2026 INSC 1261

REPORTABLE

IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NO(S). OF 2026
(Arising out of SLP (C) No.6658 of 2024)

M/S. P.M. SHAH AND CO. ...APPELLANT (S)

VERSUS

ASMIT VIJAY VEDAK & ORS. ...RESPONDENT(S)

O R D E R

VIKRAM NATH, J.

1. Leave granted.

2. The short question that arises for consideration in the present appeal is whether, in eviction proceedings, subsequent events can completely eclipse the landlord's reasonable and *bona fide* requirement.

3. The present appeal assails the judgment dated 2nd January, 2024, passed by the High Court of Judicature at Bombay,[1] in Civil Revision Application No. 486 of 2022, whereby the High Court allowed the revision petition preferred by respondent no. 1 under Section 115 of the Code of Civil Procedure, 1908, and set aside the decree of eviction

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Reason:

[1] Hereinafter, referred to as "High Court".

dated 2nd May, 2014, passed by the Court of Small Causes at Mumbai[2] in RAE Suit No. 631/1081 of 2002, which had been affirmed by the Appellate Bench of the Court of Small Causes at Mumbai[3] *vide* judgment dated 7th July, 2022, in Appeal No. 78 of 2019.

Factual Background: -

4. The appellant is the landlord of the subject premises situated on the first floor of the building bearing Municipal No. 480/482, Chira Bazar, Jagannath Shankar Road, Mumbai. The appellant is a partnership firm comprising two partners, namely, Premchand Kasturchand Jain and Mangilal Okchand Jain. While Premchand Jain, along with his family, occupied the second floor of the building, Mangilal Jain occupied the third floor.

5. Respondent No. 1 is the legal heir of the original tenant, Yeshwant Vedak. In 1954, at the request of the original tenant, the rent receipts in respect of the subject premises were transferred in the name of his eldest son, Suryakant Yeshwant Vedak. Subsequently, in 1969, Suryakant Vedak relinquished his tenancy rights in respect of the subject premises in favour of his brothers.

[2] Hereinafter, referred to as "Trial Court".
[3] Hereinafter, referred to as "Appellate Court".

6. In 2002, the appellant instituted R.A.E. Suit No. 641/1081 of 2002 before the Trial Court, seeking eviction of the respondent No. 1 from the subject premises. By judgment dated 2nd May, 2014, the Trial Court decreed the suit and directed respondent No. 1 to hand over vacant and peaceful possession of the subject premises to the appellant.

7. Aggrieved by the said judgment, respondent No. 1 preferred Appeal No. 78 of 2019 before the Appellate Court.

8. By judgment dated 7th July, 2022, the Appellate Court dismissed the appeal and affirmed the decree of eviction passed by the Trial Court.

9. Aggrieved by the concurrent judgments of the Trial Court and the Appellate Court, respondent No. 1 preferred Civil Revision Application No. 486 of 2022 before the High Court. By judgment dated 2nd January, 2024, the High Court allowed the revision application, making the following observations: -

> "**27**. At the Appellate stage, the subsequent events which were brought on record is that Mangilal and his wife had expired and the children of Premchand as well as Mangilal have shifted to other premises and the second floor premises was let out to third party. In the case of ***Kedarnath Agarwal vs Dhanraj Devi*** (supra), the applicants therein required the suit premises for doing their business and during pendency of the proceedings, the original applicants expired. The Apex Court held that the basic rule is that the rights of the parties should be determined on the basis of the date of institution of the suit, and this, however, does not mean that events happening after institution of suit cannot be considered at all. The Apex Court held that in that case the requirement was for applicants who

died during the pendency of the Petition and allowed the Appeal. In the instant case, the suit premises situated on the first floor was required for the residence of Mangilal and his wife on account of their ill-health. Subsequently Mangilal and his wife expired. Considering the death of Mangilal and his wife, their requirement visa vis the first floor suit premises stood extinguished.

