



IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

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CR-413-2025 (O&M)

Date of decision: 06.02.2026

M/s. Headmaster Ludhiana Salon and Spa Pvt. Ltd.,
and another

...Petitioner(s)

Vs.

Mrs. Shivdeep Braich and others

...Respondent(s)

CORAM: HON'BLE MS. JUSTICE NIDHI GUPTA

Present:- Mr. Aayush Gupta, Advocate and
Ms. Shalini Singh, Advocate
for the petitioners.

Dr. Puneet Kaur Sekhon, Senior Advocate with
Ms. Dilreet Kaur, Advocate
for respondent No.1.

NIDHI GUPTA, J.

Present Civil Revision Petition under Article 227 of Constitution of India has been filed by the tenants against the order dated 26.11.2024 passed by the Appellate Authority, Ludhiana, whereby appeal bearing RA No. 155 of 2024 filed by respondent No.1 challenging the order of provisional assessment of rent, has been allowed; and provisional rent as assessed by the Rent Controller @ ₹5,00,000/- per month plus GST, has been set aside.

2. Brief facts of the case are that the respondent No.1/landlord had filed an eviction petition/Rent Petition No.526 of 2023 dated 15.05.2023 (Annexure P-1) under Section 20 of The Punjab Rent Act,



1995 against the petitioners/tenants No. 3, 5 and others. Petitioners had filed their written statement (Annexure P-2) in March 2024; to which landlord had filed rejoinder dated 18.04.2024 (Annexure P-3). Vide order dated 19.07.2024 (Annexure P-4), Rent Controller had directed the petitioners to pay provisional rent @ Rs. 5 lacs per month plus GST as follows: -

“.....Hence, at this stage, this Rent Authority fix the interim rent to be paid by the respondents to the petitioner at the rate of Rs.5,94,000/- per month including GST etc. as shown as under:-

Rent @ Rs.5,94,000/- for the month of August 2023 to July 2024 = Rs.5,94,000/- X 12 (Months) = Rs.71,28,000/-.

12. Hence, in view of the above, let for payment of interim rent Rs. 71,28,000/- (Rupees Seventy One Lakhs and Twenty Eight Thousand Only) to come upon 17.08.2024.”

3. Against the abovesaid order, respondent No.1/landlord had filed an Appeal before the Appellate Authority; whereby vide impugned order dated 26.11.2024, petitioners have been directed to pay enhanced rent @ of Rs.6,50,000/- per month plus GST.

4. Learned counsel for the petitioners/tenants submits that in compliance of the order dated 19.07.2024 passed by the Rent Controller, petitioners had duly cleared the arrears of rent to the tune of Rs.65,23,932/- vide Demand Draft dated 16.08.2024 (Annexure P-5). It is submitted that vide the impugned order, the petitioners have been directed to pay enhanced rate of Rs.6,50,000/- per month plus GST on

the basis of Memorandum of Understanding (hereinafter referred to as



“MOU”) dated 02.04.2022 (Annexure P-7). Learned counsel contends that first and foremost, the said MOU is yet to be proven in accordance with law before the Rent Controller as the Rent Petition is still pending. It is submitted that moreover, after entering into the MOU, the parties had come to an oral settlement, as per which, the petitioners were required to pay the same rate of rent i.e. Rs.5 lacs per month plus GST. Learned counsel points out that the said fact has been admitted by the landlord in the rejoinder dated 18.04.2024 (Annexure P-3) to the effect that the respondent No.1 has been accepting rent @ Rs.5 lacs as per advise of Chartered Accountant so as to meet the probable objections from the Department. In the said rejoinder, respondent No.1 has also admitted that for the last 12 months she had been receiving rent @ Rs. 5 lacs per month plus GST. It is contended that for this reason as well, the Appellate Authority misled itself with regard to rate of rent agreed between the parties while holding that the written document supersedes any oral settlement between the parties. Learned counsel submits that in holding as above, the Appellate Authority had also failed to properly consider the invoices from 01.04.2022 to 01.03.2023 (Annexure P-8) which show that rent was being paid @ Rs.5 lacs per month plus GST. It is submitted that therefore, acquiescence of the respondent No.1/landlord to the said rate of rent of Rs.5 lacs per month plus GST was established on record. Yet, for cryptic reason, petitioners have been saddled with rent of Rs.6,50,000/- per month plus GST.



