



CR No. 8704 of 2025

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IN THE HIGH COURT OF PUNJAB AND HARYANA AT
CHANDIGARH

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Civil Revision No.8704 of 2025
Date of decision: December 2nd, 2025

Rakesh Kumar Mahajan and another
...Petitioners

Versus

Shakti Mahajan @ Shakti Gupta
...Respondent

CORAM: HON'BLE MR. JUSTICE VIKAS BAHL

Present: Mr. Anupam Bhardwaj, Advocate
for the petitioners.

VIKAS BAHL, J. (ORAL)

1. Challenge in the present revision petition is to the order dated 10.09.2025 vide which the Rent Controller has assessed the provisional rent and has directed the petitioners, who are tenants in the premises, to make payment of the amount assessed. Challenge is also to the order dated 15.11.2025 vide which the appeal filed by the petitioners (tenants) has been dismissed by the Appellate Authority, Amritsar, and the order dated 10.09.2025 has been upheld.

ARGUMENTS ON BEHALF OF THE PETITIONERS:

2. Learned counsel for the petitioners has submitted that the impugned orders deserve to be set aside on two grounds. It is submitted that the rent note dated 12.08.1999 is not a registered agreement and thus, the increase clause requiring the rent to be increased after a period of four years by 10% cannot be enforced against the petitioners. It is submitted that the



admitted rent is ₹3,500/- per month which the petitioners are ready to pay. It is submitted that the Rent Controller as well as the Appellate Authority, while assessing the provisional rent, have taken into consideration the 10% increase clause which is not permissible. It is submitted that the impugned orders be modified to the said extent and the petitioners be held not liable to pay the 10% increase.

ANALYSIS AND FINDINGS:

3. This Court has heard the learned counsel for the petitioners and has perused the paper book and finds that the present revision petition is meritless and deserves to be dismissed and the impugned orders are in accordance with law and deserve to be upheld for the reasons stated hereinafter.

4. The respondent had filed a petition under Section 13 of the East Punjab Urban Rent Restriction Act, 1949, for eviction of the present petitioners from the shop in question. It was the case of the respondent in the petition dated 05.08.2023 (Annexure P-2) that the erstwhile owner of the building was Gurinder Singh and he had let out the premises to the present petitioners at a monthly rent of ₹3,500/- and that subsequently a new rent note dated 12.08.1999 was executed between the present petitioners and said Gurinder Singh. It was further the case of the respondent that the respondent vide three registered sale deeds dated 17.07.2018, 23.07.2018 and 30.07.2018 had purchased the said building from Gurinder Singh and by operation of law had become the landlady and there was a relationship of landlady and tenants between the parties. It was further specifically stated



that in the rent note dated 12.08.1999 there was a specific clause which required the rent to be increased to the extent of 10% per month after every four years. The eviction was sought on the grounds of arrears of rent as well as personal necessity.

5. The petitioners had filed the written statement, which has been annexed as Annexure P-3 and in the said written statement, the fact that the petitioners were tenants in the demised premises and that Gurinder Singh was the landlord was not disputed. Even the execution of the new rent note dated 12.08.1999 in favour of Gurinder Singh was not disputed. In paragraph 3 of the reply on merits, the petitioners had specifically stated that the petitioners were neither denying the ownership of the respondent herein nor were denying the relationship of landlady and tenants and were in fact were admitting the respondent to be the landlady. The relevant portion of paragraph 3 on merits is reproduced hereinbelow:

“However, it is made clear that the replying respondents are neither denying the ownership of the petitioner regarding the property in question nor the replying respondents are denying the relationship of landlord and tenant between the parties and the replying respondents admit the petitioner as her landlord.”

