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

CR-3139-2024 (O&M)

Date of decision : 22.05.2024

M/S J.J.S. Trading Company

... Petitioner(s)

Versus

M/s Parbir Food Stuff Factory & Ors.

... Respondent(s)

CORAM : HON'BLE MRS. JUSTICE ALKA SARIN

Present : Mr. Umesh Aggarwal, Advocate for the petitioner.

ALKA SARIN, J. (ORAL)

1. The present revision petition has been filed under Article 227 of the Constitution of India for setting aside the order dated 18.03.2024 (Annexure P-6) whereby the application filed by the plaintiff-petitioner under Order 12 Rule 6 of the Code of Civil Procedure, 1908 (CPC) has been dismissed.

2. Brief facts relevant to the present *lis* are that the plaintiff-petitioner herein filed a suit for recovery of Rs.15,80,212/- on the ground that the defendant-respondents used to purchase goods i.e. paddy from the plaintiff-petitioner on credit basis vide different bills from time to time and that a sum of Rs.12,89,969/- was outstanding as on 24.08.2016. Written statement was filed by the defendant-respondents. Para Nos.8 and 9 of the written statement read as under :

*“8. That the plaintiff has come to the Hon'ble court with
unclean hands and has concealed and suppressed the*



material facts from the Hon'ble court, as such, he is not entitled to any relief against the defendants and the suit, on this score is liable to be dismissed.

9. That the undertaking was given by the plaintiff Jagtar Singh on behalf of his firm to the effect that the matter has been settled between the parties as per which 40% of the total amount will be paid by the defendant firm to the plaintiff firm and out of that settled 40% amount its half i.e. 20% amount was paid by the defendants to the plaintiff as per the said undertaking given by the plaintiff and it was mutually agreed that the remaining 20% will be paid by the defendants to the plaintiff within a period of 2 years and in this regard, an undertaking was given by the plaintiff to the defendants on behalf of his firm. Now only remaining 20% of the total amount is due against the defendants but the plaintiff has filed this suit within a period of 2 years which was mutually agreed upon by both the parties to the suit and in this regard, undertaking was given by the plaintiff as stated above. So, there is no liability of the defendants towards the plaintiff for the amount as claimed in this suit. The plaintiff has wrongly and malafidely claimed the suit amount from the defendants which is not payable by them to the plaintiff. As such the suit of the plaintiff merits dismissal on this score.”

3. An application was filed by the plaintiff-petitioner under Order 12 Rule 6 read with Section 151 CPC on the ground that part of the claim had been admitted by the defendant-respondents in the written statement and a judgment on admission was required to be passed against them with regard to the admitted amount of Rs.2,28,927/-. A reply was filed to the said application. The stand taken was that on the one hand the plaintiff-petitioner was denying the genuineness of the compromise/undertaking that only an



amount of Rs.2,28,927/- was due and on the other hand, was asking for a judgment on the basis of admission. The application was dismissed vide the impugned order dated 18.03.2024. Hence, the present revision petition.

4. Learned counsel for the plaintiff-petitioner would contend that in para 9 of the written statement there is a clear admission of the liability of the defendant-respondents and hence the judgment was required to be passed on the basis of the admitted claim under Order 12 Rule 6 CPC. In support of his arguments he has relied upon the judgment of the Supreme Court in the case of **Uttam Singh Dugal and Co. Ltd. Vs. United Bank of India [2000 (4) RCR (Civil) 89]**.

