



2025:DHC:10860



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

% ***Date of decision: November 28, 2025***

+ **W.P.(C) 8414/2021, CM APPL. 25993/2021**

KAPIL KUMAR

.....Petitioner

Through: Mr. Pravin H. Parekh, Sr. Adv. with
Mr. Vishal Prasad and Mr. Aman
Anand, Advs.

Versus

**LIFE INSURANCE CORPORATION AND
& ANR.**

...Respondents

Through: Mr. Kamal Mehta, Adv. (M-
9810249271)

CORAM:

HON'BLE MR. JUSTICE SAURABH BANERJEE

J U D G M E N T (O R A L)

1. By virtue of the present petition filed under *Article(s)* 226 and 227 of the Constitution of India, 1950, (*CoI*) the petitioner seeks to challenge order dated 20.02.2021 passed by the learned Principal District & Sessions Judge, New Delhi in the matter being PPA No.17/ 2017 (*Civil Appeal*) whereby the order dated 27.03.2017 passed by Learned Estate Officer, LIC of India, Northern Zonal Officer, was upheld and the petitioner was directed to vacate the premises situated at Oriental Building, 86-89, Janpath, New Delhi-110 001 (*premises*) along with payment of an unrealistic amount of Rs.19,13,393/- on account of, *inter alia*, outstanding rent.

2. It is the admitted case of the petitioner that he was authorized tenant

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of respondent no.1 *qua* the premises by virtue of an Allotment Letter dated 23.06.2004 for which the petitioner was to pay monthly rent of Rs.8,880/- since the lease was for a period of three years subject to renewal of further two spells of three years each, and enhancement @ 25% over the last paid rent after the expiry of each term. Further, the Possession Letter to occupy the premises was given by respondent no.1 on 26.10.2006, however, the actual physical possession was handed over to the petitioner only on 25.02.2007, since repair works were being completed in the premises by the respondent no.1's department.

3. Subsequently, since the premises was not in a condition to be occupied by the petitioner, calculation of due rent was to be calculated from the date of his taking over the actual and physical possession thereof. However, the respondent no.1 *vide* letter dated 20.09.2008 stated that the outstanding rent amounted to Rs.2,71,030/- along with service tax till date. Pursuant thereto, the respondent no.1 issued Show Cause Notice dated 01.12.2008 for defaulting in paying their rental amount of Rs.3,70,000/- till 30.11.2008 and since there was no provision of payment of service tax beyond the stipulated rent in the Allotment Letter dated 23.06.2004, the petitioner did not pay the same. Similarly, on 09.07.2009 and 16.11.2010 the respondent no.1 again demanded the due amounts including interest as also sent a Legal Notice dated 14.02.2014 under *Section 106* of the Transfer of Property Act, 1882 (*TPA*) asking for eviction of the premises, and stating that if the petitioner failed to vacate the same he shall be liable to pay damages @ of Rs.110/- per sq. ft. per month totalling to Rs.16,280/- per month.

4. In response thereto, the petitioner *vide* reply dated 07.04.2014 stated



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that the rent ought to be calculated from the date on which actual possession was taken i.e., 25.02.2007 and as per him, the rent amounted to Rs.7,63,680/- for the period from 25.02.2007 till 24.04.2014, out of which the petitioner had already deposited Rs. 3,57,080/-.

5. In the wake of the aforesaid, since a dispute arose *inter se* the petitioner and the respondent no.1, the respondent no.1 filed a Petition bearing No. 12 & 12(A)/2014 under *Section(s) 5* and 7 of the Public Premises (Eviction of Unauthorized Occupants) Act, 1971 (**PP Act**) before the Learned Estate Officer, LIC of India, Northern Zonal Officer, New Delhi (**respondent no.2**) on the ground that the petitioner was an unauthorized occupant of the said premises *vide* Legal Notice dated 14.02.2014 as he had failed to pay service tax, increased rent and interest on the same.

6. In fact, the respondent no.2 also issued a statutory Show Cause Notice on 13.11.2014 to the petitioner, who in response thereto stated that the service tax, increment in rent @ 25% and damages levied were beyond the scope of the Allotment Letter dated 23.06.2004 and imposition of the same was arbitrary and illegal. Based thereon, as also the evidence on record, the respondent no.2 *vide* order dated 27.03.2017 allowed the said Petition by holding that the petitioner was an unauthorised occupant *qua* premises and was liable to pay the due rent amount along with the ancillary cost thereof.

