



THE HIGH COURT OF JUDICATURE AT MADRAS

Judgment reserved on : 06.01.2026

Judgment pronounced on : 13.02.2026

CORAM

THE HON'BLE MR. JUSTICE P.B.BALAJI

CRP.Nos.6094 & 4258 of 2025

Mukesh Gupta

.. Petitioner in CRP.No.6094 of 2025
& Respondent in CRP.No.4258 of 2025

Vs.

M.Umar Sheriff

.. Respondent in CRP.No.6094 of 2025
& Petitioner in CRP.No.4258 of 2025

Prayer in CRP.No.6094 of 2025: Civil Revision Petitions filed under Section 25 of Tamil Nadu Buildings (Lease and Rent Control) Act, 1960, to set aside the order dated 15.03.2024 in RCA.No.118 of 2021 on the file of the VIII Small Causes Court, Chennai, modifying the order, reducing the fair rent fixed by the learned Rent Controller by order dated 19.03.2021 in RCOP.No.736 of 2014 on the file of the XIV Judge, Small Causes Court, Chennai.

Prayer in CRP.No.4258 of 2025: Civil Revision Petitions filed under Section 25 of Tamil Nadu Buildings (Lease and Rent Control) Act, 1960, to set aside the order dated 15.03.2024 in RCA.No.118 of 2021 on the file of the VIII Small Causes Court, Chennai, modifying the order dated 19.03.2021 in RCOP.No.736 of 2014 on the file of the XIV Judge, Small Causes Court, Chennai.



For Petitioner : Mr.Samir S.Shah
for M/s.Shah & Shah in CRP.No.6094 of 2025

Mr.N.S.Amogh Sinha in CRP.No.4258 of 2025

For Respondent : Mr.N.S.Amogh Sinha in CRP.No.6094 of 2025

Mr.Samir S.Shah
for M/s.Shah & Shah in CRP.No.4258 of 2025

COMMON ORDER

Both these revision petitions have been filed under Section 25 of the Tamil Nadu Buildings (Lease and Rent Control) Act, (Act 18 of 1960), as amended by (Act 23 of 1973). The landlord is the revision petitioner in CRP.No. 4258 of 2025 and the tenant is the revision petitioner in CRP.No. 6094 of 2025. Both the revisions are directed against the judgment of the Appellate Authority, revising the fair rent fixed by the Rent Controller.

2.For the sake of convenience, the petitioner in CRP No. 4258 of 2025, who is the landlord is being described as the petitioner in this common order and the tenant / respondent in CRP. No. 4258 of 2025 is referred to hereinafter as the respondent.



WEB COPY

3. Brief facts, that would be necessary to adjudicate these revisions, are as follows:

The petitioner is the owner of the property, which is a non-residential premises. The respondent is a tenant in respect of the said property on a monthly rent of Rs.10,000/-. The petitioner has called upon the respondent to vacate even as early as in January 2011. However, the respondent has not vacated the tenanted shop. Claiming that the rent, that has been paid by the respondent, is very low and that the property is situated in a commercial hub, where the market value of land is Rs.4 crores per ground, the petitioner invoked Section 4 of the Act, seeking fixation of fair rent at Rs.1,24,791/- per month.

4. The said application was resisted by the respondent/tenant, on the ground that the petitioner had assured that he would not disturb the respondent for 10 to 15 years. The further contention of the respondent is that the monthly rent of Rs.10,000/- is much more than the fair rent that would be worked out under Section 4 of the Act. The respondent has also set out various inconveniences and difficulties and locational disadvantages and according to the respondent, the market value of the property is only Rs.50 lakhs to Rs.70 lakhs and fair rent would not be more than Rs.5,000/- per month.



5. Before the learned Rent Controller, both the parties let in evidence, documentary and the rent controller fixed the fair rent at Rs.61,648/- per month. Aggrieved by the order fixing the fair rent, the tenant preferred [RCA.No.118](#) of 2021. The Appellate Authority, by judgment and decree dated 15.03.2024, reduced the fair rent to Rs.38,321/- per month. Dissatisfied with the judgment of the Appellate Authority, both the landlord and the tenant have preferred separate revision petitions.

