

# INTERNATIONAL JOURNAL FOR LEGAL RESEARCH & ANALYSIS (ISSN 2582 - 6433)

VOLUME 2 ISSUE 3  
(August 2021)

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Email –

[editor@ijlra.com](mailto:editor@ijlra.com)

Website – [www.ijlra.com](http://www.ijlra.com)



**IJLRA**


INTERNATIONAL JOURNAL  
FOR LEGAL RESEARCH & ANALYSIS

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2582-6433 welcomes contributions from all legal branches, as long as the work is original, unpublished and is in consonance with the submission guidelines.

**PROVISIONS OF SECTION 15: RELIEF AGAINST FORFEITURE UNDER THE  
MAHARASHTRA RENT CONTROL ACT, 1999**

**By : Naeesha Halai<sup>1</sup>**

**ABSTRACT**

*Rent law was passed in India, during the Bombay Presidency in 1915, and subsequently in 1939. Later on, the Bombay Rents, Hotel, and Lodging House Rates Control Act, 1947 came into force. The Maharashtra Rent Control Act, 1999, is prevalent now and it has replaced all the previous Acts so as to regulate the rental housing market in the State. The Maharashtra Rent Act is beneficial to the tenants as well as the landlords.*

*The Act aims to easen the process of getting affordable temporary accommodation to the residents Maharashtra. It also ensures an open relationship between the two parties. The paper examines sec 15 of the said Act which deals with Relief against forfeiture.*

**Keywords:** Eviction, Landlord, Rent, Tenant

**I. Introduction**

The Rent Control Act available in different versions has been governing the renting or leasing out of housing properties across different states in India. In our State, the Maharashtra Rent Control Act, was implemented in 1999. It has brought about manifold changes in the Bombay Rent Control Act. The objective of the Act is to assure that neither the landlord nor the tenant's rights are exploited by the other. Whether the premises are rented out either for residential or commercial purposes they must be as per the regulations of each state. Needless to say that the rent acts across our country are pretty much similar, other than some minor differences.

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<sup>1</sup> Advocate; International Accredited Civil-Commercial Mediator from ADR-ODR International, London; Researcher

The Maharashtra Rent Control Act does not merely control rent and repairs but also assures landlords of fair returns on their investment and the steps they ought to take to evict the tenants, if need be.

#### Landlord's perspective

Landowners have both rights as well as obligations. The Maharashtra Rent Control Bill 1999 states the duties to be performed and privileges to be enjoyed by the landlord.

#### Fixing and increasing rent

The landlord had the right to decide the rent and increase it per year at the rate of 4 percent since the commencement of the Act. The rent can be increased at the rate of 15 p.c.p.a for alterations provided 70 per cent tenants consented it in writing. Rent can also be increased at 25 p.c. p. a for repairs of the existing structure, exclusive of any repairs carried out under the Maharashtra Housing & Area Development Authority (MHADA) Act. Landlord can also increase rent under the pretext of increase in tax rates.<sup>2</sup>

## II. History of evolution of the Maharashtra Rent Act, 1999

The 1st rent law was enforced during the Bombay Presidency in 1915, and afterwards in 1939. Subsequently it was replaced by the Bombay Rents, Hotel and Lodging House Rates Control Act, 1947. The Maharashtra Rent Control Act, 1999 has substituted all the previous Acts so as to bring about uniformity in the rental property market in the State.

Earlier there were three different rent control laws in the State and it was imperative to unify all three of them. The bicameral legislature of Maharashtra passed the MRC Bill, 1999 with amendments. The MRC bill came into effect on 31st March 2000.<sup>3</sup> The MRCA exempts the premises legally belonging to the Government or local bodies or Corporations or premises given to banks or PSUs (let out or sublet out premises), a landlord has to maintain the structure and inspect modifications, if any.<sup>4</sup>

## III. Sec 15 of the Maharashtra Rent Control Act, 1999

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<sup>2</sup> [www.commonfloor.com](http://www.commonfloor.com)

<sup>3</sup> Maharashtra Rent Control Act: Analysis, Loopholes by Shiraz Rajiv Bhatia

<sup>4</sup> [www.blog.ipleaders.in](http://www.blog.ipleaders.in)

The provisions under Sec 15 of the said Act are as follows:

Under Section 15

(1) Tenant cannot be ejected or evicted from the premises by the landlord if he pays or agrees to pay standard rent and abides by all the terms of tenancy as mentioned in the provisions of the Act.

(2) No legal proceedings can be initiated against the tenant by the landlord to recover the possession on the the ground of non-payment of the standard rent until the expiry of 90 days next after notice in writing of the demand of the standard rent served upon the tenant in accordance with section 106 of the Transfer of Property Act, 1882.

(3) Eviction order shall not be issued by the Court in any legal proceedings for recovery of possession on the ground of arrears of standard rent and permitted increases if, within 90 days from the date of summons of the suit, the tenant pays in Court the standard rent together with simple interest on the amount of arrears at 15 p.c.p.a. and thereafter continues to pay in Court regularly such standard rent till the matter is finally settled and also pays cost of the suit as instructed by the Court.

