

2025:PHHC:033555-DB



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

LPA-3390-2024 (O&M)

Date of decision: 27.02.2025

SHAM LAL

.....Appellant

Versus

STATE OF PUNJAB & ORS.

.....Respondents

**CORAM: HON'BLE MR. JUSTICE SUDHIR SINGH
HON'BLE MRS. JUSTICE SUKHVINDER KAUR**

Present:- Mr. Davinder Lubana, Advocate for the appellant.

SUDHIR SINGH, J.

CM-8364-LPA-2024

For the reasons stated in application, same is allowed.
Delay of 22 days in re-filing the appeal is condoned, subject to all just exceptions.

LPA- 3390-2024

Challenge in the instant intra Court appeal is to the order dated 02.09.2024 passed by the learned Single Judge, whereby the writ petition filed by the appellant was dismissed.

2. Before the learned Single Judge, the appellant had laid challenge to the compromise dated 18.05.2019 (Annexure P-15 with the writ petition) executed between the appellant and the respondent-Management before the Mediation & Conciliation Centre, Ludhiana.

3. It may be noticed that vide award dated 24.05.2006, the Labour Court, Ludhiana had directed the reinstatement of the appellant with continuity in service with full back-wages from the date of the demand notice. The said directions were not implemented, which led to the filing of the execution proceedings. The matter came to be referred to the Mediation & Conciliation Centre, Ludhiana and the appellant had accepted six cheques from the judgment debtor (respondent-Management) towards the outstanding liability of M/s Gupta Spinning and Weaving Mills. Accordingly, a statement was made by the appellant before the Executing Court that he had settled his claim with one partner of the firm whereas his claim against other partners was still pending. The Executing Court vide order dated 15.10.2022 (Annexure P-24 with the writ petition) dismissed the execution application and allowed different applications filed by the judgment debtors. The conditional warrants issued at one stage by the Executing Court against the partners of M/s Gupta Spinning and Weaving Mills, were also recalled.

4. The learned Single Judge, after noticing the argument of the learned counsel for the appellant to the effect that the settlement had been arrived at Rs.4,50,000/-, whereas the petitioner had only been paid a sum of Rs.1,50,000/- through six cheques; that the appellant had not made full and final settlement with all the partners; that the settlement was with one of the partners and the remaining amount was to be recovered from other partners of the firm and that the Executing Court had wrongly dismissed the execution application, has dismissed the writ petition holding that the compromise was

arrived at before a Mediator appointed by the Court. It was further observed that in the compromise deed, it was specifically mentioned that the liability against M/s Gupta Spinning and Weaving Mills stands settled and the execution application would be withdrawn by the decree holder. It was further observed that the liability of the partners of the aforesaid firm was joint as well as several and that once the matter was settled with the aforesaid firm, there was no question of recovery or execution against the partners.

5. In the present appeal, learned counsel for the appellant while asserting the aforesaid findings of the learned Single Judge, has vehemently argued that the appellant had settled the matter with respondent No.5 and not with respondent Nos.4 and 6 as reflected in the zimni orders. It is further argued that respondent Nos.3 to 6 had played a fraud with the appellant and that fraud vitiates everything and as such, the impugned settlement/compromise was liable to be set aside. It is also argued that the appellant is a poor and illiterate person and he was not aware of the arbitrary terms contained in the aforesaid compromise/settlement. It is also argued that the finding of the learned Single Judge that the appellant remained silent for two years after the date of dismissal of the execution application, is also not tenable in the eyes of law as in the instant case a fraud had been played upon the appellant by the respondents and, therefore, such fraud can be challenged at any stage and there is no limitation provided for the same.

6. We have heard the learned counsel for the appellant and have also gone through the impugned order.

7. The only question that arises for consideration by this Court is whether the order passed by learned Single Judge, requires any interference.

8. The factum of passing of the award; reference of the matter to the mediation centre; settlement before the mediator and receipt of the amount of Rs.1,50,000/- by way of six cheques, is not in dispute. The argument of the learned counsel for the appellant that the settlement had been arrived at Rs.4,50,000/- is factually incorrect as neither in the compromise nor in the execution proceedings, including the order passed therein, any such amount finds mention. Still further, if the appellant was aggrieved against the execution proceedings, he could have challenged the same in appropriate proceedings but the appellant chose not to challenge the same. The argument of the learned counsel for the appellant that liability against the rest of the partners of M/s Gupta Spinning and Weaving Mills, is still existing, is also beyond common prudence. Once the liability of a partnership firm is discharged, such liability also stands discharged against the partners of the firm unless otherwise mentioned in the settlement/compromise deed. Still further, though the learned counsel for the appellant submits that a fraud had been played upon him by the respondents, yet nothing could be shown to indicate such fraud. The amount of Rs.1,50,000/- had been accepted by the appellant without any coercion or pressure from anyone. Having accepted the said amount and after the dismissal of the execution proceedings, it is not

open to the appellant to question the compromise dated 18.05.2019 (Annexure P-15) by way of the writ petition or the instant appeal. We find that the order passed by the learned Single Judge does not suffer from any illegality or perversity.

9. In view of the above, finding no merit in the present appeal, the same is hereby dismissed.

10. Pending application(s), if any, shall stand disposed of.

[SUDHIR SINGH]
JUDGE

[SUKHVINDER KAUR]
JUDGE

27.02.2025
himanshu

Whether speaking/reasoned	Yes/No
Whether reportable	Yes/No