

The Hon'ble Sri Justice C.V.Nagarjuna Reddy

Civil Revision Petition No.4254 of 2014

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Dated 27.02.2015

Between:

M.Laxmikanthaiah

...Petitioner

and

V.Srinivas and another

...Respondents

Counsel for the Petitioner: Mr.SVS.Chowdary

Counsel for respondent No.1: Mr.Mahadev Aryambhatla

The Court made the following:

Order:

This Civil Revision Petition arises out of Order, dated 18.10.2014, in PLC.No.30 of 2014, on the file of the District Legal Services Authority, Ranga Reddy District, at L.B.Nagar, Hyderabad.

This is the second round of litigation arising out of the order passed by the District Legal Services Authority, Ranga Reddy District.

The brief facts leading to the filing of this Civil

Revision Petition are that, there was a serious *inter se* dispute between the petitioner and respondent No.1 over a certain property. The dispute has become triangular one with the A.P.N.G.Os Mutually Aided Co-operative Society Limited (for short 'the Society') joining the issue with these two parties. The dispute reached this Court in the form of WP.Nos.20676 of 2012 and 21352 of 2012. By a detailed common judgment, dated 04.11.2013, this Court, while negating the claim of the Society, upheld the right of respondent No.1 over the said property. In the said judgment, this Court *inter alia* held as under:

“The above analysis of the facts and law would lead to the inevitable conclusions that Babu Rao Joshi was a political sufferer and the subject land was assigned to him in that capacity and that as per the State Government policy, the land assigned to a Political Sufferer could be sold without any restrictions. The resumption order, dated 16-01-2004, passed by respondent No.4, as confirmed by respondent No.1 by the impugned G.O cannot therefore be sustained and both these orders are accordingly quashed. As a necessary corollary, the allotment of the subject land to respondent No.5 following the

order passed by respondent No.4 and during the pendency of the revision petition before respondent No.2, cannot be sustained.”

As the petitioner has made a rival claim with respect to the subject property and possession was delivered to him *vide* proceeding, dated 22-05-2009, of the Mandal Revenue Officer, this Court declined to decide the *inter se* dispute between the petitioner and the first respondent and instead, it has directed that the said land shall be kept on ‘as is where is’ basis in the custody of the Tahsildar, Serilingampalli, Ranga Reddy District, till such time as the parties herein settle the dispute either through judicial adjudication or out of Court. A further direction was given to the Tahsildar to hand over possession of the subject land to the petitioners therein as per such settlement. Following the said judgment, both the parties herein entered into a compromise, as per which they have agreed to sell the subject land to M/s.Meenakshi Infrastructures Private Limited (for short “the third party”). After reducing the terms of compromise into writing, both the parties have approached the District Legal Services Authority for recording the

same. The same was entertained as PLC.No.30 of 2014. By Order, dated 04-07-2014, the said PLC was dismissed by the District Legal Services Authority only on the ground that the above-noted common judgment in WP.Nos.20676 of 2012 and 21352 of 2012 was questioned in a Writ appeal. This order was questioned by the respondent herein in Civil Revision Petition No.2273 of 2014. This Court, by its order, dated 28-08-2014, allowed the said CRP with the following observations:

“It is true that the judgment of this Court in the writ petitions referred to above is the subject matter of writ appeals stated to have been filed by the Society and that operation of the same is stated to have been stayed by the Division Bench. It has also come out that the State Government has not questioned the said judgment. Be that as it may, this Court is unable to understand as to how the stay of operation of the said judgment will deter the private parties to enter into a settlement in order to settle the inter se dispute between them. It is trite that any settlement reached between two private parties, who are the petitioners in the two writ petitions, will not bind the Society and it is needless to observe that such a settlement will not be in derogation of the interim order granted by the Division Bench. If the Society eventually succeeds in the writ appeals, the settlement between

the parties herein will have no effect at all. In other words, the parties to the proposed settlement will derive legal rights under settlement only upon disposal of the writ appeals. Therefore, I do not find any justification for the District Legal Services Authority in not recording the compromise between the parties. The District Legal Services Authority ought to have recorded the compromise by subjecting the same to the outcome of the pending writ appeals.

For the above-mentioned reasons, the order under revision is set aside. P.L.C.No.30 of 2014 is remanded to the District Legal Services Authority, Ranga Reddy District, to pass an appropriate order on the said case, after hearing both parties, in the light of the observations made hereinabove.

The civil revision petition is accordingly allowed to the extent indicated above.”

After remand of the case, the District Legal Services Authority, Ranga Reddy, has again declined to record the settlement on a fresh ground *viz.*, that the third party to whom the parties before it have agreed to sell the subject property is not a party before it and that the terms of compromise are contrary to the observations of this Court.

As rightly pleaded by Mr.SVS.Chowdary, learned Counsel for the petitioner, and Mr.Mahadev Aryambhatla, learned Counsel for respondent No.1,

the District Legal Services Authority has fallen into a serious error in holding that in the absence of M/s.Meenakshi Infrastructure Private Limited, the compromise cannot be recorded. The entire issue before the District Legal Services Authority was whether the two rival claimants have agreed on a compromise or not. In the face of the judgment of this Court unequivocally holding that both the parties shall be free to get the *inter se* dispute among them settled either through judicial adjudication or out of Court, the terms of compromise entered into by both the parties are absolutely in conformity with the said judgment. It is wholly incomprehensible as to how the District Legal Services Authority felt that the proposed compromise is contrary to the judgment of this Court. Further, the District Legal Services Authority seems to be under a thorough misconception that unless M/s.Meenakshi Infrastructure Private Limited is impleaded as a party, the terms of compromise cannot be enforced against it. Clause 7 of the terms of compromise reads as under:

“That the petitioner irrevocably binds himself to execute the registered sale deed in favour of the ‘identified purchaser’, after receipt of the agreed

full sale consideration, with the Respondent joining the execution of the registered sale deed as a consenting party. It is also agreed by the Parties, that in case they fail to honour their irrevocable and binding commitment to sell the subject land to the 'identified purchaser', the said 'identified purchaser', shall be entitled to enforce the same against the parties herein, by virtue of the terms of this settlement."

Irrespective of whether the third party is a party before the Legal Services Authority or not, it is entitled to enforce the settlement. Therefore, it is astounding that the District Legal Services Authority has felt that in the absence of M/s.Meenakshi Infrastructure Private Limited, the terms of compromise cannot be recorded. Unless any of the terms of the compromise is couched against the third party, there is absolutely no reason for the District Legal Services Authority to think that the compromise cannot be recorded in its absence.

For the abovementioned reasons, the order under revision is set aside. The District Legal Services Authority is directed to pass an order recording the settlement between the parties in the light of the terms of compromise filed by them

before it and after notice to both parties, within one month from the date of receipt of this order, failing which, this Court may construe the conduct of the Legal Services Authority as a willful defiance of the orders of this Court and initiate appropriate action against it.

Subject to the above direction, the Civil Revision Petition is allowed.

As a sequel to disposal of the Civil Revision Petition, CRPMP.Nos.5814 of 2014 and 150 of 2015 are disposed of as infructuous.

(C.V.Nagarjuna Reddy, J)

Dt: 27th February, 2015
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