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

Date of Decision: 24th September, 2026

Uploaded on: 30th September, 2026

CNR No. DLHC010435632026

+ **RFA(COMM) 614/2026 and CM APPL. 62501/2026, CM APPL. 62502/2026**

ANU MANGLANI

.....Appellant

Through: Mr. Sushil K Tekriwal and Dr. Mamta Tekriwal, Advs.

versus

SURESH ARORA AND ANR

.....Respondents

Through: Mr. Suresh Chand Singhal, Mr. Saideep Kaushik and Mr. Parth Mahajan, Advs. (M: 9810061558)

CORAM:

JUSTICE PRATHIBA M. SINGH

JUSTICE DINESH BHATT

Prathiba M. Singh, J. (Oral)

1. This hearing has been done through hybrid mode.
2. The present appeal has been filed by the Appellant under Section 13 of the Commercial Courts Act, 2015 read with Section 96 read with Order XLI Rule 1 of the Code of Civil Procedure, 1908, *inter alia*, challenging the impugned order dated 16th May, 2026 passed by the Id. District Judge (Commercial Court)-03, South East District, Saket Courts, New Delhi in **CS (COMM) No. 891/2023**. *Vide* the impugned order, a decree has been passed against the Appellant for possession and for *mesne* profits.
3. The suit filed by the Respondents has been decreed by the Trial Court in the following terms:-

“33. The present suit is, therefore, decreed for possession of the suit shop bearing no. G-20, Ground Floor, South Extension -I Market, New Delhi as shown



in the site plan Ex.P1 in favour of the plaintiffs and against the defendant. The defendant shall handover the peaceful, physical, vacant possession of the suit property to the plaintiffs within a period of 60 days from the date of this Order. The defendant shall have the liberty to remove the fitments installed by him in the suit shop before handing over of its physical, vacant possession to the plaintiffs without causing structural damage to the property.

34. The suit is also decreed in favour of the plaintiffs and against the defendants for recovery of arrears of rent for the period from 01.01.2023 to 12.04.2023 @ Rs 3,60,000/- per month and recovery of mesne profits/user and occupation charges for the period from 13.04.2023 till the date of filing of the present suit i.e. 03.10.2023 @ Rs 3,60,000/- along with applicable taxes. Since the suit property is commercial in nature, pendente lite and future interest @ 12% per annum on the total outstanding arrears of rent till realization of decretal amount is granted in favour of the plaintiff and against the plaintiff. The amount towards admitted rent already deposited in the Court by the defendant and released to the plaintiffs in terms of Order dated 14.07.2025 of Hon'ble High Court of Delhi in CM(M) 3661/2024 & CM. APPL 61682- 61683/2024 & CM APPL 70550/2024 & CM APPL 10236- 10237/2025 titled as Anu Manglani vs Suresh Arora & Anr shall be adjusted towards the abovesaid arrears."

4. The brief background of the present case is that the Respondents are the owners of commercial property bearing no. G-20, Ground Floor, South Extension-I Market, New Delhi-110049 (hereinafter, '*premises*'). The Appellant, who was the Defendant in the suit, is the sole proprietor of a well-known garment shop chain by the name '*Meena Bazar*'.
5. A registered Lease Deed was entered into between the parties dated 14th



October, 2021 bearing Registration No. 5166 in Book No. 1 Volume No. 1746 on Pages 76-88.

6. The execution of the said Lease Deed is admitted in the written statement filed by the Appellant/Defendant in paragraph 4(a) and 4(b) which read as under:-

“4. That the preliminary submissions in the instant suit are hereunder:

a. That the subject property i.e., Shop No. G-20, Ground Floor, South Extension 1 Market, New Delhi 110049 admeasuring approximately 550 Sq Fts. was purchased in two parts by the deceased Ramji Das Arora whose LRs are not made a party herein along with P1 and P2 herein. The half of the subject property was purchased by deceased Ramji Das Arora whose LRs are not a made a party herein and P1 herein wherein other half of the subject property was purchased by deceased Ramji Das Arora whose LRs are not a made a party herein along with P2 herein by way of registered Sale Deeds dated 12.12.2003 from one Mohan Devi, vendor therein. This averment has been made based on the factual matrix and the copy of respective sale deeds being averred and filed by P1 and P2 in the instant commercial suit herein.

