



2026:DHC:4397-DB



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

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Reserved on: 28th October, 2025

Pronounced on: 18th May, 2026

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**+ RFA (COMM) 486/2025 & CAV 313/2025 & CM APPL.
51447/2025, CM APPL. 51448/2025, CM APPL.51809/2025**

**M/S CRI LIMITED,
2E/26 SWAMI RAM TIRATH NAGAR
JHANDEWALAN, NEW DELHI-110055**

...PETITIONER

Through: Mr. Darpan Wadhwa, Sr. Advocate
along with Mr. Abhay Pratap,
Advocate

versus

**1. PRAN NATH MEHTA
S/O LATE R. N MEHTA,
A-20, ANAND NIKETAN, NEW DELHI. ...RESPONDENT NO.1**

**2. RAM MEHTA
S/O LATE R. N MEHTA,
A-20, ANAND NIKETAN, NEW DELHI. ...RESPONDENT NO.2**

**3. RAJ MEHTA
S/O LATE R. N MEHTA,
A-20, ANAND NIKETAN, NEW DELHI. ...RESPONDENT NO.3**

4. VIMAL NATH MEHTA



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S/O LATE R. N MEHTA,
A-20, ANAND NIKETAN, NEW DELHI. **...RESPONDENT NO.4**

5. RANI WESLEY MEHTA
S/O LATE R. N MEHTA,
A-20, ANAND NIKETAN, NEW DELHI. **...RESPONDENT NO.5**

Through: Mr. Keshav Sehgal, Mr. P.P. Ahuja, Mr. Shivam Gaur, Mr. Vedit Garg, Mr. Shubham Agarwal, Mr. Aryan Kumar, Ms. Rashi Singh and Ms. Shabina, Advocates

CORAM:
HON'BLE MR. JUSTICE NITIN WASUDEO SAMBRE
HON'BLE MR. JUSTICE ANISH DAYAL

JUDGMENT

NITIN WASUDEO SAMBRE, J.

1. This appeal has been preferred by the original defendant under Section 13(1A) of the Commercial Courts Act, 2015 read with Order XLI of the Code of Civil Procedure, 1908 ("CPC").
2. The present appeal challenges the judgment and decree dated 29th May, 2025 (hereinafter referred to as the "impugned judgment") passed by the learned District Judge, Commercial Court, Tis Hazari Courts, Central District, Delhi in Civil Suit (Commercial) No. 3996/2021.
3. By the aforesaid impugned judgment, the suit preferred by the respondent-plaintiff came to be decreed. A declaration was granted that:



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- a) the defendant is not a statutory tenant under the Delhi Rent Control Act, 1958 (hereinafter referred to as the “DRC Act”), and that the Commercial Court has jurisdiction to entertain the suit as per Section 106 of the Transfer of Property Act, 1882 (hereinafter referred to as the “TP Act”),
- b) the suit is not barred by the provision of Section 50 of the DRC Act.
- c) the suit cannot be said to be not maintainable in view of non-compliance of Section 12A of the Commercial Court Act, 2015.
- d) the learned Commercial Court has further held that the respondent-plaintiff is entitled to possession of the tenanted suit premises and is also entitled to recover pre-suit rent/ occupation charge at the rate of Rs. 40,000/- per month and *pendente lite* at the rate of Rs. 1,20,000/- per month for a period of 44 months, *i.e.*, from October, 2021 to May, 2025. It has further been held that the respondent-plaintiff shall be entitled to *mesne* profits at the rate of Rs. 1,20,000/- per month.
- e) the statement made by the counsel for the appellant/original defendant that the defendant will not carry out any alteration or create any third-party interest in the suit property in any manner whatsoever was accepted and accordingly, the said issue was also considered and decided in favour of the respondent/plaintiff.



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f) interest at the rate of 9% on *pendente lite* and future period also came to be awarded.