6. The Rent Controller vide order dated 10.09.2025 observed that as per the rent note, the rate of rent was initially ₹3,500/- per month and the same was subject to 10% increase per month after a period of four years and had further observed that the present petitioners had failed to prove the payment of the same since 01.08.2018 and accordingly assessed the provisional rent in the following terms:



Arrears of rent from 1.8.2018 to 15.08.2019 @ Rs.5124/- per month = Rs.64,050/-

Arrears of rent from 15.8.2019 to 14.08.2023 @ Rs.5636/- per month = Rs.2,70,528/-

Arrears of rent from 15.8.2023 to 15.09.2025 @ Rs.6199/- per month = Rs.1,54,975/-

Total Amount = Rs.4,89,553/-

Interest :

$$\frac{\text{Arrears of rent} \times (\text{Number of months} + 1)}{400}$$

$$\frac{489553(85.5 + 1)}{400} = \text{Rs}1,05,865/-$$

- *Costs* = Rs.582/-
 - *Total* = **Rs.5,96,000/-**
- (Arrears of rent + Interest + Costs) ”*

7. A perusal of the order dated 10.09.2025, which has been impugned before this Court, would show that it was specifically recorded that the rent note dated 12.08.1999 had not been denied by the present petitioners and the fact that the present petitioners were in arrears of rent since 01.08.2018 had also not been denied by the present petitioners.

8. The appeal filed by the petitioners against the said order was dismissed by the Appellate Authority vide order dated 15.11.2025. A perusal of the same would show that the Appellate Authority had taken into consideration the law laid down by the Hon'ble Supreme Court in the case of ***Siri Chand (deceased) through LRs Versus Surinder Singh*** reported as



2020 (6) SCC 288 in coming to the conclusion that from the nature of the rent note dated 12.08.1999 it was apparent that the rent agreement which was only executed for 11 months did not require compulsory registration. Accordingly, the present petitioners were directed to pay the provisional rent before the Rent Controller on or before 15.12.2025. The orders passed by the Rent Controller as well as the Appellate Authority are in accordance with law and deserve to be upheld.

9. The argument raised on behalf of the petitioners to the effect that the clause with respect to increase would not be applicable to the petitioners as the rent note dated 12.08.1999 is an unregistered document deserves to be rejected. A perusal of the rent note dated 12.08.1999 would show that it had specifically been mentioned that same was for a period of 11 months and the rate of rent was stated to be ₹3,500/- per month. It had further been provided that the rent was to be paid in advance every month and a separate receipt regarding the same was also to be taken and any rent paid verbally would not be acceptable. Under clause 5, it was provided that in case the petitioners did not pay the advance rent for any month, then they would be liable to be evicted and under clause 12, it was stated that the owner could get the shop vacated by giving one month's prior notice. Under clause 8, it was stated that in case the present petitioners remained in possession for four years as tenants, then after four years, there would be an increase in rent i.e. 10% monthly increase and that the petitioners would pay the same and in case they did not pay the same, then, they would be liable to be evicted. The said clauses, when seen in the light of the judgment of the



Hon'ble Supreme Court in the case of **Siri Chand (deceased) through LRs (supra)**, clearly show that the rent agreement dated 12.08.1999 was not required to be registered and it did not lie in the mouth of the petitioners to oppose the implementation of the said terms/clauses. The relevant portion of the rent note (Annexure P-1) is reproduced hereinbelow:

*“We, Rakesh Kumar son of Mr. Tilak Raj Mahajan and Mrs. Seema Mahajan wife of Mr. Rakesh Kumar Mahajan, resident of house number 219/1 Jail Street, Ram Bagh, Amritsar, have taken possession of the business of readymade garments and the remaining part of a shop, which is owned by the tenant, on one side is the shop of Muskan, i.e. Mr. Parminder Singh, and on the other side is the shop of Gupta Shawl, i.e. Mr. Prabh Dyal Subhash Chandra Tamir, located in Plot No. 18, Katra Jaimal Singh, Amritsar, **for a period of eleven months at a rate of three thousand five hundred (3500/- rupees per month).**”*