*b. That much subsequent to the aforesaid, the deceased Ramji Das Arora whose LRs are not made a party herein along with P1 and P2 herein and **defendant herein, jointly and collectively, entered and executed one registered Lease Deed dated 12.10.2021 (registered vide registration no. 5.166 in Book No. I, Vol. No. 1746, on page 76 to 88 on 14.10.2021).** That the **defendant lessee herein was paying the rent to the deceased Ramji Das Arora whose LRs are not made a party herein along with P1 and P2 herein, jointly and collectively, at a ratio of 20:40:40 percent respectively in the joint bank account held by all three lessors. The detail of bank account is HDFC Bank, D9, South Extension Part II, New Delhi-110049, Bank Account***



No. 50100466445421. The rent was paid as such- Rs. 72,000/-- in favor of deceased Ramji Das Arora (without GST), Rs. Rs. 1,44,000/-- in favor of P1 excluding GST and Rs. 1,44,000/-- in favor of P2 excluding GST.

Similarly, Security Deposit amount of Rs. 10,80,000/-- which is still lying with the deceased Ramji Das Arora whose LRs are not made a party herein along with P1 and P2 herein, jointly and collectively, and the same was paid by the defendant herein to the deceased Ramji Das Arora whose LRs are not made a party herein along with P1 and P2 herein and defendant herein, jointly and collectively, in their joint names out of which Rs. 7,20,000/- was paid vide Cheque no. 254157 dated 08.10.2021 Axis Bank, Safdarjung Enclave, Delhi 110029-Account no. 913020021711445 and Rs. 3,60,000/-- was paid vide Cheque no. 254158 dated 08.10.2021 Axis Bank, Safdarjung Enclave, Delhi 110029- Account no. 913020021711445; and the cheque was in all the three names. Thus, the holding of the Security Deposit amount is furnished in equal proportion i.e., Rs. 3,60,000/- each.”

7. The case of the Respondents/Plaintiffs was that there was a lock-in period for a period of the twelve months in the Lease Deed. However, after the expiry of the lock-in period, since there was non-payment of the rent, the Respondents/Plaintiffs issued a termination notice on 12th January, 2023 through its Id. Counsel. The same was replied to on 17th January, 2023 and the Appellant/Defendant refused to vacate the premises.

8. The Respondents/Plaintiffs attempted pre-litigation mediation under Section 12A of the Commercial Courts Act, 2015, however, the same did not fructify which led to the filing of the suit by the Respondent/Plaintiff. According to the Respondents/Plaintiffs, the Appellant/Defendant is an unauthorised occupant after 13th April, 2023. The agreed monthly rent



initially was a sum of Rs.3,60,000/- with increase as agreed in the Lease Deed.

9. In the suit, after completion of pleadings, the Respondents/Plaintiffs filed an application under Order XII Rule 6 of the Code of Civil Procedure, 1908 (hereinafter, 'CPC'), pursuant to which the impugned order/decreed has been passed.

10. The submission of Mr. Sushil K. Tekriwal, Id. Counsel appearing for the Appellant/Defendant is two fold:-

i) That the interpretation of the Lease Deed has been incorrectly done by the Trial Court as termination of the same without assigning reasons is contrary to law. Further, according to the Id. Counsel, the Lease Deed is unconscionable and therefore, the suit requires to be sent to trial.

ii) It is further his submission that considering the monthly rent and the location of the premises, the Trial Court did not have the pecuniary jurisdiction to entertain the suit.

11. Reliance is based upon a decision of the Supreme Court in ***Pushpa & Ors. v. Dayawati & Ors., 2026 INSC 603*** to argue that there are disputed questions of fact and law which have been raised and therefore, a decree on admissions ought not to have been passed. The suit and the counter claim ought to be tried by the Trial Court. A decree in the facts of this case is not tenable as per Id. Counsel for the Appellant/Defendant.

