

CIVIL APPELLATE JURISDICTION

CIVIL REVISION APPLICATION NO. 650 OF 2011

M/s. Parmar Plastic Products & Ors. **...Applicants**

V/s.

M/s. Project Automobiles (Bombay) Pvt. Ltd. **...Respondent**

WITH

INTERIM APPLICATION NO. 211 OF 2026

M/s. Parmar Plastic Products & Ors. **...Applicants**

IN THE MATTERS BETWEEN

M/s. Parmar Plastic Products & Ors. **...Applicants**

V/s.

M/s. Project Automobiles (Bombay) Pvt. Ltd. **...Respondent**

Mr. Surel Shah, Senior Advocate *with Mr. Piyush M. Shah, Mr. Dishang Shah, Ms. Kinjal Gogri and Mr. Deep Madnani i/b. Piyush Shah & Associates for the Applicants.*

Mr. Simil Purohit, Senior Advocate *with Mr. Aditya Shiralkar and Mr. Gaurav Gopal i/b. Mr. Amol Mhatre, for the Respondent.*

CORAM: SANDEEP V. MARNE, J.

JUDGMENT RESD. ON : 06 July 2026.

JUDGMENT PRON. ON : 09 July 2026.

JUDGMENT:

1) Petitioners have invoked revisional jurisdiction of this Court under Section 115 of the Code of Civil Procedure, 1908 **(the Code)** challenging the judgment and order dated 11 January 2011 passed by the Appellate Bench of the Small Causes Court in Appeal No.61 of 2004, by which the Appeal preferred by the Respondent-landlord is allowed and the judgment and decree passed by the Small Causes Court dated 19 September 2003 in R.A.E. Suit No. 432/1225 of 1994 is set aside. The Appellate Court has decreed R.A.E. Suit No.432/1225 of 1994 on the ground on bonafide requirement of the landlord and has directed the Applicants to handover possession of the suit premises to the Plaintiff-landlord.

2) Plaintiff/Respondent is a Company incorporated under the Companies Act, 1956 and is the owner of land bearing Plot No. 4, Lucky Industrial Estate, Udyog Nagar, Swami Vivekanand Road, Goregaon (West) alongwith the structure standing thereon bearing Municipal Ward No.P/582/1. The structure consists of 4 parts each with equal dimensions designated as Shed Nos.1 to 4 and each admeasuring 60 ft x 94 ft = 5640 sq.ft. The total area of construction is 22,560 sq.ft. Defendant No.1 is a partnership firm and Defendant No.2 is one of its partners. The Defendant firm was inducted in Shed No.1 admeasuring 5640 sq.mtrs as

monthly tenant. Shed No.1 situated on Plot No.4, Udyog Nagar, S.V. Road, Goregaon West are thus the '**suit premises**'. Shed No.2 was in use and occupation of another tenant M/s. Jyoti Industries at the time of filing of the Suit. The remaining two sheds were occupied by the Plaintiff for the purpose of its own showroom and service station, workshop etc. At that time, Plaintiff had a franchise of M/s. Bajaj Auto Ltd. and M/s. Maharashtra Scooters Ltd.

3) Plaintiff instituted R.A.E. Suit No. 432/1225 of 1994 for eviction of the Defendants on the ground of bonafide requirement. Plaintiff pleaded that it required an additional area of 6,000 to 7,000 sq.ft for expansion of its business. The Defendants appeared in the Suit and filed their Written Statement. The plaint was amended in the year 2001 with a view to plead additional requirement of space. Defendants filed additional Written Statement. Based on pleadings, the Small Causes Court framed issues in respect of bonafide need of Plaintiffs and cause of comparative hardship. Rival parties led evidence in support of their respective claims. After considering the pleadings, documentary and oral evidence, the Trial Court proceeded to dismiss the Suit by decree dated 19 September 2003 by answering both the issues against the Plaintiff.

4) Plaintiff filed Appeal No. 61 of 2004 before the Appellate Bench of Small Causes Court challenging Trial Court's decree. By judgment and order dated 11 January 2011, the Appellate Court has reversed the findings of the Trial Court on both the issues and has upheld the ground of bonafide requirement of the Plaintiff with a further finding that greater hardship would be caused to the Plaintiff if the

eviction decree is refused. While setting aside Trial Court's decree, the Appellate Bench has decreed the Suit by judgment and order dated 11 January 2011. The Appellate Court has directed the Defendants to handover possession of the suit premises to the Plaintiff. Aggrieved by the eviction decree passed by the Appellate Bench, the Defendants have filed the present Revision Application.

5) By order dated 24 November 2011, the Revision Application was admitted and execution of the decree was stayed. By further order dated 3 July 2012, this Court determined the interim compensation in respect of the suit premises as Rs.1,00,000/- per month and directed the Applicants to deposit the same in this Court from the date of the decree of the Appellate Court. The Applicants appear to be irregular in depositing the amount of interim compensation. Interim compensation appears to be made for several months at one go such as deposit of Rs. 12 Lakhs on 24 September 2022 and Rs. 42 Lakhs on 26 September 2024. On account of irregular deposit of interim compensation, the Revision Petition was moved by the Respondent on 12 November 2025 seeking a clarification that the stay stands vacated. On 12 November 2025 also, this Court found that there were arrears of Rs. 5 Lakh and accordingly time of two weeks was granted to make the deposit. The Revision Application was directed to be listed for final hearing on 11 December 2025.

