$~J-

*** IN THE HIGH COURT OF DELHI AT NEW DELHI**

Judgment delivered on 29th May 2026

\+ RFA 674/2025, CM APPL. 44427/2025, CM APPL. 44428/2025

SH. BALBIR PRASAD SHARMA .....Appellant

Through: Mr. Vinay Sabharwal and Mr. Karunesh Shah, Advocates.

versus

M/S TEXMACO INFRASTRUCTURE AND HOLDINGS LIMITED .....Respondent

Through: Mr. Dhanesh Relan, Ms. S. Pandey, Mr. Shikhar Misra and Mr. Harshul Mehta, Advocates.
Ms. Manisha Gupta, AR.

\+ RFA 677/2025, CM APPL. 44588/2025, CM APPL. 44589/2025

SH. RAM BAHADUR .....Appellant

Through: Mr. Vinay Sabharwal and Mr. Karunesh Shah, Advocates.

versus

M/S TEXMACO INFRASTRUCTURE AND HOLDINGS LIMITED .....Respondent

Through: Mr. Dhanesh Relan, Ms. S. Pandey, Mr. Shikhar Misra and Mr. Harshul Mehta, Advocates.
Ms. Manisha Gupta, AR.

\+ RFA 679/2025, CM APPL. 44603/2025, CM APPL. 44604/2025

SH. NANAN .....Appellant

Through: Mr. Vinay Sabharwal and Mr. Karunesh Shah, Advocates.

versus

M/S TEXMACO INFRASTRUCTURE AND HOLDINGS LIMITED .....Respondent

Through: Mr. Dhanesh Relan, Ms. S. Pandey, Mr. Shikhar Misra and Mr. Harshul Mehta, Advocates.
Ms. Manisha Gupta, AR.

HON'BLE MR. JUSTICE ANUP JAIRAM BHAMBHANI

<u>J U D G M E N T</u>

<u>ANUP JAIRAM BHAMBHANI, J</u>

By way of the present regular first appeals filed under section 96 of the Code of Civil Procedure 1908 ('CPC'), the appellants (defendants) impugn 3 separate but identical judgments and decrees, all dated 10.02.2025, passed by the learned District Judge-06, Central District, Tis Hazari Courts, Delhi in suits bearing CS DJ No. 2902/2017, CS DJ No. 2903/2017, and CS DJ No. 2904/2017 respectively. Since all three judgments are identical, for ease and convenience, reference in the following paras is made to them as the 'impugned judgment', and the paras extracted relate to the impugned judgment in CS DJ No. 2903/2017 since submissions were made by counsel in the said matter. It may further be clarified that the 03 suits in which the three judgments have been passed, relate to premises being Quarters bearing Nos. 60-A, 37-A, and 41-B situate at Shivaji Lines, Roshnara Building, Shakti Nagar, Delhi respectively (being referred-to in each of the appeals as 'suit premises').

2. By way of the impugned judgments, the learned trial court has allowed three applications under Order XII Rule 6 CPC filed by the respondent (plaintiff) and has passed decrees of possession in favour of the respondent with respect of the suit premises.

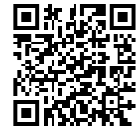
SUBMISSIONS ON BEHALF OF THE APPELLANTS (DEFENDANTS)

3. In support of the appeals, the appellants have raised the following principal contentions:

3.1. **On application of Order XII Rule 6 CPC**: The appellants submit, that the impugned decrees granting possession to the respondent have been erroneously passed under Order XII Rule 6 CPC, which is an enabling, discretionary provision and can be invoked only where there are clear, categorical and unequivocal admissions, leaving no triable issue on facts or law. It is urged however, that the learned trial court has treated disputed questions of fact as admitted matters, without a trial.

3.2. To support this submission, the appellants have placed reliance on the decision of a Division Bench of this court in ***Delhi Jal Board vs. Surendra P. Malik***,[1] to submit that the test for applying Order XII Rule 6 CPC is: (i) whether admissions of fact arise in the suit, (ii) whether such admissions are plain, unambiguous and unequivocal, (iii) whether the defence set-up is such that it requires evidence for determination of the issues, and (iv) whether the objections raised against rendering a judgment on admissions are such that they go to the root of the matter or whether these are inconsequential, making it impossible for the defendant to succeed even if the objections are entertained.

[1] 2003 SCC OnLine Del 292



3.3. The appellants have further relied on the Supreme Court ruling in ***Himani Alloys Ltd. vs. Tata Steel Ltd.,*** [2] to contend that the Supreme Court has held that:

> *"11. It is true that a judgment can be given on an "admission" contained in the minutes of a meeting. But the admission should be categorical. It should be a conscious and deliberate act of the party making it, showing an intention to be bound by it. Order 12 Rule 6 being an enabling provision, it is neither mandatory nor peremptory but discretionary. The court, on examination of the facts and circumstances, has to exercise its judicial discretion, keeping in mind that a judgment on admission is a judgment without trial which permanently denies any remedy to the defendant, by way of an appeal on merits. Therefore unless the admission is clear, unambiguous and unconditional, the discretion of the Court should not be exercised to deny the valuable right of a defendant to contest the claim. In short the discretion should be used only when there is a clear which can acted upon. (See also Uttam Singh Duggal & Co. Ltd. vs. United Bank of India [2000 (7) SCC 120], Karam Kapahi vs. Lal Chand Public Charitable Trust [2010 (4) SCC 753] and Jeevan Diesels and Electricals Ltd. vs. Jasbir Singh Chadha [2010 (6) SCC 601]. There is no such admission in this case."*

3.4. Reliance is also placed on ***Indu Singh vs. Surender Kamboj & Ors.,*** [3] where another Division Bench of this court has said this:

> *"30. A reading of the aforesaid decisions would show that ordinarily, the rights of the parties have to be decided in the suit. The controversy on merits of the disputed questions of fact cannot be considered at the stage of deciding an application under Order XII Rule 6 CPC. For a judgment on admission to be passed under Order XII Rule 6 CPC, the court has to see as to whether the admission of facts are plain, unambiguous and unequivocal and go to the root of the matter which would entitle the other party to succeed. The object of*

---

[2] (2011) 15 SCC 273

[3] 2020 SCC OnLine Del 1415

> *Order XII Rule 6 is that once there are categorical admissions of facts made by a party, then the litigation should not be permitted to linger on unnecessarily and on an application filed by a party asking for a decree on the basis of the said admissions, the court should exercise its discretion and bring such a litigation to an end."*

4. Based on the above precedents, the appellants contend that: (i) none of the respondent/plaintiff's documents are admitted by the appellants/defendants; (ii) there are no express or constructive admissions in the written statements filed by the appellants, and (iii) every foundational ingredient, *viz.,* ownership, employer-employee relationship, cause of action to evict, and the appellants' own right to continue in occupation, remain seriously in dispute, and therefore the suits could not have been decreed for possession under Order XII Rule 6 of the CPC.

5. **On ownership of the suit premises**: The appellants have pleaded, that possession of the suit premises was never taken by the appellants from the respondent company; and the respondent company has failed to prove ownership of the suit premises, and ownership could not have been presumed based on disputed and largely illegible documents.