12. On the other hand, Mr. Suresh Chand Singhal, Id. Counsel appearing for the Respondents/Plaintiffs submits that the Lease Deed being an admitted document, the clauses in the same are also admitted. As per Id. Counsel, after the initial lock-in period, there is no further obligation if the Appellant/Defendant does not pay the rent to the Respondents/Plaintiffs to



continue the tenancy. The Appellant/Defendant admittedly stopped paying the rent because of which the termination notice was issued by the Respondents/Plaintiffs and the suit was filed.

13. Even in pre-litigation mediation, the Appellant/Defendant did not agree for a settlement. As on today, according to Mr. Suresh Chand Singhal, Id. Counsel for the Respondents/Plaintiffs, Rs. 7 to 8 lakhs per month is the market rent which can be fetched for the premises. The increased rent in terms of the Lease Deed was also not being agreed by the Appellant/Defendant, leaving no choice to the Respondents/Plaintiffs, but to terminate the tenancy.

14. It is his further submission on behalf of the Respondents/Plaintiffs that the Trial Court clearly records that the Lease Deed, the landlord-tenant relationship, the rate of rent, the terms of tenancy, *etc.* are all admitted by the Appellant/Defendant and hence, the application under Order XII Rule 6 of the CPC has been rightly allowed.

15. Heard Id. Counsel for the parties. This Court had, on the first day of hearing when the appeal was listed, heard the matter in some detail and after hearing the matter the Appellant/Defendant was given an opportunity to seek instructions if the Appellant/Defendant would be willing to hand over vacant possession after the festive season and the wedding season *i.e.*, the Appellant/Defendant can continue in the premises for about 3 to 4 months. The said proposal was not agreed to by Id. Counsel for the Appellant/Defendant.

16. At that stage, the TCR was requisitioned by the Court and it was also directed that both parties shall bring their respective calculations of the outstanding amount payable.

17. Today, Id. Counsel appearing for the Appellant/Defendant, at the



outset, submitted that the calculations could not be finalised due to non-availability of the Accountant.

18. However, the matter was, thereafter, heard on merits. At the outset, it would be relevant to extract the portions of the Lease Deed dated 14th October, 2021 which read as under:-

“11. TERMINATION

11.1 Both Parties agree that the Lease cannot be terminated during the initial Twelve (12) months of the Term ('Lock-in Period') save and except in the case of breach of the covenants of any of the Parties. If Lessee vacates the Premises before the expiration of Lock-in Period, then the Lessee shall be liable to pay the Rent for the balance term of the Lock-in Period, along with a severance/termination fee (as specified hereunder).

After the expiry of the Lock-in-Period, the lessee and lessor reserve the right to terminate the Lease Deed without issuing any reason after giving a prior notice of 3 months to the other party in writing. *The Lessee shall pay the Lease Rent along with other applicable charges for the notice period.*

11.2 The Lease Deed may be terminated under any of the following circumstances:

(i) by the Lessor at any time during the Term pursuant to non-payment of Rent as contemplated in Clause 2.1 above.

(ii) by the Lessor in the event that there is a breach of terms of this Lease Deed by the Lessee and which breach has not been cured (if capable of being cured) by the Lessee within the period of 30 days from the date of issue of notice to rectify the breach.

(iii) by the Lessee if the Demised Premises is severely damaged or destroyed or rendered unfit for use or occupation on account of any Force Majeure Event by giving a written notice to this effect to the Lessor as contemplated in Clause 10.2 above.

(iv) by the Lessee in the event that there is a breach of



terms of the Lease Deed by the Lessor and which breach has not been cured (if capable of being cured) by the Lessor within the period of 30 days from the date of issue of notice to rectify the breach.

11.3 Notwithstanding what is herein stated, it has been expressly agreed by and between the Parties hereto that post Lock-in period the Lessor and Lessee has the right to terminate this Lease Deed, without assigning any reason whatsoever by giving 3 months written notice, at any time during the course of Term or any extension/renewal thereof. However, in case this Lease Deed is terminated by the Lessee during the first 12 (twelve) months of the Term without assigning any reason, then the Lessee shall be liable to pay to the Lessor, the Rent for the unexpired period of the Lease.”

