**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH.**

Civil Revision No. 7664 of 2015 (O&M)
Date of Decision: November 30, 2018.

The United India Insurance Co. Ltd and others.
......PETITIONER(s).
VERSUS

Tara Chand Uppal and others
.....RESPONDENT(s)

CORAM:- HON'BLE MR. JUSTICE SURINDER GUPTA

Present: Mr. D.R. Bansal, Advocate
for the petitioners.

Mr. Vikas Singh, Advocate
for respondents No. 1 and 2.

Mr. Sarabjit Singh, Advocate
for respondents No. 3 and 4.

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SURINDER GUPTA, J.(Oral)

The only dispute in this case pertains to calculation of arrears of rent by the Rent Controller and the appellate authority. Admittedly, the premises was leased to the revision petitioner for a period of five years from 16.02.1998 vide lease deed, copy of which has been placed on file as Annexure P-3. As per clause 2 of the lease deed, the lessee shall have the option to renew the lease for a further period of five years with the increase of 25% of last paid rent subject to the terms and conditions to be mutually agreed upon.

Learned counsel for the petitioners submits that as per this term of the lease deed, the rent was increased to 25% w.e.f. 16.02.2003 to

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16.02.2008. The respondents demanded further increase of 25% in the rent to which the petitioners did not agree, however, they continued in possession of the suit property as tenant at the rent which was settled w.e.f. 16.02.2003. The landlord/respondent filed ejectment petition on 16.09.2009 claiming the ejectment of petitioner from demised premises on the ground of non-payment of rent and bonafide necessity. The petition was allowed and learned Rent Controller computed the arrears of rent by increasing 25 % w.e.f. 16.02.2008. He has argued that though there is a clause in the lease deed that lessees shall have option to renew the rent for a further period of 5 years with increase of 25% on the last paid rent, as such, the calculation of arrears of rent by Rent Controller as per this clause w.e.f. 16.02.2008 is not as per the terms settled between the parties.

Term No. 2 of lease deed (Annexure P-3) reads as follows:

> *"This lease will be for a period of five years from 16.02.1998 and the lessee shall have the option to renew the lease for a further period of five years with the increase of 25% on the last paid rent subject to the terms and conditions to be mutually agreed upon."*

As per this term, the lessee have option to renew the lease for a further period of 5 years with increase of 25% of last paid rent. Above term of lease deed shows that the tenant/petitioners had agreed to increase the rent after every five years, if he had to continue in possession over the tenanted premises. There is no clause in the lease deed giving option to the tenant to deny the increase of 25% of rent, in case he had to

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continue his tenancy beyond the period of five years. Though, the word used is that the lessee shall have the option to renew the lease for a further period of 5 years with increase of 25%, the correct interpretation of this clause will be that in case the lessee continued to be in possession of the demised premises as tenant, he is duty bound to increase the rent by 25% after every five years.

The revision petitioner is a national level insurance company having its own well equipped legal cell who can very well understand the implication of this clause. It is quite strange that instead of applying with the terms of this lease deed, the Insurance company has come up with the plea that it is entitled to remain in possession of the demised premises without increasing the rent, as per the terms of lease deed.

In view of my above discussion, I find no legal or factual infirmity in the orders passed by the Courts below, calling for any interference.

This petition has no merits.

Dismissed.

(SURINDER GUPTA)
JUDGE

November 30, 2018.
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Whether speaking/reasoned: ***Yes/No***

Whether Reportable: ***Yes/No***

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