4. The relevant facts which are necessary for deciding the present appeal are as under:

i. The suit property consists of first and second floor on the property number 2E/26, *Swami Ram Tirath Nagar, Jhandewalan, New Delhi-110055* (hereinafter shall be referred to as the “Suit Property”).

ii. The case of the respondent-plaintiff before the learned Commercial Court was that one Late *Smt. Rajrani Mehta*, the mother of plaintiff no.1 and grandmother of plaintiff no.2-5 was owner of the Suit Property.

iii. The plaintiff no. 2 to 5 are the children of *Mr. Ashwani Kumar Mehta*, the other son of *Smt. Rajrani Mehta*. The aforesaid property was inherited by the plaintiffs, who claim to be the landlords of the Suit Property by virtue of the Will dated 14th May, 1998 and the Codicil dated 21st July, 2002.

iv. One *M/s National Capital Register Limited* was inducted as a tenant by late *Smt. Rajrani Mehta*. Subsequently, there was a change of name and it came to be known as the appellant/defendant company.

v. As there was a failure to pay rent, a notice terminating the tenancy was issued on 14th December, 1995, followed by proceedings for eviction under Section 14(1)(a), (b), and (j) of the DRC Act on 12th May, 1997,



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vide Eviction Petition no. 406/2008. Claim therein was resisted by the defendant. The landlady *Smt. Rajrani Mehta* expired, during pendency of the said proceedings, on 13th January, 2003.

vi. In the aforesaid background, plaintiff no. 2 to 5 executed powers of attorney in favour of plaintiff no. 1 on 09th June, 2003 and 05th July, 2009.

vii. A further registered Relinquishment Deed dated 02nd July, 2021 came to be executed by plaintiff no. 2 to 5 in favour of plaintiff no. 1. As such, plaintiff no. 1, who had initially inherited half portion of the aforesaid suit property became the absolute owner of the entire Suit Property.

viii. Accordingly, the plaintiff started getting rent from the defendant company through cheques. Excluding electricity charges, the defendant paid rent of Rs.2,875/- per month which was subsequently increased to Rs.3,162.50/- with effect from 01st March, 1994.

ix. Though demanded *vide* communication dated 26th March, 1994, the enhanced rate of rent was never paid and the defendant rather took recourse to proceedings under sub-section (3) of Section 26 of the DRC Act on 16th August, 2002, seeking permission to deposit rent before the Additional Rent Controller (“ARC”). The said relief was sought for the period from May, 1998 to October, 2005.



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x. The plaintiff issued another notice dated 16th February, 2015 seeking enhancement of rent to Rs. 3,478.70/- per month. However, the defendant has paid the rent @ Rs.3,173/- for April and May, 2015 instead of rent @ Rs.3,478.70/-.

xi. *Vide* notice dated 28th March, 2018 issued under Section 6A of the DRC Act, rent was sought to be enhanced to Rs. 3,826.62/- from Rs. 3,478.70/- after completion of a period of three years from the date of last increase.

xii. Since the increased rent was not paid, it prompted the plaintiff to file a suit being Civil Suit No.3569/2017 for recovery of Rs.22,088/-, in the form of arrears of rent. The said suit came to be decreed on 19th September, 2019 by the Civil Judge in favour of the plaintiff.

xiii. In exercise of powers under sub-section (1) of Section 15 of the DRC Act, the ARC, *vide* order dated 16th July, 2019, directed the defendant to pay the arrears of enhanced rent along with interest.

xiv. Legal notice dated 28th December, 2020 was sent to the defendant to vacate the suit property and demanding *mesne* profits at the rate of Rs. 3,00,000/- per month from 01st February, 2021.

xv. As the plaintiff sought interim injunction, pre-institution mediation under Section 12A of the Commercial Courts Act, 2015 was not carried out and the subject suit came to be instituted seeking the following reliefs:-



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“Prayer:

i. To pass a decree for Possession may be passed in favour of the plaintiff nos. against the defendant in respect of first & second floor portions of the property bearing no. 2E/26, Swami Ram Tirath Nagar, Jhandewalan, New Delhi as shown ‘Red’ in the site plan annexed with the plaint;

ii. A Joint decree for a sum of Rs.26,08,995/- (Rupees Twenty Lakhs Hight Thousand Nine Hundred Ninety Five) may be passed in favour of the plaintiffs 1 to 5 against the defendant as per the averment made in the Plaint.