6. It is argued that as per the respondent, the suit premises were originally owned by a company called "The Birla Cotton Spinning and Weaving Mills Ltd." ('BCSWM') and the factory under the name of "Birla Textile Mills" was also owned by that company; but both these propositions are specifically disputed by the appellants. The appellants claim that the factory was owned and run by a partnership firm called "Birla Textile Mills" and the partnership comprised: (a) Upper Ganges Sugar and

Industries Ltd., (b) Sutlej Industries Ltd., and (c) Hindustan Times Ltd., and this partnership firm was the employer of the appellants. Attention in this behalf has been drawn to the written statements filed by the appellants and to a certified copy of the Register of Firms, to argue that the said documents support the appellant's submission.

7. The appellants point-out, that to establish ownership, the respondent has placed reliance on (i) a photocopy of an "Agreement to Sale" between Delhi Improvement Trust ('DIT'), predecessor of the Delhi Development Authority ('DDA'), and "BCSWM"; and on (ii) a Scheme of Arrangement/Scheme of Amalgamation approved by the Calcutta High Court and the Delhi High Court, to contend that the suit premises were transferred to the respondent by the said documents. The appellants have however submitted, that these pleas and documents relied upon by the respondent have been specifically denied by the appellant; and, in any case, these documents do not mention either the factory styled as "Birla Textile Mills" or the suit premises.

8. The appellants have highlighted, that the "Agreement to Sale" is mostly illegible; it has not been filed in original; and in any event expressly stipulates as under:

> *"(7). Nothing in these presents contained shall be considered as a sale at law of piece of land hereby sold or any part thereof so as to give to the said intended vendee any legal interest therein until the said sale deed shall be executed, but the said intended vendee shall only have a right to enter upon the said land for the purpose of performing this Agreement."*

9. Based on the above narration on the agreement, the appellants have urged that the document is only an "Agreement for Sale" and not a "Sale

Deed", and even by its own terms, does not confer ownership or title upon "BCSWM".

10. With respect to the Scheme of Arrangement cited by the respondent, the appellants have submitted, that even assuming its validity, Schedule-II of that scheme does not describe the suit premises; and consequently, neither the company named 'BCSWM' was ever the owner of the premises, nor did the suit premises ever get transferred to the respondent company.

11. The appellants have additionally contended, that on the respondent's own showing, the land forming the subject matter of the "Agreement for Sale" continues to be owned by and vests in the DDA, which has declined to execute any sale deed in favour of the said company; the properties in question remain in unauthorized occupation of BCSWM; and no document of sale has ever been produced to establish ownership in the name of the respondent's predecessor-in-interest. Moreover, it is pointed-out, that even the Agreement for Sale does not mention or describe the suit premises or "Birla Textile Mills" as forming part of the subject matter of the agreement.

12. **On the employer-employee relationship and character of the accommodation:** The appellants have asserted that the employer was the partnership firm called "Birla Textile Mills" and not the respondent company, and there has never been any employer-employee relationship between the appellants and the respondent company or with BCSWM.

13. The appellants have averred, that accommodation in the form of the suit premises was provided to the appellants by the partnership firm as part of the service benefits extended to its employees. Thus, the employer of

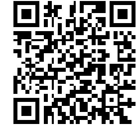
the appellants was the partnership firm named Birla Textile Mills; and therefore, only the employer had the locus to withdraw such service benefit by seeking recovery of the premises.

14. It has been further argued by the appellants, that Allotment Letters dated 23.09.1976, 25.12.1985 and 31.10.1986 issued by BCSWM, in favour of the various appellants, which the respondent has relied upon to show that the appellants are described therein as 'licensee', have been disputed by the appellants in their written statements. It has been urged that the said allotment letters emanate from an entity that was not the employer, and the alleged 'licensor-licencee' relationship is neither admitted by the appellants nor has it been independently proved by the respondent.

15. In their written statements and replies to Order XII Rule 6 applications, the appellants have maintained that "Birla Textile Mills" (partnership firm) was the owner/landlord of the suit premises and the relationship between "Birla Textile Mills" and the appellants was that of landlord and tenant; the appellants were variously paying Rs. 40/- and Rs. 7/- per month as 'rent' to the partnership firm, and therefore the dispute lay within the jurisdiction of the Rent Controller, and not of the civil court.

16. **On the effect of *M.C. Mehta vs. Union of India rulings* and continuity of service/occupation**: A major plank of the appellants' case is the series of orders of the Supreme Court in ***M.C. Mehta vs. Union of India*** relating to closure/relocation of hazardous industries from Delhi. The appellants have specifically cited:

> *- M.C. Mehta vs. Union of India, W.P.(C) No. 4677/1985, (1996) 4 SCC 750, judgment dated 08.07.1996;*
>
> *- M.C. Mehta vs. Union of India, W.P.(C) No. 4677/1985, (1996) 4 SCC 351, judgment dated 10.05.1996; and*



- M.C. Mehta vs. Union of India, W.P.(C) No. 4677/1985, (1999) 2 SCC 91, judgment dated 18.12.1998.

17. The appellants have also relied upon the following extracts of the aforementioned judgment :

> *"28. We, therefore, hold and direct as under:-*
>
> *(1)… We direct that 168 industries listed above shall stop functioning and operating in the city of Delhi with effect from 30.11.1996. These industries shall close down and stop functioning in Delhi with effect from the said date.*
>
> * * * * *
>
> *"(9) The workmen employed in the above mentioned 168 industries shall be entitled to the rights and benefits as indicated hereunder:*
>
> > *(a) The workmen shall have continuity of employment and new town and place where the industry is shifted. The terms and conditions of their employment shall not be altered to their detriment;*
> >
> > *(b) The period between the closure of the industry in Delhi and its restart at the place of relocation shall be treated as active employment and the workmen shall be paid their full wages with continuity of service;*
> >
> > *(c) All those workmen who agree to shift with the industry shall be given one year's wages as "shifting bonus"…;*
> >
> > *(d)… shall be deemed to have been retrenched with effect from 30.11.1996…;*
> >
> > *(e) The "shifting bonus" and the compensation payable… shall be paid by the management before 31.12.1996.*
> >
> > *(f) The gratuity amount payable… shall be paid in addition."*

- from M.C. Mehta vs. Union of India, W.P.(C) No. 4677/1985, (1996) 4 SCC 750, judgment dated 08.07.1996

18. The appellants have accordingly argued, that the words "continuity" and "restart" used in sub-paras (a) and (b) of para 9 of order dated 08.07.1996 as clarified on 18.12.1998 in *M.C. Mehta*, bring about the main intendment of the order. The appellants have submitted, that it is clear from a plain reading of the aforementioned paras that workmen were to be treated as if they were in service till the time the industry restarted at the relocated place; and till such time, their service was to be treated as continuing. It has been argued that there was, therefore, no question of the employer giving them the option to agree to shift or fix an earlier time than the date of starting of the industry at Baddi. The submission has been that the industry could not be said to have been restarted unless and until the plant was installed and all necessary permission had been obtained.

19. Based on the directions of the Supreme Court, the appellants have submitted that the mill did not "close" on 30.11.1996 but, as recorded before the Supreme Court, it was shifted to Baddi, Himachal Pradesh. Under the scheme, if the factory is shifted (and not closed), a workman's employment continues at the relocated place; the service is to be treated as continuous until "restart"; and the existing accommodation in Delhi is to be retained until alternative accommodation is provided at the place of relocation.

20. The appellants claim that they joined at Baddi, continued in service, and were never provided alternative accommodation at Baddi; hence, they remain entitled to occupy the suit premises as per the Supreme Court's directions.

21. The appellants have characterized as "incorrect and misleading" the plea contained in the plaint, that Birla Textile Mills was closed down on 30.11.1996. The appellants submit, that in the face of the directions contained in *M.C. Mehta*, their right of service and occupancy could not be treated as extinguished, nor could continued possession of the suit premises be termed as "unauthorised" without a full examination of facts.