19. In the written statement, the Appellant/Defendant does not challenge the execution of the Lease Deed at all. The only ground raised by the Appellant/Defendant is that Clause 11.3 of the Lease Deed which has been agreed upon between the parties is unconscionable as it permits the Respondents/Plaintiffs to terminate the Lease Deed without assigning any reasons.

20. A perusal of the Lease Deed itself would show that under Clause 11.1, the parties have agreed that initially for a period of twelve months the lease would not be liable to be terminated by either of the parties. However, during the lock-in period, if the Appellant/Defendant wishes to vacate the premises, the remaining rent for the balance period of the lock-in period would have to be paid as severance/termination fee.

21. Apart from the lock-in period, both the parties had the right under Clause 11.1 i.e., sub-clause therein that without issuing any reason, to terminate the lease deed with prior notice of three months. Clause 11.2 also



permits the termination of the Lease Deed due to non-payment of the rent or other defaults of either of the parties. Clause 11.3 would be significant as it acts as a non-obstante clause wherein the parties can terminate the Lease Deed without assigning any reasons whatsoever by giving a three months' notice.

22. A conjoint reading of the various sub-clauses in Clause 11 makes it adequately clear that both the parties are equally placed under Clause 11. There is no distinct advantage given either to the Respondents/Plaintiffs or to the Appellant/Defendant and, therefore, the argument that the Lease Deed is unconscionable is completely bereft of any merit. Accordingly, the only fact remains that for whatever reason till January, 2023 the rent was paid and, thereafter the Appellant/Defendant had not paid the rent which led to the issuance of termination notice and the filing of the suit.

23. Under such circumstances, it cannot be said that there was any doubt as to the landlord tenant relationship, the amount of rent, the nature of the property being a commercial property. The Lease Deed itself has been admitted and merely because an untenable defence of unconscionable contract is raised by the Appellant/Defendant does not mean that the said clauses are unconscionable.

24. Commercial properties in a prime area of South Delhi are of high value. Non-payment of rent can thus be a major breach by the Appellant. Even after the suit was filed, the attempt of the Appellant, as is gleaned from the record, was to delay the adjudication in some way or the other.

25. The suit itself was filed in 2023 and the decree has been passed three years later on 16th May, 2026. A perusal of the order sheets shows that initially, the summons was issued on 03rd October, 2023. On 30th November 2023, the Appellant/Defendant had moved an application seeking extension



of time to file the written statement as the statutory period to file the same had already lapsed. The Appellant further moved an application under Order VII Rule 11 of the CPC. On the very same day *i.e.*, 30th November 2023, the Appellant/Defendant had made a statement that he shall not create any third-party interest in the premises in question. Accordingly, the Trial Court directed status *quo* to be maintained in respect of the possession of the premises.

26. Thereafter, an application under Order XII Rule 6 of the CPC was filed by the Respondents/Plaintiffs on 21st December 2023. The written statement was filed by the Appellant/Defendant on 12th December, 2023 but was taken on record subject to payment of costs as it was quite delayed. *Vide* order dated 4th January 2024, Rs. 4000/- costs were imposed and the Trial Court observed as under:

“WS filed on behalf of defendant on 12.12.2023 along with affidavit of admission denial and an application seeking condonation of delay in filing WS. Statement of truth filed on behalf of defendant today. Copy supplied. At this stage, Ld. Counsel for plaintiff submits that he has no objection in case the application seeking condonation of delay filed by defendant is allowed subject to heavy cost.

Heard. Ld. Counsel for defendant has submitted that defendant was traveling when service was effected and further submitted that thereafter, the defendant contacted him but he was not keeping good health, hence, delay has been caused in filing WS.

At this stage, Ld. Counsel for plaintiff submitted that even though he has conceded the application, but as matter of record the affidavit in support of written statement the affidavit is dated 27.11.2023. However, from perusal of said affidavit it is found that there is over-writing on 27.11.2023 with 11.12.2023 and the AR



of defendant has also signed affidavit of 11.12.2023.
Considering the entire facts and circumstances, particularly the fact that application has not been contested, the application stands allowed and written statement filed by defendant is taken on record, subject to payment of cost of Rs.4000/- by defendant to plaintiff. Cost not paid. Be paid on NDOH.