7. Aggrieved thereby, the petitioner filed a Civil Appeal challenging the order dated 27.03.2017 passed by the respondent no.2, before the learned Principal District & Sessions Judge, New Delhi, which was upheld *vide* order dated 20.02.2021 (**impugned order**).



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8. Hence the present petition by the petitioner challenging the impugned order dated 20.02.2021.

9. Mr. Pravin H. Parekh, learned senior counsel appearing for the petitioner submits that in terms of the order dated 11.11.2021 passed by this Court, the only aspect remaining herein is regarding the quantification of damages, more so, since possession of the premises has, *admittedly*, been handed over by the petitioner on 15.11.2021. Relying upon ***Krishna Bahadur vs. Purna Theatre*** [(2004) 8 SCC 229], ***Dwarkadas Marfatia & Sons vs. Board of Trustees of The Port*** [(1989) 3 SCC 293] and ***Transmission Corporation of Andhra Pradesh Ltd. & Ors. vs. GMR Vemagiri Power Generation Ltd. & Ors.*** [(2018) 3 SCC 716], the learned senior counsel submits that the unilateral enhancement of rent @ 25% was illegal and arbitrary and the same is against the public interest especially whence the right to increase the rent was waived off. After expiry of the first tenure of three years, the respondent no.1 did not increase the rent *vide* the rent bills *qua* the said period. Moreover, the respondent no.1 failed to provide the Standard Performa for execution of the Lease Deed in terms of the Allotment Letter dated 23.06.2004.

10. Mr. Pravin H. Parekh then submits that damages cannot be calculated based on a comparable lease since the petitioner was not privy to the said lease executed between the respondent no.1 and a third party, thus he cannot be compelled to pay rates which he never concurred to.

11. *Per contra*, Mr. Kamal Mehta, learned counsel appearing for the respondents, submits that the petitioner is trying to reargue the case as was set up before respondent no.2 and learned Principal District & Sessions Judge, New Delhi, which has already been negated. The learned counsel



submits that the quantification of damages have been duly based on comparable lease and the same has been duly affirmed by the learned Principal District & Sessions Judge, New Delhi *vide* order dated 20.02.2021, thus the same cannot be challenged at this stage.

12. This Court has heard the learned (senior) counsel for the parties as also perused the pleadings and documents on record and the judgements cited by them.

13. For quantification of damages, as per petitioner, the levy of damages is arbitrary and illegal since he was not privy to the comparable lease upon which the damages were based and imposed upon him *vide* Legal Notice dated 14.02.2014 @ Rs.16,280/- per month with effect from 26.03.2014.

14. *Admittedly*, tenancy of the petitioner qua the premises was determined in accordance with *Section 106* of the TPA *vide* Legal Notice dated 14.02.2014, whereafter the petitioner became/ was an unauthorized occupant. Thus, there was no dispute that the petitioner was deemed to be an “*Unauthorised Occupant*” in terms of *Section 2(g)* of the PP Act as he had defaulted in paying the due rental amount *vide* order of eviction dated 27.03.2017 passed by the respondent no.2.

15. The Estate Officer derives the power for imposing damages from *Section 7* of the PP Act, which is reproduced as under:-

“7. Power to require payment of rent or damages in respect of public premises.

(1) *Where any person is in arrears of rent payable in respect of any public premises, the estate officer may, by order, require that person to pay the same within such time and in such instalments as may be specified in the order.*

(2) *Where any person is, or has at any time been, in*



unauthorised occupation of any public premises, the estate officer may, having regard to such principles of assessment of damages as may be prescribed, assess the damages on account of the use and occupation of such premises and may, by order, require that person to pay the damages within such time and in such instalments as may be specified in the order.

(2A) While making an order under sub-section (1) or sub-section (2), the estate officer may direct that the arrears of rent or, as the case may be, damages shall be payable together with 4[compound interest] at such rate as may be prescribed, not being a rate exceeding the current rate of interest within the meaning of the Interest Act, 1978 (14 of 1978).

(3) No order under sub-section (1) or sub-section (2) shall be made against any person until after the issue of a notice in writing to the person calling upon him to show cause 5[within seven days from the date of issue thereof], why such order should not be made, and until his objections, if any, and any evidence he may produce in support of the same, have been considered by the estate officer.

(3A) If the person in unauthorised occupation of residential accommodation challenges the eviction order passed by the estate officer under sub-section (2) of section 3B in any court, he shall pay damages for every month for the residential accommodation held by him.