*“The following are the terms and conditions agreed upon verbally, which the lessors must note. 1. **That the lease will be effective from 15.8.99 and we will pay the advance every month.** We will get a separate receipt for the amount paid or we will get a written confirmation of every lease. The rent paid verbally will not be acceptable.”*

*“5) **If we do not pay the advance payment for any month, we will be liable to eviction.** 6) **The Expenses regard to the electricity will be extra than the rent.**”*

*“8) **That if we remain in possession of the shop for four years as tenant, then after four years, we will increase the rent, i.e. 10% monthly increase. We shall be responsible and bound, if we do not do this, we shall be liable to be evicted.**”*

*“12) **Within or after the period fixed by the owner, whenever the owner has to vacate this shop or whenever he agrees to vacate it, if there is, then one month's prior notice will be given to each other.**”*



10. In the case of *Siri Chand (deceased) through LRs (supra)*, the Hon'ble Supreme Court after taking into consideration the provision of Section 17(1)(d) of the Registration Act, 1908, came to the conclusion that the rent note in the said case did not require compulsory registration, although as per clause 9 of the said rent note, the tenant therein was bound to make payment of rent money by increasing 10% each year. The Hon'ble Supreme Court had observed that a careful perusal of the rent note therein would show that only monthly rent was mentioned in the said rent note and that there was a clause entitling the landlord therein to get the shop vacated by serving a notice of one month and that he could also seek eviction in case payment of rent in any month was not made. It was observed that in view of the said terms, it was apparent that the said rent agreement could not be stated to be a lease of immovable property from year to year so as to attract the provision of Section 17(1)(d) of the Registration Act.

11. With respect to clause 9, on which much argument was raised on behalf of the appellants therein, which provided for 10% increase of rent every year, it was observed by the Hon'ble Supreme Court that the said clause was contingent on the tenancy being continued beyond one year and on account of the said clause, the tenancy could not be stated to be year to year or for more than one year and after observing that the same was a contingent clause, it was held that the rent note although contained the said increase clause but the same did not require compulsory registration under Section 17(1)(d) of the Registration Act. In the said case, the eviction petition was filed by the landlord therein claiming arrears of rent by adding



10% increase each year. The said petition was opposed by the tenant therein on several grounds including the ground that the said rent note was obtained on blank paper as security and that since the rent note was not registered, thus, the increase clause would not apply. The Rent Controller in the said case had observed that the lease deed was not compulsorily registrable but the Appellate Authority reversed the said finding and observed that since the perusal of the rent note showed that there was to be an increase in the rent to the tune of 10% every year, thus, the rent note was not executed for a period of less than one year and concluded that the said document would require registration. The High Court dismissed the revision petition filed by the landlord therein and upheld the finding of the Appellate Court which held the rent note to be compulsorily registrable. The Hon'ble Supreme Court however after considering the entire law, allowed the appeal filed by the landlord and set aside the judgment passed by the High Court as well as the Appellate Authority and upheld the judgment of the Rent Controller and observed that the rent note therein was not compulsorily registrable. The relevant portion of the said judgment is reproduced hereinafter:

7. First issue, which has arisen for consideration in this appeal is as to whether the rent note dated 27.07.1993, which is brought on record as Annexure P-3 to the appeal was a document, which required compulsory registration under Section 17(1)(d) of the Registration Act, 1908. The second issue to be considered is as to whether the Appellate Court could have set aside the decree of eviction without recording finding that there was no default on the part of the tenant in payment of rent and house tax etc. and the amount deposited by the tenant was sufficient to save him from



eviction.

8. The Registration Act, 1908 contains the definition of a "lease" under **Section 2(7)**, which is to the following effect: -

"(7) "lease" includes a counterpart, kabuliyat, an undertaking to cultivate or occupy, and an agreement to lease;"

9. We may notice that in the present case, the rent note is not claimed to be signed by the landlord-appellant rather it is signed only by the respondent-tenant. The trial court after considering materials on record has returned the findings that appellant has proved the rent note. The case of the respondent

that appellant has got his signatures on a blank paper has not been accepted. RW1- Surinder Singh, respondent in his cross-examination has admitted his signatures on the rent note. The trial court also held that by virtue of clause (9) of the rent note, the respondent is liable to pay increased rate @10% every year and further he was liable to pay house tax. Landlord having paid the house tax, he was entitled to recover the house tax from the respondent.