…

29. Now coming to the bonafide requirement of the family members of Premchand and Mangilal, as far as Premchand's family members is concerned, the sons of Premchand Subash, Satish and Jitendra have acquired other premises and have also let out the second floor premises to third party. The Appellate Court has brushed aside this subsequent event by holding that even if the second floor premises is let out, the suit premises is situated on the first floor. The requirement pleaded was that the family of Premchand was growing and the suit premises was required for the residence of the family members. It is trite that the landlord has every right to choose the property for its beneficial enjoyment, however, in the instant case the area of second floor premises and the first floor premises are almost similar in area. It cannot be argued that the family members of Premchand desire to reside on the first floor as by letting out the second floor the requirement of insufficient accommodation will continue. By letting out the second floor premises and acquiring other residential premises by the sons of Premchand, in my view, the need of the family members of Premchand has been wholly satisfied.

30. As far as the family members of Mangilal is concerned, his son Dinesh has acquired other residential premises. The Appellate Court has refused to consider the acquisition of alternate premises as having wholly satisfied the need for the reason that the alternate accommodation are not in the vicinity of the suit premises. After the death of Mangilal and his wife, the third floor premises is available to Dinesh, however, Dinesh has chosen to acquire other premises and reside there. The submission of Mr. Vaishnav is that there is no evidence to demonstrate that Dinesh is residing there. The acquisition of other premises is not disputed and there is no material to demonstrate that Dinesh is residing on the third floor. This indicates that there is no requirement of Dinesh either for the first floor premises or even the third floor premises. Mr. Vaishnav would contend that Dinesh's son Varsit is of marriageable age and the requirement still continues. The third floor premises is still available for Varsit's residence and

> considering the third floor premises as well as the alternate premises acquired by Dinesh, the need on account of insufficient accommodation stands satisfied. It is no doubt true that during the long pending litigation, the sons of Premchand and Mangilal cannot be expected to not acquire alternate accommodation considering the growing needs of their family members. However to sustain the reasonable and bona fide need it must be demonstrated that despite acquiring alternate premises, the need for the suit premises subsist. The plaintiff, in my view, has failed to demonstrate this position.
>
> **44**. The settled position of law is that the rights of the parties are required to be determined on the basis of the position as is existing on the date of the institution of the suit or proceedings. It is also settled that subsequent events happening after institution of Suit which have a relevant bearing must be taken into consideration and if the events show that requirement of landlord is wholly satisfied then in that case no decree of eviction should follow. In the present case, the Appellate Court has refused to consider the subsequent events as eclipsing the need of the landlord and has held that despite the death of Mangilal and his wife, need still subsists thereby committing jurisdictional error. The observation of the Appellate Court is contrary to the decision of the Apex Court in the case of ***Kedarnath Agarwal (Dead) vs. Dhanraj Devi (Dead) (supra)***. In my view the Appellate Court has committed an error of jurisdiction by not appreciating the subsequent events in the proper perspective and as such warrants interference in exercise of revisional jurisdiction."

10. Aggrieved, the appellant is before us.

11. We have heard Shri Vijay Kumar Arora, learned senior counsel appearing on behalf of the appellants, and Ms. Vidhi Pankaj Thaker, learned counsel appearing on behalf of respondent No. 1. We have also perused the impugned judgment and the material placed on record.

12. Ms. Anshula Grover, learned counsel appearing on behalf of respondent Nos. 3 to 5, submits that despite her

best efforts, she has been unable to obtain instructions from the said respondents and, accordingly, seeks to be discharged from representing them. The office report dated 9th October, 2026, indicates that, insofar as the remaining respondents are concerned, none has entered appearance despite service. In these circumstances, we proceed to consider the matter on merits.