22. **On additional documents filed by the respondent, RTI and illegibility:** Furthermore, the appellants have objected to the respondent having filed 14 additional documents at a later stage to shore-up the claim to ownership of the suit premises, including the alleged Agreement for Sale and various layout and plan documents relating to the DIT/DDA, mutation orders, etc. It has been submitted, that all the said documents are disputed by the appellants and many of them are illegible. Attention has been drawn to the applications filed by the respondent seeking permission to file additional documents, and to the appellants' replies, to argue that the appellants had taken the stand that (i) the additional documents filed by the respondent were totally illegible and were in any event disputed documents, and hence could not be relied upon; and (ii) even assuming, arguendo, that the documents could be looked at, none of the additional documents describe or mention the suit premises.

23. In one of the connected appeals, the appellants have also referred to an RTI reply dated 17.11.2017, allegedly showing Birla Textile Mills (partnership) as the owner of the suit premises.

24. **Parallel criminal proceedings and findings**: The appellants have pointed-out, that the respondent had earlier instituted complaints under Section 630 of the Companies Act, 1956 against the appellants, which were dismissed by the Ld. ACMM on 24.12.2010; and according to the appellants, the said judgment clearly held that the Appellants/Defendants cannot be said to be unauthorizedly occupying the premises in question. An appeal by the respondent is stated to be pending in the Delhi High Court.

25. The appellants have contended, that even though findings of the criminal court may not bind the civil court, such a clear finding against "unauthorised occupation" underscores that the appellants' possession and rights are at least seriously arguable, and cannot be brushed aside as "moonshine" at the threshold under Order XII Rule 6 of the CPC.

<u>Summarising the challenge, the appellants have submitted that</u>:

26. Ownership of the premises by the respondent company is disputed and not admitted, with the foundational documents being either illegible, not original, or not containing a reference to the suit premises.

27. Employer-employee relationship between the respondent company and the appellant is denied; according to the appellants the employer is the partnership firm "Birla Textile Mills," which alone could control service benefits, including housing.

28. The appellants' right to continue in occupation of the suit premises flows from binding Supreme Court directions in *M.C. Mehta* regarding continuity of service and accommodation till alternative housing is provided by the respondent company at the relocated site, and no such housing has been provided.

29. The additional documents filed on behalf of the respondent company are illegible and are disputed; the alleged "allotment letter" is a contested document issued by a company that was not the appellants' employer.
30. No clear, unambiguous, or unconditional admission exists on any of the aforesaid critical issues; hence, the stringent standard of *Delhi Jal Board*, *Himani Alloys*, and *Indu Singh* for passing a decree on admissions is not met.
31. Based on the above contentions, the appellants have prayed that the decrees passed against them under Order XII Rule 6 CPC be set-aside and the suits be remanded back for full trial based on evidence.

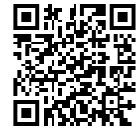
<u>SUBMISSIONS ON BEHALF OF THE RESPONDENT COMPANY (PLAINTIFF)</u>

32. The respondent/plaintiff (Texmaco Infrastructure & Holdings Ltd., formerly Texmaco Ltd.) has opposed the contentions raised by the appellants, defending the decrees on admissions passed by the learned trial court.
33. The respondent has stated, that it is the proprietor of the textile mill popularly known as "Birla Textile Mills", located at G.T. Road, Subzi Mandi Ghanta Ghar, Delhi.
34. It has been submitted that originally, BCSWM had constructed the quarters at Shivaji Lines, Roshanara Road/Bagh, Shakti Nagar for its employees; and on 15.07.1966, 04.04.1968, and 26.09.1975 the appellants had joined the services of BCSWM.
35. It has been submitted, that under a Scheme of Amalgamation approved by the Calcutta High Court on 20/22.12.1982 (Company Petition No. 191/1982) and by the Delhi High Court on 03.01.1983 (Company

Petition No. 59/1982), all assets and liabilities of BCSWM, including the suit premises stood transferred to Texmaco Ltd.; and by allotment letters bearing the sign and seal of Texmaco Ltd., two of the appellants were allotted the quarters that are subject matter of the present proceedings, expressly as licensees at a fixed licence fee of Rs. 40/- per month, with the licence being expressly co-terminus with their employment. The respondent has stressed that these letters are the only document explaining how the appellants came into possession of the suit premises; and that the said letters repeatedly use the expression "license" and stipulates termination of the license upon cessation of service of the appellants. It has been pointed-out, that there is no specific denial of execution of the said allotment letters but only an evasive plea that it "requires formal proof".

36. The respondent had argued that on 30.11.1996, pursuant to *M.C. Mehta* orders passed in W.P.(C) No. 4677/1985, the mill stopped functioning and the appellants "ceased to be in the plaintiff's employment" but despite repeated requests (including a visit by the estate officer/attorney on 10.07.2003, and criminal complaints having been filed on 21.08.2003 and 28.08.2003 under Section 630 of the Companies Act 1956, the appellants had refused to vacate the suit premises.

37. It has been argued on behalf to the respondent that consequently, on 29.08.2017 the respondent/plaintiff instituted the suits seeking: a decree of possession in respect of the suit premises; a decree of damages/use and occupation charges, with interest up to the date of filing of suit; a decree for mesne profits from the date of filing of the suit till delivery of possession; along with costs and other ancillary reliefs.



38. The respondent has characterised the appellants' conduct as "malicious", asserting: (i) that the appellants have repeatedly improved upon their case by making submissions beyond their pleadings, (ii) that the appellants have made *ex-facie* false submissions, (iii) that the appellants have adopted self-contradictory stands, and (iv) that they have relied on documents which are either not part of the record or that have been filed without leave. The detailed submissions on these points are summarised below.

39. **Submissions beyond pleadings**: Using a tabulated comparison, the respondent has pointed-out that:

    39.1. That in the written statements, the appellants have nowhere taken the plea that alternative accommodation or compensation was not provided by the respondent, but such pleas appear for the first time in the appellants' replies to the Order XII Rule 6 applications and in the present appeals.

    39.2. A copy of letter dated 08.12.1999, allegedly showing that Birla Textile Mills (partnership firm) was taken over by Chambal Fertilizers & Chemicals Ltd., was filed by the appellants without leave of the court along with their replies to the Order XII Rule 6 applications; and in the present appeal, the appellants now assert that control over service conditions and accommodation in relation to employees vested in Chambal Fertilizers & Chemicals Ltd., which case was never pleaded earlier.

    39.3. The plea that the property vests in the DDA finds no mention in the written statements, but appears in the present appeals.

40. ***Ex-facie* false submissions**: The respondent has further alleged that the appellants have made *ex-facie* false submissions, *inter alia*: that the appellants have relied on the "alleged" letter dated 08.12.1999, to assert that Birla Textile Mills (partnership firm) was taken-over by Chambal Fertilizers & Chemicals Ltd., though no such case appears in the written statement and the letter is an additional document filed without leave, addressed to a third party ("Sh. Tarachand Dingliwal"). Furthermore, the appellants have claimed that they had paid electricity and water charges for the suit premises, without any documents in support of that plea. The appellants have referred to an RTI reply dated 17.11.2017 allegedly showing that Birla Textile Mills (partnership firm) is the owner of the suit premises, whereas no such RTI reply is on record, and the appellants' own certified copy from the Register of Firms shows that the partnership firm never owned any property adjacent to the subject quarters. The appellants have also asserted that they continued to be in the employment of Chambal Fertilizers & Chemicals Ltd. even after 30.11.1996, despite there being not a mention or whisper of that entity in the written statement.