27. The suit was then transferred to another jurisdiction. The Appellant/Defendant had also filed counter-claims in the suit. Repeated opportunities were given to the Appellant/Defendant to file the replies to the applications under Order XVA of the CPC and under Order XII Rule 6 of the CPC. However, the same were not filed.

28. The application filed by the Appellant/Defendant under Order VII Rule 11 of the CPC was dismissed on 23rd July 2024. Even at that stage, the Appellant/Defendant did not file the replies to the applications under Order XVA of the CPC and under Order XII Rule 6 of the CPC. On 4th September 2024, the application filed under Order XVA of the CPC was allowed in the following terms:

*“9. The defendant is obliged to make the payment of rent in terms of lease deed dt. 14.10.2021 @ Rs. 3,60,000/- alongwith GST and other applicable tax till date. The lock-in period got expired on 13.10.2022, thereafter, vide notice dt. 12.01.2023, the plaintiff terminated the tenancy and in the meanwhile, **the defendant has not paid any rent from 01.12.2023 till date.** The plaintiff though claiming the mesne profit/ damages @ Rs. 5 Lacs per month after 12.04.2023, however, this court has discretion to grant the mesne profit, market rent or the rent in terms of the lease deed for the said period. **The defendant cannot remain in the property by refusing to pay the rent on the ground that the notice***



of termination is bad or the terms and conditions of the contract are unconscionable. In terms of the provision of Section 15A CPC r/w Section 151 CPC the defendant is liable to pay the rent to the plaintiff for being in possession. The defendant has not paid the rent since 01.01.2023.

10. Accordingly, the defendant is directed to deposit the rent @ Rs. 3,60,000/- per month plus GST and other applicable taxes from 01.12.2023 till date within 2 months before this court and also liable to deposit monthly due @ 3,60,000/- plus GST and other applicable taxes till the defendant remains in possession of suit property. The application U/s 15A r/w Section 151 CPC filed by the plaintiff is allowed and disposed off accordingly”

As can be seen from the above order, the Defendant had not paid rent since 1st January 2023 and was enjoying the property. It was after the above order was passed that the Appellant started depositing the rent before the Court.

29. A revision petition challenging the order dated 4th September 2024 was also dismissed *vide* judgment dated 14th July, 2025 in **CM(M) 3661/2024** titled ‘**Anu Manglani v. Suresh Arora & Anr.**’ in the following terms:

“2. Petitioner is aggrieved by the order passed by learned District Judge (Commercial Court) under Order XVA CPC.

3. This Court has gone through such impugned order dated 04.09.2024 and since the execution of lease deed in question was not in dispute, after hearing arguments from both the sides, the learned Trial Court allowed the abovesaid application and directed the petitioner herein to deposit rent @ Rs.3,60,000/- per month plus GST and other applicable taxes from 01.12.2023 within two months. There is also a direction to deposit future rent



on monthly basis till the defendant remains in possession of the tenanted premises.

4. The Court has gone through the lease date dated 14.10.2021 which is a registered one.

5. Admittedly, the abovesaid rent has already been deposited by the petitioner herein, till the present month.

6. The question whether the lease could have been terminated in the manner it has been, is subject matter of trial and has no bearing with respect to the impugned order passed under Order XVA CPC, particularly, keeping in mind the stand taken by the respective parties.

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15. Accordingly, it is also clarified that, as and when, any such application moved under Order XII Rule 6 CPC is taken up by the Court and is decided, the learned Trial Court, it shall dispose of the same in accordance with law, without being influenced by the observations appearing in the impugned order.”

30. In the application filed by the Respondents/Plaintiffs under Order XII Rule 6 of the CPC, the Appellant/Defendant filed a reply only on 20th September 2024. On 21st November 2024, the Id. Counsel for the Appellant/Defendant sought deferment in the application under Order XII Rule 6 of the CPC on the ground that he has challenged the order dated 4th September 2024 passed under Order 15A of the CPC in **CM(M) 3661/2024**.