Analysis and Discussion: -

13. The statutory framework governing the present dispute is the Maharashtra Rent Control Act, 1999[4]. Section 16 thereof, which enumerates the grounds on which a landlord may recover possession of premises, reads as follows: -

> "**16. When landlord may recover possession**. *(1)* Notwithstanding anything contained in this Act but subject to the provision of section 25, a landlord shall be entitled to recover possession of any premises if the court is satisfied–
> …
> (g) that the premises are reasonably and *bona fide* required by the landlord for occupation by himself or by any person for whose benefit the premises are held order where the landlord is a trustee of a public charitable trust that the premises are required for occupation for the purposes of the trust;"

14. The opening non-obstante clause of Section 16(1) gives overriding effect to the provision, subject to the provisions of Section 25 of the Rent Control Act. Clause (g), in particular, recognises the landlord's entitlement to recover possession

[4] For short, "Rent Control Act".

where the premises are reasonably and *bona fide* required for occupation by the landlord himself or by a person for whose benefit the premises are held. The expression "shall be entitled" makes it clear that once the Court is satisfied that the statutory requirement is established, the landlord's right to recover possession must be given effect to.

15. The right to property encompasses, *inter alia*, the right to possess and enjoy the property. The mere act of letting out the premises does not divest the landlord of such right, nor does it foreclose the landlord's entitlement to seek recovery of possession upon establishing a genuine and reasonable requirement. The Rent Control Act, while affording protection to tenants against arbitrary eviction, does not intend to extinguish the legitimate proprietary interests of landlords. The statutory protection afforded to a tenant must, therefore, be harmoniously construed with the landlord's right to recover possession on the grounds expressly recognised by the legislature.

16. In the present case, respondent No. 1, aggrieved by the concurrent decrees of eviction passed by the courts below, invoked the revisional jurisdiction of the High Court. While allowing the revision application, the High Court placed reliance upon the decision of this Court in ***Kedar Nath***

Agrawal v. Dhanraji Devi.[5] In that case, the tenant had approached this Court after suffering an order of eviction passed by the Prescribed Authority and affirmed by the District Judge and the High Court. The eviction proceedings had been instituted by the original applicants, Dhanraji Devi and her husband, Jagdeo Shah, on the ground that they *bona fide* required the suit premises for carrying on their business and earning their livelihood. During the pendency of the writ petition before the High Court, both the original applicants passed away, and their three daughters were brought on record.

17. The two-Judge Bench reiterated the settled principle that, ordinarily, the rights of parties are to be determined with reference to the date of institution of the proceedings. However, this rule does not preclude a Court from taking cognizance of subsequent events that have a material bearing on the relief claimed. The Court observed that where a subsequent change in circumstances renders the relief originally sought inappropriate, or where consideration of such an event is necessary to shorten litigation or to do complete justice between the parties, the Court not only has the power but also the duty to take such development into account.

[5] (2004) 8 SCC 76.

18. Applying the aforesaid principle, this Court held that the death of both the original applicants during the pendency of the writ petition was a material subsequent event which the High Court was bound to consider. This Court further directed the High Court to examine the effect of Section 21(7) of the Uttar Pradesh Urban Buildings (Regulation of Letting, Rent and Eviction) Act, 1972, which permitted the legal representatives of a deceased landlord to prosecute the eviction proceedings on the basis of their own bona fide requirement, in substitution of that of the deceased. Accordingly, the matter was remitted to the High Court for fresh consideration in light of the subsequent events and the applicable statutory provisions.

19. In the present case, the High Court while applying the principle laid down in ***Kedar Nath Agrawal*** (*supra*), concluded that the suit premises on the first floor were required for the residence of Mangilal, one of the partners of the appellant-firm, and his wife, on account of their ill-health. It accordingly held that, upon their demise during the pendency of the proceedings, the *bona fide* requirement stood extinguished.

20. In our considered view, this conclusion is unsustainable, both on facts and in law. The eviction proceedings were instituted by the appellant-firm in its capacity as landlord,

and not by either of its partners in their individual capacity. A perusal of the plaint in R.A.E. Suit No. 631/1081 of 2002 reveals that the requirement pleaded was not confined to Mangilal and his wife, but also extended to the independent needs of the other partner, Premchand Shah, and his family.

