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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
+ CS(OS) 253/2026, I.A. 8028/2026, I.A. 8029/2026, I.A. 8030/2026 &
I.A. 8031/2026
DELHI RACE CLUB (1940) LTD.Plaintiff

Through: Mr. Suhail Dutt, Sr. Adv. with Mr.
Sankalp Goswami and Mr. Azhar
Alam, Advs.
M: 9711794546

versus

UNION OF INDIA, THROUGH MINISTRY OF HOUSING AND
URBAN AFFAIRS, GOVERNMENT OF INDIADefendant

Through: Mr. Ashish K. Dixit, CGSC and Mr.
Varun Pratap Singh, GP with Mr.
Umar Hashmi, Adv. Mr. Rohit
Lather, ASO, Mr. Gautam Yadav,
Adv., Mr. Gaurav, Adv., Mr. Kunal
Bhashkar, Dy L&DO, Ms. Iqra
Shekh, Mr. Adhiraj Singh, Ms.
Deepika Kalra, Ms. Urmila Sharma,
Adv. and Ms. Venni Kakkar, Adv.
for UOI

CORAM:
HON'BLE MS. JUSTICE MINI PUSHKARNA

ORDER
25.03.2026

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I.A. 8030/2026 (For Exemption)

1. Exemption allowed, subject to all just exceptions.
2. Application stands disposed of.

**I.A. 8031/2026**

3. The present application has been filed on behalf of the plaintiff under Order II Rule 2 read with Section 151 of the Code of Civil Procedure, 1908 (“CPC”).
4. Issue notice. Notice is accepted by learned counsel appearing for the defendant.
5. Let reply be filed, within a period of four weeks, from today.
6. Rejoinder thereto, if any, be filed, within two weeks, thereafter.

I.A. 8028/2026

7. The defendant-Union of India (“UOI”) has put in appearance.
8. Noting the aforesaid, the present application is disposed of.

CS(OS) 253/2026

9. Let the plaint be registered as suit.
10. Issue summons. Summons is accepted by learned counsel appearing for the defendant.
11. Let written statement be filed by the defendant, within thirty (30) days from today. Along with the written statement, the defendant shall also file an affidavit of admission/denial of the documents of the plaintiff, without which, the written statement shall not be taken on record.
12. Liberty is given to the plaintiff to file replication, if any, within thirty (30) days from the receipt of the written statement. Along with the replication, filed by the plaintiff, the affidavit of admission/denial of the documents of defendant, be filed by the plaintiff, without which, replication(s) shall not be taken on record.
13. It is made clear that any unjustified denial of documents may lead to an order of costs against the concerned party.



14. If any of the parties wish to seek inspection of the documents, the same shall be sought and given within the timelines.

15. List before the Joint Registrar (Judicial) on 18th May, 2026.

16. List before the Court on 09th April, 2026.

I.A. 8029/2026

17. The present suit has been filed seeking permanent injunction restraining the defendant from illegally and forcibly dispossessing the plaintiff from the premises, i.e., Delhi Race Club, Kamal Ataturk Marg, New Delhi, pursuant to the Eviction Notice dated 12th March, 2026.

18. Learned Senior Counsel appearing for the plaintiff submits that the plaintiff was granted property situated as Race Course Road on perpetual lease by the defendant in the year 1926. The lease initially was for a period of twenty-five years, which was further extendable for further terms of twenty-five years.

19. It is submitted that since the year 1987 the defendant started unilaterally demanding increased ground rent which was opposed by the plaintiff through various communications. Subsequently, the plaintiff received Show Cause Notice dated 25th October, 1999 under Section 7(3) of the Public Premises (Eviction of Unauthorized Occupants) Act, 1971 (“PP Act”).

20. Pursuant thereto, the plaintiff herein filed a writ petition, being *W.P.(C) 7822/1999*, wherein, the plaintiff herein raised various grounds of challenge, with regard to the provisions of PP Act not being applicable to the plaintiff.