6) At the stage when the Revision Application was to be heard finally, Applicants filed Interim Application No. 211 of 2026 for amendment of Civil Revision Application, as well as for amendment of Written Statement to bring on record the events that have transpired

during pendency of the Revision Application. By order dated 8 January 2026, this Court directed that since the Revision Application was ripe for final hearing and that the same was directed to be listed for final hearing, the Interim Application is filed for delaying the final hearing. This Court therefore directed that the Interim Application for amendment shall be heard alongwith the Revision Application. Accordingly, Revision Application is taken up for final hearing.

7) Mr. Surel Shah, the learned Senior Advocate appearing for the Applicants submits that the Appellate Court has erred in reversing the well-considered judgment of the Trial Court. That at the time of decision of the Appeal, admittedly one of the Sheds was found to have been granted on lease to M/s. Automart India Ltd., which aspect is completely ignored by the Appellate Court. That instead of uitlising the Shed for alleged expansion of the business, Plaintiff had granted license in respect thereof to a third entity thereby demonstrating that the bonafide requirement pleaded was false. He takes me through the admissions given by Plaintiff's witness (P.W.1 and P.W.2) about grant of license to M/s. Automart India Ltd. and also payment of rent by M/s. Automart India Ltd. That there is admission of receipt of rent of Rs.10 lakhs by the Plaintiff from M/s. Automart India Ltd. That therefore the whole story of M/s. Automart India Ltd. being group company of Sah and Sanghi Group is totally false. That Plaintiff went on changing the need for additional premises as the proceedings progressed. That initially, the additional need pleaded in the Plaint was 6,000 to 7,000 sq.mft which increased to 10,000 sq.ft by the time evidence was filed and before the Appellate Court Plaintiff increased the same to 20,000 sq.ft. That

Plaintiff thus is not sure about the exact space needed and projected a fanciful requirement for securing possession of the premises from the Defendants.

8) Mr. Shah further submits that the events that have transpired during pendency of the Revision Application completely eclipses the alleged bonafide requirement pleaded in the plaint. That it is an admitted position that Plaintiff is now in possession of three out of the four Sheds and that all the three Sheds are granted on leave and license. That possession of one of the Sheds from another tenant-M/s. Jyoti Industries is also admitted. Mr. Shah therefore submits that despite having possession of three sheds, the Plaintiff did not undertake the activity of expansion of the business and instead has granted all the Sheds on leave and license basis to third parties. That therefore the alleged bonafide requirement no longer subsists. He relies on judgment of the Apex Court in the case of ***Sheshambal (Dead) through Legal Heirs & Ors. Versus. Chelur Corporation Chelur Building & Ors.***[1] and of this Court in ***Anil Bhausaheb Patil & Ors. Versus. Sangli Urban Co-operative Bank Ltd.***[2]. Mr. Shah further relies on the provisions of Section 16(2) of the Maharashtra Rent Control Act,1999 in support of his contention that the Appellate Court has not explored the possibility of partial eviction. He relies on judgment of this Court in ***Jain Supari Centre & Anr. Versus. Shri. Rameshlal Motilal Hasoriya & Ors.***[3]. Mr. Shah accordingly prays for setting aside the eviction decree passed by the Appellate Court.

1 (2010) 3 SCC 470
2 2025 SCC Online 2966
3 Writ Petition No. 3134 of 2022 decided on 27 July 2022

9) Mr. Purohit the learned Senior Advocate appearing for the Respondent/Plaintiff opposes the Revision Application submitting that the Appellate Court has correctly decreed the Suit of the Plaintiff. That even the Trial Court has upheld the business growth of Plaintiff and the need for additional space was established. That the same finding is recorded by the Appellate Court as well. That therefore there are concurrent findings by the Trial and Appellate Courts so far as need of the Plaintiff is concerned. He submits that the total need of the Plaintiff is premises admeasuring 20,000 sq.ft. That even after taking into consideration premises given to M/s. Automart India Ltd. and premises recovered from Jyoti Industries, the bonafide requirement of the Plaintiff still remains unfulfilled. That it has come in evidence that despite owning the premises, Plaintiff was required to take other premises on rent. That the evidence of P.W.2 which remained unchallenged shows that M/s. Automart India Ltd. is a part of Plaintiff Group. That the only reason for the Trial Court to dismiss the Suit was disbelief about M/s. Automart India Ltd. being part of Plaintiff Group. That the Appellate Court has rightly corrected the erroneous finding of the Trial Court, which was contrary to the evidence on record. That it is not necessary for the landlord to prove the precise nature of additional business and in support he relies on judgment of the Apex Court in ***Raj Kumar Khaitan & Ors. Versus. Bibi Zubaida Khatun & Anr.***[4].

10) Mr. Purohit further submits that the subsequent event of granting licenses is irrelevant for the purpose of deciding Plaintiff's bonafide requirement. That the need at the time of filing of the Suit must

4 (1997) 11 SCC 411

also be considered. Mere delay in decision of proceedings cannot put Plaintiff to a disadvantageous position. That Plaintiff is not supposed to sit idle and keep the other premise vacant till he secures possession of the suit premises from the tenant. That Plaintiff is entitled to make economic use of partial premises in his possession till securing possession of the initial premises. That Plaintiff has proved the same that the total premises required by it is 20,000 sq.ft. That there cannot be eclipsing of the bonafide requirement in the facts and circumstances of the present case. He relies on judgment of the Apex Court in ***Gaya Prasad Versus. Pradeep Srivastava***[5] and of this Court in ***S.K. Khanna (since deceased) through Legal Heirs & Ors. Versus. Naresh Bhagawan Shahani***[6]**,** and ***Anmol Dresses & Anr. Versus. Rajaram Anant Chipade, since deceased through his Legal Representatives & Ors.***[7]. Mr. Purohit prays for dismissal of the Revision Application.

