

**IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH****RSA-283-2000 (O&M)****Food Corporation of India****...Appellant**

Versus

Mange Ram

...Respondent

CORAM: HON'BLE MR. JUSTICE DEEPAK GUPTA

Argued by: Mr. K.K. Gupta, Advocate for the appellant.

Mr. Vishal Garg Narwana, and
Ms. Chetna Rao, Advocates, for the respondent.

Reserved on: 15.01.2026**Pronounced on: 20.01.2026****Pronounced fully/operative part: Fully****DEEPAK GUPTA, J.**

The present second appeal has been filed by the defendant—Food Corporation of India assailing the concurrent findings of the Courts below, whereby the suit filed by the plaintiff for recovery of ₹2,48,622.36/- on account of unpaid differential rent was decreed. The First Appellate Court affirmed the decree on merits and modified only the rate of interest.

2. The foundational facts are largely undisputed. The godown owned by the plaintiff was taken on lease by the defendant-Corporation in the year 1980 at the rate of 44 paise per square feet per month. The agreed lease period expired on 28.10.1986. Admittedly, however, the defendant continued in possession of the godown till 31.03.1989.

3. The plaintiff asserted that prior to the expiry of the lease period, negotiations were held between the parties, pursuant to which the



rent was enhanced to 59 paise per square feet per month with effect from 28.10.1986. Despite such enhancement, the defendant continued to pay rent at the old rate, resulting in accrual of arrears, which formed the subject matter of the suit.

4. The defendant resisted the claim primarily on the ground that no concluded contract for enhancement of rent had come into existence, particularly in the absence of a formal written agreement, and that internal departmental correspondence could not amount to acceptance.

5. Both the Courts below, upon appreciation of the material evidence, concurrently found that the enhancement of rent stood duly proved.

6. Heard Ld. Counsel for the parties.

7. A perusal of the record reveals that the plaintiff led cogent oral and documentary evidence to establish the factum of negotiations and enhancement. PW-1, an official of the defendant-Corporation, categorically deposed that the plaintiff was summoned for negotiations prior to the expiry of the lease and that the competent authority had approved enhancement of rent to 59 paise per square feet per month with effect from 30.10.1986. His testimony remained unshaken in cross-examination.

8. The documentary evidence, particularly the contemporaneous correspondence exchanged between the Regional Office and Zonal Office of the defendant-Corporation, clearly reflects that the proposal for



enhancement of rent was considered and approved by the competent authority. Letters dated 06.06.1987 (Ex.PX) and 03.08.1987 (Ex.PY) unmistakably record approval of the enhanced rent and continuation of the godown at the revised rate. Though such correspondence was inter-departmental, it was duly proved through officials of the defendant itself and, therefore, constitutes relevant and admissible evidence.

9 On the other hand, the defendant failed to lead any positive evidence to disprove the negotiations or to establish that the plaintiff was ever informed that the enhancement proposal had been rejected. Mere suggestions in cross-examination or reliance upon internal deliberations regarding possible de-hiring of the godown do not negate the fact that approval of enhanced rent had already been accorded and acted upon.

10. The legal position is well settled. Under Section 9 of the Indian Contract Act, 1872, a contract may be express or implied. Acceptance of an offer need not invariably be in writing and may be inferred from conduct and surrounding circumstances. In ***Sardar Gulab Singh v. Punjab Zamindara Bank Ltd., AIR (29) 1942 Lahore 47***, it was held that a contract may be partly express and partly implied from the acts of the parties.

11. Even in the case of Government or its instrumentalities, the decisive factor is whether there was *consensus ad idem* on facts. The Supreme Court in ***Thawardas Pherumal & Another v. Union of India, AIR (29) 1955 SC 468***, while emphasising the desirability of written contracts with the Government, but did not lay down an absolute proposition that an oral or implied contract with the Government is impermissible in all



circumstances. Whether the parties intended to be bound only upon execution of a formal written agreement is essentially a question of fact.

12. Similarly, in ***Currimbhoy & Co. Ltd. v. L.A. Creet and others, AIR 1933 PC 29***, it was held that where execution of a formal document is contemplated merely as a record of an already concluded bargain, absence of such document does not render the contract unenforceable.

13. Applying these principles to the present case, the Courts below rightly concluded that the approval of enhanced rent by the competent authority, coupled with continued occupation of the godown by the defendant after expiry of the lease, constituted a concluded contract at the enhanced rate.

14. The objection based on Section 107 of the Transfer of Property Act 1882 is also without merit. The present dispute does not concern enforcement of a lease for a term exceeding one year, but recovery of rent for the period during which the defendant admittedly remained in possession. Upon expiry of the original lease, the defendant became a tenant holding over, and the rate of rent applicable during such period is a pure question of fact, which has been concurrently determined on the basis of evidence.

15. The contention that acceptance of rent at the old rate disentitled the plaintiff from claiming the enhanced rent is equally untenable. Mere acceptance of a lesser amount does not amount to waiver or estoppel, particularly when the plaintiff had consistently asserted his



entitlement to the enhanced rate. In this regard, reference may be made to ***Provash Chandra Dalui and another v. Biswanath Banerjee and another, AIR 1989 SC 1834***, wherein the Supreme Court held that waiver must be intentional and unequivocal.

16. In second appeal, this Court does not sit as a court of re-appreciation of evidence. Interference with concurrent findings is permissible only where such findings are perverse or based on misreading of evidence.

17. No perversity, illegality or substantial question of law has been demonstrated in the present case. The findings recorded by the Courts below are based on proper appreciation of oral and documentary evidence and correct application of settled legal principles.

18. Accordingly, the appeal is devoid of merit and is hereby dismissed.

20.01.2026

Yogesh

**(DEEPAK GUPTA)
JUDGE**

Whether speaking/reasoned:-
Whether reportable:-

Yes/No
Yes/No

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