41. **Self-contradictory stands**: The respondent points-out that, at different stages, the appellants have claimed that the suit premises belong to: "M/s Birla Textile Mills (partnership firm)" (in their written statements); to Chambal Fertilizers & Chemicals Ltd. (in their replies to Order XII Rule 6 applications), and to the DDA (in the present appeals). Thus, it has been pointed-out that the appellants have alleged that three different entities were owners of the suit premises.

42. **Reliance on documents not on record:** The respondent has emphasized, that letter dated 08.12.1999 (same letter in all three appeals) relied upon by the appellants is an additional document, which was filed without leave of the court, and therefore, cannot be considered. Likewise, the appellants have also placed reliance upon alleged RTI reply dated 17.11.2017, which is also not on the record at all.

43. **Ownership of the suit premises**: The respondent has submitted, that the impugned judgments correctly hold that the respondent is the owner of the suit premises on the strength of the chain of title, in the following manner:

    43.1. Orders dated 03.01.1983 (Delhi High Court) and 20/22.12.1982 (Calcutta High Court) approving the Scheme of Amalgamation of BCSWM into Texmaco Ltd.;

    43.2. Schedule II, Clause 5 (effective 01.04.1981) *inter-alia* transferring the suit premises to the respondent;

    43.3. Mutation Order dated 09.06.2014 passed by the Tehsildar, Civil Lines, mutating the property in the respondent's favour;

    43.4. Order dated 13.12.2018 in *Texmaco Infrastructure & Holdings Ltd. vs. Rajesh Kumar Dudani* CS(OS) No. 433/2017, whereby the Delhi High Court has reaffirmed the respondent's ownership in respect of similar quarters.

44. It has been submitted that in paras 14-18 of the impugned judgments, the learned trial court has traced the chain of title and has correctly concluded that the suit premises did not belong to Birla Textile Mills (partnership firm) but to the respondent/plaintiff. The respondent has pointed-out that, apart from "bald denials", the appellants have not

specifically traversed the assertions of the respondent to this chain of title.

45. Invoking the principles set-down in the Supreme Court's decision in ***Maria Margarida Sequeira Fernandes & Ors. vs. Erasmo Jack De Sequeira (Dead),***[4] the respondent has submitted that anyone resisting a title holder's claim to possession must plead with particularity and place documents regarding: (i) who is or are the actual owner/owners of the property;(ii) title documents of the property; (iii) who is in possession of the title documents; (iv) identity of the claimant(s) in possession; (v) the date of entry into possession; (vi) how he came into possession of the property - whether he purchased the property or inherited or got the same in gift or by any other method; (vii) in case he purchased the property, what is the consideration, or if he has taken the property on rent/license, how much is the rent or license fees he is paying; (viii) if the property is taken on rent, license fee or lease – then he must place on record the rent deed, license deed or lease deed; (ix) who are the persons in possession/occupation or otherwise living with him, and in what capacity (as family members, friends, servants, etc.); (x) subsequent conduct, *i.e.,* any event which might have extinguished his entitlement to possession or caused a shift therein; and (xi) the basis of his claim that he is not required to deliver possession but is entitled to continue in possession of the property.

46. The respondent has argued, that apart from baldly naming three different "owners", the appellants have not produced a single document to show

[4] (2012) 5 SCC 370

(i) how or when they entered into possession, (ii) in what capacity, (iii) to whom they allegedly paid rent, or (iv) any tenancy/lease document. It is submitted that in the absence of such particulars, the appellants cannot be permitted to illegally hold-over the suit premises.

47. As to the new plea that the land belongs to the DDA, the respondent has submitted that: (i) this is an entirely new defence raised at the appellate stage and cannot be considered; (ii) that without prejudice, in WP (C) No. 4006/2006 decided on 08.08.2007, the court has specifically examined alleged encroachment by the respondent on DDA land at this very site and the DDA itself concluded that "no encroachment had taken place."

48. The respondent has further invoked section 116 of the Indian Evidence Act, 1872, pointing to the appellants' own application for allotment of the quarters (*vidé* letters dated 'nil', copies of which have been filed as part of the appeals), to submit that having applied to the respondent for allotment, the appellants are estopped from now challenging the respondent's title. Reliance is placed in this belief on ***Sky Land International Pvt. Ltd. vs. Kavita P. Lalwani.***[5]

49. **Nature of appellant's occupation is licence, not tenancy:** On the second principal issue, the respondent has submitted that the appellants are mere licensees in the suit premises under Allotment Letters dated 23.09.1976, 25.12.1985 and 31.10.1986 and that no lease or tenancy in respect thereof is either pleaded or shown.

---

[5] 2012 191 DLT 594

50. It has been submitted that in paras 19-21 and 23-27 of the impugned judgments, the learned trial court has concluded that the allotment letters comprise a mere licence agreement. The learned trial court has observed that the quarters in question were given on request of the licensees; and the term "license" is used multiple times, including in relation to the fee that was paid in relation to the suit premises. Furthermore, applying the decision in ***Associated Hotels of India Ltd. vs. R.N. Kapoor,***[6] the learned trial court has distinguished 'lease 'from 'licence 'and has concluded that the appellants were granted only a personal right to occupy the suit premises, co-extensive with their employment, and that the respondent had retained full right to revoke the licence.

51. The respondent has stressed, that the appellants have failed to discharge the initial burden under sections 101, 102 and 106 of the Evidence Act, 1872 to prove any tenancy: that no rent receipt, or rental agreement has been produced to show a landlord–tenant relationship between the appellant and Birla Textile Mills (partnership firm) or Chambal Fertilizers & Chemicals Ltd. Rather, the only document establishing any legal relationship produced by the appellants are the allotment letters, from which it is seen that the appellants were mere licensees of the respondent.

52. The respondent has also contended, that even if the appellants formally deny the allotment letters, there is literally no explanation on record of how they came into possession at all, in which case, far from being

[6] AIR 1959 SC 1262

tenants, the appellants would have no recognisable right to remain in possession of the suit premises.

53. **Limitation under Article 65 of the Limitation Act, 1963**: On the plea that the suits were time-barred, since employment of the appellants had allegedly ceased on 30.11.1996 and the suits were filed in 2017, the respondent has submitted, that as a matter of law, a licensee remains in permissive possession of a property and a fresh cause of action for seeking recovery of possession arises each time the licensor calls upon a licensee to vacate.

54. The respondent has relied on Article 65 read with Section 27 of the Limitation Act, 1963 to contend that limitation for recovery of possession *based on title* begins only when a defendant sets-up a hostile title by way of adverse possession, and even then, limitation runs for 12 years from the date of such assertion. In the present case however, the respondent has argued that the appellants have neither filed a counter-claim nor instituted any separate suit seeking declaration of ownership by adverse possession; hence, in that sense, limitation under Article 65 has not even commenced. The respondent has cited ***Mahesh Chand vs. Sumnesh Kumar Chaturvedi***[7] and ***Laxmi Narayan Soni vs. Sudha Gupta & Ors***.[8]

55. In this behalf, it has been pointed-out that the learned trial court has held (in para 29) that "the licensee is always a licensee"; that a fresh cause of action arises every time a licensor demands vacation; and that permissive occupation does not ripen into adverse possession merely because the

[7] 2014 SCC OnLine Del 6474
[8] 2018 SCC OnLine Del 8679

licensor does not sue within 12 years of such demand. In support of this contention reliance has been placed on ***Brij Narayan Shukla (D) through LRs vs. Sudesh Kumar (D) through LRs.***[9] The respondent has also said that the issue of limitation was not even orally argued before the learned trial court.