6. I have heard Mr.N.S. Amogh Simha, learned counsel for the petitioner/ landlord, and Mr.Samir S. Shah for M/s.Shah and Shah, learned counsel for the respondent/ tenant.

7. Mr.N.S.Amogh Simha, learned counsel for the petitioner would contend that the Rent Control Appellate Authority has not arrived at the correct age of the building and has interfered with the findings of the Rent Controller, without any valid reasons whatsoever. However, with regard to the appreciation of land value and the methodology adopted by the appellate authority, Mr.Amogh Simha, the learned counsel for the landlord would submit that the Rent Controller had given an appreciation of only 15% for 2 years, which is, in effect, 7.5% per year. However, the Appellate Authority erroneously agreeing with the tenant's Engineer, has given an appreciation of merely 10% for 2 years, which has substantially brought down the market value, and thereby resulted in an unfair rent being fixed for the petition premises. Mr.N.S.Amogh Simha, learned counsel would also rely on the decision of this Court in *D.Sasikumar v. T.*



WEB COPY

Soundararajan in CRP(NPD).No. 2326 of 2018 dated 16.04.2021, with regard to the appreciation, which can be provided in matters where the Court is called upon to fix the market value of the property for a particular year.

8.Per contra, Mr.Samir S. Shah, the learned counsel appearing for the respondent / tenant, would contend that the Appellate Authority has not committed any error in providing appreciation and in fact, the Appellate Authority has not considered the locational disadvantages that the petition premises suffers, which would have to be considered, while fixing the fair rent. Mr.Samir S. Shah would also contend that the market value fixed at Rs.1,84,00,000/- per ground was unrealistic and exorbitant and that the tenant was entitled to a further decrease, despite having succeeded before the Appellate Authority in reducing the fair rent to Rs.38,321/- from Rs.61,648/- per month.

9.I have carefully considered the submissions advanced by the learned counsel on either side. I have also gone through the records, including the order of Rent Controller and the judgment of the Appellate Authority.

10.The main ground of challenge by both the petitioner and the respondent is only with regard to the market value of the land and rate of appreciation that has been applied by the Courts below. No doubt, Mr.Amogh Simha, learned counsel has also argued



regarding incorrect assessment of the age of the building, I find from the judgment of the Appellate Authority, as well as the order passed by the Rent Controller that based on the available evidence in oral and documentary, the authorities have fixed the age of the building as 12 years and being the owner of the property, the petitioner/ landlord was the best person to have produced the documentary evidence to establish his case that the building was only 10 years old. In the absence of such evidence adduced, the finding of the Appellate Authority, that the building is aged 12 years, does not call for any interference.

11. Coming to the market value of the land, the Rent Controller, taking note of the evidence of the petitioner's Engineer that the market value is Rs.4 crores per ground, based on Ex.P3, which was a model sale deed from 2012 and Ex.P4, which was an analysis report, as well as Ex.R3, which was a model sale deed from 2013 and analysis report in Ex.R4, found that both the documents were not helpful to the Court to arrive at the prevailing market value relevant on the date of filing of the application under Section 4 of the Act. However, taking note of the pleadings, as well as the oral evidence adduced on behalf of both the petitioner as well as the respondent, the Rent Controller fixed the market value at Rs.2,10,00,000/- per ground.

12. The Appellate Authority, taking note of Ex.P3, assessed the market value as Rs.1,68,00,000/- as on 20.09.2012 and finding that the tenant's Engineer also relied on a document pertaining to the very same property executed on 28.06.2013, proceeded to



reduce the market value from Rs.2,10,00,000/- to Rs.1,84,80,140/-, by providing 10% appreciation for 2013 to 2014. I do not find any perversity in the findings of the Appellate Authority arriving at the land value as Rs.1,68,00,128/- per ground. However, the Appellate Authority has found that both 2012 and 2013 documents are of the same financial year and therefore, there is no necessity to provide for any appreciation.

