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OSA NO. 221 of 2021

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 10-01-2025

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THE HONOURABLE MR JUSTICE S. S. SUNDAR

AND

THE HONOURABLE MR.JUSTICE P. DHANABAL

OSA No. 221 of 2021

and

CMP No. 9310 of 2021

T.N.K.Govindaraju Chetty
And Company Pvt Ltd.,
Rep By It Executive Director Thiru. P.
Natarajan, No.48, Anna Salai,
Chennai 2.

Appellant

Vs

Administrator General Of Madras
And Official Trustee Of Tamil Nadu
Office of AG And OT,
1st Floor, City Civil Court Additional
Building, High Court Campus,
Chennai 600 104.

Respondent

Prayer : Original Side Appeal is filed under Clause 15 of the Letters Patent of the High Court of Madras and Order XXXVI Rule 1 of the Original Side Rules of the High Court of Madras, 1956 to set aside the judgement and order of this Court made in A.No. 3093 of 2020, dated 23.02.2021.

For Appellant: Mr. D. Balaraman
For Respondent: Mr. E.V.Chandru



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JUDGMENT

(Order of the Court was made by the Hon'ble S.S.Sundar J.)

Aggrieved by the order dated 23.02.2021 made in A.No.3092 of 2020 in OP.NO.109/1942 by a learned Single Judge of this Court, the present appeal has been filed by the appellant who is the applicant.

2. Heard the learned counsel appearing for the appellant and the learned counsel appearing for the respondent and perused the materials available on record.

3. A vacant land measuring 4 grounds 1535.5 sq.ft., which is under the administration of respondent [AG&OT] was taken on lease, by the predecessor-in-interest of the appellant, for a period of 5 years with effect from 07.12.1972 on a monthly rent of just Rs.1,001/-. It is admitted that thirty five years later is from 01.01.2006, the rent was fixed at Rs.80,000/- per month for 10 years with an option to seek renewal for two terms of five years. Thereafter, with effect from 01.01.2016, the rent was enhanced to Rs.1,20,000/- per month with a clause for enhancement of rent by 5% every year. When the appellant sought for further



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extension, his request was turned down by communication dated 24.11.2020. The appellant filed an application in A.No.3093/2020 to direct the respondent to renew the Lease Deed dated 01.03.2017 for the balance period of five years. Taking note of guideline value for the property, the respondent agreed for renewal if the appellant is willing to pay a monthly rent of Rs.4,47,647/- with effect from 01.01.2021. Learned Single Judge, without a reason for reducing the monthly rent, recording the fact that the appellant was prompt in paying rent from 2006, allowed the application by directing the appellant to pay a sum of Rs.3 lakhs as rent from 01.01.2021 with 5% escalation of rent every year for getting renewal for a period of five years from 01.01.2021.

4. Learned counsel appearing for the appellant has submitted that the appellant is using the land belonging to the trust estate only as a parking area in connection with a cinema theatre run by the appellant. Learned counsel has further submitted that the enhancement of the existing rate is more than 150%, which is unfair. He submitted that the lease amount was fixed in 1972 at Rs.1,001/- per month.



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5. It is not in dispute that the rent was fixed at Rs.80,000/- per month even on 23.12.2005. Thereafter, with effect from 20.06.2016, the rent was fixed at Rs.1,20,000/- per month, and from the year 2021, the appellant is paying a sum of Rs.1,45,861/- per month towards rent and a further sum of Rs.26,255/- towards GST. The respondent states that the lease amount is due from 01.01.2021, and as on 10.01.2025, the total arrears payable by the appellant is nearly Rs.80 lakhs even after deducting payments so far made.

6. Despite showing lenience in giving time, this Court finds that the attitude of the appellant is dubious. While agreeing to pay 25% of the arrears, there is considerable delay in payment, even though time was given to the appellant only by way of concession. The facts taken into consideration by the learned Single Judge are only advantageous to the appellant. Lease amount was fixed taking note of the guideline value of the property. The market value for the property is far above the amount that was fixed as guideline value.

7. The property that was leased out to the appellant is an extent of 4 grounds and 1535 sq.ft, and it is situated in a commercially busy



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locality very near to Anna Salai, Chennai. Though it is contended by the appellant that the property is not abutting Anna Salai (Mount Road), it is very near and has the necessary access. Merely because the appellant is enjoying the property as a parking area, this cannot be a factor to reduce the rent to a minimum which does not correspond with the actual market value of the nearby properties.

8. The contention of the learned counsel appearing for the respondent/ AG&OT is that as per the engineer's report, the rent is fixed at Rs.7,34,943/- per month from 01.07.2024 and the arrears amount has to be paid by the appellant/tenant with effect from 01.01.2021. Though the rent was originally fixed in 2016, and this enhancement was only with effect from 01.01.2021, the appellant is unable to agree to a reasonable rent. Hence, this appeal is devoid of any merits and hence, liable to be dismissed.

9. Going by the facts, this Court finds that the attitude of the tenant is not reasonable. This Court cannot show any indulgence. Only if the appellant is agreeing to pay the lease amount as fixed by the learned Single Judge with effect from 01.01.2021, it is open to the learned



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AG&OT to revise the rent based on the market value and other considerations with effect from 01.01.2025. In case the appellant does not agree to pay the rent as fixed by the learned Single Judge, the respondent shall take immediate action for eviction. The AG&OT is directed to report eviction within a period of two months, after giving two weeks time to the appellant.

10. In view of the foregoing reasons, no other factors or grounds are raised by the appellant while arguing the appeal. This Court finds no bonafide in the appeal; therefore, the appeal is dismissed. No costs.

11. Registry is directed to list the matter for reporting compliance on 10.03.2025.

(S.S.SUNDAR J.) (P.DHANABAL J.)
10-01-2025

Index : Yes
Internet : Yes
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To
Administrator General and Official Trustee
City Civil Court Additional Building,
High Court Campus, Chennai 600 104.



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