21. *Vide* order dated 29th December, 1999, further proceedings in relation to the said Show Cause Notice, was stayed. The order dated 29th December,



1999 reads as under:

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DOCUMENT No-101

No.	Date	Orders
	29-12-99.	<p>Present: Mr. Vinay Bhasin, Mr. Deepak Dhingra and Mr. Avnish for the petitioner.</p> <p>C.W. No. 7822/1999.</p> <p>Notice to respondents 1 and 2 for 28th January, 2000.</p> <p>C.M. 14512/99.</p> <p>Notice to the respondents for 28th January, 2000.</p> <p>Till the next date further proceedings before the Estate Officer shall remain stayed.</p> <p>Disti.</p> <p>December 29, 1999. as</p> <p style="text-align: right;">sd/- (S.K. AGARWAL) VACATION JUDGE</p> <p style="text-align: center;">Service complete</p>

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 Examiner Judicial Department
 High Court of Delhi
 Authorized Under Section 70 of
 Indian Evidence Act

M6IPRRND/1057/HLJ/99 - 400000 (444)

22. Learned Senior Counsel appearing for the plaintiff submits that the said writ petition was ultimately disposed of *vide* order dated 09th July, 2012, wherein, the plaintiff herein was directed to make a representation to the UOI. Order dated 09th July, 2012 reads as under:

“The challenge in this petition is to a Notice of 25th October, 1999 (Annexure-A), under Section 4 of the Public Premises (Eviction of



Unauthorised Occupants) Act, 1971, as it is not preceded by determination of the Lease of March, 1926 (Annexure-C). It is contended by learned senior counsel for the petitioner that the issuance of the impugned Show Cause Notice (Annexure-A) is per se bad in law.

Respondents' counsel has been called upon to show as to whether the Lease (Annexure-C) was determined at any point of time or whether the subject premises was ever re-entered.

Learned counsel for respondents fairly concedes that neither the lease was determined nor there was re-entry, as per Clause-5 of the Lease Deed (Annexure-C), which is required to be preceded by impugned Notice (Annexure-A).

In this view of the aforesaid stand taken, issuance of Notice (Annexure-A) is patently bad in law and, therefore, the same is required to be quashed.

Accordingly, Show Cause Notice (Annexure A) is quashed with liberty to the respondent to decide petitioners representation of 19th December, 2011 preferably within a period of four weeks and to apprise the petitioner of the fate of the representation. In the event of rejection of the representation of 19th December 2011 of the petitioner, the respondent is free to determine the lease and re-enter the subject premises as the petitioner is said to be in arrears of ground rent etc. Needless to say that the petitioner would also be at liberty to challenge the rejection of his representation of 19th December 2011 in accordance with the law.

This petition is disposed of in aforesaid terms.”

23. It is submitted that earlier, the plaintiff had also requested for extension of lease of the Delhi Race Club Limited *vide* Letter dated 19th December, 2011.

24. It is submitted that subsequently, the plaintiff also received a Demand Letter dated 22nd July, 2013 issued by the Land and Development Office (“L&DO”), Ministry of Urban Development, Government of India. Further, by way of the said Letter dated 22nd July, 2013, the Government has categorically stated that in case the various compliances with regard to breach of the lease is complied with by the petitioner, the Government will regularize the breaches in the premises. The said Letter dated 22nd July, 2013, reads as under:



Government of India
Ministry of Urban Development
Planning & Development Office
Moulana Azad Road, Nirman Bhawan
New Delhi-110103
Demand Letter (Fair Copy)

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400/511-B/17(36)/283

Demand ID: 5695 Property ID: 23467 Computer Code: 100028258 Demand Date: 22 Jul 2013 Inspection ID: 0
Property Details: Club - / Delhi Race Club 17(36) RACE COURSE ROAD.