5. Learned counsel for the petitioners further submits that the Ld. Rent Controller while deciding the provisional rent, had specifically observed that at the time of assessing the provisional rent, the assessing authority is not required to appreciate the evidence, rather the same shall be at the time of final adjudication of the case. However, the Ld. Appellate Authority has completely ignored the said aspect and has allowed the appeal filed by respondent No.1 in a completely illegal manner.

6. It is further submitted by learned counsel for the petitioners that the Ld. Appellate Authority is also in an error for the reason that once from the act and conduct of the parties it is clear that the last paid rent was Rs.5,00,000/- plus GST, then in that eventually provisional rent in question is liable to be assessed on the basis thereof.

7. It is accordingly prayed that the present Civil Revision Petition be allowed; and the impugned order dated 26.11.2024 passed by the Appellate Authority be set aside.

8. *Per contra*, learned Senior Counsel for respondent No.1/landlord opposes submissions made on behalf of the petitioners and submits that firstly, the MOU stands duly proven from the statement dated 02.04.2022 (Annexure R-9) made by the petitioner himself before the learned Rent Controller, Ludhiana admitting the MOU/Compromise Ex.C1. It is submitted that on the basis of said statement made by the petitioner, the previous Rent Petition No. 66 of 2021 filed by the respondent No.1 had been disposed of. Therefore, MOU in question



stands duly proved on record as it has been admitted by the petitioner himself. It is further contended that as per the said MOU dated 02.04.2022, from April 2022 to October 2022, the petitioners were to pay rent at the rate of Rs.5,00,000/- per month and GST at the rate of 18%. And from November 2022 to March 2023 the petitioners were to pay @ Rs.6,50,000/-per month + GST. And from April 2023 upto date, the respondents were to pay as per the terms of lease deed with increases i.e. at the rate of Rs.9,27,730/- per month + GST at 18%.

9. Learned Senior counsel submits that therefore as per the terms and conditions of the admitted MOU, upto October 2022, the petitioners were required to pay rent @ Rs. 5 lacs; and thereafter up to March 2023 @ ₹6,50,000/- per month plus GST. Ld. Senior counsel submits that the disputed period is only from November 2022 upto March 2023 for which period, as per the MOU, the petitioners were required to pay rate of rent @ Rs.6,50,000/- per month plus GST; however, they have paid @ ₹5 lakhs/- per month plus GST. Learned Senior counsel points out that this is borne out from the fact that the invoices for the period 01.11.2022 upto 01.03.2023 (Annexure P-8) (from page 119 to page 123) duly reflect that rent payable is Rs.6,50,000/- per month against which a discount of Rs.1,50,000/- has been given to the petitioners. It is submitted that therefore, petitioners were required to pay Rs.6,50,000/- per month plus GST. It is contended that therefore, impugned order suffers from no error, and the present Civil Revision Petition deserves to be dismissed.



10. No other argument is raised on behalf of learned counsel for the parties. I have heard learned counsel and perused the case file in detail. I find merit in the submissions made on behalf of the petitioners.

11. It is the case of the petitioners that notwithstanding the MOU dated 02.04.2022 (Annexure P-7), an oral understanding has been arrived at between the parties, as per which, petitioners had to pay rent @ Rs. 5 lacs per month plus GST. In this regard, learned counsel for the petitioners has referred to the invoices (Annexure P-8) for the period 01.04.2022 upto 01.03.2023. Perusal of the said invoices clearly shows that for the said period, the respondent No.1/landlord has raised invoices for rent of Rs.5 lacs per month plus GST.

12. To the contrary, it is the contention of the respondent No.1 that as per the MOU dated 02.04.2022, from April 2022 to October 2022, the petitioners were to pay rent at the rate of Rs.5,00,000/- per month and GST. And from November 2022 to March 2023 the petitioners were to pay @ Rs.6,50,000/-per month + GST. To make good her argument, learned Senior counsel has sought to rely upon the invoices from 01.11.2022 till 01.03.2023 (at page 119 to page 123 of the paper book,) wherein rent is mentioned @ Rs. 6,50,000/- on which discount of Rs.1,50,000/- has been given to the petitioners; to contend that therefore, in actual fact, rate of rent was ₹6,50,000/- per month plus GST.

