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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

\+ **FAO 267/2018, CAV No.524/2018, C.M.Nos.22887-89/2018**

M/S PARAMAAH SYNDICATE PVT LTD & ANR. ..... Appellants
Through: Mr. Rishi Sood, Advocate.

Versus

NITIN RAJ MARWAH & ANR. ..... Respondents
Through: Mr. Jay Savla, Ms. Shilpi Chowdhary and Mr. Rajpal Singh, Advocates.

CORAM:
HON'BLE MR. JUSTICE NAJMI WAZIRI

O R D E R

% **28.05.2018**

CAV No.524/2018

Since the learned counsel appeared on behalf of the caveators, the caveat stands discharged.

FAO 267/2018 & C.M.Nos.22887-89/2018

This First Appeal impugns an order dated 22.02.2018 passed by the learned Additional District Judge in CS No. 1616 of 2017 whereby the respondents application directing the appellant company to clear the arrears of Rs. 2,25,000/- per month w.e.f April, 2017 till February, 2018 was allowed. It also directed the appellant to pay the monthly licence fee/compensation of Rs. 2,25,000/- w.e.f. March, 2018.

The appellants have admitted in their Written Statement that they have paid the agreed licence fee at the rate of Rs.2,02,500/- till 15.05.2017.

The brief facts of the case are that the appellants are a private limited company. The Director of the said company - appellant no. 2, had approached the respondents for residential purposes and vide License Agreement dated 15.04.2014 the appellants were allowed by respondents to use and occupy the premises for a period of 3 years. Two separate agreements were executed between the parties: first agreement being Leave and License Agreement executed on 15.04.2014 with a license fee of Rs. 1,50,000/- per month, for a period of 36 months and second agreement being the Hire Agreement towards the use of furniture and fixtures, wherein Rs. 75,000/- was fixed as compensation per month. At the time of execution of the Leave and License Agreement, the appellant had deposited an amount of Rs. 10,00,000/- in favour of respondents as an interest free security deposit, which continues to be vested with respondents herein. Since the suit property was in a dilapidated state, the appellants were permitted to carry out renovations in the licensed premises; details of the estimated expenditure of about Rs. 30,00,000/- was provided to the respondents. After being satisfied with the estimate, the respondents permitted the appellants to carry out the renovation work with the assurance that the said amount which to be spent towards renovation would be adjusted in the payment of monthly rents. On this assurance, the appellant carried out renovations in the licensed premises and spent approximately Rs.28,00,000/-. Against this expenditure, the respondent agreed to extend the Leave and License Agreement until October, 2018 and appellants were permitted to stay in the suit premises till then. The respondents sent a Legal Notice dated 19.07.2017 to the appellants calling upon them to handover the suit premises; all the more so since the lease and license period had expired by efflux of time and that the appellants should vacate the premises.

The learned counsel for the respondents, who appears on an 'advance notice', states that the impugned order has recorded that they have defaulted in payment of the licence fee from 15.04.2017 after seeing the accounts presented by the appellants. The aforesaid licence fee was paid after deduction of TDS from Rs.2,25,000/-, which was the total amount.

It is the appellants' case that they had expended Rs.28 lacs towards renovation of the suit premises, hence, this amount should have been adjusted alongwith the security amount of Rs.10 lacs already with the respondent/landlord. However, there is nothing on record to show that there was ever any agreement between the parties that the amount of Rs.28 lacs would be adjusted or would be adjustable against the rentals. It is not in dispute that the appellants continue to remain in possession of the suit premises to their own benefit. It cannot be their case that they would occupy the premises and not pay rents. In the circumstances, the said contention is untenable.

The impugned order has sought to only secure the monies computed as payable for occupation of the suit premises from April, 2017 onwards. The Court finds no error in it. There is no merit in the appeal. Accordingly, it alongwith pending applications, is dismissed.

NAJMI WAZIRI, J.

MAY 28, 2018

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