10. section 17(1)(d) of the Registration Act deals with documents of which registration is compulsory. Section 17(1)(d) which is relevant for the present case and has been relied by the Appellate Court is as follows: -

"17. Documents of which registration is compulsory.-(1)
The following documents shall be registered, if the property to which they relate is situate in a district in which, and if they have been executed on or after the date on which, Act No. XVI of 1864, or the Indian Registration Act, 1866, or the Indian Registration Act, 1871, or the Indian Registration Act, 1877, or this Act came or comes into force, namely:-

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(d) leases of immovable property from year to year, or for any term exceeding one year, or reserving a yearly rent;"

11. As per Section 17(1)(d) leases of immovable property



from year to year, or for any term exceeding one year, or reserving a yearly rent requires compulsory registration. Whether the rent deed can be treated to be a lease of immovable property -(i) from year to year, (ii) for any term exceeding one year, (iii) or reserving a yearly rent?

12. We need to notice the relevant clauses of the rent deed to find out as to whether Section 17(1)(d) was applicable in the facts of the present case making Exh.A-1 compulsorily registrable. The agreement/rent deed, which is written and signed by the respondent alone contains 16 clauses, which were promises made by the respondent written in the rent deed. Clause 1 to 3, 9, 10, 14, 15 and 16, which are relevant, are as follows:-

“1) I will make the payment of the sum of Rupees 2,000/- (Two Thousand only) each month in advance in cash currency up to date 5 (Five) to the owner of the shop, Sri Chand.

2) The rent deed will be applicable from 28.07.1993

3) The amount of the house tax and the electricity bills regarding the abovesaid shop will be paid by me.

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9) I will be bound for making the payment of the rent money by increasing 10% (ten percent) each year.

10) If I may not make the payment of the rent up to the prescribed date in advance and then there will be right to the shop owner that he can get the shop vacated.

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14) I have paid the amount of Rupees 3600/- (Three Thousand Six Hundred only) to the shop owner as a security, vacating the shop, handing over the possession to the shop owner, I will be entitled for the refunding of this security amount.

15) If the shop owner is in need of this shop and then serving the notice of one-month period, he can get the shop vacated from me, there will be no objection to me in this



regard.

16) If in any situation, I may not comply with this agreement/rent deed and then there will be right to the shop owner that vacating the shop forcible, he can take over the possession from me and may dispossess me, there will be no objection and claim of mine or any of my legal heir.”

*13. Clause (1) of the rent deed specifically makes it clear that monthly tenancy was created on payment of rent of Rs.2,000/- per month. The payment was to be made before 5th of each month to the owner. The rent deed does not provide for any specific period for which the rent deed was executed. When a rent deed/lease deed does not provide for a period and when it provides for payment of rent monthly, whether tenancy can be treated from year to year or for any term exceeding one year or reserving a yearly rent? The rent deed does not reserve yearly rent, hence the third condition as noted above is not applicable. The rent deed is not also a lease of immovable property from year to year. **There is no mention in the rent deed that it is a lease from year to year, hence the said condition is also not applicable.***

16. Clauses of the rent note makes it clear that there was a categorical promise that tenancy is a monthly tenancy and rent is paid every month by 5th of every month. It is true that although in clause (9), it was mentioned that the tenant will be bound for making the rent money by increasing 10% each year, that was promise by the tenant to increase the rent by 10% each year for the period of tenancy, though the period of tenancy was unspecified. Clause (9) may or may not operate in view of specific clauses reserving right of landlord to evict the tenant on committing default of non-payment of rent by 5th of every month or when landlord requires shop by giving

one month's notice. Clause (9) was a contingent clause which binds the tenant to increase the rent by 10% each year, which was contingent on tenancy to continue for more



than a year, but that clause cannot be read to mean that the tenancy was for a period of more than one year.

