



**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH**

CR-4338-2022 (O&M)

Date of Decision: March 20, 2026

Ravinderpal Singh

...Petitioner

Versus

Kanwarjit Singh

...Respondent

CORAM: HON'BLE MRS. JUSTICE ARCHANA PURI

Present: Ms.Mannat Anand, Advocate
for the petitioner.

Mr.Chetan Kapoor, Advocate
for the respondent.

ARCHANA PURI, J.

Challenge in the present revision petition is to the order dated 05.09.2022 passed by learned Appellate Authority, on the application for assessment of the mesne profits, during the pendency of the rent appeal, filed at the instance of the petitioner-tenant.

In pursuance of the notice issued, the respondent-landlord made appearance through counsel.

Counsel for the parties heard.

The facts germane to be noticed, are as follows:-

That, initially, the respondent-landlord Kanwarjit Singh filed ejectment petition under Section 13 of the East Punjab Urban Rent



Restriction Act, on the ground of personal necessity. The petitioner-tenant had made appearance in the same. After completion of the pleadings and evidence adduced in the case, learned Rent Controller vide order dated 25.05.2022 had allowed the petition with the direction to the petitioner-tenant to vacate the demised premises for the respondent's bonafide necessity, within a period of three months, from the date of order.

Being aggrieved, the petitioner-tenant filed an appeal to assail the requisite eviction order.

During the pendency of the same, the respondent-landlord had filed an application for assessment of the mesne profits @ Rs.27,000/- per month. In the said application, it was asserted that after the eviction order was passed on 25.05.2022, the petitioner-tenant was liable to pay the mesne profits for the use and occupation of the demised premises. It was also averred that the demised premises is situated in the area of Sarabha Nagar, Ludhiana, which is a posh locality of Ludhiana. The circle rate notified by the authorities, where the demised premises is situated, is Rs.25,000/- per sq. yard. The portion in occupation of the appellant-respondent is measuring 240 sq. feet. Lot of commercial establishments have been set up in the vicinity of the demised premises. The monthly rent of the demised premises was got assessed by the respondent-landlord from En. Daljit Raheja, Government approved valuer, who had assessed the rental value of the demised premises to be in the range of Rs.27,000/- per month, vide report dated 03.08.2022. In the vicinity of the property in question, a shop measuring 300 sq. feet., forming part of property No.165-I, Sarabha Nagar, Ludhiana, has been let out, on a monthly rent of Rs.23,000/- per month, vide



memorandum of rent deed in March 2017, with an enhancement of 5%, on yearly basis. Therefore, the petitioner-tenant is liable to pay an amount of Rs.27,000/- as mesne profits to the landlord. Accordingly, requisite prayer was made.

Along with the application, the respondent-landlord had also annexed the valuation report dated 03.08.2022 and copy of the rent deed.

However, in reply, the petitioner-tenant resisted the claim for mesne profits. He had disputed about the rent deed/patanama, relied upon by the respondent-landlord and further also had stated that the application, as such, is not maintainable. In fact, he had raised the question, thereby disputing about the property having been given on rent to him. In fact, it was asserted that there is no tenancy proved under the Rent Act. In the reply, also the petitioner-tenant had stated about the relationship with the respondent-landlord and about the manner, in which the property came into his possession, wherein, his father, as such, had obtained gas agency under handicapped quota, as the petitioner-tenant is a handicapped person.

In fact, therein, it was stated that the provisional rent was also assessed as Rs.300/- per month and therefore, in any case, the property, as such, do not call for mesne profits, at the rate, as asserted by the respondent-landlord. Furthermore, also it was asserted that the property bearing No.165-I, Sarabha Nagar, Ludhiana, relating to which, the rent deed is relied upon by the respondent-landlord, is a posh commercial area and not residential area, while the property in question, is part of a residential house.

Also, about the construction, it is stated that the property relied upon by the respondent-landlord, is a newly constructed property, whereas, the



property in question, is an old construction and therefore, it was asserted that in any case, the mesne profits, as such, cannot be assessed to the extent of Rs.27,000/- per month.