11) Rival contentions of the parties now fall for my consideration.

12) Plaintiff sought eviction of the Defendants by pleading bonafide requirement of expansion of the business and need for additional premises. It is an undisputed position that Plaintiff owns Plot No.4 alongwith the structure thereon and that structure comprises of four sheds each admeasuring 5,640 sq.ft (*total area of 22,560 sq.ft*). Plaintiff pleaded that at the time of filing of the Suit, two Sheds were in Plaintiff's possession, whereas other two sheds were let out to tenants

5 (2001) 2 SCC 604
6 Writ Petition No. 3919 of 2005 dated 6 February 2026
7 2024 SCC Online Bom 3849

i.e. Defendant and M/s. Jyoti Industries. It appears that Plaintiff had sought eviction from both the tenanted premises from the Defendant, as well as from M/s. Jyoti Industries.

13) Defendants claimed before the Trial Court that though Plaintiff had possession of two sheds which were sufficient for its alleged business expansion, it had let out one of the sheds to M/s. Automart India Ltd. On the other hand, it was Plaintiff's case that M/s. Automart India Ltd. was one of the group companies of Sah and Sanghi Group of which Plaintiff is also a part. Plaintiff examined P.W.2-Mr. Niranjan Baburao Shimpi who deposed that Plaintiff is one of the companies of the Sah and Sanghi Group, which was in the business of automobiles for over 35 years. The witness deposed that Sah & Sanghi Group of Companies consists of 11 concerns including Plaintiff, as well as M/s. Automart India Ltd. The witness deposed that Sah and Sanghi decided to enter the business of second-hand car sales, which was commenced through the Group company M/s. Automart India Ltd. He further deposed that Sah & Sanghi Group held 17.76% shares in M/s. Automart India Ltd. The witness further deposed that part of the premises were temporarily permitted to be occupied by M/s. Automart India Ltd. by the Plaintiff with a view to gain experience in the business of selling of second-hand cars. It appears that P.W.2 was not subjected to further cross-examination by the Defendant. The Trial Court however rejected the case set up by the Plaintiff and held that the Plaintiff was receiving rent from M/s. Automart India Ltd. The Trial Court therefore held that though Plaintiff had premises admeasuring 5,640 sq.ft, it inducted a third party therein for consideration, which defeated its case of bonafide

requirement. Accordingly, the Trial Court proceeded to dismiss Plaintiff's Suit.

14) In Appeal filed by the Plaintiff, the Appellate Court however laid stress on the fact that the Defendant did not seriously challenge Plaintiff's evidence (P.W.2) about M/s. Automart India Ltd. being a group company of Sah and Sanghi Group and temporary occupation of premises by it for second hand car business of the Group. The Appellate Court relied upon judgment of Calcutta High Court in ***Food Corporation of India Ltd. Versus. Williamson Magor & Co. Ltd.***[8] for holding that receiving rent from subsidiary Company is a mere economic arrangement and not akin to letting out space to a third party. The Appellate Court therefore held that M/s. Automart India Ltd. cannot be treated as a third party inducted by the Plaintiff. Accordingly, the Appellate Court answered the issue of bonafide requirement in favour of the Plaintiff. It then proceeded to decide the issue of comparative hardship and held that Defendant had not made any efforts to search any alternate premises. Accordingly, it was held that greater hardship would be caused to the Plaintiff by rejecting the eviction decree. This is how the Appellate Court has proceeded to allow the Appeal and decree the Suit for eviction on the ground of Plaintiff's bonafide requirement.

15) Perusal of the judgement of the Trial Court would indicate that the Trial Court has accepted the position that Plaintiff was holding shares to the extent of 17.76% in M/s. Automart India Ltd.. However, the Trial Court held that Plaintiff could not prove existence of any joint

8 1999 (1) RCR 335

venture between it and M/s. Automart India Ltd. for sale of second hand cars. In my view the yardstick of joint venture applied by the Trial Court itself appears to be erroneous. It is the case of the Plaintiff that it allowed one of the group company entities to occupy a shed in the structure. The Trial Court however erroneously held that a third party was inducted in the form of M/s. Automart India Ltd. 'for consideration' by creating interest in the shed.

16) Plaintiff's case of bonafide requirement was premised on the need set up by it to expand the business. After the Plaint was amended, the Plaintiff had elaborated its actual need in respect of additional premises by contending in paras-7(a) to 7(d) of the Plaint as under:

> 7(a) Plaintiffs state that they are dealing in two and three wheelers Scooters manufactured by M/s.Bajaj Auto Ltd. in addition to the other business as set out herein-before. The Plaintiffs further states that M/s. Bajaj Auto Ltd. has introduced their new two wheelers product "Eliminator" in the market and they have offered the same to the Plaintiffs. The Plaintiffs state that in order to get the new product of M/s.Bajaj Auto Ltd.. the plainti are required more space to display those newly launched model with separate reception area, sales officer with sales counters, back office staff, cubic workshop capsule with air conditioning facilities stores room and godown for storage. The Plaintiff states that the dealership is given anly to the dealers in Mumbai who are qualified for "Eliminator". Plaintiffs state if they get possession of the suit premises, they will be able to display in the front side of the suit premises the said products as well as new model "Pulsar" to be launched soon. The Plaintiffs state that therefore they are required the suit premises reasonably and bonafide in order to expand their business and to get the new product from M/s Bajaj Auto Ltd.
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> 7(b) Plaintiffs state that they are dealing in two and three wheelers manufactured by Bajaj Auto Ltd. Plaintiff states that apart from three-wheelers Autorickshaw that run on petrol. Autorickshaw using Compressed Natural gas (CNG) as fuel have also been introduced by Bajaj Auto. In line with the State Government resolve to meet the pollution norms set by the High Court by their ruling given in January,

