

# Punjab Urban Rent Restriction Act, 1941

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India

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### Act 10 of 1941

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Punjab Urban Rent Restriction Act, 1941 Act No. 10 of 1941 Statement of Objections and Reasons of the Punjab Urban Rent Restriction Act, 1941 (Act 10 of 1941). - In consequence of the tax imposed on buildings and lands within the limits of the Lahore Municipality and the tax which will be levied by the Provincial Government on buildings and lands situated in Urban areas throughout the Province under the provisions of the Punjab Urban Immovable Property Tax Act, 1940, it is feared that attempts might be made by landlords to pass on this extra burden to their tenants. The passing on of such burden to their tenants cannot be justified and would press heavily in particular on middle and poorer sections of the community. It is, therefore, necessary to ensure that rent is not increased on account of payment of tax on buildings and lands whether payable to Government or to a local authority. Punjab Gazette Extraordinary, dated the 6th January, 1941. The Act received the assent of the Governor-General on 15th May, 1941 and was published in the Punjab Gazette Extraordinary, dated 23rd May, 1941.

### 1. Short title, extent, commencement and duration.

(1) This Act may be called the Punjab Urban Rent Restriction Act, 1941. (2) It extends to all urban areas in the Province of the Punjab but nothing herein contained shall be deemed to affect the regulation of house accommodation in any cantonment area. (3) It shall come into force in such urban areas and on such dates as the Provincial Government may, by notification in the Official Gazette, appoint in this behalf, and shall remain in force in each such area for five years from the date of its enforcement in that area, unless such period is extended by a resolution of the Punjab Legislative Assembly.

### 2. Definitions.

- In this Act, unless there is anything repugnant in the subject or context :- (a) the expression "landlord" means any person for the time being entitled to receive rent in respect of any premises whether on his own account or on account or on behalf or for the benefit of any other person or as a

trustee, guardian or receiver for any other person, and includes a tenant who sub-lets any premises and every person from time to time deriving title under a landlord;(b)the expression "building" means -(i)any building or part of a building let separately for any purpose whatever, including any land or furniture let therewith; or(ii)any land let separately for the purpose of being used principally for business or trade, but does not include a room in a hotel or a boarding house;(c)the expression "prescribed" means prescribed by rules made under this Act;(d)the expression "standard rent" in relation to any premises means -(i)the rent at which the premises were let on the first day of January, 1939; or(ii)where they were not let on the first day of January, 1939, the rent at which they were last let before that date; or(iii)where they were or shall, be first let after the first day of January, 1939, the rent at which they were or shall be first let; or(iv)in any of the cases specified in Section 14 the rent fixed by the Court;(e)the expression "tenant" means any person by whom or on whose account rent is payable for any premises, and includes every person from time to time deriving title under a tenant; and(f)the expression "urban area" means any area administered by a municipal corporation, a municipal committee, a cantonment board, a small town committee or a notified area committee.

### **3. Power to exempt.**

- The Provincial Government may direct that all or any of the provisions of this Act shall not apply to any particular building or class of such buildings.

### **4. Court competent to decide questions under the Act.**

- When under the provisions of this Act any question arises for the determination of a Court or any order is to be made by a Court, such question shall be determined or such order made by the Court having cognizance of the suit or proceeding, if any, in relation to which such question arises or such order is to be made.

### **5. Restriction on raising rent.**

(1)Subject to the provisions of this Act, where the rent of any premises has been or is hereafter, during the continuance of this Act, increased above the standard rent, the amount by which such increase exceeds the standard rent shall notwithstanding any agreement to the contrary, be irrecoverable :Provided that nothing in this Section shall apply :-(a)to any rent which became due before the first day of January, 1939;(b)to any periodical increment of rent accruing under any agreement entered into before the first day of January, 1939; or(c)to rent payable under any lease entered into before the first day of January, 1939, which has not expired on the said date.(2)For the purposes of this Section the rent shall be deemed to have accrued from day to day.

### **6. Increase of rent on account of improvements excepted.**

- Where the landlord has since the first day of January, 1939, incurred, or during the continuance of this Act incurs expenditure on any improvement or structural alterations of any premises (not

including expenditure on decoration or ordinary repairs) an increase of rent at a rate not exceeding six per centum per annum on the amount so expended shall not be deemed to be an increase for the purpose of Section 5.

## **7. Case where rent should be deemed and not to be deemed to be increased.**

(1)Where, as the result of any alteration in the terms of the tenancy, the terms on which any premises are held are on the whole less favourable to the tenant than the previous terms, the rent shall be deemed to be increased for the purposes of this Act, whether the sum payable as rent is increased or not.(2)Where, as the result of any alteration of the terms of the tenancy, the terms on which any premises are held, are not on the whole less favourable to the tenant than the previous terms, the rent shall not be deemed to be increased for the purposes of this Act, whether the sum payable as rent is increased or not.

## **8. Increase of rent on account of payment of rates excepted.**

- Where a landlord pays any rate, cess or tax other than a tax levied by the local authority on building and lands in respect of any premises, any increase of the rent thereof shall not be deemed to be an increase for the purposes of Section 5 if the amount of such increase does not exceed the amount of rate, cess or tax so paid : but notwithstanding anything contained in any contract or any law for the time being in force no landlord shall recover from his tenant the amount of any tax on buildings and lands which is or may be from time to time imposed in respect of any premises occupied by such tenant by an increase in the amount of rent payable or otherwise.