iii. interest at the rate of 15% per annum may also be awarded on Rs.26,08,995/- (Rupees Twenty Lakhs Eight Thousand Nine Hundred Ninety Five) to the Plaintiffs against the defendant from the date of filing of the suit till realization of the aforesaid amount;

iv. To pass a decree for Permanent Injunction may be passed in favour of the plaintiff against the defendant thereby restraining the defendant thereby restraining the defendant through their tenants/employees and person working there from parting with possession of the first & second floor of the property bearing no.2E/26 Swami Ram Tirath Nagar, Jhandewalan, New Delhi 110055 or any part thereof in the manner as shown ‘Red’ in the site plan annexed with the plaint to any person except to the plaintiff no.1 who is the registered owner/landlord qua the constructed property bearing no. 2E/26 Swami Ram Tirath Nagar, Jhandewalan, New Delhi 110055 competent to receive the possession of the said portions of the aforesaid property from the defendant;

v. To pass a decree for permanent injunction may be passed in favour of the plaintiffs against the defendant thereby restraining the defendant/Occupiers from changing the existing structure including unauthorized construction as on date of the suit premises i.e. first and second floor of the property bearing no. 2E/26, Swami Ram Tirath Nagar,



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Jhandewalan, New Delhi 110055 as shown 'Red' in the site plan, in any manner,

vi. A decree for Mandatory Injunction may be passed thereby directing the defendant company through their employees/person working on their behalf to change the SI Pipes installed in the property in respect of the first and second floor portion of the property from the top floor to the ground floor portions of the property at their own cost and Expenses in order to save the Life of the building and also regarding the seepage of the water from second floor to the Basement floor of the aforesaid property;

vii. A decree for Mandatory Injunction may be passed thereby directing/restrain the defendant company through their employee, director and person on working of their behalf for sending the illegal rent at rate of Rs. 3,479/- per month in the name of plaintiff/Plaintiffs cheques at Rs. 3,479/- per month as rent in the name of the plaintiff/plaintiffs in respect of suit premises as the rent of the premises with affect from 01.05.2018 after the service of the third notice dated 28.03.2018 was issued and served and same was replied.

viii. Cost of the suit may also be awarded to the plaintiffs against the defendant.

ix. Any other relief may be awarded to the plaintiffs seeing the facts and circumstances of the case against the defendant.”

xvi. The defendant-appellant herein was served with the suit summons on 09th December, 2021. The written statement came to be filed on 24th February, 2022, thereby urging dismissal of the suit, as the claim in the suit was hit by the Section 50 of the DRC Act, which bars the jurisdiction of the Civil Court to entertain the suit.



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xvii. Another objection based on Section 12A of the Commercial Courts Act, 2015 was raised, as the recourse to mandatory pre-litigation mediation had not been taken.

xviii. It was further urged that though the defendant had offered, the plaintiff has not accepted the rent. It is claimed that the defendant is a statutory tenant and that since the plaintiff was not accepting the rent, the same was deposited before the ARC by taking out appropriate proceedings.

xix. It was further urged that in Eviction Petition No. RCARC No. 478084/2016, instituted by the plaintiff against the defendant, the very similar prayers for eviction are *sub-judice* before the Court of learned ARC.

xx. It was further claimed that the rent of the suit premises was Rs.3,478.70/- per month.

xxi. Rest of the contentions which were raised by the plaintiff were denied and the dismissal of the suit was sought.

xxii. Having regard to the rival submissions, the learned Commercial Court framed following issues which reads thus:-

“Issues:

i. Whether defendant is a statutory tenant under Delhi Rent Control Act, 1950? OPD



ii. Whether this Court has no subject jurisdiction in terms of Section 50 of Delhi Rent Control Act? OPP

iii. Whether suit is liable to be rejected for non-compliance of Section 12A of Commercial Courts Act, 2015? OPP

iv. Whether plaintiff no. 1 is entitled to decree of possession of tenanted suit property i.e. first and second floors of built up property i.e. 2E/26, Swami Ram Tirath Nagar, Jhandewalan Extn., New Delhi as shown in the site plan? OPP

v. Whether plaintiffs are entitled to a joint decree of Rs.26,08,995/- alongwith interest @15% per annum? OPP

vi. Whether plaintiffs are entitled to decree of permanent injunction restraining the defendant or any person acting through them from parting with the possession of the suit property to any third person? OPP

vii. Whether plaintiff is entitled to decree of permanent injunction restraining changing the structure of the suit property or carrying out unauthorised construction? OPP

viii. Whether plaintiffs are entitled to decree of mandatory injunction directing the defendant tenant to change the pipes installed on the first and second floors at their own cost? OPP”

xxiii. The plaintiff, in support of his claim, examined PW-1, *Pran Nath Mehta* i.e., plaintiff no.1, who through his evidence exhibited 37 documents. The plaintiff also examined PW-2 *Anuradha Arora*, a landlady in the adjoining property in the locality, whose evidence was exhibited as Ex. PW-2/A, so as to establish the prevalent rent of the similar property.



