

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY  
CIVIL APPELLATE JURISDICTION  
WRIT PETITION NO.6898 OF 2017**

Saregama India Ltd. ... Petitioner  
Vs.  
Life Insurance Corporation of India & Ors. ... Respondents

Mr.Aspi Chinoy, Sr.Adv. With Gaurav Mehta, C.Misra, Ms.Kathleen Lobo i/b Khaitan & Co. for the Petitioner  
Mr.Ashutosh Kaushik i/b Trevor Pereira for Resp. No.1  
Mr.B.K. Barve with Ajit Salunke, Sandip Barve i/b B.K. Barve & Co. for Resp. Nos.2 to 4

**CORAM: Mrs.MRIDULA BHATKAR, J.  
DATED: JUNE 23, 2017**

**P.C. :**

1. The petitioner and the respondents have a long history of litigation between them under the Public Premises (Eviction of Unauthorised Occupants) Act, 1971. The Estate Officer has passed eviction order against the petitioner and put them to terms of paying the arrears of rent to the tune of Rs.5.5 crores and damages of Rs.14.9 crores. Against that, appeal is filed before the learned Principal Judge, City Civil Court, Mumbai and by order dated 20.6.2017, the learned Principal Judge directed the petitioner to deposit the amount in accordance with the letter dated 18.7.2013 with effect from 1.6.2011. The said order is under challenge in the present petition.

2. The learned Senior Counsel for the Petitioner submitted that the petitioner has a good case on merits and there are substantial issues in respect of competency and application of the Public Premises (Eviction of Unauthorised Occupants) Act, 1971 as the petitioner is a tenant since 1936. The learned Senior Counsel also submitted that the letter dated 18.7.2013 was a proposal to increase rent on condition of execution of Lease agreement which is not acted upon by either of the parties. So, only to increase the rent as per the proposal, was a fraud. He submitted that the petitioner is ready to deposit certain amount. However, the payment of Rs.10 crores which is calculated as arrears to be paid within four weekly installments is grossly incorrect order.

3. The learned Counsel for Respondent No.1 while opposing this petition has submitted that the petitioner is a company having genuine share capital of more than Rs.1 crore and the fact is not disputed by the petitioner. Hence, it is not covered under the Maharashtra Rent Control Act, but Public Premises (Eviction of Unauthorised Occupants) Act is applicable. He relied on the ratio in the judgment of the Supreme Court in **Central Bank of India**

**vs. National Rayon Corporation Ltd.**<sup>1</sup> in support of his submissions. He also relied on the letter dated 18.7.2013 and further submitted that the learned Principal Judge of the City Civil Court has asked to pay only the arrears and did not ask to pay the damages. So that much concession is given to the petitioner by this order and therefore, the order is correct and need not be set aside.

4. In respect of the application of the Act and on the competency, the learned Senior Counsel has relied on the judgment in the case of **Suhas H. Pophale vs. Oriental Insurance Company**<sup>2</sup> and submitted that the ratio in **Suhas Pophale's case (supra)**, as on today, holds the field wherein the tenants who are in occupation prior to 16.9.1958 and thereafter are classified in two categories and accordingly, the application of the Rent Act is stated.

5. On hearing the submissions of both the learned Counsel and on perusal of the relevant paragraphs in both the rulings, I am of the view that substantial issues are required to be dealt with by the learned Principal Judge, City Civil Court, at the time of hearing.

---

1 (2014) 13 SCC 291

2 (2014) 4 SCC 657

The rent from 1.2.2011 to 2013 as Rs.3 lakhs per month is not disputed is paid and accepted. The increased rate of rent thereafter is a disputed issue. The Estate Officer has fixed the rent at the rate of Rs.10 to Rs.11 lakhs per month on the basis of the offer given by the petitioner in their letter dated 18.7.2013 and w.e.f. 1.6.2011. However, as on today, as the point is raised about competency and that is required to be adjudicated, it is appropriate to give some concession to the petitioner. Thus, as a time gap arrangement, the order passed by the learned Principal Judge is relaxed as follows:

The Petitioner shall deposit in the trial Court an amount of Rs.5 crores towards the arrears of rent in four installments, being payable on 1<sup>st</sup> July, 2017, 1<sup>st</sup> August, 2017, 1<sup>st</sup> September, 2017 and the fourth installment being payable on 1<sup>st</sup> October, 2017.

6. With the above modification in the order dated 20.6.2017 passed by the learned Principal Judge, City Civil and Sessions Court, Mumbai, the Writ Petition is disposed of.
7. Parties to act on authenticated copy.

**(MRIDULA BHATKAR, J.)**