To
The Hony. Secretary
Delhi Race Club (1940) Race Course Road,
NEW DELHI

Sub: Only Demand / Terms for temporary regularisation of breaches / NOC Extension of time for Completion / Execution of Lease Deed / Withdrawal of Re-Entry in respect of Club - / Delhi Race Club 17(36) RACE COURSE ROAD, Delhi / New Delhi

I am to refer to your Application / Letter number _____ dated _____ on the subject cited above and to inform you that the lessor will be pleased to regularise the breaches in the premises temporarily upto 14-1-14 and withdraw the right of Re-Entry of the premises subject to the following conditions being fulfilled by you within 30 days from the date of issue of this letter:

- 1.
2. (a) You are required to furnish to this office an amount of Rs. 3482723 - Three Crore Forty Eight Lakh Eighty Two Thousand Seven Hundred Twenty Three (details attached) along with duly filled-in Deposit slip enclosed herewith.
- (b) The present offer offering terms will not act as a waiver for recovery of any other charges which may in the discretion of the Lessor, be found payable by you at a later stage.
- (c) Furnishing an undertaking/amount/amount of Rs. 100/- duly witnessed by two persons to the effect that you will pay the difference of misdeed/damage charges, etc. if the said rates are revised by the Government of India and will also remove the breaches by 14-1-14 or get them regularised beyond the period for which charges have been paid.
3. If the above terms and conditions are acceptable to you, the acceptance thereof may please be communicated to this office in writing together with the necessary undertaking and a crossed cheque/demand draft covering the full amount drawn in favour of Lessor and Development Officer, New Delhi within 30 days from the date of issue of this letter, failing which the above terms and conditions will automatically stand as withdrawn and cancelled and further action under the terms of the lease will be taken against you without any further reference.
4. Further action to execute the lease deed shall be subject to complete payment and putting to use of the premises as per permissible under the master plan.
5. It may please be clearly noted that if the amount is not paid within the period stipulated above, you will have to pay 10% interest on the total dues from the date of issue of this letter.
6. It may be noted that you are also liable to pay Damages / Additional charges / Additional Ground Rent for the period starting from next date of following the period of 30 days for which the above terms are being offered in respect of the breaches or any other breaches which may come to our notice. These charges will be communicated to you separately.
7. It may also be made clear that in case you fail to comply with the terms within the stipulated period, the concession of limiting the penalty as mentioned above will also be withdrawn and you will be liable to pay the penalty upto the actual date of payment and shall also be liable for action under the terms of lease without further notice.
8. In case you have any point to clarify in connection with the above notice you may kindly see the undersigned after prior appointment on telephone number _____ between 2.00 PM to 4.00 PM in the afternoon within a week of the date of receipt of this letter. It may, however, be clearly understood that your inability to avail of this opportunity of the personal hearing/discussion will not be accepted as a ground for not taking further action in the matter.



Property ID: 23467 Page: 1 Application ID: 400028258

25. Learned Senior counsel for the petitioner draws the attention of this Court to the details of the payment already having been made by the plaintiff to the Government with regard to the lease, which are reproduced as under:

F. Amount Paid

Sl. No.	Date	Particulars	Amount
1	25-SEP-2011	EARLIER DEMAND	1120000
2	12-SEP-2011	EARLIER DEMAND	455664
3	23-JUN-2010	EARLIER DEMAND	550000
4	01-AUG-2012	EARLIER DEMAND	488664
5	14-JUN-1994	EARLIER DEMAND	500000
6	04-JUL-2013	EARLIER DEMAND	390000
Total Amount:			4285000

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The Order is downloaded from the DHC Server on 27/03/2026 at 13:52:34



26. Attention of this Court has also been drawn to the Letter dated 23rd August, 2013 written by the Delhi Race Club Limited, where there was a request for extension of Lease Deed by the plaintiff. Along with the said letter, a cheque for an amount of Rs. 3,48,82,723/- was also attached.

27. It is submitted that the said payment was duly received by the Government. Thus, it is submitted that once, upon the request of the petitioner for extension of the Lease Deed, amounts have been received by the defendant, this would deem that the lease of the plaintiff has been extended.