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xxiv. As against the above, DW-1, *Mr. Ram Aggarwal* was examined *vide* affidavit exhibited as Ex. DW1/A, who exhibited six documents in all.

xxv. After the witnesses were subjected to examination-in-chief and cross-examination, the suit came to be decreed as observed hereinabove and as such, this appeal has been preferred being aggrieved by the said judgment.

5. The learned counsel for the appellant-original defendant would urge that in the facts and circumstances of the case, the learned Commercial Court failed to appreciate the evidence and misapplied Section 6A and 8 of the DRC Act.

6. According to him, the findings recorded as regard to use and occupation charges are without any legal basis and in absence of evidence to that effect.

7. It is further claimed that the judgment relied on by the learned Commercial Court in the matter of *Deepak Nijhawan And Anr. Vs. RN Abrol* 2015 SCC OnLine DL 14321, is wholly misplaced in the facts and circumstances of the case in hand.

8. It is further urged that in absence of any evidence to establish that the rent being paid exceeded Rs. 3,500/-, the proceedings ought not to have been entertained in view of Section 50 of the DRC Act. Furthermore, it is



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urged that the learned Commercial Court failed to take judicial notice of the pendency of parallel eviction proceedings.

9. In the aforesaid factual matrix, it is claimed that there is an illegal termination of tenancy under the TP Act.

10. Similarly, the contentions are also in regard to the award of exorbitant occupation charges, particularly when there was a lockdown during the COVID-19 period, which fact the learned Commercial Court failed to appreciate.

11. According to him, the use and occupation charges awarded at the rate of Rs. 1,20,000/- per month for the period from October, 2021 to May, 2025 are without any basis.

12. It is further urged that there is no material on record to justify the grant of interest, exorbitant occupation charges and that being so, the appeal is liable to be allowed by quashing the impugned judgment and order.

13. As against the above, the learned counsel appearing for the respondent-plaintiff would urge that a perusal of the plaint would reveal that there are sufficient pleadings in terms of Order VI of the CPC, as the plaint contains all material facts.

14. Drawing support from Section 4 of the Schedule appended to the Commercial Courts Act, 2015, it is his contention that the appellant has



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not conducted in accordance with the said Schedule in the matter of filing the written statement.

15. It is further urged that the learned Commercial Court has considered all the facets of matter and has rightly decreed the suit.

16. That being so, the prayer for dismissal is sought.

17. We have heard the respective counsel for the parties and having considered the rival submissions, it is apparent that the respondent/plaintiff has proved the following documents: -

"1. Copies of Power of Attorneys dated 9.6.2003 and 5.7.2009 are Ex-PW1/1 and PW1/2.

2. Copy of the lease Deed dated 26.2.1973 is Ex-PW1/3.

3. The original of the site plan of the property No. 2E/26, Jhandewalan Extension, Swami Ram Tirth Nagar in respect of the 1st" and 2nd floor of the property is Ex-PW1/4.

4. The copy of Eviction Petition No. 406/2008 titled as Raj Rani Mehta VS. CRI & Ors. Dated 12.05.1997, which is Ex-PW1/5.

5. The copy Written Statement filed by the defendant in the aforesaid eviction petition No. 406/2008 titled as Raj Rani Mehta Vs. CRI & Ors is Ex-PW1/6.

6. The copy of registered Will and Testament dated 14.05.1998 of Smt. Raj Rani Mehta in favour of her sons Pran Mehta and Ashwini Mehta is Ex-PW-1/7.