2000, the Government encourages the use of three-wheelers that run on CNG which is a cleaner fuel and causes less pollution. For the purpose of selling this Autorickshaws that run on CNG. The Bajaj Auto has placed with Plaintiff the condition that the Plaintiff provide additional area to meet the service requirement of the customer using this product. This product which uses CNG requires specialised tools and technical expertise for servicing which is available with only authorised dealerships such as the Plaintiff. As such it is expected that there will be 100% redemption of service for all the vehicles sold by the authorised dealers. For this reason, Bajaj has not started dispatched of this product to the Plaintiff despite the product launch having taken place in Mumbai almost two months back. Had the requisite space available with the Plaintiff, the Plaintiff would have by now been able to sell its share of about 150 three wheelers CNG Autorickshaws per month. This is clearly loss of business for want of adequate space. Similarly, Bajaj Eliminator a new generation motocycles was launched in Mumbai marker three month back. Bajaj has been asking the Plaintiff, to provide a separate workshop to service these products, which requires sepcialised equipment's and technical expertise. For want of space the Plaintiff had had to do without the supply of Bajaj Eliminator resulting in loss of business, Plaintiff therefore submit that they require the suit premises for reasonable and Bonafide occupation.

7(c). Plaintiffs state that they have started the business of buying and selling of second hand car. Plaintiffs state that in the vicinity where the suit premises is situated, there is a demand of second hand car. For the purpose of the said business and to expand the said business, the plaintiffs are required to keep various cars irrespective of make and companies. All those vehicles are required to be displayed in a larger premises from where the customers select the same. The Plaintiffs are also holding "Mela" for sale of second hand car twice or thrice in a month. During that time, lot of customers round the clock come and enquire the make. brand, year of model etc. of such second hand car. For the purpose of such business, the plaintiffs also required various sales representatives. Plaintiffs state that the possession of the suit premises has got to the Plaintiffs, they will be able to accommodate the said business of buying and selling the second hand car Plaintiffs therefore require the suit premises for reasonably and bonafide.

7(d) Plaintiffs state that they are also eligible and entitled to dealership of Maruti Udyog Ltd. However, the said Maruti Udyog Ltd. is insisting for a separate show room in Goregaon as there is a tremendous potential for Maruti make of cars in this area and hence a need for an additional dealership for their projects. At the time of getting the franchise of the said company at South Mumbai in the year 1995-1996 by one of the group Co. Viz. Sah and Sanghi Auto Agencies Ltd. the plaintiffs had committed to provide an additional show-room and a workshop an

> Goregaon also. The Maruti Udyog Ltd. have various models from Maruti-800 to Gipsy, in all about 9 number of main models and 46 nos. of its variants are there. Out of such 9 number of main models and 46 nos. of its various models the Plaintiffs should be able to display two different models the Plaintiffs should be able to display two different models in each category with equal stock in varities. The suit premises is an idle and right place for showeroom of Maruti Udyog Ltd., as well as for the storage of the vehicles from the customer's point of view. The Plaintiffs, therefore, submit that they require reasonably and bonafide the suit premises for the said Company.

17) Though Mr. Shah has contended that the Plaintiff's bonafide need increased from 6000-7000 sq. ft. in plaint to 10,000 sq. ft. during evidence and 20,000 sq. ft. before Appellate Court indicating lack of *bonafides*, factually the position appears to be otherwise. Before the Trial Court itself, Plaintiff had set up the case of need for total premises of 20,000 sq. ft. This is clear from the following finding of the Trial Court in para 21 of the judgment:

> Taking into consideration the oral and documentary evidence, the plaintiffs' requirement for their existing business, the business which they want to expand and the business which they want to start newly, is of premises of about 20,000 sq. ft. The requirement of premises admeasuring about 10,000 sq. ft. is merely for CNG autorickshaw which is established in their brochure Ex D adduced through PW3.

18) More importantly, the Trial Court itself had upheld the requirement of the Plaintiff of total premises of 20,000 sq. ft. This is clear from the following findings recorded by the Trial Court:

> Two more additional premises acquired by the plaintiffs at Jogeshwari and Goregaon have, however, no bearing on the case of requirement of the plaintiffs as the plaintiffs have definitely established that their business is growing and they have plans of expanding the business and they have resources to execute the plan of expansion of business. **The plaintiffs would definitely require the premises of about 20,000 sq.**

ft. area in the vicinity, considering their business and their plan of expansion of the business.

(emphasis added)

19) Thus the Plaintiff's bona fide requirement in respect of premises of above 20,000 sq. ft. area has been upheld by the Trial Court itself. However, despite accepting that the need of the Plaintiff in respect of premises of 20,000 sq. ft. was genuine, the Trial Court still proceeded to dismiss the suit by recording a finding that Plaintiff had additional premises of 5640 sq. ft. but inducted a third party (M/s. Automart India Ltd.) for consideration creating interest therein the premises. The Trial Court has refused to believe the case of the Plaintiff that there was a joint venture between it and M/s. Automart India Ltd. for sale of second hand cars in premises admeasuring, 5640 sq. ft. The finding of absence of joint venture and creation of interest in the premises for consideration is recorded by the Trial Court on the basis of payment of some amount by M/s. Automart India Ltd. to the Plaintiff. Thus despite virtually upholding the bonafide need of the Plaintiff, the Trial Court still proceeded to dismiss the Suit only because it found induction of M/s. Automart India Ltd. in the premises of 5640 sq ft duing pendency of the suit.