After hearing learned counsel for the parties and on appraisal of the material brought forth, vide impugned order, copy whereof is Annexure P-3, the application was allowed and learned Appellate Authority had assessed the mesne profits @ Rs.15,000/- per month and directed the petitioner-tenant to pay the mesne profits, from 26.05.2022 @ Rs.15,000/- per month, till 30.09.2022, within two months, from that day i.e. date of pronouncement of the order, which is 05.09.2022, before the Rent Controller, Ludhiana. Also, the petitioner-tenant was further directed that he shall continue to pay future mesne profits, at the rate of Rs.15,000/- per month, to the landlord, upto 10th of every month, before the concerned Rent Controller, till the decision of the appeal. However, it was also observed that if the appeal is allowed, then the landlord will be duty bound to make the repayment of the excess mesne profits/rent amount to the tenant or to adjust the same in future.

Being aggrieved, the petitioner-tenant has filed the revision petition in hand.

At the very outset, learned counsel for the petitioner-tenant has submitted that for assessment of mesne profits, sole submission, so made by learned counsel for the landlord, ought not to be taken into consideration. In fact, it is submitted that there is no relationship of landlord and tenant between the parties. Both the landlord and tenant, in the case in hand, are real brothers. Also, counsel for the petitioner has submitted that the



property, where the petitioner is running a gas agency, is a garage of the property, which too, is an old construction and the same fact, as such, has been overlooked by the Appellate Authority, while making assessment of the mesne profits. In fact, counsel submits that the lease deed, relied upon by the respondent-landlord, as such, cannot be taken into consideration, as it relates to the property, which is newly constructed and also which is situated in a commercial hub, whereas, the demised premises is situated in a residential area and is an old construction.

Also, it is submitted that determinative factors such like location, construction and other conditions also have to be looked into. The amount settled, has to be considered, in the backdrop of the aforesaid circumstances, and also to consider the provisional rent, which has been assessed as Rs.3,00/- per month, which has never been challenged by the respondent-landlord, any further. The mesne profits settled should be reasonable, which should not prevent the tenant from pursuing the appeal any further.

On the other hand, counsel for the respondent-landlord submits that the tenant is liable to pay mesne profits or compensation, for use and occupation of the premise, at the same rent, at which, the landlord would have been able to let out the premises and earn rent, if the tenant would have vacated the premises. It is further submitted that the landlord is no longer bound by the contractual rent, effective for the period, preceding the date of the eviction order. Thus, considering the same and also taking into consideration, the location of the demised premises, which is in posh colony, counsel submits that learned Appellate Authority has watched the interest of both the sides and ascertained the mesne profits @ Rs.15,000/-



per month, instead of Rs.27,000/- per month, as asserted by the respondent-landlord.

In *M/s Atma Ram Properties (P) Ltd. vs M/s. Federal Motors Pvt. Ltd., 2005(1) RCR (Civil) 212*, the property in question was non-residential commercial premises, measuring about 1000 sq. feet and situated in Connaught Circle, New Delhi. The rent fixed was Rs.371.90 per month, vis-a-vis, the tenancy, which commenced in the year 1944. However, the adjoining premises, belonging to the same landlord, having same measurement, was let out @ Rs.3.5 lakh per month. Despite the same, the term of payment of Rs.15,000/- per month, as charges, for use and occupation, during the pendency of the appeal, as held by the Rent Controller, was not interfered with.

Furthermore, reference is also been made to the decision rendered in *Angoori Devi and others vs. Smt.Satya Bhama, 2016(5) RCR (Civil) 1043*, wherein, the tenanted premises was situated in the posh area of city Narnaul and the contractual rent was @ Rs.500/- per month and qua the same, mesne profits were fixed @ Rs.6,000/- per month.

In *Haryana State Cooperative Apex Bank Ltd. vs. Anil Syal, 2015(31) RCR (Civil) 509*, there was modification made of the mesne profits, which was reduced from Rs.3 lakh to Rs.2 lakh per month, while considering that the Court has to exercise restraint and would not fix any excessive, fanciful or punitive amount, as mesne profit.

