



**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
CIVIL APPELLATE JURISDICTION
INTERIM APPLICATION NO.6657 OF 2024
IN
CIVIL REVISION APPLICATION NO.350 OF 2022**

The Ichalkaranji Electric Supply Company	...	Applicant
and		
Maharashtra State Electricity Distribution Company Ltd. and Anr.	...	Org. Applicant
versus		
The Ichalkaranji Electric Supply Company	...	Respondent

Mr. Yuvraj Narvankar for Applicant in IA No.6657 and for Respondents in CRA.

Ms. Heena Shaikh i/by M.V.Kini and Co., for Applicant in CRA No.350 of 2022 and for Respondent in IA No.6657 of 2024.

CORAM: N.J.JAMADAR, J.

DATE : 1 JULY 2025

P.C.

1. Heard the learned Counsel for the parties.
2. The Respondent in the Revision Application – landlord, has preferred this application seeking the determination of compensation for unlawful occupation of the suit premises, and, in the alternative, to vacate the interim relief granted by this Court staying the execution and operation of the decree impugned in the Revision Application.
3. The Applicant is the landlord of the suit premises. Respondent – tenant is the Electricity Distribution licensee under the Electricity Act, 2003. The Respondent is engaged in the business of distribution of electricity. Lease

Agreement was executed between the Applicant and the Respondent on 1 September 1993. Eventually, the Applicant filed a Special Civil Suit bearing No.7 of 2007 for recovery of rent and eviction of the Respondent from the suit premises. The Trial Court passed a decree of eviction on 30 May 2015. The decree was affirmed by the Appellate Court by a judgment and decree dated 23 August 2019.

4. In the Revision Application, the Respondent – tenant has obtained stay to the execution and operation of the decree of eviction without any condition as to deposit of compensation for unlawful occupation of the suit premises, post the decree of eviction.

5. The Applicant asserts, the Respondent – tenant has, in fact, shifted its operations to another premises, yet, the suit premises has been unjustifiably withheld. It is, therefore, necessary to determine the compensation for unlawful occupation at the market rate. A valuation report is filed to show that the fair market rent of the suit property would be Rs.1,19,875/- per month.

6. The Respondent – tenant resisted the application by filing an affidavit in reply. It was controverted that the suit property would fetch an exorbitant rent of Rs.1,19,875/- per month. The valuation report relied upon by the landlord, according to the Respondent, does not take into account the prevalent rate in the vicinity of the suit premises. The purported fair market rate has been determined without any rationale. On the contrary, the valuation report placed

on record by the Respondent – tenant shows that the fair rent, which the suit property can fetch, would be Rs.38,360/- per month. Thus, the Respondent prayed for rejection of the Application.

7. I have heard Mr. Yuvraj Narvankar, learned Counsel for the Applicant and Ms. Heena Shaikh, learned Counsel Respondent – tenant, at some length.

8. There is not much controversy over the fact that the built up area of the suit property is 4795 sq.ft. The fact that the suit property is located within the limits of Ichalkaranji town, near Post Office, is also not much in contest. The respective valuation reports relied upon by the landlord and tenant, evidently, adopt difference approach in arriving at fair rent, which the suit property can reasonably fetch.

9. Before adverting to delve into the factual controversy as regards the rent which the suit property can reasonably fetch, it may be apposite to note that the legal position is crystalized to the effect that, with the termination of the tenancy upon passing of the decree for eviction, the tenant becomes liable to pay compensation for use and occupation of the demised premises at the rate which the landlord may get, if the premises is let out post the decree of eviction. The landlord is not bound by the contractual rate of rent effective for the period, post decree of eviction. (Atma Ram Properties (P) Ltd. V/s.

Federal Motors (P) Ltd.¹

10. Agreeing with the aforesaid proposition, in the case of State of Maharashtra and Anr. V/s. Super Max International Pvt. Ltd. and Ors.², a three Judge Bench of the Supreme Court enunciated that in an appeal or revision preferred by a tenant against an order or decree of eviction passed under the Rent Act, it is open to the appellate or the Revisional Court to stay the execution of the order or the decree on terms, including a direction to pay monthly rent at a rate higher than the contractual rent. The Supreme Court, however, cautioned that, in the matter of fixing the compensation, the Court would exercise restraint and would not fix any excessive, fanciful or punitive amount.

11. On the aforesaid touchstone, reverting to the facts of the case, as noted above, both the landlord and the tenant have pressed into service respective valuation reports. Learned Counsel for the Respondent – tenant submitted that the Respondent Tenant is willing to deposit compensation @ Rs.38,360/- per month, as indicated in the valuation report submitted by D.M.Mane and Associates LLP.

12. At this juncture, a number of variables like the area of the demised premises, its location, condition of the structure, easy accessibility, the purpose to which the suit premises is used and the like, bear upon the

1 (2005) 1 SCC 705

2 (2009) 9 SCC 772

potentiality of the premises to fetch rent.

13. At this stage, even if it is assumed that the valuation by Mr. Sandeep A. Tare, approved valuers, relied upon by the Applicant – landlord is on a higher side, yet the rent of Rs.20,370/- which the tenant has been paying, is much lower than the fair rent assessed by D.M.Mane and Associates LLP., the valuer approached by the tenant.

14. Thus, having regard to the entirety of the circumstances, in my considered view, the suit property has the potential to fetch monthly rent of Rs.60,000/- per month, in the minimum. I am, therefore, inclined to partly allow the Application and direct the Respondent – tenant to deposit the amount towards the compensation for the unlawful occupation at the rate of Rs.60,000/- per month from the date of the decree passed by the Trial Court, deducting the amount which has already been deposited towards rent.

15. Hence, the following order :

ORDER

- (i) Interim Application stands partly allowed.
- (ii) The Respondent – tenant is directed to deposit compensation @ Rs.60,000/- per month from the date of the decree passed by the Trial Court.
- (iii) The Respondent – Tenant shall deposit the arrears of compensation from the date of the decree upto 31 July 2025, after deducting the amount which has already been paid towards rent, within a period of four

months from today.

(iv) The Respondent – tenant shall continue to deposit monthly compensation @ Rs.60,000/- per month from 1 August 2025, as it falls due, till the final disposal of the Revision Application.

(v) Subject to the aforesaid deposit, execution, operation and implementation of the impugned decree shall remain stayed till the final decision of the Revision Application.

(vi) Interim Application stands disposed.

(vii) Costs in cause.

(N.J.JAMADAR, J.)