20) In my view the Trial Court had grossly erred in not believing the case of the Plaintiff that M/s. Automart India Ltd. was nothing but a part of group company. Plaintiff had led evidence of Mr. Niranjan Shimpi on the aspect of shareholding of Sah and Sanghi Group in M/s. Automart India Ltd.. It would be apposite to reproduce the deposition of Mr.

Shimpi on the aspect of relationship between Plaintiff and M/s. Automart India Ltd.:

3. I say that the Plaintiff is a Private Limited Company and one of the Company of the Sah & Sanghi group who are in the automobile business of Sale, Service and repairs (Two wheelers and three wheelers of Bajaj Auto Ltd. Make and Four Wheelers) for more that 35 years. Sah & Sanghi is having Registered Office at 11-C, Giri Kunj, N. S. Patkar, Mumbai-400 007. In addition to the Regd. Office they have establishments for sales, Service and repairs of the above referred products at the following addresses:-

a) Prakash Mills Compound, Off Globe Mills Passage, Worli, Mumbai-400 018.

b) Shriram Mill Lane, Opp. B.D.D. Chawl No.110, Worli, Mumbai-400 013.

c) Dr. Annie Besant Road, Worli, Mumbai-400 048.

d) Plot No. 4, Lucky Industrial Estate, Udyog Nagar, Vinod Sanghi Marg, Off S.V. Road, Goregaon (West), Mumbai 400 062 + additional new Showroom.

e) Dhiraj Baug, Agra Road, Thane-400 602.

f) Taloja

g) Suraj Prakash, 86, Shankar Ghanekar Marg, Next to Ravindra Natya Mandir, Prabhadevi, Mumbai-400 025.

4. Sah & Sanghi group of Companies are consisting of the following companies:-

a) Sah & Sanghi Auto Agencies Pvt. Ltd.

b) Bombay Auto Ancillary

c) Kapil Auto P. Ltd.

d) Mohan Three Wheelers P. Ltd.

e) Project Automobiles Bom P Ltd.

f) Sah & Sanghi Automobiles

g) Sah & Sanghi

h) Vinay Leasing & Investment

i) Akhil Invetsment

j) Suraj Sanghi Service Centre.

k) Automartindia Ltd.

5. In view of the market trend and stiff competition it is essential for Sah & Sanghi Group to enter in the business of "Second Hand Car Sale" through one of its Group companies named Sah & Sanghi Automobiles under the leadership of Mr. Vinay Vinod Sanghi and Mrs. Bina Vinod Sanghi. The business of Second Hand Cars was operated from Goregaon, Thane and Petrol Pump at Worli establishments. Partners of Sah & Sanghi Automobiles are (1) Mr. Vinay Vinod Sanghi (2) Mrs. Bina Vinod Sanghi and others. It captured very good business in Mumbai. Since there is a vast scope for the Second Hand Cars Business on national level, hence Sah & Sanghi group along with other promoters established a Private Ltd. Company named **Automartindia Ltd.** wherein Mr. Vinay Vinod Sanghi is the CHIEF EXECUTIVE OFFICE (C.E.O.). It has cross the limit of Mumbai and working on national level. It has opened the branches in Delhi, Pune, Bangalore and Chennai cities. I say that Sah & Sanghi Group, Mahindra and Mahindra and HDFC amongst others are the partners of the said Joint Venture. I say that Mr. Arun Sanghi partner-Director of Sah and Sanghi Group is Chairman of Executive Committee and Audit Committee of Automartindia Ltd. I say that the main business of Automartindia Ltd. is buying used cars from the market and selling them by way of conducting "Car Melas" in different parts of the Mumbai city and out side Mumbai city. I say that the Sah & Sanghi Group of which the plaintiffs are a part, hold 17.76% shares of Automartindia Ltd. I say that on the basis of the record, I have prepared the shareholding pattern of Automartindia Ltd. Copy whereof is hereto annexed which may be taken on record. I say that information stated therein is true and correct. I say that the same is prepared by me and signed by me. The same is prepared on the basis of the record of share holding.

6. I say that as Automartindia Ltd. is connected with the plaintiffs company and with a view to gain experience in the business of sale of second hand cars they are temporarily permitted to occupy the part of the premises in the possession of the Plaintiff in the suit property with the view to gain better experience of used car operation by learning from Automartindia Ltd. I say that permission granted to

> Automartindia Ltd. is purely on licence basis and which they are obliged to remove themselves therefrom on termination of the licence. I say that in the event of Plaintiff getting possession of the suit premises, the Plaintiff themselves will carry on the business amongst other businesses, the business of second hand car from the suit premises or the premises which is available to the Plaintiff in the suit property including part of the premises in which said Automartindia Ltd. have been temporarily permitted to occupy. I say that the said M/s.Automartindia Ltd. have agreed to remove themselves from the part of the suit property for the due compliance of the understanding between the Plaintiff and the said Automartindia Ltd.. They have deposited with the Plaintiff amount of Rs. 10,00,000/-. I say that though the M/s. Automartindia Ltd. are temporarily permitted to occupy the part of the premises in the suit property, requirements of the suit premises by the Plaintiff continue.

21) The above deposition of Mr. Niranjan Shimpi has gone uncontroverted as the Defendants failed to cross examine him on the above deposition. The only cross examination of the witness is as under:

> 'I know the evidence of PW No. 1 is given in this case. It is true that after considering that evidence I have come to give evidence'

22) Thus the entire evidence of Mr. Niranjan Shimpi remained uncontroverted and the Trial Court completely ignored the same and had recorded a perverse finding that the Plaintiff did not establish existence of joint venture between it and M/s. Automart India Ltd.. The Appellate Court has rightly set aside the perverse finding recorded by the Trial Court.

