



IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

RSA-750-1993(O&M)

Reserved on: 03.12.2024

Date of Decision: 09.12.2024

PATIALA PRIMARY CO-OP. AGRICULTURAL DEV. BANK LTD.

... APPELLANT

Vs.

RAJINDER PAL SINGH AND OTHERS

... RESPONDENTS

CORAM: HON'BLE MR. JUSTICE DEEPAK GUPTA

Argued by:- Mr. Tushar Sharma, Advocate, for the appellant.

Mr. Karan Nehra, Advocate, for respondent No.1.

Mr. Arun Jindal, Advocate and
Mr. Kanish Jindal, Advocate,
for respondent No.2.

DEEPAK GUPTA, J.

Plaintiffs (*respondents herein*) being the landlords of the demised premises filed suit seeking recovery of ₹97,607.76 towards arrears of rent; and damages caused by the defendant-tenant bank (*appellant herein*) in the rented premises. The suit was decreed by the trial Court on 22.04.1991 for recovery of ₹70,557.76 towards arrears of rent; and by holding that plaintiffs could not prove any damage to their building. The appeal filed by the defendant-bank was partly accepted to the effect that defendant No.2 was not liable to pay any amount. It was also found that an amount of ₹10,200/- had already been paid, which was liable to be adjusted. The appellate Court found the arrears to be ₹59,590/- and decreed the suit for recovery thereof along with the interest @6% per annum, vide judgment dated 02.01.1993.

2 Against the abovesaid judgments and decrees passed by the Courts below, defendant No.1-appellant bank has approached this Court by way of the Regular Second Appeal.

3.1 Plaintiffs had leased out a portion of their Kothi No.8, Rajpura Road, Patiala to the defendant-Bank @ ₹850/- per month vide lease deed dated 01.07.1973. By serving notice dated 30.10.1985, the plaintiffs asked the

defendant to vacate the premises within next six months. The tenancy was terminated on 29.04.1986. Defendants sought extension of the lease for a few months and also started correspondence with the higher authorities for increasing the rent. Vide letter dated 29.12.1980, sanction was sought from Managing Director to increase the rent @ ₹2500/- per month or to have the rent assessed from the office of Estate Office, PWD, Patiala. The said offer was accepted by the plaintiffs. The PWD authorities assessed the rent of the premises @ ₹3480/- per month and informed the defendant vide letter dated 17.06.1987 in this regard. Plaintiffs were accordingly sent a letter dated 30.06.1987 along with the draft lease deed. However, the premises were vacated by the defendant-bank on 25.10.1987. Plaintiffs sought recovery of the following amounts:

- From 01.04.1986 to 29.04.986 @ 850/- per month = ₹821/-
- From 30.04.1986 to 25.10.1987 i.e. = ₹62,998/-
the date of vacating the premises
@ ₹3,480/- per month
- Interest = ₹7,599/-.

Plaintiffs also claimed damages to the demised premises by defendants, thus causing loss of ₹27,050/- and this way, plaintiffs sought recovery of ₹97,607.76/-.

3.2 Defendant resisted the suit. Although, it was admitted that premises was rented out to it @ ₹850 per month, but it was claimed that they had never consented for increased rent as assessed by the Estate Officer, PWD, Patiala. They further denied any liability to pay the arrears of rent.

3.3 Necessary issues were framed. Evidence produced by the parties was taken on record. Trial Court found that plaintiffs were entitled to recovery of arrears of rent @ ₹850/- per month from 01.04.1986 to 29.04.1986; and @ ₹3,480/- per month w.e.f. 30.04.1986 to 25.10.1987. Plaintiffs were also held entitled to interest of ₹7,599.76. However, it was held that plaintiffs could not prove any damages. As such, the suit for recovery of ₹70,557.76 was decreed against both the defendants.

3.4 In the appeal filed by the defendants, it was held by the Appellate Court that the liability was proved only against defendant No.1-appellant bank and not against defendant No.2, who had only got the rent assessed from the PWD Authorities. Appellate Court, agreed with the findings of the trial Court on all counts, but it was found that rent @ ₹850/- per month for the period from 01.04.1986 to 31.03.1987 had already been deposited by the defendant-bank in the account of the plaintiffs, as was admitted by the plaintiff in the replication, which was liable to be adjusted. After adjusting this amount, plaintiffs were held entitled to amount of ₹52,700/-. An amount of ₹6,890/- was calculated towards interest. In this way, suit was decreed for recovery of ₹59,590/- with proportionate costs and future interest @ 6% per annum from the date of the decree till actual payment vide judgment dated 02.01.1993.