7. The copy of second Codicil dated 21.07.2002 signed and executed by Smt. Raj Rani Mehta are Ex-PW1/8.



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8. *The copy of the termination/vacation notice dated 28.12.2020 is Ex-PW1/9.*

9. *That the defendant company had replied to the said notice vide reply dated 16.01.2021 is Ex-PW1/10.*

10. *The certified copy of the Relinquishment Deed by plaintiff No. 2 to 5 in favour of plaintiff No. 1/deponent is Ex-PW-1/11.*

11. *The copy of the letter for increase of rent dated 26.03.1994 signed and executed by deceased Raj Rani Mehta is Ex-PW1/12.*

12. *The reply dated 15.04.1994 to the letter dated 26.03.1994 by defendant company is Ex-PW1/13.*

13. *The copy of the statement given by Sh. Pran Nath Mehta in Misc. Application No. 33 of 2002, titled as Cri Ltd. Vs Pran Nath Mehta before ARC Delhi is Ex-PW1/14.*

14. *The copy of Statement given by Sh. V. P. Khaitan in Misc. Application No. 33 of 2002, titled as Cri Ltd. Vs Pran Nath Mehta before ARC Delhi is Ex-PW1/15.*

15. *The copy of order passed by the learned ARC in Misc. Application No. 33 of 2002, titled as Cri Ltd. Vs Pran Nath Mehta before ARC Delhi is Ex-PW1/16.*

16. *The copy of notice dated 16.02.2015 for increase of rent u/s 6A of the DRC Act is Ex-PW1/17.*

17. *The reply dated 10.03.2015 to the notice dated 16.02.2015 for increase of rent u/s 6A of the DRC Act is Ex-PW1/18.*

18. *Copy of the third notice dated 28.03.2018 for increase of rent u/s 6A of the DRC Act is Ex-PW1/19.*



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19. The reply dated 26.04.2018 to the notice dated 28.03.2018 for increase of rent u/s 6A of the DRC Act is Ex-PW1/20.

20. The certified co copy of the judgement/decreed dated 19.09.2019 passed by Sh. Mayank Goyal Ld. Civil Judge, in Suit bearing no. CS 3569/2017 titled as Pran Nath Mehta Vs. CRI Ltd. is Ex-PW1/21.

21. Copy of the order passed by the Ld. ARC Delhi dated 16.07.2019 in Eviction case No. 406/2008 titled as raj Rani Mehta(deceased) through her LRs vs. CRI Ltd. is Ex-PW1/22.

22. Copy of the order dated 27.8.2019 passed by the ARC in Eviction petition No 406/2008 titled as raj Rani Mehta (deceased) through her LRs vs. CRI Ltd of striking out the defence of the defendant is Ex. PW1/23.

23. The copy of plaintiff's notice dated 12.07.2018 is Ex. PW1/24 (Colly).

24. The copy of the defendant's reply dated 25.07.2018 to the plaintiff's notice dated 12.07.2018 is Ex. PW1/25 (Colly).

25. The copy of plaintiff's notice dated 01.08.2018 is Ex. PW1/26 (Colly).

26. The copy of the defendant's reply dated 07.08.2018 to the plaintiffs notice dated 12.07.2018 is Ex. PW1/27 (Colly).

27. Certified copy of the Registered lease Agreement dated 27.3.2018 executed by Smt. Anuradha Arora of the property bearing no. 2E/27, Jhandewalan Extension, Swami Ram Tirath Marg, New Delhi 110055 is Ex. PW1/30.

28. The copies of letters dated 31.7.2019 and 4.1.2020 sent by plaintiffs is Ex. PW1/31 & 32.



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29. Copy of the application bearing No. DR. No. 713/2020 dated 22.07.2020 filed by the defendant under section 27, Delhi Rent Control Act is Ex. PW1/33.

30. The objections were filed by the objectors under section 27 (4) of the DRC act dated 07.01.2021 is Ex. PW1/34.

31. Copy of the application bearing No. DR. No. 26/2021 dated 06.01.2021 filed by the defendant under section 27, Delhi Rent Control Act for deposit of rent is Ex. PW1/35.

32. The objections were filed by the objectors under section 27 (4) of the DRC act dated 16.02.2021 is Ex. PW1/36.

33. Copies of the cheques alongwith and the letters dated 02, March, 2020 and 1", May, 2020 sent by the defendant company in the name of Plaintiff no. 1 Pran Nath Mehta are Ex. PW1/37 to Ex. PW1/40.

34. The photographs for the leakage and other portions of the property is Ex. PW1/41 to Ex. PW1/49.

35. The report dated 20.09.2021 submitted by the Om Singh & Associates is correct, which is Ex. PW1/51.

36. The certified copy of registered Conveyance Deed dated 15.06.2022 for freehold of the aforesaid property hearing no. 2E/26, Jhandewalan Extension, Swami Ram Tirath Nagar, New Delhi. Certified copy of the original Conveyance Deed dated 15.06.2022 is Ex. PW1/52.