13. However, the said argument of learned Senior counsel is inherently flawed as a perusal of the preceding invoices for the period



from 01.04.2022 to 01.10.2022 (from page 112 to page 118 of the paper book) shows that in the said invoices as well, rate of rent is mentioned @ Rs. 6,50,000/- per month; discount of Rs. 1,50,000/-; and bill amount is Rs. 5 lacs. Ld. Senior counsel for respondent no.1 is unable to explain this anomaly. Moreover, the argument of learned Senior Counsel that as per the MOU rent from 01.11.2022 was payable @ Rs.6,50,000/- per month plus GST has been negated as there is no explanation as to why respondent No.1 was raising invoices for the rent of Rs.5 lacs per month plus GST, if rent was to be paid @ Rs.6,50,000/- per month plus GST. This would indicate that even after the MOU, there was indeed an oral understanding between the tenants and the respondent No.1. However, the Appellate Authority has rejected all of the above facts for the following reasons: -

“8. This contention of the respondents regarding a oral understanding between the parties has been accepted by the rent controller, by holding that there is a dispute as to the amount of rent payable by tenant which needs to be proved by leading evidence. The Rent Controller observed that it shall be a matter of evidence as to why the petitioner accepted rent below the agreed rent and as to why the discount was given, and the Rent Controller has not provided for any interest or costs in the impugned order. The rent controller has relied upon the oral assertion of the tenant and the invoices to hold that the rent was Rs. 5,00,000/-+GST no doubt at the time of assessing the provisional rent the rent controller is not required to look into the evidence which may come on record at the later stage, but when there is a written



document i.e MOU then the same cannot be disregarded on the basis of invoices to hold that the rent was Rs.5,00,000/+GST particularly when in the invoices itself it is mentioned that a discount of RS. 1,500,000/- is being given, obviously it shall be a matter of evidence as to if this discount was mentioned as per as advice by the CA as claimed by the petitioner or there was a understanding as claimed by the tenant, but the facts remains that there is a MOU, even in the invoices it is mentioned that the rent from the period November, 2022 to March 2023 was Rs. 6,50,000/- i.e as per terms of the MOU. There is no reason to take the averments of the tenants as a gospel truth. The onus is upon the tenants to establish that the terms of the MOU stood superceded and till that onus is discharged, the rent shall be calculated as per the terms of MOU.”

14. It is my clear view that the terms of the MOU stood superseded from the act of the respondent no.1 herself in issuing invoices for payment of rent @ ₹5 lakh/– per month plus GST. The Id. Appellate Authority has ignored the fact that Respondent No.1 has been unable to give any reason as to why she had been accepting rent @ Rs. 5 lacs pm plus GST by issuing invoices (Annexure P-8), if said rent was payable @ ₹6,50,000/- per month plus GST; and as to why she had given discount mentioned in the said invoices and when was the same discontinued, if at all. A perusal of Annexure P-8 establishes that as per the invoices for November 2022, December 2022, January 2023, February 2023, and March 2023 issued by the respondent No.1, all of which reflect receiving of rent of Rs.5 lacs per month plus GST amount of



Rs.90,000/-. Thus, in holding as above, learned Appellate Authority has ignored that even after the MOU, respondent No.1 has accepted rent of Rs.5 lacs per month plus GST from November 2022 till March 2023 as reflected from the invoices (Annexure P-8).

15. It is also to be seen that as per the settled principles of law, provisional rent of rate is determined as per the last paid rent; which in the present case is undisputedly Rs.5 lacs per month plus GST.

16. In view of the above, present Civil Revision Petition is **allowed**; and the impugned order dated 26.11.2024 passed by learned Appellate Authority is set aside.

17. However, it is made clear that nothing stated above shall be construed as an expression of opinion on the merits of the case.

18. Pending application(s), if any, also stand(s) disposed of.

06.02.2026

Divyanshi

(NIDHI GUPTA)
JUDGE

Whether speaking/reasoned:	Yes/No
Whether reportable:	Yes/No