23) Thus the Defendants did not dispute that the Plaintiff and M/s. Automart India Ltd. were part of the same business group. Therefore induction of M/s. Automart India Ltd. into premises of 5640 sq. ft. was nothing but an internal arrangement between two group companies. The

Defendants cannot dictate terms to the Plaintiff as to how to do its business. The Appellate Court rightly relied on the judgment of the Calcutta High Court in ***Food Corporation of India Ltd. Versus. Williamson Magor & Co. Ltd.***[9] There can be no dispute to the position that the Plaintiff was in the business of sales and service of automobiles. Plaintiff is a part of a substantially large business conglomerate of Sah and Sanghi Group which is in the business of sales, repairs and service of automobiles. Therefore if the parent group decides to use part of the premises in possession of another group company, it cannot be assumed that there is induction of third party in the premises. Even if there is transmission of some amount between the two group entities, the same may be for accounting purposes and the same ipso facto does not create presumption of creation of tenancy or a commercial license in favour of the third party.

24) Therefore, I do not find any error being committed by the Appellate Court in reversing the decree of the Trial Court on the basis of material available before it. At the time when the Suit and the Appeal was being decided, the Defendant sought to destroy Plaintiff's pleaded case of bonafide requirement by contending that it had inducted M/s. Automart India Ltd. as a licensee in respect of one out of the two Sheds. The Appellate Court rightly arrived at the conclusion that M/s. Automart India Ltd. was a group company and mere payment of some consideration towards internal economic arrangement between two group of companies does not amount to induction of an altogether third party into the suit premises.

9 1998 SCC OnLine Cal 381

25) While this Court would have proceeded to dismiss the Revision Application by upholding the decree of the Appellate Court on the basis of evidence appearing on record, a new twist is sought to be added by filing of belated Application for amendment of Revision Application and Written Statement in the Suit. The Application is filed on 6 January 2026 when the Revision was to be taken up for final hearing. All the documents sought to be relied upon with the Interim Application pertain to the period from 2009 to 2022. Many of them were available when the appeal was pending. There is no justification as to why the said documents were not relied upon earlier for the purpose of seeking amendment of the Written Statement. This Court has rightly made an observation that application for amendment is filed only for the purpose of ensuring delay in decision of the Revision Application.

26) Leading of additional evidence in a Revision is not specifically permitted under the Code. Defendants had opportunity of leading additional evidence before the Appellate Court by filing Application under Order 41 Rule 27 of the Code, which they did not avail. They secured stay on execution of the decree under the promise of depositing interim monthly compensation of Rs. 1,00,000/- and continued occupying the premises for the last 15 long years by keeping the Revision pending before this Court. They have been grossly irregular in depositing the interim compensation. The Defendants are occupying fairly large commercial premises admeasuring 5640 sq.ft and even if interim compensation determined by this Court of Rs.1 lakh vide order dated 3 July 2012 is taken into consideration, it is seen that Defendant have been occupying the premises by depositing amount of only 15% to

20% of actual market rental returns. Pendency of Revision Application thus enures to the benefit of the Defendants. Now that the Revision is taken up for hearing, the Applicants have come up with a novel idea of producing additional evidence and seeking amendment to the written statement under a hope that the eviction action can be further delayed by seeking remand after amendment of written statement. I accordingly hold that filing of Interim Application No. 211 of 2026 is not a bonafide act of the Applicants and on this ground itself the same deserves to be dismissed. However purely by way of indulgence, I proceed to examine whether the events sought to be brought on record can have any effect on the eviction decree.

27) Defendants have attempted to make out a case that Plaintiff have misrepresented to the Trial and the Appellate Courts about holding of shares in M/s. Automart India Ltd. The contention is sought to be raised on the basis of report of the Company Secretary dated 10 December 2025. The Respondent has however clarified in its reply that the 15 named persons/entities of Sah and Sanghi Group collectively held 17.76% shares in M/s. Automart India Ltd. during 1999 to January 2003. It is further clarified that the Respondent was incorporated on 4th December 1982 and that it acquired 3,98,733 shares of M/s. Automart India Ltd. on 15 December 2006, 12 September 2008 and 28 March 2011 and sold the same in November 2016. It is further pointed out that the named individuals/family members of Sah and Sanghi Group also held key managerial and directorial positions in M/s. Automart India Ltd. and that Sah and Sanghi Group and M/s. Automart India Ltd. operated as joint venture with other shareholders such as Mahindra Group and

HDFC. Thus the new information sought to be brought on record by the Applicants through belatedly filed Interim Application does not change the position much.

28) Another point sought to be raised through Interim Application by the Applicants is that the Respondent has created multiple tenancies during the pendency of the Revision Application thereby eclipsing the very pleaded need in the plaint. Reliance is placed on documents of license created in favour of various entities such as Mahindra First Choice Wheels Ltd, Redline Automotive Pvt. Ltd., Auto Hanger (I) Pvt. Ltd. and Mahindra & Mahindra Ltd. during 11 August 2009 to 27 July 2022. It is sought to be contended that the entire premises in possession of the Plaintiff are ultimately granted on license during pendency of the Revision Application. In its reply, Plaintiff has admitted acquisition of possession of Shed No.2 from M/s. Jyoti Industries in 2006. It is an admitted position that the total premises in possession of Respondent after 2006 was 16,923 sq.ft. Plaintiff has admitted having granted licenses to outside entities in the meantime. However, it has taken a plea that it was required to make economic arrangements during pendency of the Revision Application since its actual need of the premises admeasuring 20,000 sq.ft. is not fulfilled on account of occupation of 25% premises by the Applicants during pendency of the Revision Application. The Respondent has pleaded in para-8.2(v) of the Affidavit-in-Reply as under:

> (v) It is sufficiently established at the trial stage by the Respondent that a clear area of 20,000 square feet was required by the Respondent to carry out their business and connected activities. In and around 2006

> M/s Jyoti Industries vacated Shed No. 2 and by the virtue thereof, the Respondent came into possession of additional 5,640 square feet and in total of 16,923 square feet which was not sufficient for the Respondent to expand their business. Therefore, the Respondent even after being capable, entitled and willing to expand its business activities was restricted not to do so because of the conduct and ill intent of the Applicants since the Applicant was holding more than 25% of an area which was required by the Respondent landlord for bona fide reasons.