37. Certified copy of the order dated 15.07.2024 passed by of Hon'ble High Court of Delhi CM No. 1845/2024 titled as CRI Limited V/s. Pran Nath Mehta is PW1/53."

18. The appellant/defendant relied on the following six documents, which were proved by him:-



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i. Copy of Power of Attorney dated 03.01.2022 is Ex DW-1/1.

ii. Copy of eviction petition bearing No. RC ARC No. 478084/2016 titled as Smt. Rani Mehta (Deceased Now) Vs. CRI Limited and others dated 12.05.1997 against the defendant company and the same is already Ex-PW-1/5.

iii. Copy of application bearing No. 406/2008 titled as Smt. Raj Rani Mehta (Deceased Now) Vs. CRI Limited and others filed before the court of Shri Vinay Singhal, ARC, Delhi under section 15(1) of the DRC Act, 1958 filed by the plaintiff was initially exhibited as Ex-DW-1/2 and later de-exhibited and marked as Mark A.

iv. Copy of order dated 16.07.2019 passed No. E. No. 406/2008 by Ld. ARC Shrish Aggarwal, Delhi is already Ex-PW-1/22.

v. Copy of appeals bearing No. RCT 133 of 2019 titled as Pran Nath Mehta and others Vs. CRI Limited and RCT 131 of 2019 titled as. CRI Limited Vs. Raj Rani Mehta through LRs filed before the court of Ld. DJ Cum RCT Tis Hazari, Central District, Delhi was initially exhibited as Ex-DW/1/3 and later deexhibited and marked as Mark B.

vi. Copy of orders passed in DR No. 114/2021 New No. 1111/2021, DR No. 40/2020 New No. 428/2020, DR No. 302/2019 New No. 2554/2019, DR No. 277/2019 New No. 1839/2019, DR No. 1613/2018, DR No. 37/2019 New No. 282/2019, DR No. 124/2019 New No. 736/2019, DR No. 211/2018 New No. 1243/2018, DR No. 312/2018 New No. 1975/2018, DR No. 360/2018 New No. 2316/2018, were initially exhibited as Ex-DW-1/4 (Colly) and later deexhibited and marked as Mark-C.”

19. The examination-in-chief submitted by the respondent/plaintiff speaks of the aforesaid documents being proved by him through his



evidence and specifically states that, in the year 1989, the rent charged to the appellant/defendant was Rs. 2,875/-. He also deposed regarding the eviction petition bearing no. 406/2008, which was subsequently withdrawn.

20. The respondent/plaintiff has specifically stated about the notice dated 26th March, 1994, demanding a 10% increase over the last paid rent. He has also stated that the increased rent in notices dated 26th March, 1994, 16th February, 2015, and 28th March, 2018 was not exorbitant or incorrectly calculated.

21. At this point, it is pertinent to note the Section 6A of the DRC Act, which reads as under:-

“6A. Revision of rent.—Notwithstanding anything contained in this Act, the standard rent, or, where no standard rent is fixed under the provisions of this Act in respect of any premises, the rent agreed upon between the landlord and the tenant, may be increased by ten percent. every three years.”

22. A plain reading of the said section would reveal that in cases where no standard rent has been fixed for any premises under the provisions of the DRC Act, the landlord may increase the rent by 10% every three years, from what was agreed upon.

23. Further, a reference to Section 8 of the DRC Act could also be made, the same reads thus:-



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“8. Notice of increase of rent.—(1) Where a landlord wishes to increase the rent of any premises, he shall give the tenant notice of his intention to make the increase and in so far as such increase is lawful under this Act, it shall be due and recoverable only in respect of the period of the tenancy after the expiry of thirty days from the date on which the notice is given.

(2) Every notice under sub-section (1) shall be in writing signed by or on behalf of the landlord and given in the manner provided in section 106 of the Transfer of Property Act, 1882 (4 of 1882).”

24. A perusal of the aforesaid provision makes it evident that where a landlord wishes to increase the rent, he is required to give a notice to the tenant stating his intention of increasing the rent. The provision further states that any such increase, insofar as it is lawful under the DRC Act, the same becomes due and recoverable after the expiry of thirty days from the date on which the notice is given. Sub-section (2) of Section 8 further clarifies that the notice shall be in writing and signed by or on behalf of the landlord and is given in the manner as contemplated under Section 106 of the TP Act.