31. On the said date, the Appellant/Defendant was also directed to submit a fresh FDR for a sum of Rs 86,44,320/-. The Respondents/Plaintiffs had also made applications for the enhancement of rent.

32. On 11th February 2025, the application filed by the Respondents/Plaintiffs for the release of rent was allowed by the Trial Court



in the following terms:

“9. Ld. Counsel for the defendant opposed this application on the ground that no inherent power U/s 151 CPC could be invoked for present relief, however, this is no hurdle in granted relief on present application as there is a specific provision U/o XV A(3) of CPC as narrated above wherein it has been prescribed that the amount deposited under this order shall be paid to the plaintiff/ lessor after being deposited in the court. This provision comes into picture only after deposition of rent in terms of Order XV A(1) CPC. Merely the fact that this court has not directed the said amount to be released to the plaintiff in order dt. 04.09.2024 do not disentitle the plaintiff from the benefit of the order XV A (3) of CPC, thus there is no force also in the argument that this application is hit by principle of resjudicata. Ld. Counsel also submitted that Hon'ble Delhi High Court in Raghubir Rai case (Supra) directed the amount so deposited be not released to the landlord, however the said condition is passed in the peculiar circumstances of that case, therefore no help to the defendant in present facts and circumstances. The plea that the defendant will suffer the financial prejudice because of his investment in the tenanted property and the security deposit already given is not relevant for deciding the present application in view of Order XV A (3) of CPC. It is reiterated that Order XV A (3) of CPC mandates the release of deposited rental amount to the plaintiff. Accordingly, the plaintiff is allowed to withdraw the rental amount deposited in terms of order dt. 04.09.2024 and 21.11.2024 by way of FDRs i.e. bearing no. 43568587650 dt. 28.11.2024 for a sum of Rs. 90,20,160/-, bearing no. 43685888008 dt. 04.01.2025 for a sum of Rs. 3,75,840/- and bearing no. 43797149535 dt. 06.02.2025 for a sum of Rs. 3,75,840/- by the defendant. Defendant is directed to keep on depositing rent in terms of order dt. 04.09.2024 and 21.11.2024 till he remains in possession. Application



allowed and disposed off accordingly.”

Thus, until February 2025, the landlord was not able to obtain the rent for two years, while the Appellant continued to enjoy the property and earn monetarily by running its business.

33. Thereafter, orders were sought by the Appellant/Defendant to restrain the Respondents/Plaintiffs from withdrawing the FDR for a period of three working days as recorded in order dated 14th February, 2025. Subsequently, adjournments were sought again and costs were also imposed. An application for striking off of the defence was also filed by the Respondents/Plaintiffs. The monthly rents were then released in favour of the Respondents/Plaintiffs.

34. The application under Order XII Rule 6 of the CPC was repeatedly adjourned at the request of the Appellant/Defendant. The suit was finally decreed on 16th May, 2026 under Order XII Rule 6 of the CPC.

35. The Trial Court record reveals that the Appellant/Defendant had to be directed to pay even the admitted rent as per the Lease Deed for several months. There was no justification in the non-payment of the rent. The landlord-tenant relationship was also fully admitted by the Appellant/Defendant and the execution of the Lease Deed was also admitted.

36. Even in terms of the judgment ***Pushpa & Ors. (Supra)*** which is relied upon by Mr. Sushil K Tekriwal, Id. Counsel for the Appellant/Defendant, unless and until there are disputed questions of fact or any substantial question of law, the matter need not be sent to trial.

37. The Supreme Court, in the decision in ***Pushpa & Ors. (Supra)*** had considered and discussed the scope and principles governing the passing of a decree on the basis of admissions under Order XII Rule 6 of the CPC. The



relevant portion of the said decision reads as under:

“33. A plain reading of Order XII Rule 6 of the CPC indicates that the provision confers a discretionary power upon the Court to pronounce judgment on the basis of admission made either in pleadings or otherwise however the exercise of such power is conditioned upon the existence of a clear admission of fact. The object of the provision is to enable a party to obtain speedy relief where there is no substantial dispute requiring trial. At the same time, the provision cannot be invoked in a manner so as to deprive a party of adjudication where the controversy involves disputed questions of fact requiring evidence.