56. **Allegation of "unadmitted" documents**: In their appeals, the appellants have contended that the learned trial court has relied on "unadmitted" documents while deciding the Order XII Rule 6 CPC applications. The respondent has answered that by submitting: (i) that on 17.08.2023, applications under Order VII Rule 14 CPC were filed by the respondent to bring on record additional title documents (*viz.,* layout plans, building plans, agreement to sell, building permit, amalgamation orders, mutation order dated 09.06.2014, DDA layout plan dated 15.08.2015, orders and Commissioner's report in WP (C) 4006/2006, ROC name change certificate, NDMC letter dated 04.01.2013, site plan, and an application for allotment); (ii) by order dated 08.02.2024, the learned trial court has allowed these applications, noting that evidence was yet to be led.

57. In the above circumstances, the respondent has contended that absent of any specific indication in the appeals as to which particular documents are "unadmitted" or incorrectly relied upon, this ground raised by the appellants is wholly vague and untenable.

58. **Satisfaction of ingredients of Order XII Rule 6 CPC**: In response to the appellants' contention that the prerequisites for a decree on

---

[9] (2024) 2 SCC 590

admissions under Order XII Rule 6 CPC are not satisfied, the respondent has answered briefly as follows: (i) that the issues of limitation and ownership have been addressed as above; (ii) that there was an employer-employee contract between the parties is established by allotment letters, *inter-alia* signed and sealed by Texmaco Ltd., copies of which were annexed to the plaints and have not been specifically denied; (iii) that the right to evict the appellants arises from para 9 of the plaints, which asserts that from the dates indicated in the plaints, the appellants had ceased to be the respondent's employees; hence, the licence stood determined, and subject to Article 65 of the Limitation Act, 1963, a fresh cause of action accrued each time the respondent called-upon the appellants to vacate the suit premises; (iv) that, as asserted in paras 15 and 27 of the plaints, the cause of action arose when the appellants refused to hand-over possession of the suit premises despite termination of licence; and (v) since the claim in the suits was for recovery of possession from illegal occupants, whose licences had ended, the suit would lie before the civil court, and not before the Rent Controller.

59. The respondent has further relied on ***Karam Kapahi & Ors. vs. Lal Chand Public Charitable & Anr.,***[10] ***Rajeev Tandon & Anr. vs. Rashmi Tandon,***[11]***Mangal Sain Mittal vs. PPA Impex Limited,***[12] ***Charanjit Lal Mehra & Ors. vs. Kamal Saroj Mahajan (Smt) & Anr.,***[13] and ***S.M. Arif***

---

[10] (2010) 4 SCC 753

[11] 2019 SCC OnLine Del 7336

[12] (2009) 112 DLT 532

[13] (2005) 11 SCC 279

vs. Virender Kumar Bajaj[14] to submit that: (i) Order XII Rule 6 CPC is an enabling, and discretionary provision and the learned trial court has correctly exercised the discretion vested in it by decreeing the suits for possession; (ii) admissions need not be express and constructive admissions can be inferred from evasive and vague denials, which inferences the learned trial court has correctly drawn; and (iii) pleadings that lack material particulars or do not go to the root of the controversy are liable to be rejected.

60. The respondent has also argued that, in paras 30-33 of the impugned judgments, the learned trial court has held that the appellants' defence consisted of "unsubstantiated pleas" and "vague averments" amounting to admissions, sufficient to justify a decree on admissions, relying *inter-alia* on *Rajeev Tandon*, and ***Monika Tyagi vs. Subhash Tyagi***[15] on the issue of whether the defence taken in a suit is "complete moonshine"; and on *Charanjit Lal Mehra,* on the question of inferring admissions from surrounding facts and circumstances. The respondent has adopted these findings and submits that the appellants have raised only "moonshine defences."

61. **Alleged disputed questions of fact/law and other objections**: On the appellants' claim that serious disputed questions of fact and law arise in the matter, the respondent has answered: (i) that the issue of limitation has been answered under Article 65 of the Limitation Act, 1963 read with the decision in *Brij Narayan Shukla*; (ii) that the respondent's ownership is established by a complete chain of documents and prior

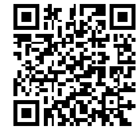
---

[14] (2015) 9 SCC 287
[15] 2021 SCC OnLine Del 5400

judicial recognition of that right vesting in the respondent, whereas the appellants have not produced a single title document in favour of Birla Textile Mills (partnership firm); (iii) that the lease vs. licence issue stands concluded by the language of the allotment letters and the settled jurisprudence on the concept of a licence; (iv) that dismissal of the earlier criminal complaints do not bind the civil court, since as a matter of law, findings in criminal proceedings do not conclude civil rights, as held in ***Syed Askari Hadi Ali Augustine Imam & Anr. vs. State (Delhi Admn.) & Anr.;***[16] (v) that as regards non-receipt of the termination notice, the respondent has cited ***Nopany Investments (P) Ltd. vs. Santokh Singh (HUF)***[17] to submit, that filing of a suit for possession is itself sufficient notice to quit and a separate notice under section 106 of the Transfer of Property Act, 1882 is not a pre-condition for entertaining such a suit.

62. On the appellants' argument based on the *M.C. Mehta* case, the respondent has pointed-out, that the appellants cannot attribute the Supreme Court's directions issued to M/s Birla Textile Mills (which was a partnership firm) to the respondent/plaintiff, namely to Ms. Texmaco Infrastructure and Holdings Ltd. It has been submitted, that the respondent company was incorporated only in 1987, whereas the concerned *M.C. Mehta* proceedings commenced in 1985 and related to companies that existed before that time. Furthermore, it has been submitted, that interlocutory applications relating to the Delhi region were filed in 1988-1989. It has also been submitted, that the sanctioned scheme of arrangement in favour of the respondent was drawn-up in

[16] (2009) 5 SCC 528
[17] (2008) 2 SCC 728



1982-1983, predating the *M.C. Mehta* litigation. Accordingly, it has been argued that the entity referred to in *M.C. Mehta* is distinct from the present respondent, and the appellants' plea is a bald averment aimed at creating confusion on account of the similarity in names.

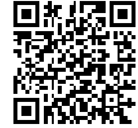
63. On the foregoing premises, the respondent has prayed that the decrees for possession passed by the learned trial court on 10.02.2025 be affirmed alongwith the finding that the appellants are mere licensees of the respondent whose licence has long since terminated; and that the appellants' inconsistent and unsubstantiated claims of third-party ownership and tenancy, be rejected. It has been prayed that the appeals be dismissed as being devoid of merit, there being no substantial question of fact or law warranting interference with the learned trial court's judgment on admissions.

DISCUSSION & ANALYSIS

64. This court has heard learned counsel for the appellants as well as learned counsel for the respondent. Upon considering the submissions made and the documents on records, the position that emerges is discussed below.

Scope of Application of Order XII Rule 6 CPC

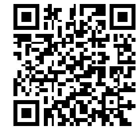
64.1. At the outset, it is necessary to examine the scope and applicability of Order XII Rule 6 of the CPC, which is a provision that enables a court to pronounce judgment on admissions without proceeding to trial, where admissions of fact have been made either in the pleadings or otherwise. However, as rightly contended by learned counsel for the appellants, application of this provision is discretionary and its use must be made by the court judiciously.