13. At the same time, taking note of the fact that the tenant's Engineer himself had given 10% appreciation, applying the same, the Appellate Authority fixed the market value at Rs.1,84,80,140/-. I am unable to sustain the said finding of the Appellate Authority for the simple reason that the documents in Ex.P3 and Ex.R3 are dated 20.09.2012 and 28.06.2013. On and from 01.04.2013, a fresh financial year commences. Therefore, the finding of the Appellate Authority, that no appreciation is required to be given, is fallacious. However, despite such findings, in view of the concession made by the tenant's Engineer, the Appellate Authority has provided for 10% appreciation for 2013, as well as 2014. The RCOP was admittedly filed in April 2014, which is again a fresh financial year. Therefore, while providing appreciation, the Appellate Authority should have given an appreciation of 10% for 2 years, instead of merely providing for 10% for a block of 2 years.

14. This Court, in *D.Sasikumar's case* (referred herein supra), relying on the decision of the Honourable Supreme Court in *the Special Land Acquisition Officer v. Mohammed Hanif Sahib Bawa Sahib*, reported in (2002) 3 SCC 688, as well as the



decision of this Court in *New Era Engineering Company, represented by its partner J.S.Desai and others v. Ghyaz Hashim and Ors.*, reported in 2011 (1) TLNJ 20 (Civil), held that an appreciation of 10% per annum for every subsequent year cannot be termed as 'excessive or unreasonable'.

15. Applying the ratio laid down by this Court and following the dictum of the Honourable Supreme Court, in order to arrive at the prevailing market value for the year 2014, the Appellate Authority ought to have given 2 sets of 10% per annum appreciation instead of merely 1. If such appreciation of 10% for each financial year is provided, then the base market value of Rs.1,68,00,016/- would be as follows:

1. 10% for first year – Rs. 1,84,80,140/-

2. For the second year - Rs.2,03,28,154/-. The same can be rounded off to a sum of Rs.2,00,00,000/-.

The final calculations would consequently be as follows:

Cost of construction:

Built up plinth area	
RCC roof ground floor 832 sq.ft x Rs.586/- per sq.ft	= Rs.4,87,552/-
Basic Amenities 15%	= Rs. 73,132/-

Total	= Rs.5,60,684/-

Depreciation at 1% for 12 years (Rs.5,60,684 x 0.8863)	
Depreciated value of the building	= Rs.4,96,934/-



Land Value:

WEB COPY

Apportioning the plinth area for respective
floors 832 sq.ft / 4 floor

= 208 sq.ft

Tenant's 1/16th share appurtenant
land available in the plot

= 206.43 sq.ft

Total apportioned site area

= 414 sq.ft

Land value per ground = Rs.2,00,00,000/-
(414 sq.ft x Rs.2,00,00,000/- 2400 sq.ft)

= Rs.34,50,000/-

Land value + cost of the building
Schedule I Amenities 4%

= Rs.39,46,934/-

= Rs.1,57,877.36/-

(Rounded of Rs.1,57,880/-)

Total

Rs.41,04,814/-

Fair rent @ 12% per annum = Rs.4,92,577.68/-

Fair rent per month = Rs.41,048.14/-

16.In fine, CRP No.4258 of 2025 is partly allowed and CRP No.6094 of 2025 is dismissed. No costs.

13.02.2026

Neutral Citation Case : Yes / No

Speaking / Non-speaking order

Index : Yes/No

ata



WEB COPY



P.B.BALAJI.J.

ata

To

- 1.The VIII Small Causes Court, Chennai.
- 2.The XIV Judge, Small Causes Court, Chennai.

Pre-delivery judgment made in
CRP.Nos.6094 & 4258 of 2025

13.02.2026