## **9. Fine or premium not to be charged for grant, renewal or continuance of tenancy.**

(1)It shall not be lawful for any person, in consideration of the grant, renewal or continuance of a tenancy of any premises, to require the payment of any fine, premium or any other like sum in addition to the rent.(2)Where any such payment has been made after the first day of January, 1939, the amount shall be recoverable by the tenant by whom it was made from the landlord, and may without prejudice to any other method of recovery be deducted from any rent payable by him to the landlord.(3)Nothing in this Section shall apply to any payment under any agreement entered into before the first day of January, 1939.

## **10. Condition of statutory tenancies.**

(1)No order for the recovery of possession of any premises shall be made so long as the tenant pays or is ready and willing to pay rent to the full extent allowable by this Act and performs the other conditions of the tenancy :Provided that the Court shall make an order for the recovery of possession if the landlord satisfies the Court that six months' notice to quit or notice of such period as may be required under the contract of tenancy whichever be longer, has been served on the tenant.(2)Where any order of the kind mentioned in sub-section (1), has been made on or after the

first day of January, 1939, but not executed before the commencement of this Act, the Court by which the order was made may, if it is of opinion that the order would not have been made if this Act, had been in operation at the date of the making of the order, rescind or vary the order in such manner as the Court may think fit for the purpose of giving effect to this Act: Provided that nothing in this Section shall apply where the tenant has committed any act contrary to the provisions of clause (a) or clause (b) of Section 108 of the Transfer of Property Act 1882, or has been guilty of conduct which is a nuisance or an annoyance to adjoining or neighbouring occupier or where the premises are reasonably and bona fide required by the landlord either for the erection of buildings or for his own occupation or for the occupation of any person for whose benefit the premises are held, or where the landlord can show any cause which may be deemed satisfactory by the Court: Provided further that this Section shall not apply to any cantonment areas.

### **11. Consequences of non-user or non-occupation of premises of which possession has been restored to landlord.**

- When any order for the recovery of possession of any premises has been made under the proviso to sub-section (2) of Section 10 on the ground that the premises are reasonable and bona fide required by the landlord either for the erection of buildings or for his own occupation or for the occupation of any person for whose benefit the premises are held and the premises are not used for the erection of buildings or occupied by the aforesaid persons within three months of the date when possession has been obtained or are re-let within the same period to any person other than the original tenant, the Court by which the order was made may, on an application of the original tenant made within six months from such date, place him in occupation of the premises on the original terms and conditions and if in the opinion of the Court the premises were not reasonably and bona fide required by the landlord for the aforesaid purposes, direct payment to him by the landlord of such compensation as the Court may think fit.

### **12. Distress warrants barred.**

- No Court shall issue a distress warrant for any rent due in respect of any premises situated in the area to which this Act applies unless the person applying for such warrants shall when making his application for the same, swear or affirm that none of the rent in respect of which the warrants is applied for is irrecoverable under this Act.

### **13. Rent which should not have been paid may be recovered.**

(1) Where any sum has, whether before or after the commencement of the Act, been paid on account of rent, being sum which is by reason of the provisions of this Act, irrecoverable, such sum shall at any time within a period of six months after the date of the payment, or in the case of a payment made before the commencement of this Act, within six months after the Commencement thereof be recoverable by the tenant by whom it was paid from the landlord who received the payment or his legal representative, and may without prejudice to any other method of recovery be deducted by such tenant from any rent payable within such six months by him to such landlord. (2) In this Section

the expression "legal representative" has the same meanings as in the Code of Civil Procedure, 1908 and includes also, in the case of joint family property, the joint family of which the deceased person was a member.

#### **14. Court may determine standard rent in certain cases.**

(1) In any of the following cases the Court may fix the standard rent at such amount as having regard to the provisions of this Act, and the circumstances of the case, it deemed just - (a) where the reason of any premises having been let at one time as a whole and at another time in parts, or where a tenant has sub-let or sub-lets a part of any premises let to him, or where for any reason any difficulty arises in giving effect to this Act; or (b) where, in the case of any premises let furnished, it is necessary to distinguish for the purpose of giving effect to this Act, the amount payable as rent from the amount payable as hire of furniture; or (c) where any premises have been or are let rent free or at a nominal rent or for some consideration in addition to rent. (2) In the case of any sub-letting as is referred to in clause (a) of sub-section (1), the Court shall have regard to the standard rent of the premises a part of which has been or is sub-let.

#### **15. Increase of standard rent on account of increased amenities.**

(1) The Court may from time to time, increase the standard rent of any premises if the landlord proves to the satisfaction of the Court that by reason of any increase in the amenities of the neighbourhood since the standard rent was originally fixed or if the standard rent was at any time increased under this Section, since it was last previously increased, the premises could be let at a high rent than they would have realised had there been no such increase in the amenities. (2) The aggregate increase of rent under this Section shall in no circumstances exceed ten per centum of the standard rent of premises as originally fixed. (3) For the purposes of this Section, the expression "amenities of the neighbourhood" shall include any permanent and lasting improvement in the condition of lighting, sanitation, roads and other communications and the abatement or removal of nuisances.

#### **16. Rules.**

(1) The Provincial Government may, by notification in the Official Gazette, make rules for the purpose of carrying out all or any of the provisions of this Act. (2) Rules made under this Section shall be subject to the condition of previous publication.