64.2. The law on this aspect has been clearly laid down by the Supreme Court in *Himani Alloys Ltd.*, wherein it has been held that for application of Order XII Rule 6 CPC, admissions of fact must be clear, categorical, unambiguous and unconditional. Similarly, in *Delhi Jal Board*, a Division Bench of this court has held that the test for applying Order XII Rule 6 CPC includes examining: (i) whether admissions of fact arise in the suit; (ii) whether such admissions are plain, unambiguous and unequivocal; (iii) whether the defence set-up requires evidence for determination of the issues; and (iv) whether objections raised go to the root of the matter.

64.3. However, it is equally well-settled that admissions need not always be express. Constructive admissions can be inferred from evasive denials, vague averments, or pleadings that lack material particulars. As observed by the Supreme Court in *Charanjit Lal Mehra*, admissions can be inferred from surrounding facts and circumstances. Similarly, in *Rajeev Tandon* and *Monika Tyagi*, this court has held that where the defence is "complete moonshine" and consists of unsubstantiated pleas lacking particularity, a decree on admissions is warranted.

64.4. The law on the exercise of discretion under Order XII Rule 6 CPC has been summarized by the Supreme Court in *Karam Kapahi*, and by this court in *Mangal Sain Mittal*, *S.M. Arif*, and *Rajeev Tandon*. These decisions make it clear that Order XII Rule 6 CPC is an enabling provision, and that admissions need not be express but can be inferred from evasive and vague denials. Pleadings that



lack material particulars or do not go to the root of the controversy are also liable to be rejected.

Ownership of the Suit Premises

64.5. The primary ground of challenge raised by the appellants is that ownership of the suit premises by the respondent has not been established, and that the documents relied upon by the respondent are disputed, illegible, and do not specifically mention the suit premises.

64.6. However on carefully examining this contention, it is noticed that the record reveals that the respondent has established a complete chain of title through the following documents: (i) Order dated 03.01.1983 of the Delhi High Court and order dated 20/22.12.1982 of the Calcutta High Court approving the Scheme of Amalgamation of BCSWM into Texmaco Ltd. ('said Scheme'); (ii) Schedule II, Clause 5 of the said Scheme (effective 01.04.1981) *inter-alia* transferring the suit premises to the respondent; (iii) Mutation Order dated 09.06.2014 passed by the Tehsildar, Civil Lines, mutating the property, where the suit premises are located, in the respondent's favour; and (iv) Order dated 13.12.2018 of this court in *Texmaco Infrastructure & Holdings Ltd. vs. Rajesh Kumar Dudani* CS(OS) No. 433/2017, wherein this court has reaffirmed the respondent's ownership in respect of similar staff quarters which was occupied by another former employee.

64.7. In paras 14-18 of the impugned judgments, the learned trial court has traced this chain of title and has correctly concluded that the

suit premises belong to the respondent/plaintiff and not to the partnership firm styled as "Birla Textile Mills".

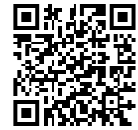
64.8. In contrast, the appellants have not produced a single document evidencing ownership of the suit premises in favour of the partnership firm "Birla Textile Mills" or any other entity. The appellants' reliance on letter dated 08.12.1999 allegedly showing that Birla Textile Mills (partnership firm) was taken over by Chambal Fertilizers & Chemicals Ltd. is misplaced for multiple reasons. First, this document was filed without leave of the court along with their replies to the Order XII Rule 6 applications, and is therefore not properly on record. Second, even if the document were to be considered, it is addressed to a third party and does not establish ownership of the suit premises. Third, the plea regarding Chambal Fertilizers & Chemicals Ltd. finds no mention in the written statement and has been raised in the appellate proceedings, which is impermissible.

64.9. Similarly, the appellants' reliance on an alleged RTI reply dated 17.11.2017 is wholly untenable, since no such document is on record. Furthermore, the appellants have at different stages claimed that the suit premises belong: (i) to the partnership firm "Birla Textile Mills"; (ii) to Chambal Fertilizers & Chemicals Ltd.; and (iii) to the DDA. These self-contradictory and mutually inconsistent stands completely undermine the credibility of the appellants' case. As rightly submitted by learned counsel for the respondent, the appellants have in the same breath alleged three

different owners for the same suit premises, which demonstrates the lack of *bona fides* in the defence.

64.10. The plea that the property vests in the DDA, raised in para 20 of the present appeals, is also a defence that was not taken by the appellants in their written statements and cannot be entertained at the appellate stage. In any event, this plea is factually incorrect, since in WP(C) No. 4006/2006, a Division Bench of this court had specifically examined the alleged encroachment by the respondent on DDA land at this very site, and *vidé* order dated 08.08.2007 passed in those proceedings, the said writ petition was disposed of based on a local commissioner's report and on the stand taken by the DDA, that there was no encroachment by the respondent.

64.11. In the light of the Supreme Court's decision in *Maria Margarida Sequeira Fernandes*, any person resisting a title holder's claim to possession must plead with particularity and place documents *inter-alia* regarding: (i) who is the actual owner of the property; (ii) title documents of the property; (iii) when and how he entered into possession; (iv) in what capacity; (v) consideration or rent paid; and (vi) the basis of his claim to continue in possession. Evidently, the appellants have failed to discharge this burden. Apart from baldly naming three different "owners" at different stages, the appellants have not produced a single document showing how or when *they* entered into possession, in what capacity, to whom they allegedly paid rent, or any tenancy/lease document.



64.12. Furthermore, by virtue of section 116 of the Indian Evidence Act, 1872, the appellants are estopped from challenging the respondent's title. The appellants' own applications/letters for allotment of the quarters, and allotment letters dated 23.09.1976, 25.12.1985 and 31.10.1986 issued to them, which are on record, demonstrate that the appellants had sought and obtained possession of the suit premises from the respondent. Having applied to the respondent for allotment and having accepted the same, the appellants cannot now be permitted to turn around and deny the respondent's ownership. This principle has been affirmed by this court in *Aman Mehta*.

64.13. Accordingly, this court is satisfied that the respondent has established clear, cogent and documentary evidence of its ownership of the suit premises, whereas the appellants have made only bald denials without any supporting material. The learned trial court has therefore correctly concluded that ownership of the suit premises vests in the respondent.

Nature of Occupation: Licence vs. Tenancy

64.14. The second issue that arises relates to the nature of the appellants' occupation of the suit premises. The respondent contends that the appellants are mere licensees under the aforementioned 03 allotment letters, whereas the appellants claim to be tenants under the partnership firm "Birla Textile Mills" and assert that the dispute therefore lies within the jurisdiction of the Rent Controller.

64.15. However, allotment letters dated 23.09.1976, 25.12.1985 and 31.10.1986 issued by Texmaco Ltd. (or its predecessors-in-interest) are the only documents on record explaining how the appellants came into possession of the suit premises. Besides, these letters expressly describe the appellants as "licensee" and even fix a monthly licence fee of various amounts. The letters also expressly provide that the licence is co-terminus with the appellants' employment.

64.16. In paras 19-21 and 23-27 of the impugned judgment the learned trial court has carefully analyzed the language of the allotment letters and has correctly held that these constitute a licence agreement and not a lease. Applying the principles laid down by the Supreme Court in *Associated Hotels of India Ltd.* the learned trial court has distinguished a 'lease' from a 'licence' and has concluded that the appellants were granted only a personal right to occupy the suit premises, co-extensive with their employment, and that the respondent retained full right to revoke the licence.