28. Learned Senior Counsel appearing for the plaintiff also draws the attention of this Court to a breach notice issued by the Government attached as *Document no.17*, which pertains to Report dated 09th March, 2022. By referring to the said document, it is submitted that even in the year 2022, the letter written by the Government to the plaintiff categorically referred to the arrangement between the parties, as lease. The relevant paragraphs of the said letter, read as under:

“xxx xxx xxx

2. This breaches are in contravention of clause / clauses of the Lease Deed / Agreement for lease / Allotment letter / Terms of allotment.

3. You are, therefore, required to remedy the breaches within 30 days from the date of receipt of this notice failing which action under clause of the Lease Deed will be taken against you without any further notice in the matter.

4. You are also liable to pay the damage / misuse charges (which will be intimated to you in due course) for having committed the breaches of the terms of the lease deed shown in Para-1 above for the period of their existence.

5. In case you have any point to clarify in connection with the above notice, you may kindly meet the undersigned by prior appointment on Telephone 23061915 between 2.00 P.M. to 4.00 P.M. within a week from the date of receipt of this notice. It may, however, be understood that your ability to avail this opportunity of personal hearing / discussion will not be accepted as ground for not taking further action in the matter under the terms of the Lease Deed.

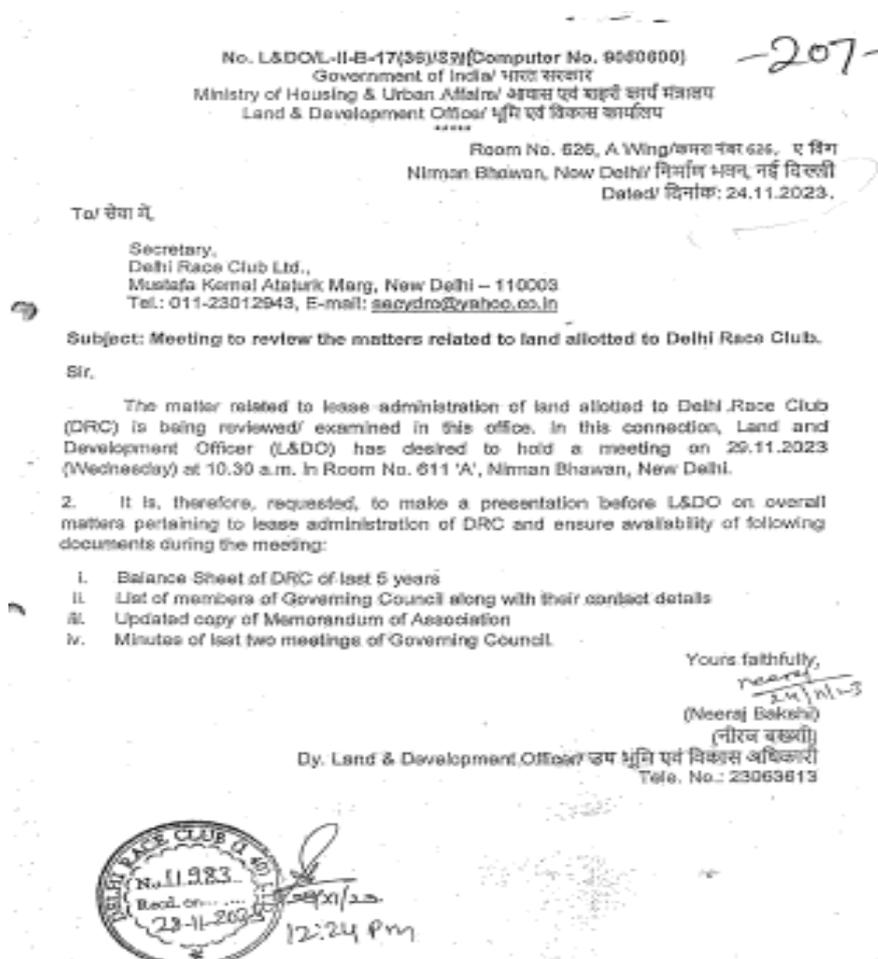
xxx xxx xxx”

29. By referring to the aforesaid, it is submitted by learned Senior Counsel for the plaintiff that rather in the year 2022, the Government had categorically written to the plaintiff with regard to the various breaches,



which were termed as being in contravention of the Lease Deed. Thus, it is submitted that the plaintiff has always been treated as a Lessee by the defendant.

