



EBONEY LAW

CASE ANALYSIS

Sandeep Sethi & Anr. ("Appellants")
V/s. Rajinder Kumar Sethi Deceased
Through LRS ("Respondent")

The division bench of the Hon'ble Delhi High Court in the matter of Sandeep Sethi & Anr. V/s. Rajinder Kumar Sethi Deceased Through LRS, has vide its order dated January 9, 2026, ("Order"), has passed an important judgement in respect of how ownership is derived at an immovable Property ("Suit Property"). This being a family dispute the learned bench had to analyse the facts, documents and the oral understandings as claimed by parties to the suit to arrive at the order passed.

Dispute Area:

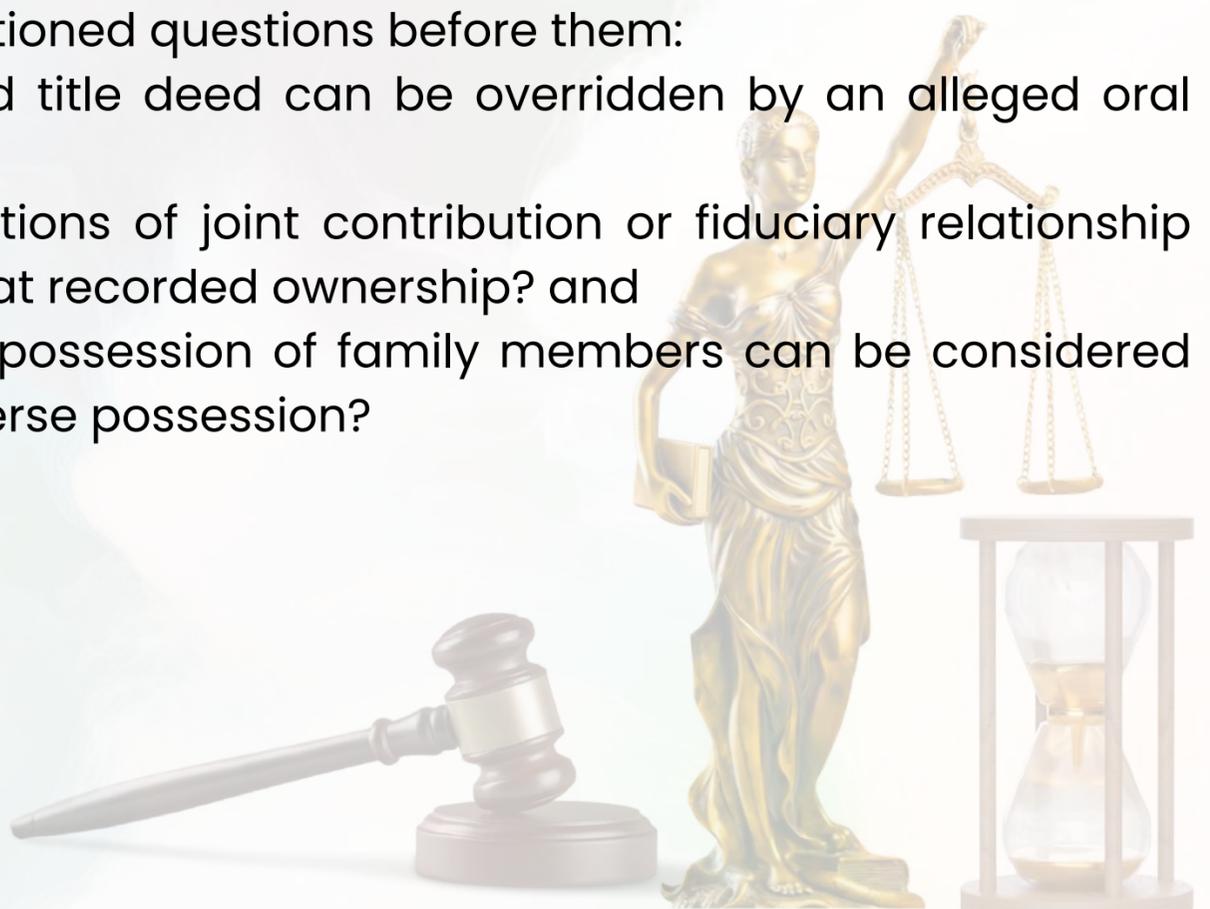
The dispute concerned ownership of a residential property in Delhi, which was partly used by two (2) brothers. The Respondent was a recorded owner by and under a registered Conveyance Deed executed in the year 2001. However, the Appellant herein, supported his claim to ownership under existence of oral family settlement and occupation of part of the Suit Property by certain family members and contribution from joint family funds towards purchase and construction of the Suit Property.

Issues Before the Court:

This appeal was filed before the division bench by the Appellant being aggrieved by the judgment dated November 28, 2016, passed by Learned Single Judge in CS(OS) 2134/2006 & CC No. 990/2017, by and under which the Appellant herein was directed to handover the possession of the entire first floor and two rooms along with one bathroom on the second floor of the Property bearing No. A-8, Vishal Enclave, New Delhi of the Suit Property, within two (2) months of receipt of this order.

In view of the aforesaid, the Hon'ble bench of Delhi High Court had to examine the below mentioned questions before them:

- Whether a registered title deed can be overridden by an alleged oral family settlement?
- Whether mere assertions of joint contribution or fiduciary relationship are sufficient to defeat recorded ownership? and
- Whether permissive possession of family members can be considered as ownership or adverse possession?



Key Findings of the Court:

- Supremacy of registered document:

The Court held that a registered conveyance deed creates a strong presumption of lawful ownership. Any person challenging such title bears a heavy burden of proof. Mere oral claims, unsupported by documentary evidence, cannot displace a registered title. The Court emphasized that certainty of title is essential for stability in property transactions.

- Oral Family Settlement Must Be Strictly Proved:

While acknowledging that oral family settlements are legally recognized, the Court clarified that, the burden of proof is always on the party relying on such oral arrangements and thus the following needs to be established for considering any claim based on an oral arrangement / understanding:

- i) The settlement must be clearly pleaded;
- ii) The terms must be certain and unambiguous; and
- iii) There must be convincing evidence of its existence & implementation.

In the present case, the appellants failed to produce any reliable evidence to prove the alleged oral settlement.

- Rejection of Benami and Fiduciary Claims:

The Appellants sought protection under exceptions to the Benami Transactions (Prohibition) Act, alleging that the registered owner held the property in a fiduciary capacity. The Court rejected this argument, holding that - *A fiduciary relationship cannot be assumed merely due to family ties. Such claims must be specifically pleaded and strictly proved with clear evidence.*

- Permissive Possession Does Not Create Ownership:

The Court observed that the appellants were in permissive possession, allowed to occupy the property due to family relations. The Court held that - Permissive possession does not confer ownership rights. Such possession cannot mature into adverse possession unless the statutory requirements of hostile, open, and continuous possession are satisfied.



Conclusion by the Hon'ble Court:

The division bench of Delhi High Court dismissed the appeal and upheld the decree in favour of the registered owner i.e. the Respondent in this matter, concluding that unproven oral claims cannot override documentary title.

Overview:

The firm's overview on this judgment is as follows:

The judgment serves as a strong reminder that property rights flow from lawful documentation, not mere possession or oral understandings or oral family arrangements. In an era of increasing property litigation, the ruling promotes certainty, transparency, and legal discipline in ownership claims, thus, reinforcing the sanctity of registered documents and discouraging speculative property claims based on informal family arrangements.



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