64.17. It is significant that while in their written statements the appellants have sought to dispute the allotment letters, there is no specific denial of the execution of those letters. The appellants have merely stated that the allotment letters *require formal proof*, which is an evasive plea falling far short of a specific denial. In the absence of a specific denial, the execution and contents of the allotment letters must be taken as admitted.

64.18. Furthermore, the appellants have failed to discharge the initial burden under sections 101, 102 and 106 of the Indian Evidence

Act, 1872 to prove their alleged tenancy. No rent receipt, rental agreement, or any other document evidencing a landlord-tenant relationship has been produced. If, as claimed by the appellants, they were tenants of the partnership firm "Birla Textile Mills" paying rent of certain amounts per month, one would expect the appellants to produce rent receipts or some documentary evidence of their claimed tenancy. The complete absence of any such evidence is fatal to the appellants' case.

64.19. The only documents produced by the appellants establishing any legal relationship are in fact the allotment letters, which refer to the appellants as "licensee" of the respondent. As rightly submitted by learned counsel for the respondent, even if the appellants formally deny the allotment letters, there is literally no explanation on record of how the appellants came into possession of the suit premises at all, in which case they would have no recognizable legal right to remain in possession of the suit premises.

64.20. This court is therefore in agreement with the conclusion reached by the learned trial court, that the appellants are mere licensees of the respondent, and not tenants; and that the licence stood terminated upon cessation of their employment.

Employer-Employee Relationship

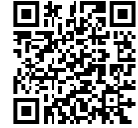
64.21. The appellants have contended that their employer was the partnership firm "Birla Textile Mills" and not the respondent company, and that there has never been any employer-employee relationship between the appellants and the respondent company.

64.22. However, this contention is belied by the record. In particular, Allotment Letters dated 23.09.1976, 25.12.1985 and 31.10.1986 have been issued by Texmaco Ltd. or its predecessor; and pursuant to the Scheme of Amalgamation approved by the Calcutta High Court on 20/22.12.1982 and by the Delhi High Court on 03.01.1983, all assets and liabilities of BCSWM, including employment contracts, stood transferred to Texmaco Ltd.

64.23. By way of the said allotment letters, the suit premises were expressly allotted to the appellants as licensees at a fixed licence fee, with the licence being expressly co-terminus with their employment. These documents establish beyond doubt that an employer-employee relationship subsisted between Texmaco Ltd. (now Texmaco Infrastructure & Holdings Ltd.) and the appellants.

64.24. The appellants have not specifically denied the execution of the allotment letters. The plea that the allotment letter "requires formal proof" is evasive and amounts to a constructive admission. Having applied for and obtained allotment of staff quarters from the respondent, the appellants cannot now be permitted to turn around and deny the employer-employee relationship with the respondent.

64.25. The appellants' belated plea that their employer was a partnership firm or that Chambal Fertilizers & Chemicals Ltd. had control over service conditions is wholly unsubstantiated and unsupported by any documentary evidence. These pleas find no mention in the written statement and have been raised in the replies to the Order



XII Rule 6 applications and in the present appeals, which is impermissible.

64.26. Accordingly, this court is of the view that the employer-employee relationship subsisted between the respondent (or its predecessor-in-interest Texmaco Ltd.) and the appellants, and not with any partnership firm or third party.

Effect of *M.C. Mehta vs. Union of India*

64.27. A major plank of the appellants' case is the reliance on the series of orders passed by the Supreme Court in *M.C. Mehta* relating to closure/relocation of hazardous industries from Delhi. The appellants contend that under the Supreme Court's directions, their service was to be treated as continuing until the industry restarted at the relocated place, and that they were entitled to continue to occupy the existing accommodation in Delhi until alternative accommodation was provided at the place of relocation. The following portion of the Supreme Court order dated 08.07.1996 in *MC Mehta* is relevant for this purpose. The said portion reads as under:

> *"28. We, therefore, hold and direct as under:*
>
> *(8) The closure order with effect from 30-11-1996 shall be unconditional. Even if the relocation of industries is not complete they shall stop functioning in Delhi with effect from 30-11-1996.*
>
> *(9) The workmen employed in the above-mentioned 168 industries shall be entitled to the rights and benefits as indicated hereunder:*
>
> *(d)* ***The workmen employed in the industries which fail to relocate and the workmen who are not willing to shift along with the relocated industries, shall be deemed to have been retrenched with effect from 30-11-1996*** *provided they have been in*

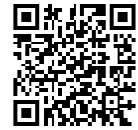
> *continuous service (as defined in Section 25-B of the Industrial Disputes Act, 1947) for not less than one year in the industries concerned before the said date. They shall be paid compensation in terms of Section 25-F(b) of the Industrial Disputes Act, 1947. These workmen shall also be paid, in addition, one year's wages as additional compensation;"*

(emphasis supplied)

64.28. In light of the Supreme Court directions extracted above, the appellants' contention is misconceived for multiple reasons. First and foremost, even assuming that the *M.C. Mehta* directions were applicable to the respondent, as per the record, pursuant to the closure of the mill in Delhi, the appellants have not placed any material to substantiate their claim that the mill relocated or that they joined service at Baddi and thereby continued in employment. In these circumstances, the appellants' employment ceased as on 30.11.1996, and accordingly, the licence to occupy the staff quarters also stood automatically terminated.

64.29. Any alleged breach of the appellants' right to continue in employment would, at best, be relevant only to the question of the retrenchment compensation/other dues that may have been payable to them as workmen; but the directions in *MC Mehta* cannot be construed as conferring upon the appellants an absolute or perpetual right to occupy the staff accommodation irrespective of whether they continued in employment or not.

64.30. Also, as narrated above, the allotment letters expressly provided that the licence to occupy the staff quarters was co-terminus with employment. Therefore, the appellants cannot seek to defeat this



clear contractual obligation by relying on the *M.C. Mehta* directions.

64.31. It is also noticed, that the plea regarding entitlement to alternative accommodation finds no mention in the written statement but has been raised in the reply to the Order XII Rule 6 application and in the present appeal. This is a clear case of the appellants seeking to improve upon their pleadings, which is impermissible.

64.32. For all the aforesaid reasons, this court finds no merit in the appellants' reliance on the *M.C. Mehta* case. The learned trial court has therefore correctly concluded that the appellants' continued possession of the suit premises after 30.11.1996 is unauthorized.

Limitation

64.33. Next, the appellants have contended that the suit is barred by limitation, since their employment allegedly ceased on 30.11.1996 and the suit was filed in 2017.

64.34. This contention is wholly untenable. As a matter of law, a licensee remains in permissive possession and a fresh cause of action for seeking recovery of possession arises each time the licensor calls upon the licensee to vacate.

64.35. Article 65 of the Limitation Act, 1963 read with section 27 thereof provides that limitation for recovery of possession based on title begins only when a defendant sets-up a hostile title by way of adverse possession, and even then, limitation runs for 12 years from the date of such assertion. In the present case, the appellants have neither filed a counter-claim nor have they instituted any

2026:DHC:4858

separate suit seeking declaration of ownership by adverse possession. Accordingly, limitation under Article 65 has not even commenced. The law on this aspect has been consistent, *inter-alia* as laid down in *Mahesh Chand*, *Laxmi Narayan Soni*, and *Brij Narayan Shukla*.