30. Further, attention of this Court has also been drawn to a Letter dated 24th November, 2023 issued by the Government of India to the plaintiff wherein, again reference is made to matter related to lease administration of land allotted to Delhi Race Club Limited. Thus, the said letter is reproduced as under:



31. By referring to the aforesaid document, it is submitted that even in the year 2023, the defendant has referred to the plaintiff being in occupation of



the land in question in terms of the lease and as a lessee.

32. Learned Senior Counsel, thus, submits that there is a subsisting lease in favour of the plaintiff, *qua* which, annual payments are being made by the plaintiff for the time being.

33. He draws the attention of this Court to the letter dated 11th April, 2025, which contains the fact regarding the lease rent being paid by the plaintiff for the land in question for the period from 01st April, 2025 to 31st March, 2026. The said document is reproduced as under:



34. Learned Senior Counsel appearing for the plaintiff has also relied upon Section 116 of the Transfer of Properties Act, 1882 (“TP Act”), which reads as under:



“xxx xxx xxx

116. Effect of holding over.—If a lessee or under-lessee of property remains in possession thereof after the determination of the lease granted to the lessee, and the lessor or his legal representative accepts rent from the lessee or under-lessee, or otherwise assents to his continuing in possession, the lease is, in the absence of an agreement to the contrary, renewed from year to year, or from month to month, according to the purpose for which the property is leased, as specified in section 106.

xxx xxx xxx”

35. By referring to the aforesaid Section, learned Senior Counsel for the plaintiff submits that it is clear that the lease of the plaintiff is being renewed from year to year. He further relies upon the judgment in the case of ***Badrilal Versus Municipal Corporation of Indore, (1973) 2 SCC 388***, and in particular, relies upon the following paragraphs:

“xxx xxx xxx

8. It was then urged by Mr Gupte that the appellant having deposited the rent up to March 31, 1954 and the Municipal Commissioner having accepted it he should be deemed to be a tenant holding over. Leaving aside for the moment the contention put forward on behalf of the Corporation that this payment was made behind its back, it has to be noted that the payment was at the rate prevailing before September 30, 1949 and on that date the Corporation having passed a resolution specifying a new rate of rent of Rs 9 per Chasma the payment at the old rate by the appellant and its acceptance by the Municipal Commissioner was not an acceptance of rent as such and in clear recognition of the tenancy right of the appellant. It cannot amount to the Corporation consenting to the appellant continuing as a tenant by paying the old rates of rent. There is thus no question of the appellant being a tenant holding over. But a person who was lawfully in occupation does not become a trespasser, even if he does not become a tenant holding over but is a tenant by sufferance. The position at law was explained in Kai Khushroo Bezonjee Capadia v. Bai Jerbai Hirjibhoy Warden [AIR 1949 FC 124 : 1949-50 FCR 262 at 270 : 1949 FLJ 168] as follows:

“On the determination of a lease, it is the duty of the lessee to deliver up possession of the demised premises to the lessor. If the lessee or a sub-lessee under him continues in possession even after the determination of the lease, the landlord undoubtedly has the right to eject him forthwith; but if he does



not, and there is neither assent nor dissent on his part to the continuance of occupation of such person, the latter becomes in the language of English law a tenant on sufferance who has no lawful title to the land but holds it merely through the laches of the landlord. If now the landlord accepts rent from such person or otherwise expresses assent to the continuance of his possession, a new tenancy comes into existence as is contemplated by Section 116, Transfer of Property Act, and unless there is an agreement to the contrary, such tenancy would be regarded as one from year to year or from month to month in accordance with the provisions of Section 116 of the Act.”