4. Assailing the aforesaid findings by way of the present appeal, it is contended by Id. counsel for the appellant-defendant bank that defendant had never consented for the increased rate of rent @ ₹3480/- per month and that the correspondence, which took place amongst the parties, never culminated into a concluded contract. It is further contended by Id. counsel that rent of ₹3480/- per month was assessed by the PWD authorities for the entire Kothi No.8 of the plaintiffs, whereas only the portion thereof was on rent with the defendant-bank and therefore, it cannot be said that ₹3480/- per month was the assessed rent for the rented premises. With these submissions, he prayed for setting aside the impugned judgments.

5. Id. counsel for the respondents-plaintiffs, on the other hand, defended the impugned judgment passed by the Appellate Court.

6. This Court has considered submissions of both the sides and have appraised the record carefully.

7. It is not in dispute that agreed rent was ₹850/- per month as per the lease deed dated 01.07.1973. It is also not in dispute that notice for termination of the tenancy was served on 30.10.1985 granting six months time and the tenancy then terminated on 29.04.1986.

8. The correspondence between the parties would indicate that vide letter dated 21.04.1986 (Ex.P5), defendant bank requested the plaintiffs to grant

extension of time to vacate the premises, as they were looking for the alternative premises. They also mentioned that they were willing to accept a new agreement for the interim period. Ex.P13 is the copy of letter dated 29.12.1986 sent by the Assistant Registrar of the defendant-bank to its Managing Director, informing that tenancy had expired on 29.04.1986 and that owner of the premises was asking for vacating the premises, though owner had verbally agreed to continue for the time being. Request was made for necessary direction and in the alternative to get the rent assessed from the PWD authorities. It is revealed further that vide letter dated 09.02.1987 (Ex.P14), the defendant-bank informed the plaintiffs that with reference to their earlier letter dated 05.11.1986, they had received direction from the Assistant Registrar, Patiala to get the rent of the premises occupied by them assessed by the PWD authorities. Plaintiffs were requested to supply the site plan and the consent for getting the rent assessed from the PWD authorities. The plaintiffs vide letter dated 09.02.1987 (Ex.P15) agreed to the proposal and to get the rent assessed from the PWD authorities, which will be acceptable to them. It is further revealed that vide letter dated 17.06.1987 sent by Executing Engineer, Provincial Division, PWD (B&R), Patiala, the rent was assessed to be ₹3480/- per month.

9. The abovesaid correspondence, which took place between the plaintiffs and the defendant's authorities inter se, would clearly indicate that a new tenancy was created till the premises are vacated by the defendant-Bank. The defendant had offered to agree for the rent as assessed by the PWD authorities. Plaintiff had agreed to the said proposal. The rent was then assessed by the PWD authorities @ ₹3480/- per month. As per Section 8 of the Contract Act, performance of the conditions of a proposal, or the acceptance of any consideration for a reciprocal promise which may be offered with a proposal, is an acceptance of the proposal. In the present case, the offer of defendant bank – appellant to get the rent of the premises occupied by them assessed by the PWD authorities was accepted by the plaintiffs and it is only thereafter that PWD authorities assessed the rent to be ₹3480/- per month. As such, the contention that contract was not concluded is not sustainable.

10. The contention of Id. counsel for the appellant to the effect that the assessment was regarding the entire Kothi, is absolutely not sustainable, since the plaintiffs were specifically asked to send the site plan of the rented premises and the PWD authorities assessed the rent only of the rented premises. None of the correspondence reveal that the rent assessed @ ₹3480/- was in respect of the entire Kothi.

11. In view of the aforesaid discussion, this Court does not find any ground to interfere in the well reasoned finding of facts as recorded by the Id. Appellate Court so as to hold that plaintiffs were entitled to rent ₹850/- per month from 01.04.1986 to 29.04.1986 i.e. till the date of termination of the tenancy; and then @ ₹3480/- per month i.e. the assessed rate w.e.f. 30.04.1986 till vacating the premises on 25.10.1987. Ld. Appellate Court has also rightly held that an amount of ₹10,200/- i.e. @ ₹850/- per month from 01.04.186 to 31.03.1987, had already been deposited by defendant-bank with the plaintiffs, as was admitted by the plaintiffs in their rejoinder and therefore, this amount was liable to be adjusted. After adjustment, the appellate Court has rightly held the plaintiffs to be entitled to the amount of ₹59,590/- (including interest) along with proportionate cost and has further rightly allowed interest @ 6% on the said amount from the date of decree till realization.

12. On account of the entire discussion as above, this Court does not find any merit in the present appeal. As such, the same is hereby dismissed with costs.

09.12.2024
Vivek

(DEEPAK GUPTA)
JUDGE

Whether speaking/reasoned?	Yes
Whether reportable?	No