(2012) 03 DEL CK 0568

In the Delhi High Court

Case No : LPA No. 239 of 2012 and LPA No. 240 of 2012

M/s Kirloskar Brothers Ltd. APPELLANT

Vs

Life Insurance Corporation RESPONDENT

Date of Decision : 27-03-2012

Acts Referred:

Citation : (2012) 6 AD 26 : (2012) 191 DLT 575

Hon'ble Judges : Rajiv Sahai Endlaw, J;A.K. Sikri, J

Bench : Division Bench

Advocate : Bahar U. Barqi, for the Appellant; Mohinder Singh and Mr. Ankur Goel, for the Respondent

Final Decision : Dismissed

Judgement

Rajiv Sahai Endlaw, J.—These Intra-Court appeals impugn the common order dated 14th March, 2012 of the learned Single Judge dismissing W.P.(C) No. 1445/2012 and W.P.(C) No. 1446/20152 preferred by the appellant. The said writ petitions were filed impugning the common judgment dated 24th February, 2012 of the District Judge exercising powers as an Appellate Authority under the Public Premises (Eviction of Unauthorized Occupants) Act, 1971, dismissing the two appeals preferred by the appellant against the orders of the Estate Officer of the respondent LIC, of eviction of the appellant from premises ad measuring 4448 sq. ft. situated on the ground floor of Jeevan Tara Building, 5, Parliament Street, New Delhi and, assessing the damages for unauthorized use and occupation thereof by the appellant. It is not in dispute that the term of the lease granted by the respondent LIC to the appellant of the said premises expired on 31st January, 2010. The occupation by the appellant of the said premises thereafter was without any authority from the respondent LIC.

2. The argument of the counsel for the appellant before us is twofold. Firstly, it is contended that invocation of the PP Act for evicting the appellant was in contravention of the instructions/guidelines notified by the Central Government on 30th May, 2002; that as per the said guidelines, the proceedings under the PP

Act are to be invoked only against rank trespassers and not against tenants whose lease has expired or has been determined. Secondly, it is contended that the appellant has been a tenant in the said premises since 1970 and has spent huge amounts on interiors of the said property; that the respondent LIC as a public sector undertaking is bound to renew the lease in favour of the appellant on increase of rent by 10 to 15% of the previous rent; reliance in this regard is placed on Mohammad Ahmad and Another Vs. Atma Ram Chauhan and Others,

3. As far as the first of the aforesaid argument is concerned, we have recently in judgment dated 23rd March, 2012 in LPA No. 977/2011 titled LIC of India v. Damyanti Verma held that the said instructions/guidelines of the year 2002 are not binding and do not come in the way of the respondent invoking the provisions of the PP Act. Notice was also taken of the clarificatory order dated 23rd July, 2003 of the Central Government to the effect that the guidelines dated 30th May, 2002 will not apply to affluent tenants. The appellant was last paying rent of Rs. 2,60,625/- for the said premises. The appellant would thus clearly fall in the category of ''affluent''.

4. To be fair, the counsel for the appellant also in view of our judgment in Damyanti Verma (supra) has not addressed on this aspect.

5. As far as the second argument aforesaid is concerned, tenancy/lease is but a contract. The respondent LIC cannot be compelled to enter into a fresh lease with the appellant, especially when it has been noticed in the orders of the District Judge as well as learned Single Judge that the rent offered by the appellant is much below the prevalent market rents. This Court in Iyer & Son Pvt. Ltd. V. LIC of India (2007) X AD (Delhi) 643 has held that the duty of a State agency as LIC is to ensure that it uses its premises/properties and resources within its control to sub serve the best objectives and which include an obligation to ensure that it optimizes the best returns. It was thus held that nothing wrong could be seen in the want of the LIC for better returns from its properties.

6. The Supreme Court in Mohd. Ahmad (supra) has also not laid down any such proposition that a landlord or a public sector undertaking which is a landlord is ''bound'' to renew the lease on increase in rent of 10 to 15% even though the market rent is much more. In the present case the rent last being paid by the appellant was @ Rs. 58.50p per sq. ft. per month. It has been found by the Estate Officer, the District Judge and the learned Single Judge that a portion of the second floor of the same building is let out @ Rs. 255/- per sq. ft. per month. Though the counsel for the appellant has before us argued that the said premises are on second floor of another building and not of the same building, the fact remains that if a premises on the second floor is fetching the rent of Rs. 255/- per sq. ft. per month, the ground floor would definitely fetch much more. From our own experience of life and knowledge of the city of Delhi, judicial notice can be taken of the fact that the market rent of the premises in occupation of the appellant would be in excess of Rs. 300 per sq. ft. per month. As against that, the appellant is offering to pay Rs. 60/- to 65/- per sq. ft. per month. We do not

see any justification for granting such largesse to the appellant, to the prejudice and loss of the respondent LIC which is a public sector undertaking. As far as the plea of the appellant having spent monies in doing up the interiors of the premises is concerned, in the face of the admitted position of the term of the lease being till 31st January, 2010 only, the same is irrelevant. The said plea does not constitute a ground in law or facts to defeat the right of respondent LIC to eject the appellant who has no authority or right to continue in occupation of the premises. Thus no merit is found in the second contention also of the appellant. We even otherwise do not find any reason to interfere with the concurrent findings of the Estate Officer and the District Judge, affirmed by the learned Single Judge of this Court. There is no merit in these appeals; the same are dismissed. We refrain from imposing any costs on the appellant.