At p. 272 it was pointed out:

“It can scarcely be disputed that the assent of the landlord which is founded on acceptance of rent must be acceptance of rent as such and in clear recognition of the tenancy right asserted by the person who pays it.”

9. The same position was explained in a recent decision of this Court to which one of us was a party in Bhawanji Lakhamashi v. Himatlal Jamnadas Dani. [(1972) 1 SCC 388] At p. 391 it was observed:

“The act of holding over after the expiration of the term does not create a tenancy of any kind. If a tenant remains in possession after the determination of the lease, the common law rule is that he is a tenant on sufferance. A distinction should be drawn between a tenant continuing in possession after the determination of the term with the consent of the landlord and a tenant doing so without his consent. The former is a tenant at sufferance in English Law and the latter a tenant holding over or a tenant at will. In view of the concluding words of Section 116 of the Transfer of Property Act, a lessee holding over is in a better position than a tenant at will. The assent of the landlord to the continuance of possession after the determination of the tenancy will create a new tenancy. What the section contemplates is that on one side there should be an offer of taking a new lease evidenced by the lessee or sub-lessee remaining in possession of the property after his term was over and on the other side there must be a definite consent to the continuance of possession by the landlord expressed by acceptance of rent or otherwise. In Kai Khushroo Bezonjee Capadia v. Bai Jerbai Hirjibhoy Warden case the Federal Court had occasion to consider the question of the nature of the tenancy created under Section 116 of the Transfer of Property Act and Mukherjea, J., speaking for the majority said that the



tenancy which is created by the “holding over” of a lessee or under-lessee is a new tenancy in law even though many of the terms of the old lease might be continued in it, by implication; and that to bring a new tenancy into existence, there must be a bilateral act. It was further held that the assent of the landlord which is founded on acceptance of rent must be acceptance of rent as such and in clear recognition of the tenancy right asserted by the person who pays it.”

xxx xxx xxx”

36. By referring to the aforesaid judgment, learned Senior Counsel appearing for the plaintiff submits that a person, who is in lawful occupation, does not become a trespasser, and if the landlord accepts rent from such person, then unless there is an agreement to the contrary, such tenancy would be regarded as one, from year to year or from month to month, in accordance with the provisions of Section 116 of the TP Act. Thus, he submits that the occupation of the plaintiff cannot be considered to be unlawful in any manner whatsoever.

37. Learned Senior Counsel appearing for the plaintiff submits that submission with regard to the lease being for year to year basis, is without prejudice to the rights and contention of the plaintiff, and has only been made in view of the stand of the defendant in this regard.

38. *Per contra*, learned counsel appearing for the defendant disputes the submissions made by learned Senior Counsel appearing for the plaintiff. He draws the attention of this Court to Clause 3 (xiv) and (xv) of the Lease Deed dated 08th March, 1926, which is reproduced as under:

“xxx xxx xxx

(xiv) On the determination of this Lease to peaceably yield up the said demised premises and the said buildings and works and buildings thereto appertaining unto the Lessor.



(xv) To hold during the continuance of this lease on the land hereby demised at least two meetings each of not less than two days' racing in every calendar year after the expiration of the second year of the term hereby granted unless the Lessee shall prove to the satisfaction of the Chief Commissioner that he is unable to hold such meetings by some cause beyond his control.

xxx xxx xxx”

39. He, thus, submits that once the lease is determined, the land along with the buildings, vested with the lessor, i.e., the UOI in the present case. He further relies upon Clause 6 of the Lease Deed executed between the parties, which is reproduced as under:

