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

+ **CONT.APP.(C) 7/2017 & CM No.39165/2017**

ASHOK NATH

..... Appellant

Through: Mr. Arvind Nigam, Senior Advocate
with Ms. Manmeet Arora & Mr.
Tarang Gupta, Advocates

versus

KRISHNA GUPTA & ANR

..... Respondents

Through: Mr. S.N. Choudhuri, Mr. H.D.
Talwani, Ms. Shruti Choudhuri & Mr.
Sukreet Khandelwal, Advocates for
respondent No.1

CORAM:

HON'BLE MR. JUSTICE SANJIV KHANNA

HON'BLE MR. JUSTICE CHANDER SHEKHAR

ORDER

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15.03.2018

This contempt appeal was heard on 13.3.2018 and adjourned for today to enable the learned counsel for respondent No.1 to obtain instructions on whether the issue relating to tenancy and the alleged contempt by the appellant, Ashok Nath, can be resolved.

Learned counsel for the first respondent states that, without prejudice to the rights and contentions of the parties, i.e., the appellant and the respondents, the present contempt appeal may be disposed of, on the basis of the concessions given by the first respondent, subject to the appellant agreeing to the following:-

- (i) Arrears of rent @50% and rent deposited by the appellant in the Court in terms of the order dated 31.10.2017 would abide by

further direction and order by the learned Single Judge in the civil suit.

- (ii) Appellant will continue to deposit future rent received from the tenant in the Court as directed and in terms of order dated 31.0.2017. Deposits made would abide by directions and order of the learned Single judge.
- (iii) Any modification or amendment to the Lease Deed or its terms, would require approval and permission of the learned Single Judge.
- (iv) Litigation expenses of Rs.30,000/- imposed may be made easy.
- (v) Execution of the lease Deed and retention of 50% rent, in terms of the order dated 31.10.2017, would not create or reflect as creating any right and interest in favour of the appellant.

Learned Senior Counsel for the appellant appreciates the statement and without prejudice accepts the conditions stated by the learned counsel for the first respondent. He states that the appellant may not want to renew the lease deed or enter into a fresh lease with a third person in case the tenant vacates the property.

Learned Senior Counsel for the appellant states that TDS @ 10% is deducted by the tenant from the rent. GST @ 18%, is paid by the tenant. We would clarify that payment of GST @ 18% and deduction of TDS would continue.

Learned Senior Counsel for the appellant states that the appellant may have to disclose the rent deposited in Court as income in his Income-Tax Returns. Accordingly, the appellant would be

liable to pay income tax on the said amount. Learned counsel for respondent No.1 states that this issue may be left open and, if required, could be decided by the learned Single Judge. We leave the issue open and if required appellant could approach the Single Judge.

Deposit of rent in future in the Court may be made by way of cheque. Deposit would be made within ten days of encashment of cheque given by the tenant. Intimation with regard to both receipt of cheque as well as deposit in the Court would be made by the appellant to the counsel for the first respondent. Rent deposited will be converted into a FDR to earn interest.

Deposits made, as noted above, would abide by further orders of the Single Judge.

By consent, we have modified the order passed by the learned Single Judge. We clarify having not expressed opinion on merits or on the respective stands and pleas taken by the parties in the civil suit. Observations and findings in the impugned order would not prejudice rights of any party.

The appeal is disposed of in the above terms. CM No. 39165/2017 is also disposed of.

SANJIV KHANNA, J

CHANDER SHEKHAR, J

MARCH 15, 2018

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