21. It was specifically pleaded that Premchand Shah, who resided on the second floor of the same building, faced considerable inconvenience when his daughters visited him, as the existing accommodation was inadequate to accommodate them and affected their studies and other activities. As regards Mangilal, who occupied the third floor, it was pleaded that he had undergone coronary artery bypass graft surgery (CABG), while his wife had also undergone a similar procedure. Both had been advised against climbing stairs and, therefore, required accommodation on the first floor.

22. The High Court failed to consider the requirement pleaded on behalf of Premchand Shah and his family. The demise of Mangilal and his wife could have a bearing on the requirement attributable to them. However, it could not extinguish the entire claim of the appellant-firm without examining the independent requirement pleaded by the other partner.

23. The respondents-tenants also sought to introduce, by way of an application under Order XLI Rule 27 of the Code of Civil Procedure, 1908, material to contend that the appellant-firm had since been dissolved and that the families of both partners had secured alternative accommodation. In this regard, the effect of dissolution has to be considered in the light of Section 47 of the Indian Partnership Act, 1932, which provides for the continuation of the authority of partners, and their mutual rights and obligations, to the extent necessary for winding up the affairs of the firm and completing transactions commenced but left unfinished at the time of dissolution. The relevant provision reads as follows: -

> "**47. Continuing authority of partners for purposes of winding up.–**
> After the dissolution of a firm the authority of each partner to bind the firm, and the other mutual rights and obligations of the partners continue notwithstanding the dissolution, so far as may be necessary to wind up the affair of the firm and to complete transactions begun but unfinished at the time of the dissolution, but not otherwise:
> . . ."

24. Thus, the mere assertion that the firm stood dissolved could not, by itself, justify the conclusion that the pending eviction proceedings had lost their substratum. The applicability of Section 47 and the effect of the alleged availability of alternative accommodation were matters requiring due consideration.

25. The High Court has, therefore, misconstrued the *ratio* of this Court in ***Kedar Nath Agrawal*** (*supra*). Unlike the circumstances in that case, the requirement in the present matter was pleaded by a partnership firm with reference to the needs of both its partners and their respective families. The manner in which the partners intended to utilise or apportion the premises upon obtaining possession was an internal arrangement and did not constitute the *lis* before the courts. The relevant inquiry was whether the appellant-firm had established its reasonable and *bona fide* requirement. The High Court, having failed to examine the requirement pleaded on behalf of Premchand Shah, could not have held that the subsequent demise of Mangilal and his wife extinguished the entire claim for eviction.

26. Additionally, once the appellant-firm had specifically pleaded that the tenanted premises were required for the benefit of its partners and their respective families, the subsequent arrangements made by them to secure alternative accommodation could not, by themselves, be permitted to defeat the claim for eviction. The respondents-tenants cannot rely upon such arrangements, brought about by the prolonged pendency of the proceedings, to contend that the original *bona fide* requirement no longer subsists.

27. The principle enunciated in ***Kedar Nath Agrawal*** (*supra*) does not require courts, at every subsequent stage of litigation, to reassess the circumstances merely to examine whether the tenant can avoid eviction. The doctrine is not intended to afford a tenant an opportunity to defeat an otherwise established claim by relying upon changes that are, in substance, a consequence of the very delay in adjudication. The High Court's reliance upon the fact that the legal representatives of the partners had secured alternative accommodation for themselves and their families, without examining the circumstances in which such arrangements were made, was therefore misplaced.

28. A question that naturally arises is therefore, when a landlord has succeeded before the courts below in eviction proceedings that have remained pending for over two decades, can the alternative arrangements made by the landlord, out of necessity during the prolonged course of litigation, be used to deny the very relief sought on the ground of *bona fide* requirement? In our considered view, the answer must be in the negative. Such arrangements, by themselves, cannot be construed as extinguishing the original requirement. Rather, they may well be indicative of the hardship occasioned by the prolonged denial of possession.

29. We may clarify that the principle in ***Kedar Nath Agrawal*** (*supra*), permitting courts to take subsequent events into account before final adjudication, is not an inflexible rule requiring consideration of every intervening development. It is a judicially evolved principle intended to prevent multiplicity of proceedings, shorten litigation and enable courts to do complete justice between the parties. The circumstances identified therein are illustrative and must be applied with due regard to the nature of the subsequent event and its bearing on the original cause of action.