5. I have heard the learned counsel for the plaintiff-petitioner.

6. In the present case the stand taken by the defendant-respondents was that an undertaking was given by the plaintiff Jagtar Singh on behalf of his firm to the effect that the matter had been settled between the parties and as per which 40% of the total amount would be paid by the defendant-respondents/firm to the plaintiff-appellant and out of the settled amount of 40%, its half i.e. 20% amount was paid by the defendant-respondents to the plaintiff-petitioner as per the undertaking. It is apt to notice that no rejoinder was filed to the written statement. In the application filed by the plaintiff-petitioner under Order 12 Rule 6 CPC it was stated that on the basis of the admission in para 9 of the written statement, judgment was required to be passed on admission under Order 12 Rule 6 CPC. In the application it was specifically stated that genuineness of the alleged compromise was in dispute and that such dispute was open to adjudication by the Court. On a pointed query by the Court as to whether the plaintiff-petitioner has accepted the compromise, the learned counsel has stated that the genuineness of the



compromise is disputed by the plaintiff-petitioner. The judgment relied upon by the learned counsel for the plaintiff-petitioner in the case of **Uttam Singh Dugal and Co. Ltd.** (supra) clearly lays down that where a claim is admitted, the Court has jurisdiction to enter a judgment for the plaintiff and to pass a decree on the admitted claim. In the present case the stand taken by the defendant-respondents is that there was a compromise. The compromise itself is disputed by the plaintiff-petitioner. However, on the other hand part of the compromise is being sought to be treated as an admission of the liability and an application has been filed under Order 12 Rule 6 CPC for a judgment on the basis of admission.

7. Hon'ble Supreme Court in the case of **Karan Kapoor Vs. Madhuri Kumar** [2022 LiveLaw (SC) 567] has held as under :

“16. Thus, legislative intent is clear by using the word ‘may’ and ‘as it may think fit’ to the nature of admission. The said power is discretionary which should be only exercised when specific, clear and categorical admission of facts and documents are on record, otherwise the Court can refuse to invoke the power of Order XII Rule 6. The said provision has been brought with intent that if admission of facts raised by one side is admitted by other, and the Court is satisfied to the nature of admission, then the parties are not compelled for full-fledged trial and the judgment and order can be directed without taking any evidence. Therefore, to save the time and money of the Court and respective parties, the said provision has been brought in the statute. As per above discussion, it is clear that to pass a judgment on admission, the Court if thinks fit may pass an order at any stage of the suit. In case the judgment is pronounced by the Court a decree be drawn accordingly and parties to the case is not required to go for trial.



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18. On the issue of discretion of Court to pass judgment on admission, a three-Judge Bench of this Court in the case of S.M. Asif v. Virendar Kumar Bajaj – (2015) 9 SCC 287 made the legislative intent clear to use the word ‘may’ which clearly stipulates that the power under Order XII Rule 6 of CPC is discretionary and cannot be claimed as a matter of right. In the said case, the suit for eviction was filed by the Respondent-Landlord against the Appellant-Tenant. The relationship of tenancy was admitted including the period of Lease Agreement. The Plaintiffs’ claim was resisted by the Defendant setting up a plea that the property in question was agreed to be sold by an agreement and the advance of Rs.82,50,000/- was paid. The Defendant in course of taking the defense stoutly denied that Respondent/Plaintiff has continued to be the landlord after entering into Agreement to Sell. The suit for specific performance was also filed which of course was contested by the Plaintiff. In the said case, this Court was of the view that deciding such issues requires appreciation of evidence. Mere relationship of landlord and tenant cannot be said to be an unequivocal admission to decree the suit under Order XII Rule 6 of CPC. Resultantly, this Court by setting aside the judgment passed by the High Court remitted the matter back to the Trial Court subject to deposit of the arrears of the rent and the compensation for use of occupation of the suit premises. Such deposit was subject to final outcome of the eviction as well as suit for specific performance.”

8. A perusal of the said judgment clearly reveals that an admission has to be clear and unambiguous. Further, it has been held by their Lordship that the power under Order 12 Rule 6 CPC is discretionary in nature. In the



present case the Trial Court has rightly exercised its discretion and this Court finds no reason to interfere in the discretion exercised by the Trial Court. There is no illegality or irregularity with the impugned order.

9. In view of the above, I do not find any merit in the present revision petition which is accordingly dismissed. Pending applications, if any, also stand disposed off.

22.05.2024
Yogesh Sharma

(ALKA SARIN)
JUDGE

NOTE: Whether speaking/non-speaking: Speaking
Whether reportable: YES/NO