25. A conjoint reading of both the Sections would reveal that under the DRC Act, the landlord can increase the rent by 10% every three years, as is permissible under Section 6A, thus, such an increase would be valid, provided that the landlord sends a notice to the tenant to this effect in writing. As such, the increased rent becomes due and recoverable upon the expiry of thirty days from the date on which the notice is given.



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26. At this stage, it would be apposite to note that Section 3(c) and Section 50 of the DRC Act, they read as under:

“Section 3:

3. Act not to apply to certain premises.—Nothing in this Act shall apply-

(c) to any premises, whether residential or not, whose monthly rent exceeds three thousand and five hundred rupees; or

Section 50:

50. Jurisdiction of civil courts barred in respect of certain matters.—

(1) Save a otherwise expressly provided in this Act, no civil court shall entertain any suit or proceeding in so far as it relates to the fixation of standard rent in relation to any premises to which this Act applies or to eviction of any tenant therefrom or to any other matter which the Controller is empowered by or under this Act to decide, and no injunction in respect of any action taken or to be taken by the Controller under this Act shall be granted by any civil court or other authority.

(2) If, immediately before the commencement of this Act, there is any suit or proceeding pending in any civil court for the eviction of any tenant from any premises to which this Act applies and the construction of which has been completed after the 1st day of June, 1951, but before the 9th day of June, 1955, such suit or proceeding shall, on such commencement, abate.

(3) If, in pursuance of any decree or order made by a court, any tenant has been evicted after the 16th day of August,



1958, from any premises to which this Act applies and the construction of which has been completed after the 1st day of June, 1951, but before the 9th day of June, 1955, then, notwithstanding anything contained in any other law, the Controller may, on an application made to him in this behalf by such evicted tenant within six months from the date of eviction, direct the landlord to put the tenant in possession of the premises or to pay him such compensation as the Controller thinks fit.

(4) Nothing in sub-section (1) shall be construed as preventing a civil court from entertaining any suit or proceeding for the decision of any question of title to any premises to which this Act applies or any question as to the person or persons who are entitled to receive the rent of such premises.”

27. The respondent/plaintiff had specifically stated in his evidence that from 01st May, 2018, the rent of the suit premises was Rs.3,826.62/-. However, we are not required to go into the aforesaid factual matrix, as the challenge to that extent has already been rendered infructuous as possession has already been taken over from the appellant in execution proceedings. We need to take judicial notice of the said fact that the possession of the suit property presently vests with the respondent/decreed-holder.

28. In the aforesaid background, the point which, in our opinion, warrants determination in light of the issues framed by the learned Commercial Court that whether the plaintiff/respondent was entitled to a joint decree of the amount of Rs. 26,08,995/- along with interest at the rate of 15% per annum.



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29. The learned Commercial Court, while dealing with the recovery of the amount of Rs. 26,08,995/- along with interest, took into account the claims of the plaintiff/respondent, which were non-deposit of rent for two months at the rate of Rs. 3,479/- per month; increase in rent for 31 months at the rate of Rs. 347/- per month, along with interest thereon at 15%, amounting to Rs. 25,995/-; occupational charges at the rate of Rs. 3,00,000/- per month commencing from 1st February, 2021 till July, 2021, calculated at Rs. 18,00,000/-; interest thereon at 15% for the period from February, 2021 to July, 2021, amounting to Rs. 1,35,000/-; occupational charges at the rate of Rs. 3,00,000/- per month for two months commencing from August, 2021 to September, 2021, totalling Rs. 6,00,000/-; interest thereon at 15%, amounting to Rs. 15,000/-; and legal charges of Rs. 33,000/-.

30. For the purpose of considering occupational charges of Rs. 3,00,000/-, as claimed by the plaintiff/respondent, the learned Commercial Court appreciated the evidence of PW-2, *Ms. Anuradha Arora*, whose affidavit of examination-in-chief was exhibited as Ex. PW-2/A. She placed on record the Lease Agreement dated 27th March, 2018 marked as Ex. PW-1/30, in relation to property bearing No. 2E/27, Jhandewalan Extension, New Delhi, she stated that she was receiving rent of Rs. 2,00,000/- per month for a property measuring approximately 700 sq. ft. It is claimed by her that the prevailing rent for the said property was around Rs. 150/- per sq. ft.



