

## PRACTICE AREAS

- Corporate Laws
- Antitrust, Unfair Competition & Trade Practices
- Mergers & Acquisitions
- Real Estate Laws
- Labour Laws
- Intellectual Property Laws
- Arbitration & Litigation
- Commercial Contracts
- Environmental Laws
- Taxation
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- Media & Broadcasting Laws
- Shipping Laws
- Electricity Laws
- Insurance Laws
- Company Formation
- Joint Ventures & Technical Collaborations
- Regulatory Approvals
- Construction & Engineering
- Professional Negligence

## THE MODEL TENANCY ACT, 2020

The Union Cabinet on June 2, 2021, approved the Model Tenancy Act, 2020 (“MTA”) for circulation to the States and Union Territories for their adoption. India being a densely populated country with its immense demand for housing purchases and rentals, the MTA was approved to streamline the renting process between the tenant and landlord and to aid the rent economy. The MTA provides for the following:

### 1. Applicability

The MTA is a regulatory framework for residential and commercial, urban, and rural, however, hotels, lodging houses, dharamshalas or inns are kept outside its scope. The MTA will be applicable prospectively and will not affect the existing tenancies.

### 2. Redressal

States will set up a grievance redressal mechanism comprising of rent authority, rent court and rent tribunal to provide fast-track resolution of disputes. Disposal of a complaint/appeal by the rent court and the rent tribunal will be mandatory within 60 days.

### 3. Digital Platform

A digital platform will be set up in the local vernacular language or the language of the State/Union Territory for submitting tenancy agreement and other documents. The rent authority will meticulously monitor all the rent agreements.

### 4. Written Agreement

It is mandatory to have a written agreement for all new tenancies, which must be submitted to the concerned rent authority, leaving little to no room for verbal agreements.

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### 5. Repairs

The MTA has manifested the responsibilities of each party in terms of repair work, with the provision that money for repairs can be deducted from the security deposit or rent, as applicable, if either party refuses to carry out their share of the work. If the tenant does not permit the landlord to make improvements or construct such additional structures, the landlord may submit an application to the rent court.

### 6. Misuse of Premises

The rent court may, on an application made to it by the landlord, can make an order for eviction and recovery of possession of the premises in case where tenants refused to pay the rent or tenants hasn't paid the arrears of rent or continued to misuse the premises even after receipt of notice from the landlord to desist from such misuse.

### 7. Eviction of Tenants:

Tenants will not be evicted during a tenancy agreement period unless otherwise agreed to in writing by both parties. The tenancy will be deemed to be renewed on a monthly if the premises is not vacated and the tenancy is not renewed. The month- to month tenancy will follow the same terms and conditions as the previous tenancy agreement for a maximum period of six months.

### 8. Revised Rent

The revision of rent between the tenant and landlord will be as per terms and conditions of the tenancy agreement. In case of no such provision, the landlord must give three months' notice before the revised rent is due.

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If the tenant fails to give a notice of termination, after being notified of revised rent, it will be deemed that the tenant has accepted the revised rent. That being said, the rent cannot be increased during the continuance of the tenancy period unless explicitly stated in the tenancy agreement.

### 9. Entry of Landlord

Every landlord or the property manager may enter the premises let out on rent after serving a notice, in writing or through electronic mode, to the tenant at least twenty-four hours before the time of entry to carry out repairs or replacement or inspection of the premises or any other reasonable cause for entry specified in the tenancy agreement.

The efforts of the Central Government in bringing a uniform tenancy legislation and formalization of the same are commendable, however it will now be in the hands of the States and Union Territories to carefully implement the same and carry forward the intention that the legislature has set for the MTA.

For any queries or details, contact us at [legal@mumbai.kochhar.com](mailto:legal@mumbai.kochhar.com)

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