29) The litigation initiated by the Plaintiff for eviction of the Defendant in the year 1994 has remained pending for over 32 long years. During these 32 long years, the Defendant has been able to enjoy possession of the premises. On account of dismissal of the Suit, the Defendant enjoyed possession of the premises for 9 long years from 1994 till 19 September 2003 on payment of normal rent of only Rs.3236.11/- in respect of fairly large commercial premises admeasuring 5,640 sq.ft. The Appeal again remained pending from 13 January 2004 to 11 January 2011 and even during this period, Applicants/Defendants have enjoyed possession of the suit premises on payment of normal rent. Thus, pendency of Suit and the Appeal for 17 long years enabled the Applicants to enjoy the suit premises on payment of nominal rent. It is only after decree of eviction was passed by the Appellate Court on 11 January 2011, this Court determined interim compensation of Rs.1,00,000/- per month which is deposited by the Defendants in this Court. During pendency of this litigation for over 32 long years, some changes are bound to occur in the organisation of the Plaintiff, as well as in the nature of its business. The issue for consideration is whether Defendants can be permitted to take advantage of the changes occurring in the nature of business of the Plaintiff and set up a plea that Plaintiff's original requirement no longer subsists. It is well settled position that bonafide requirement must

continue to subsist through pendency of proceedings. However, in ***Gaya Prasad*** (supra), the Apex Court has held that in every case it cannot be held that the subsequent events occurring during pendency of litigation overshadow the genuineness of landlord's need. In paras-10 and 15 of the judgment, the Apex Court has held as under:

> 10. We have no doubt that the crucial date for deciding as to the bona fides of the requirement of the landlord is the date of his application for eviction. The antecedent days may perhaps have utility for him to reach the said crucial date of consideration. If every subsequent development during the post petition period is to be taken into account for judging the bona fides of the requirement pleaded by the landlord there would perhaps be no end so long as the unfortunate situation in our litigative slow process system subsists. During 23 years after the landlord moved for eviction on the ground that his son needed the building, neither the landlord nor his son is expected to remain idle without doing any work, lest, joining any new assignment or starting any new work would be at the peril of forfeiting his requirement to occupy the building. It is a stark reality that the longer is the life of the litigation the more would be the number of developments sprouting up during the long interregnum. If a young entrepreneur decides to launch a new enterprise and on that ground he or his father seeks eviction of a tenant from the building, the proposed enterprise would not get faded out by subsequent developments during the traditional lengthy longevity of the litigation. His need may get dusted, patina might stick on its surface, nonetheless the need would remain intact. All that is needed is to erase the patina and see the gloss. It is pernicious, and we may say, unjust to shut the door before an applicant just on the eve of his reaching the finale, after passing through all the previous levels of the litigation, merely on the ground that certain developments occurred pendente lite, because the opposite party succeeded in prolonging the matter for such unduly long period.
>
> 15. The judicial tardiness, for which unfortunately our system has acquired notoriety, causes the lis to creep through the line for long long years from the start to the ultimate termini, is a malady afflicting the system. During this long interval many many events are bound to take place which might happen in relation to the parties as well as the subject matter of the lis. If the cause of action is to be submerged in such subsequent events on account of the malady of the system it

shatters the confidence of the litigant, despite the impairment already caused.

30) No doubt in subsequent judgment in ***Sheshambal*** (supra), the Apex Court held that the subsequent developments have a bearing on right to relief claimed by a party. However, the judgment in ***Sheshambal*** is rendered in relation to residential premises and the effect of subsequent development of death of the original Plaintiff and absence of requirement of the premises by his daughters. The judgment cannot be applied to the facts and circumstances of the present case where the need is for expansion of the business. It is not that the Respondent is no longer in existence or is not in any business. In a case where Plaintiff is prevented from expanding the business on account of non-availability of larger premises and in the meantime makes some economic arrangement to ensure that premises in its occupation are not wasted, it cannot be contended that grant of temporary licenses would eclipse the originally pleaded need of the Plaintiff.

31) It has also come in evidence that Plaintiff was required to take other premises on rent for catering to its business need despite owning the suit premises. It is incomprehensible that the Defendant makes the landlord take additional premises on rent and continue occupying the premises owned by the landlord. Plaintiff was required to manage its business without securing physical possession of the tenanted premises on account of pendency of litigation for 32 long years. The Defendants are now seeking to take advantage of slow process of litigation by urging this Court that only the current situation needs to be taken into consideration and Written Statement should be allowed to be

amended thereby resulting in further delay in decision of proceedings or that the eviction decree be set aside by taking into consideration the subsequent event of grant of temporary licenses by the Plaintiff. In ordinary circumstances involving personal need of Plaintiff for residence, this Court would have taken into consideration the subsequent event of grant of license by the Plaintiff in respect of the additionally acquired premises during pendency of the litigation. However, in the present case where need is in respect of expansion of the business of the Plaintiff, it is difficult to hold that Plaintiff's inability to expand the business leading to grant of temporary licenses during pendency of litigation must be held against it. As observed above, Defendant has successfully enjoyed the premises for over 32 long years. Time has come for the Defendant to make its own arrangement for its business by handing back possession of the premises owned by the Plaintiff.