64.36. In para 29 of the impugned judgment the learned trial court has correctly held that "a licensee is always a licensee", that a fresh cause of action arises every time a licensor demands vacation, and that permissive occupation does not ripen into adverse possession merely because the licensor does not sue within 12 years of such demand.

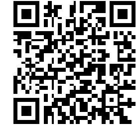
64.37. Furthermore, as rightly submitted by learned counsel for the respondent, the filing of a suit for possession is itself sufficient as a notice to quit, and a separate notice under section 106 of the Transfer of Property Act, 1882 is not a pre-condition for entertaining such suit. This principle has been affirmed by the Supreme Court in *Nopany Investments (P) Ltd.*

64.38. For the foregoing reasons, this court is of opinion that the suit was not barred by limitation.

Additional Documents

64.39. The appellants have also contended that the learned trial court has relied on "unadmitted" documents while deciding the Order XII Rule 6 CPC applications.

64.40. This contention is factually incorrect. The record shows that on 17.08.2023, the respondent had filed applications under Order VII Rule 14 CPC seeking permission to bring on record additional title



documents, which application was allowed by order dated 08.02.2024. In allowing this application, the learned trial court had noted that evidence was yet to be led, and had therefore permitted the filing of additional documents.

64.41. In any event, the appellants have not specified which particular documents are allegedly "unadmitted" or incorrectly relied upon. In the absence of any specific assertion, this ground is wholly vague and untenable.

64.42. Furthermore, as noted above, the appellants have themselves relied on documents which are not properly on record, such as letter dated 08.12.1999 and alleged RTI reply dated 17.11.2017. The appellants cannot be permitted to adopt double standards by objecting to the respondent's documents while themselves relying on documents filed without leave.

Parallel Criminal Proceedings

64.43. The appellants have sought to rely on the dismissal of the criminal complaints under section 630 of the Companies Act, 1956 by the learned ACMM on 24.12.2010, as a ground for challenging the impugned order.

64.44. This reliance is also misplaced. As a matter of law, findings in criminal proceedings do not conclude civil rights. This principle has been affirmed by the Supreme Court in *Syed Askari Hadi Ali Augustine Imam.*

64.45. For the said reason, the dismissal of the criminal complaint has no bearing on the present civil proceedings.

Jurisdiction of Civil Court

65. The appellants have also contended that the dispute lies within the jurisdiction of the Rent Controller and not that of the civil court, as they claim to be tenants at a 'rent' of Rs. 40/- per month in two cases and Rs.7/- in one case.

66. This contention is also untenable. As this court has held above, the appellants are mere licensees and not tenants. The suits filed were for recovery of possession from illegal occupants, whose licences had ended. Accordingly, such suits would lie before the civil court and not before the Rent Controller.

67. Accordingly, this court is of the view that the civil court had jurisdiction to entertain and decide the suits.

Satisfaction of Ingredients of Order XII Rule 6 CPC

67.1. Having examined the various contentions raised by the appellants, this court would now proceed to consider whether the ingredients for passing decrees of possession under Order XII Rule 6 CPC are satisfied in the present case.

67.2. In paras 30-33 of the impugned judgments, the learned trial court has meticulously analyzed the pleadings and has concluded that the appellants' defence consisted of "unsubstantiated pleas" and "vague averments" amounting to admissions. On the question of inferring admissions from surrounding facts and circumstances and whether the defence is "complete moonshine", the learned trial court has correctly relied on *Rajeev Tandon*, *Monika Tyagi*, and *Charanjit Lal Mehra*.

67.3. This court is in complete agreement with the aforesaid findings and reasoning of the learned trial court. The appellants have not specifically denied the execution of Allotment Letters dated 23.09.1976, 25.12.1985 and 31.10.1986, which are the foundational documents establishing the nature of the appellants' occupation of the suit premises. The appellants' plea that the said documents *require formal proof* is evasive and amounts to a constructive admission.

67.4. The appellants have also made self-contradictory claims regarding ownership of the suit premises, alleging at different stages that the suit premises belongs to the partnership firm "Birla Textile Mills", to Chambal Fertilizers & Chemicals Ltd., and to the DDA. These mutually inconsistent stands demonstrate that the appellants' defence is not *bona fide* but mere "moonshine".

67.5. Furthermore, the appellants have failed to produce a single document evidencing ownership of the suit premises by any entity other than the respondent; or evidencing a tenant-landlord relationship with the respondent; or evidencing their employment with any entity other than the respondent or its predecessor-in-interest. In contrast, the respondent has produced a complete chain of title documents and the allotment letters establishing the licence agreement with the appellants.

67.6. The appellants have raised new pleas for the first time in their replies to the Order XII Rule 6 applications and in the present appeals, such as the plea regarding entitlement to alternative accommodation, the plea that the property vests in Chambal

Fertilizers & Chemicals Ltd., or in the DDA. These pleas find no mention in the written statements filed by the appellants and are therefore impermissible.

67.7. The appellants have also relied on documents which are not properly on record, such as letter dated 08.12.1999 and the alleged RTI reply dated 17.11.2017. This demonstrates a lack of *bona fides* on the part of the appellants.

67.8. In the light of the above, this court is satisfied that the following admissions clearly emerge from the pleadings and documents on record:

67.8.1. The respondent is the owner of the suit premises by virtue of the Scheme of Amalgamation and the chain of title documents referred to above;

67.8.2. The appellants obtained possession of the suit premises pursuant to Allotment Letters dated 23.09.1976, 25.12.1985 and 31.10.1986 issued by the respondent/its predecessor-in-interest;

67.8.3. The appellants were allotted the suit premises as 'licensees' at certain monthly licence fees, as indicated in the allotment letters;

67.8.4. The licences were co-terminus with the appellants' employment;

67.8.5. The appellants' employment ceased on 30.11.1996 when the mill stopped functioning;

67.8.6. The licence to occupy the suit premises also stood automatically terminated upon cessation of the appellants' employment; and

67.8.7. The appellants have accordingly continued to occupy the suit premises without any right or title to remain in possession thereafter.

68. The admissions enumerated above go to the root of the matter and entitle the respondent to decrees of possession. The defence set-up by the appellants does not require any evidence for determination, since the appellants' pleas and contentions are only vague, evasive and unsubstantiated assertions, which amount to a "moonshine" defence.

69. Applying these principles to the facts of the present case, this court is satisfied that the learned trial court has correctly concluded that the appellants have made constructive admissions sufficient to warrant the passing of decrees for possession under Order XII Rule 6 CPC.

CONCLUSION

70. In the circumstances, this court is of the view that the learned trial court has correctly exercised its discretion under Order XII Rule 6 CPC in decreeing the suits insofar as the relief of possession is concerned, without proceeding to trial. The impugned judgments do not suffer from any error of law or fact warranting interference in these appeals.

71. Accordingly, the appeals are dismissed.

72. The impugned judgments and decrees dated 10.02.2025 passed by the learned District Judge-06, Central District, Tis Hazari Courts, Delhi in suits bearing CS DJ No. 2902/2017, CS DJ No. 2903/2017, and CS DJ No. 2904/2017 are hereby affirmed.

73. The appellants are directed to vacate and hand-over peaceful and vacant possession of the suit premises bearing Quarters Nos. 60-A, 37-A, and 41-B situate at Shivaji Lines, Roshnara Building, Shakti Nagar, Delhi to the respondent within 04 weeks from today, failing which the respondent shall be entitled to take appropriate steps for recovery of possession in accordance with law.

74. Pending applications, if any, stand disposed-of.

ANUP JAIRAM BHAMBHANI, J

MAY 29, 2026
HJ