(4) Every order under this section shall be made by the estate officer as expeditiously as possible and all endeavour shall be made by him to issue the order within fifteen days of the date specified in the notice.”

[Emphasis Supplied]

16. Similarly, the guiding principle for calculating the damages under the PP Act emanates from Rule 8 of the Public Premises (Eviction of Unauthorized Occupants) Rules, 1971, (**PP Rules**) which, for the sake of convenience is reproduced as under:-

“8. **Assessment of damages.**-In assessing damages of unauthorised use and occupation of any public premises the



estate officer shall take into consideration the following matters, namely :

- (a) The purpose and the period for which the public premises were in unauthorised occupation-,*
- (b) The nature, size and standard of the accommodation available in such premises;*
- (c) The rent that would have been realised if the premises had been let on rent for the period of unauthorised occupation to a private person;*
- (d) Any damage done to the premises during the period of unauthorised occupation;*
- (e) Any other matter relevant for the purpose of assessing the damages.”*

17. As evident from above, a bare perusal of the *Section 7(2)* of the PP Act read with *Rule 8* of the PP Rules, makes it clear that an Estate Officer has ample ambit to duly consider the character and quality of the premises in issue, as well as the rental value, it would reasonably fetch in the open market had it been lawfully let to a private party for duration of the unauthorized occupation.

18. In the present case, the record reveals that the genesis of the quantification of damages by the respondent no.2 was/ is based on the material on record, which is neither hypothetical nor flimsy, as they are based on comparable lease, with which the petitioner was unable to find any fault with. Even otherwise, considering the parties involved therein, the said lease was/ is a bankable document. Also, it was within the domain of the Estate Officer to assess the damages according to PP Rules. It is incontrovertible that the petitioner was entitled to contest the quantum of damages, however, such a challenge ought to have been taken exclusively before the respondent no.2 i.e., the Court of first inception, where the petitioner had the opportunity to adduce evidence to dispute the



quantification thereof.

19. In fact, as per the judgment entitled ***Batliboi and Company. Ltd. vs. Life Insurance Corporation of India Ltd. & Ors.*** MANU/DE/2170/2011, wherein it was held that comparable leases within the same building or locality may be used as a benchmark for assessing damages especially in the absence of cogent material to controvert the rate of damages imposed by the learned Estate Officer. Similarly, in ***H.S. Gupta vs. Union of India & Ors.*** [1982 SCC OnLine Del 254] it has been held that once the learned Estate Officer and the learned Additional District Judge have assessed the damages based on materials placed on record before them, there can be no reappraisal of evidence thereafter.

20. It is, thus, now too late in the day for the petitioner to seek to challenge the quantum of damages stating that the levy thereof is arbitrary. More so, since they are only unsubstantiated, bald averments without any cogent and/ or material evidence to fortify it. Therefore, the said challenge to the quantification of damages by the petitioner, especially in light of what has been held hereinabove, can come to no aid of the petitioner.

21. Lastly, reliance upon ***Krishna Bahadur (supra)***, ***Dwarkadas Marfatia & Sons (supra)*** and ***Transmission Corporation of Andhra Pradesh Ltd. & Ors. (supra)*** by Mr. Pravin H. Parekh, learned senior counsel will not come to the aid of the petitioner as they pertain to the aspect of waiver of right to enhance rent which is not an issue herein since the only aspect to be adjudicated upon is *qua* quantification of damages. Thus, none of them are applicable to the facts and circumstances involved herein.

22. In any event, the powers vested in this Court by virtue of *Article(s)*



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226/ 227 of the CoI, is extremely narrow and is limited to superintendence *qua* the decision making process as held in *Union of India vs. P. Gunasekaran*, [(2015) 2 SCC 610] and *Sanjay Kumar Jha v. Prakash Chandra Chaudhary*, [(2019) 2 SCC 499], since the order dated 20.02.2021 does not suffer from any infirmity and/ or illegality, there is no reason for this Court to interfere with the same.

23. As such, based on the foregoing discussion since the petitioner has failed to raise any grounds for this Court to exercise its powers under *Article 226/227* of the CoI, the order dated 20.02.2021 passed by the learned Principal District & Sessions Judge, New Delhi is upheld and affirmed.

24. In light of the above, the present petition along with the pending application stands dismissed.

SAURABH BANERJEE, J.

NOVEMBER 28, 2025/Ab