32) Reliance by Mr. Shah on judgment of this Court in ***Anil Bhausaheb Patil*** is also inapposite in view of the fact that this Court has not accepted the case of complete eclipsing of the requirement based on subsequent events. Also, in ***Anil Bhausaheb Patil*** this Court ultimately held that mere acquisition of additional premises by the Bank did not eclipse the growing business need. The eviction decree has ultimately been upheld. It is held in Para 33 and 34 of the judgment thus:

> 33. Applying the aforesaid principles to the facts of the case at hand, it is pertinent to note that the case of the Plaintiff that the main branch of the Plaintiff is located on the first floor of the building, the demised premises on the ground floor and the locker facility provided by the bank is situated in the basement could not be impeached. It emerges

> from the evidence that the customers of the bank were required to climb 30 odd steps to reach the first floor where the banking operations are conducted. If a customer has to access his locker, he is first required to approach the first floor and then return to the basement to use the locker facility.
>
> 34. The necessity of the demised premises, therefore, cannot be said to have been completely eclipsed as the requirement to expand the banking business and extend the facility to the customers cannot be said to have ceased. The submission of Mr. Nikam that the bank has obtained the possession of other tenements and has also constructed buildings to house the new branches of the Bank, even if taken at par, does not detract materially from the Plaintiff's claim. These developments, in a sense, underscore the growing business activities of the Plaintiff-Bank.

33) In ***Anmol Dresses*** (supra) relied upon by Mr. Purohit, this Court rejected the theory of complete eclipsing of bonafide need when Plaintiff had passed away during pendency of litigation which ensued for 22 years and held in Para 23 and 24 of the judgment as under:

> 23. Plaintiff has passed away. Mr. Patwardhan has fairly not stretched his case to the extent that the need has been eclipsed due to death of Plaintiff, since need of his two sons was also pleaded. Even if the allegation of Deepak completely shutting the neighbouring shop is momentarily accepted as correct, the said event would hardly have any impact on the eviction decree. The Suit was instituted in 2002 and by now 22 long years have elapsed and during these 22 years, Deepak was required to conduct his business in tiny shop of 150 sq. ft. as execution of the decree got delayed due to stay granted by the Appellate Court and by this Court. After securing possession of suit premises, Deepak and Praful can amalgamate both the shops and can conduct their business in a larger showroom.
>
> 24. Even otherwise, it cannot be contended that the subsequent events of death of original Plaintiff or difficulties faced by Deepak in operating jewelry business through tiny premises have completely eclipsed the original bonafide requirement pleaded. Also, information placed through affidavit filed before this Court cannot be taken into consideration in absence of any evidence in support thereof. The supervening events that are brought to the notice of this Court are not

> something which amounting to complete eclipsing of Plaintiff's original bonafide requirement so as to remand the proceedings for recording of additional evidence. In my view, therefore, the supervening events cannot be taken into consideration for deciding the present revision application.

It appears that the SLP preferred against the judgment of this Court in ***Anmol Dresses*** has been dismissed on 22 May 2026

34) It is also a settled position that the tenant cannot dictate terms on the landlords in respect of manner of conduct of business. Apart from the fact that the landlord need not indicate the precise nature of business, nothing binds the landlord for commencing the indicated business after vacation of the premises. Reliance by Mr. Purohit on judgment of the Apex Court in ***Raj Kumar Khaitan*** (supra) in this regard is apposite. It is held in para 4 of the judgment as under:

> 4. It is clear from the averments made in the above-quoted paragraphs that the plaintiffs asserted that there were no other means of livelihood with them and as such they wanted to set up their own business in the premises in dispute. The High Court, however, came to the conclusion that apart from the above-quoted pleadings it was necessary to plead the nature of the business which the appellant-plaintiffs wanted to start in the premises. We are of the view that the High Court fell into patent error. It was not necessary for the appellant-landlords to indicate the precise nature of the business which they intended to start in the premises. Even if the nature of business would have been indicated nobody could bind the landlords to start the same business in the premises after it was vacated.

35) What remains is the point sought to be raised by Mr. Shah about provisions of Section 16(ii) of the M.R.C. Act regarding partial eviction. Since Plaintiff has concurrently proved requirement of the premises admeasuring 20,000 sq.ft, there is no question of considering

the possibility of partial eviction of the Defendants from the suit premises. Reliance by Mr. Shah on judgment of this Court in ***Jain Supari Centre*** is therefore inapposite.

36) Upon a query raised by this Court, Mr. Purohit has fairly submitted that the Plaintiff shall not press claim for mesne profits in respect of the premises and that interim monthly compensation of Rs.1 lakh deposited by the Applicants would satisfy the demand of the Plaintiff towards mesne profits.

37) The conspectus of the above discussion is that there is no warrant for interference in the eviction decree passed by the Appellate Court. The Civil Revision Application is devoid of merits. It is accordingly **dismissed**. Since this Court has taken into consideration the documents sought to be filed alongwith Interim Application No. 211 of 2026, the same is also disposed of. However, Defendants shall have time of three months for handing over possession of the suit premises to the Plaintiff subject to the condition of payment of interim compensation fixed by this Court every month and subject to the condition of non-creation of any third party rights in the suit premises.

38) Civil Revision Application is accordingly **dismissed**. There shall be no order as to costs.

[SANDEEP V. MARNE, J.]

NEETA SHAILESH SAWANT
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