34. The term “admission” has been defined under Sections 17 and 18 of the Evidence Act, 1872, an admission is a statement which suggests any inference as to a fact in issue or relevant fact and is made by a party to the proceeding or by a person authorised by such party however every statement made by a party cannot automatically result in a decree under Order XII Rule 6 of the CPC. Thus, the admission must be categorical, unambiguous, unconditional and unequivocal.

35. This Court in several decisions has consistently held that before passing a decree on admission, the Court must be fully satisfied that the admission relied upon leaves no room for controversy and if the alleged admission requires interpretation, inferential reasoning or examination of surrounding circumstances, the matter ought to proceed to trial and it is similarly well settled that where substantial triable issues arise, the parties cannot be denied the opportunity to lead evidence. Recently, this Court in *Vikrant Kapila v. Pankaja Panda (supra)* reiterated the principles under Order XII Rule 6 of the CPC, the relevant paragraph reads as under:

“40. In Himani Alloys Ltd. v. Tata Steel Ltd. [Himani Alloys Ltd. v. Tata Steel Ltd., (2011) 15 SCC 273 : (2014) 2 SCC (Civ) 376] it is held that “Admissions” should be categorical and intentional, as Order 12



Rule 6CPC allows discretion rather than obligation. Admissions result in judgments without trial which permanently deny 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 is not exercised to deny the valuable right of a defendant to contest the claim. Hence, discretion should be used only where there is a clear and unequivocal admission. The relevant paragraphs read thus: (SCC pp. 276-77, para 11)

“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 “admission” which can be acted upon. There is no such admission in this case.” (emphasis supplied) ”

The Lease Deed itself being registered and being an admitted document, the suit has been decreed on the basis of the admitted Lease Deed.

38. Thus, it cannot be said that there was no admission. The written



statement filed by the Appellant/Defendant admits the execution of the Lease Deed. There is no argument of forgery or fabrication which is being raised by the Appellant/Defendant.

39. Under such circumstances, the Lease Deed by itself is sufficient to pass the decree which has been passed by the Trial Court. The Trial Court is right in observing that in such contractual relationships, when both parties are parties of means, the argument of unconscionability cannot be entertained. The relevant observations of the Trial Court in this regard are set out below:

“15. Defendant is the sole proprietor of Meena Bazar. The plaintiffs are also persons of means. The landlord – tenant relationship between two businessmen/persons of means having thriving business/income can hardly be called one where one of the parties is in a position to dominate the will of the other. No doubt, similar economic conditions of both the parties may not be material while considering an unconscionable term but it gains significance in landlord-tenant relationship such as the one in the present suit. By Clauses 11.1 and 11.3, both the parties have given themselves the right to terminate the Lease Deed without issuing any reason after giving a prior notice of 3 months to the other party in writing. It is not as if the Lessors reserved this right for themselves only. Lessors as well as the Lessee both had the right to exercise this option. Such a clause can hardly be called unconscionable or unfair.

16. The scheme of clauses 11.1, 11.2 and 11.3 would show that the right of both the parties to terminate the lease without any cause any time after the expiry of the 12 months lock-in period was a major stipulation expressly agreed between



them and the conditions mentioned in clause 11.2 were the additional circumstances in which the Lease could be terminated. The parties have specifically used the phrase "Notwithstanding what is herein stated, it has been expressly agreed by and between the Parties hereto..." in Clause 11.3. The Clause 11.3 clearly shows that it has an over-riding effect on Clause 11.2 which constitutes additional grounds of termination only. The plaintiffs have, thus, validly exercised their right under the clause 11.1 and 11.3 of the Lease Deed. There is nothing to show that the Termination clause in the Lease Deed is violative of any applicable law.

17. The defendant has also not explained anywhere what undue influence was exercised by the plaintiffs while incorporating Clauses 11.1 and 11.3 specifically when right under these Clauses is available to both the parties."

40. The present appeal is bereft of any merit and is, accordingly, dismissed.
All pending applications are also disposed of, if any.

**PRATHIBA M. SINGH
JUDGE**

**DINESH BHATT
JUDGE**

SEPTEMBER 24, 2026/MR/SS/CK