30. In paragraph 16, this Court had observed: -

> "**16**. ... A court of law may take into account subsequent events *inter alia* in the following circumstances:
> (i) the relief claimed originally has by reason of subsequent change of circumstances become inappropriate; or
> (ii) it is necessary to take notice of subsequent events in order to shorten litigation; or
> (iii) it is necessary to do so in order to do complete justice between the parties."

31. These circumstances, though illustrative, cannot be treated as unrestricted grounds for taking cognizance of subsequent events. Any such event must be genuine and material, and must have a direct bearing on the original cause of action or the relief claimed. More importantly, a party cannot be permitted to take advantage of the mere passage of time or of arrangements necessitated by prolonged litigation to defeat an otherwise sustainable claim.

The doctrine is intended to facilitate effective adjudication and enable the Court to mould relief, where necessary, and not to allow the very delay in adjudication to become a ground for denying the relief originally sought.

32. Turning to the facts of the present case, the appellant-firm had specifically pleaded that the subject premises were reasonably and *bona fide* required to meet the residential needs of both its partners and their respective families, as well as their medical needs. In these circumstances, the High Court, while exercising revisional jurisdiction, erred in placing undue reliance on subsequent arrangements made by the partners' families, out of necessity during the prolonged pendency of the proceedings, to defeat the landlord's claim for recovery of possession. The High Court also failed to adequately consider the advancing age and medical condition of the partners, both of whom had undergone surgical procedures and had been advised by their doctors to avoid climbing stairs. It would be wholly unjustified to expect the landlords to continue enduring such hardship and to climb additional floors to access their own property, when the very purpose of seeking eviction was to secure accommodation better suited to their age, health and residential requirements.

Conclusions: -

33. In view of the foregoing discussion, our conclusions may be summarised as follows: -

i. The *bona fide* requirement of the appellant-firm was founded upon the needs of both its partners and their respective families and could not be confined solely to the requirement of the second partner, Mangilal Jain, and his wife.

ii. The subsequent demise of the second partner, Mangilal Jain, and his wife could not, by itself, extinguish the entire claim for eviction, particularly when the independent requirement of the other partner, Premchand Shah, and his family remained to be considered.

iii. The dissolution of the appellant-firm or the acquisition of alternative accommodation during the pendency of prolonged litigation could not, by itself, defeat the eviction claim. The effect of such events must be examined in the light of the applicable statutory provisions and the circumstances in which they occurred.

iv. The principle in ***Kedar Nath Agrawal*** (*supra*) does not warrant consideration of every subsequent event indiscriminately. Such an event must be genuine, material and have a direct bearing on the original cause

of action or the relief claimed. It cannot be used to defeat an otherwise sustainable claim merely on account of the passage of time.

34. The impugned judgment dated 2nd January, 2024, passed by the High Court of Bombay in Civil Revision Application No. 486 of 2022 is accordingly, set aside. The decree of eviction dated 2nd May, 2014, passed by the Trial Court and affirmed by the Appellate Court is restored.

35. Consequently, the present appeal stands allowed.

36. However, having regard to the facts and circumstances of the case and the long-standing occupation of the subject premises by respondent No. 1, we grant them time until the expiry of one year from today to vacate and hand over peaceful possession of the premises to the appellant, subject to their filing an undertaking before this Court, within four weeks from today, that: -

i. they shall not create any third-party rights or part with possession of the subject premises;
ii. they shall clear all admitted rent arrears if any and also advance rent for the next one year within the aforesaid period of four weeks; and
iii. they shall hand over vacant and peaceful possession of the subject premises to the appellant upon expiry of the aforesaid period of one year.

37. Pending application(s), if any, shall stand disposed of.

.....J.
[VIKRAM NATH]

.....J.
[SANDEEP MEHTA]

.....J.
[APARESH KUMAR SINGH]

NEW DELHI;
NOVEMBER 02, 2026