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31. It was the case of the plaintiff/respondent that the suit property measures around 2,000 to 2,500 sq. ft. If we carefully peruse the evidence of PW-2, it can be inferred that she stated that the property had been let out to M/s. Godfrey Phillip India Limited, and currently Mojo Pizza is the tenant and is paying a rent of Rs. 2,00,000/- per month. Her evidence that prevailing rent is around Rs.150/- to Rs.200/- per sq. feet is based on a statement made to her by some broker, who was, however, not examined.

32. Apart from the above, she specifically stated that the adjoining buildings are occupied by eateries/restaurants, who are running international brands such as Domino's and Subway. She further stated that the rent being received by her pertains only to the ground floor premises.

33. Upon an analysis of the evidence of PW-1, it is worth noting that the property of the respondent/plaintiff is stated to be located adjacent to that of the above-said witness. The property in which the appellant/defendant was a tenant had been occupied since 1971, and the condition of the property occupied by the appellant has not been spelt out, particularly with regard to any improvements, if any, carried out by the respondent. The property of the respondent, which was occupied by the appellant, is not situated on the ground floor and, therefore, would not fetch rent comparable to that fetched by the property of PW-2. In such circumstances, a certain degree of guesswork is permissible.



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34. In this background, the findings recorded by learned Commercial Court, particularly, having regard to the lockdown period during the COVID-19 period, evidence of PW-2 *qua* the location and utility of her premises, the other mitigating factors as reflected in the foregoing paragraphs, we are of the view that the assessment of pre-suit monthly occupational charges @ Rs.40,000/- and during pendency of the suit *i.e.*, from October, 2021 to May, 2025, the assessment of the same @ Rs.1,20,000/- per month for 44 months is justified.

35. Insofar as the interest granted at the rate of 9% *pendente lite* is concerned, Section 34 of the CPC assumes significance and is reproduced hereunder:

“Interest.

(1) Where and in so far as a decree is for the payment of money, the Court may, in the decree, order interest at such rate as the Court deems reasonable to be paid on the principal sum adjudged, from the date of the suit to the date of the decree, in addition to any interest adjudged on such principal sum for any period prior to the institution of the suit, [with further interest at such rate not exceeding six per cent. per annum as the Court deems reasonable on such principal sum], from the date of the decree to the date of payment, or to such earlier date as the Court thinks fit :

[Provided that where the liability in relation to the sum so adjudged had arisen out of a commercial transaction, the rate of such further interest may exceed six per cent. per annum, but shall not exceed the contractual rate of interest



or where there is no contractual rate, the rate at which moneys are lent or advanced by nationalised banks in relation to commercial transactions.

Explanation I.--In this Sub-section, "nationalised bank" means a corresponding new bank as defined in the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 (5 of 1970).

Explanation II.-- For the purposes of this section, a transaction is a commercial transaction, if it is connected with the industry, trade or business of the party incurring the liability.]

(2) Where such a decree is silent with respect to the payment of further interest [on such principal sum] from the date of the decree to the date of payment or other earlier date, the Court shall be deemed to have refused such interest, and a separate suit therefor shall not lie."

36. Section 34 of the CPC empowers the Court to award interest at such rate as it deems reasonable on the principal sum adjudged from the date of the suit till the date of the decree. The provision further empowers the Court to grant further interest from the date of decree till the date of the payment of such amount, but the said further interest cannot exceed 6% per annum. The proviso, however, stipulates that in cases if the liability arises out of a commercial transaction, and in such an eventuality, the rate of further interest may exceed 6% per annum, subject to the contractual rate of interest, or in the absence of such rate, the rate at which nationalized banks lend in relation to commercial transactions.



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37. The grant of *pendente lite* and future interest @ 9% on the rent/occupational charges, as awarded by the learned Commercial Court, is quite justified, particularly having regard to the fact that the suit premises was being used for commercial purposes.

38. As such, no case for causing interference in the Appellate Jurisdiction is made out.

39. The appeal, as such, fails and stands dismissed.

40. Pending applications, if any, also stands disposed of.

41. Judgment be uploaded on the website of this Court.

**NITIN WASUDEO SAMBRE
(JUDGE)**

**ANISH DAYAL
(JUDGE)**

MAY 18, 2026/sky/ay/sk