Application Nos. 1386 and 1387 of 2020
in
OP No. 109 of 1942
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R. SUBBIAH, J

The applicant has come forward with these applications praying to set aside the proceedings in Dis.No.507/2020/OTHC dated 26.02.2020 and the consequential order in Dis.No.747/VTC/OTHC/2020 dated 23.03.2020 on the file of the respondent as illegal and contrary to law and consequently permit the applicant to pay the rent as per the lease agreement with effect from 01.06.2018 onwards.

2. The applicant was inducted as a tenant in respect of the property situated at No.36, Old No.26, Sunkuwar Street, Triplicane, Chennai - 600 005 during the year 1989. The property - upstair portion consist of two rooms was let out to the applicant for a rent of Rs.550/- and Rs.75/- per month respectively for each portion. According to the applicant, the ground floor portion was let out to one Subramaniam for a monthly rent of Rs.450/- per month in the year 1993. However, the said Subramaniam did not pay the rent regularly, therefore, in the year 2005, he was evicted and the ground floor portion was kept under lock and key by the respondent. In such circumstances,

the applicant filed an Application No. 153 of 2005 before this Court praying to permit him to occupy the ground floor portion as an additional accommodation for a monthly rent of Rs.1,000/- per month. Accordingly, the applicant was permitted to occupy the ground floor premises where her husband is running an advocate office.

3. It is the case of the applicant that the rent was enhanced from time to time. While so, on and from 01.06.2018, the rent for the residential portion (upstair portion) was enhanced from Rs.1,500/- per month to Rs.8,710/- per month and from Rs.1,000/- and Rs.7,760/- per month respectively. Further, the two portions in the upstairs was converted into four portions in which two rooms are used for residential purpose and the other two rooms are converted into non-residential purpose for running a clinic. To that effect, a lease agreement dated 01.06.2018, as per which the rent payable for the entire four portions in the upstairs was indicated as Rs.18,000/- per month from 01.06.2018. While so, within 18 months of the revision of the rent, the respondent issued the communications dated 26.02.2020 and a consequential order dated 23.03.2020 revising the rent payable by the applicant to Rs.30,098/- purportedly on the basis of a report of the Assistant Engineer. According to the applicant, the enhanced rent is exorbitant and unreasonable.

The rent was enhanced only with effect from 01.06.2018, while so, the enhancement of rent under the impugned communications are not warranted. Similarly, the rent for the two portions in the ground floor was also enhanced from Rs.810/- per month per portion to Rs.1,671/- per month. The applicant therefore has filed the present application questioning the correctness and/or validity of the communications dated 26.02.2020 and 23.03.2020 of the respondent and to set aside the same.

4. Per Contra, the learned Administrative General and Official Trustee (in short AG&OT) filed a common report and by relying on the same submitted that the rent was lastly revised on 01.06.2018 fixing a total sum of Rs.18,000/- per month. Even the rent revised on 01.06.2018 was meagre and not befitting the market rate in the locality. The applicant has been in possession of 1472 square feet of land and 2940 square feet of building in the ground floor as well as first floor totalling 2940 square feet of built up area. The property is situated in the heart of the City and it has all the locational advantages. Before revising the rent mutually, the applicant was called upon for a meeting, but she did not appear. In such circumstances, the order dated 26.02.2020 was passed by revising the rent to all the four agreements altogether Rs.62,838/- with effect from 01.03.2020. Such revision was made

after 21 months and not within 18 months, as alleged by the applicant. Thereafter, the applicant has given a letter dated 11.03.2020 and 17.03.2020 to cancel the orders revising the rent. The applicant was also given a personal hearing and thereafter, her request to revise the rent was rejected by an order dated 23.03.2020. It is further stated that the guideline value of the property having 2940 square feet of built up area and 1742 square feet of land in the locality was Rs.4,020/- per square feet and it comes to Rs.96,48,000/- per ground. In the present case, even the market value has not been adopted and what was fixed as monthly lease rent is far below the market value besides being reasonable. The rent presently paid by the applicant is very very low and she cannot be permitted to pay the same rent. The applicant is a Doctor and her husband is an Advocate by profession. The applicant's husband is utilising the ground floor portion of the premises for running an advocate office. The agreements stand in the name of the applicant but she is also utilising the ground floor portion of the premises for her husband to run the office. Further, as per the report of the Assistant Engineer, dated 26.10.2016, the total rent payable by the applicant comes to Rs.91,745/- per month. The report was submitted on the basis of the prevailing guideline value in the year 2016. In such circumstances, according to the learned AG & OT, the revision of rent is fair and reasonable befitting the locational advantage the property possess. Therefore, the learned AG & OT submitted that the communications, which are impugned in this application, does not call for any interference by this Court. He therefore prayed for dismissal of these applications.

5. Heard the learned counsel for the applicant and the learned AG & OT for the respondent. The material records placed before this Court has been perused, including the report of the learned AG & OT. The applicant was inducted as a tenant in respect of the upstair portion property in the year 1989. Subsequently, he was also inducted as a tenant in respect of the ground floor portion of the property pursuant to the order passed by this Court in Application No. 153 of 2005 for a monthly rent of Rs.1,000/- per month.

6. It is not in dispute that the applicant is paying the rent without any default. However, according to the learned AG & OT, the rent that is being paid by the applicant is very meagre when compared to the locational advantage it possess. It is also stated that the property is situated in a bustling commercial locality having 2940 square feet of built up area consisting of first and second floor. Therefore, the learned AG & OT sought to enhance the rent on the basis of the prevailing guideline value. The learned AG & OT also place reliance on the report of the Assistant Engineer dated 26.10.2016 for

substantiating his contention that the rent is required to be enhanced to Rs.62,838/- per month from 01.03.2020.

7. It is an admitted fact that the applicant is presently paying a sum of Rs.18,000/- per month. The sum of Rs.18,000/- was revised only on 01.06.2018. According to the applicant, within 18 months, the enhancement in rent is unwarranted besides it is without any basis.

8. It is evident that the rent in respect of the property which is in occupation of the applicant has been revised by the respondent only on 01.06.2018. Now, by virtue of the impugned communications, the rent is sought to be revised mainly on the ground that the rent which is being paid is very meagre and not befitting the guideline value. Having regard to the fact that the rent was revised only on 01.06.2018 and also the fact that the rent which is being paid by the applicant is on the lower side, interest of justice will be met if the applicant is directed to pay a sum of Rs.25,000/- per month from 01.03.2020 as against the sum of Rs.62,838/- per month indicated in the impugned communications of the respondent for the ground and first floor portions. The applicant is directed to pay the rent at the rate of Rs.25,000/- per month from 01.03.2020 and the arrears thereof shall be paid within a period of

six weeks from the date of receipt of a copy of this order. The applicant is also directed to pay the rent with 5% enhancement every year.

9. Subject to the above observation, the applications are ordered.

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