(4) In continuance of the legal proceedings , the Court may, out of any amount paid by the tenant, pay to the landlord such amount towards the payment of rent or due to him as the Court deems fit.<sup>5</sup>

#### **IV. Case laws**

##### **i. Babulal v/s Suresh & Others**

Respondents landlords presented suit for eviction against the tenant on the grounds that the premises were required by the landlords reasonably and bonafide for their own use and occupation, the tenant was using the suit shop for the purpose other than for which it was leased and had also committed default in payment of rent of the suit premises. Trial Court negated the plea of the landlords based on the ground of bonafide requirement and change of user however, decreed the suit on the ground that tenant had committed default in payment of rent. Appeal presented by tenant to the District Court was dismissed and the decree of eviction against tenant on the ground of default in payment of rent was confirmed.

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<sup>5</sup>

<https://www.advocatekhaj.com/library/bareacts/maharashtrarentcontrol/index.php?Title=Maharashtra%20Rent%20Control%20Act,%201999>

During the course of hearing of the matter, it was submitted on behalf of the tenant that on receipt of notice from the landlords, reply was tendered and the tenant remitted the cheque amount to landlords and paid rent upto the date of reply to the notice. As per the tenant, in view of provisions of section 15(2) of the Maharashtra Rent Control Act, the plaintiffs landlords need not swing into action to file a suit for eviction under the pretext of recovery of rent. If the tenant pays the arrears of rent within 90 days of receipt of notice then there is no scope for filing the suit for eviction by the landlord. The tenant held that the rent was deposited as demanded by the landlord so no decree could have been passed as tenant never defaulted in payment of arrears. Reference is made to the judgment of the Division Bench in the matter of *Narhar Vs. Narmadabai* to prove that cause of action discontinues for suit against the tenant in pursuance of the notice of demand. According to the tenant, section 15(3) of the Maharashtra Rent Control Act also would not be applicable as the provisions of section 15(2) themselves are not attracted. The landlords could not file suit for recovery of possession under the pretext of default in payment of rent in view of provisions of section 15(2) of the Act.<sup>6</sup>

ii. Chandiram Ahuja Vs. Akola Zilla Shram Wahtuk Sahakari Sanstha

In *Chandiram Ahuja Vs. Akola Zilla Shram Wahtuk Sahakari Sanstha*, the matter before the Division Bench in Chandiram's case is regarding interpretation of section 15 of the Maharashtra Rent Control Act. The provisions contained in the repelled Bombay Rent Act and the Maharashtra Rent Control Act are identical and the decisions rendered interpreting the provisions of section 12 of the Bombay Rent Act are relevant for consideration. If the tenant wants protection under section 15(1) of the Maharashtra Rent Control Act, he must demonstrate his readiness and willingness to pay the rent i.e. the amount of standard rent or permitted increases which is demanded by the landlord.

The provisions of section 15 of the Maharashtra Rent Control Act provide for relief against forfeiture to the tenant, it is apparent that the tenant has been granted protection from eviction so long as he performs his duty to pay rent as well as observes and performs other conditions of the tenancy. The tenant is protected under the Act as he asserts his readiness and willingness to pay. Further protection is also assured in sub-section (3) of section 15 if the tenant pays entire arrears of rent on receipt of notice within the ambit of sub-section (2) of section 15 before the period stipulated under sub-section (2) together with interest and cost as may be instructed

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<sup>6</sup> [www.indiakanoon.org](http://www.indiakanoon.org)



by the Court and continues to pay rent and the permitted increases regularly until the judgement in the suit.

If the tenant does not pay rent regularly and offers to pay only after issue of notice within ambit of sub-section (2) of section 15 and fails to observe the other terms and conditions which include regular payment of rent, the landlord is not disabled to initiate legal proceedings against such tenant. In short, to decide that if tenant offers or pays the amount recorded in the notice issued in pursuance to sub-section (2) of section 15, together with permitted increases, the landlord is disabled from legal proceedings against the tenant is not within ambit of section 15 of the Act. The right to seek legal remedy and claim recovery of the rented premises is inherent in the landlord. But he cannot initiate the legal proceedings as per his whims and fancies. Maharashtra Rent control Act cannot go for a toss. First and foremost, he has to serve a notice in accordance with section 106 of the Transfer of Property Act as provided under section 15(2).

Only when the tenant disobeys the provisions of section 15(1) he / she can be evicted independently though such tenant may not necessarily pay any arrears of rent on the date of filing of the suit. Sub-section (3) of section 15 will have to be viewed independently and if the tenant disregards the mandate of sub-section (3) in respect of payment of amount of rent and permitted increases frequently till disposal of the proceedings before the Court, is also liable to be evicted.

### **Conclusion**

There has been a constant tug of war between the tenants and the landlords of old buildings over rents. The tenancy act has been a highly controversial issue in Mumbai as a lot of tenants live in unsafe or dilapidated structures and creeping chawls. At the same time, they have been opposing modifications in the prevailing Rent Control Act.

Furthermore, it is problematic to evict a tenant once the house has been rented, owing to the provisions of the MRCA. Consequently, the anxiety of losing permanent control of their premises may lead them to pull out their vacant premises from the rental market, causing reduced supply. It's challenging to resell tenanted premises where it's difficult to force out the tenants. Thus, decreasing liquidity in the market for ownership accommodation.

Rent controls moreover interfere with incentives and price signals, leading to the disorganized allocation of resources (like land and building). The outcome is that deserving people are deprived of the premises though they are ready to pay the higher rents. The social effects of MRCA are more noticeable and often peculiar. Due to the lack of any new stock of rental premises, the existing tenants won't leave the premises and the new ones are the worst affected.

Thus, the state government will have to address the loopholes that presently exist in the rental housing sector and to make renting more beneficial by increasing transparency and accountability and balancing the welfare of both the parties viz the landlord and the tenant prudently.

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