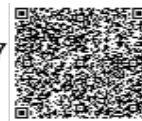
The aforesaid case law do indicate that the Courts have to draw a balance between two competing claims, while fixing mesne profits, at a rate, between the contractual rent and the market rent. Of course, there



cannot be any straight jacket formula, while fixing the amount of mesne profits. However, a lot depends upon the connecting circumstances like location, condition of the premises, nature and age of the construction, maintenance of the same, commercial viability etc.

The demised property is a property measuring 240 sq. feet., in the residential house situated in plot 21-J, Sarabha Nagar, Ludhiana. Also, it is not disputed that the petitioner-tenant is running a gas agency, under the name of Ravindra gas agency, in the said property. Much emphasis has been laid upon the valuation report and memorandum of rent deed of the property bearing No.165-I, Sarabha Nagar, Ludhiana. The photocopy of the site plan, which has been placed on record reveals that the requisite property is situated at some distance from the demised premises and there is commercial activity in the vicinity of the said property.

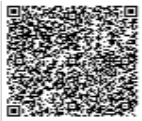
Suffice to consider the same and also, though, much emphasis has been laid upon clause of enhancement of 5% of rent, after every year, but, there is also mention made about this contract to be only for three years. As such, no reliance, can be placed upon the same, for making the assessment of mesne profits, even then also, no such sustenance, can be drawn from the assessment report, as relied upon by the petitioner-tenant. As per the said report got prepared from Er.Rajvinder Singh, Approved Valuer, it is emphasised by the counsel for the petitioner-tenant that the mesne profits be assessed @ Rs.16/- per sq. feet and therefore, the rental value of the demised premises, which is 240 sq. feet, comes to be $\text{Rs.}240 \times 16 = \text{Rs.}3840/-$ per month, which is twelve times more than the rent claimed by the



respondent-landlord. However, no reliance can be placed upon this rent assessment report.

So far as, the relationship existing between the parties is concerned, the same, as such, may have been denied by the petitioner-tenant, but however, the fact remains that the eviction order has been passed against the petitioner. It is well settled law that that mere preferring of an appeal or revision, does not operate, as stay on the eviction order. However, till the decision of the appeal, the Courts are supposed to watch the interest of the landlord also, besides the tenant, who has knocked the door of the Court. The Courts are required to strike a balance between the two and fix the extent of mesne profits, which should not be exorbitant, to such an extent that the tenant is forced to quit his claim and be deprived of the fruits of his success, in the event of pending appeal, being allowed. At the same time, the interest of landlord is also to be watched, while considering the fact of order of eviction, having been so passed by the Rent Controller and he should also not carry a feeling of pittance and remorse of having approached the Courts.

In this backdrop, adverting to the case in hand, it is pertinent to mention that even though, the demised premises is part of the residential house, then also, the facts remains that it is situated in Sarabha Nagar, which is the most posh locality of Ludhiana city. Though, rent deed relating to House No.165-I, Sarabha Nagar, Ludhiana has been placed on record, but however, the same is situated at a distance and therefore, no sustenance, as such, can be drawn from the same.



Even though, it is asserted that the property in question is an old construction, but however, nothing as such, is coming on record, with regard to the quality of the construction. Suffice to consider that locational benefit of the demised premises, which is bound to fetch good extent of rent.

Considering the same and also considering the interregnum period, since the inception of tenancy, the value of rupee has drastically lowered. Thus, taking into consideration the devalue of rupee, since the inception of tenancy, till date and also considering the locational benefit of the demised premises, which is bound to fetch good extent of rent, this Court is of the opinion that fixation of Rs.15,000/- as mesne profits, is an appropriate amount, which does not call for any further reduction.

In the light of the aforesaid observations, the revision petition is bereft of merits and the same is hereby dismissed.

March 20, 2026
Vgulati

(ARCHANA PURI)
JUDGE

Whether speaking/reasoned
Whether reportable

Yes
Yes/No