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19. We may notice that in the above case although the annual rent was mentioned but, however, payment of monthly rent was mentioned in the lease deed. **The rent note, which we are considering contains only monthly rent and payment month by month. As per law laid down by this Court in Ram Kumar Das (supra) there shall be a presumption that the tenancy in the present case is monthly tenancy. When the clauses of rent note are cumulatively read, the intention of the tenant is more than clear that tenancy was only monthly tenancy, which could have been terminated on default of payment of rent by 5th day of any month or by notice of one month. The rent deed did not confer any right to tenant to continue in the tenancy for a period of more than one year nor it can be said that tenancy was created for a period of more than one year. Clause (9), which noticed the promise of the tenant of payment of rent by increasing 10% each year was a promise contingent on tenancy being continued beyond one year but cannot make the tenancy year to year or tenancy for a period of more than one year. Present was a case of tenancy for which no period was specified and looking to all the clauses cumulatively, we find that the rent note was not such kind of rent note, which requires compulsory registration under Section 17(1)(d).**

21. In result, the appeal is allowed. The judgment and decree of the Rent Controller directing eviction of the tenant is restored. No costs.”

12. The law laid down in the abovesaid judgment squarely applies in the present case. In fact, the facts in the present case are on a much higher footing for the present landlady than the landlord in the case before the Hon’ble Supreme Court. In the case before the Hon’ble Supreme Court, the



rent note did not provide for any period and on the basis of clauses of the rent note the Hon'ble Supreme Court had interpreted the rent agreement to be a monthly rent agreement and not to be a lease of immovable property from year to year or having any term exceeding one year or having a yearly rent. In the present case, it is not in dispute that as per the rent note dated 12.08.1999, the period of tenancy had been specifically mentioned as 11 months. In the present case also, there is a clause which specifically provides that the lease will be effected from 15.08.1999 and the petitioners/tenants would be liable to pay the advance rent every month and in case they do not pay the advance rent, then, they would be liable to be evicted, which also shows that there was no yearly rent reserved nor the lease was from year to year or for any term exceeding one year. In fact, under clause 5 and clause 12, non-payment of rent for any month would make the petitioners liable for eviction and further the owner/landlord had a right to seek vacation of the premises by giving one month's prior notice. The said clauses show that the lease agreement would not fall under Section 17(1) (d) of the Registration Act. Even with respect to the enhancement clause, it would be relevant to mention that in the said clause of the rent note dated 12.08.1999, it was specifically mentioned that in case the petitioners remained in possession beyond four years, then, there would be an increase of 10% and the petitioners would be bound to pay the same and in case they did not pay the same, then, they would be liable to be evicted and thus, the said clause is a contingent clause which was dependent upon the petitioners continuing to occupy the premises in question for a period of



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up to four years and by applying the law laid down by the Hon'ble Supreme Court, it is apparent that the said increase clause would not make the rent note compulsorily registrable under Section 17(1) (d) of the Registration Act.

13. No judgment to the contrary has been cited before this Court.

14. The observations of the Rent Controller and the Appellate Authority to the effect that there exists a relationship of landlord and tenants between the parties and also the rent note dated 12.08.1999 have not been disputed before this Court nor the said observations have been shown to be either perverse or illegal.

15. Keeping in view the abovesaid facts and circumstances, the impugned orders have been rightly passed and deserve to be upheld and accordingly the impugned orders passed by the Rent Controller as well as the Appellate Authority are upheld and the present petition deserves to be dismissed and is accordingly dismissed.

December 2nd, 2025

Puneet

**(VIKAS BAHL)
JUDGE**

Whether speaking/reasoned: Yes

Whether reportable: Yes