“xxx xxx xxx

6. In the event of the Lessor being desirous of continuing the use of the said land as a Race Course at the expiration of the term hereby created the Lessor shall on the written request of the Lessee made not less than three calendar months before the expiration of the term hereby created and if there shall not be any existing breach or non-observance on the part of the Lessee of any of the covenants or conditions hereinbefore contained grant to the Lessee a lease of the demised premises for a further period of twentyfive years from the expiration of the said term containing the like covenants and provisos as are herein contained including the present covenant for renewal at such rental as shall be fixed by two valuers one to be appointed by the Lessor and one by the Lessee the final decision should the valuers be unable to agree to rest with an umpire to be chosen by the two valuers PROVIDED ALWAYS that in the event of the Lessor not being desirous of continuing the use of the said land as a Race Course at the expiration of the term hereby created the Lessor shall, on the expiration of the said term take over all buildings and roads and works and improvements built, constructed or made on the said land by the Lessee with the approval in writing of the Chief Commissioner and shall pay to the Lessee as compensation therefor such amount as shall be determined by two valuers of whom one shall be appointed by the Lessor and one by the Lessee PROVIDED that in the event of the said two valuers being unable to agree as to the amount of such compensation the amount shall be determined by an umpire who shall be appointed by the said



valuers for this purpose PROVIDED further that in fixing the amount of such compensation no amount shall be awarded in respect of good-will and such compensation shall be limited to the then value of the buildings internal roads growing timber planted by the Lessee and other works and improvements of a permanent character on the said land which the Lessee shall have built, constructed, planted or made with the approval in writing of the Chief Commissioner and no compensation shall be awarded to the Lessee in respect of any works or improvements (other than such buildings and internal roads, growing timber, works and improvements of a permanent character as aforesaid), resulting from or incidental to the observance and performance by the Lessee of the covenants and conditions hereinbefore contained.

xxx xxx xxx”

40. By referring to the aforesaid, learned Counsel appearing for the defendant submits that the lessee was enjoined upon to approach the defendant with a written request for the purposes of extension of the lease. However, no such written request was ever received from the defendant.

41. He submits that after the year 1994, the lease of the plaintiff has not been extended, and the acceptance of any money by the defendant does not take away the fact, that lease of the plaintiff has not been extended. He further relies upon Section 63 of the Indian Easements Act, 1882, to submit that the plaintiff only has a right of easement.

42. Learned counsel for the defendant submits that the Eviction Notice dated 12th March, 2026, issued by the defendant-UOI, shall be deemed as a Revocation Notice.

43. He further submits that even if a lease is for a long period, the same cannot be said to be a perpetual lease. For this purpose, he relies upon judgment of Division Bench of this Court in the case of *Union of India and Others Versus National Cold Storage & Refrigeration, 2026 SCC OnLine Del 141*.

44. He further relies upon the judgment in the case of *M/s Saptagiri*



Restaurant Versus Airports Authority of India, 2015 SCC OnLine Del 9555.

45. The matter requires consideration.
46. Accordingly, issue notice. Notice is accepted by learned counsel appearing for the defendant.
47. Let reply be filed, within a period of four weeks, from today.
48. Rejoinder thereto, if any, be filed within two weeks, thereafter.
49. Based on the aforesaid narration of facts and submissions made before this Court, a *prima facie* case has been made out in favour of the plaintiff. Further balance of convenience also lies in favour of the plaintiff and irreparable injury shall be caused to the plaintiff, if interim relief is not granted to the plaintiff.
50. In view thereof, the defendant is restrained from dispossessing the plaintiff from the premises known as the Delhi Race Club comprising of 53.242 Acres, including, office, stables, race tracks and other super structure, etc., till the next date of hearing.
51. At this stage, this Court has made a pointed query to the defendant, whether the defendant would make a statement before this Court similar to the other connected matter, that the defendant shall not dispossess the plaintiff without resorting to due process of law.
52. Learned counsel appearing for the defendant submits that he shall take instructions, in that regard.
53. Accordingly, for instructions on behalf of the defendant, list on 09th April, 2026.

MINI PUSHKARNA, J

MARCH 25, 2026/KR