



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

<p>I. Smt. Parbati (since deceased) Through LRs and Another</p>	<p>Vs.</p>	<p>RSA-1908-1993 (O&M) Appellants</p>
<p>Satbir Singh and Another</p>		<p>. . . . Respondents</p>

<p>II. Dhupli @ Dhupali (since deceased) Through LRs and Another</p>	<p>Vs.</p>	<p>RSA-1909-1993 (O&M) Appellants</p>
<p>Satbir Singh and Another</p>		<p>. . . . Respondents</p>

**Reserved on: 17.11.2025
Pronounced on: 27.11.2025
Uploaded on: 27.11.2025**

CORAM: HON'BLE MR. JUSTICE DEEPAK GUPTA

Argued by:- Mr. Rajinder Goyal, Advocate
for the appellants.

Mr. Adarsh Jain, Senior Advocate with
Mr. Johan Kumar, Advocate for
the respondent.

DEEPAK GUPTA, J.

Both these appeals arise out of a common judgment dated 16.01.1985 delivered by the learned Trial Court of Sub Judge, 1st Class Panipat, whereby two civil suits—one instituted by Smt. Parbati and another (*appellants herein*), and the other by Satbir Singh and another (*respondents herein*), were decided together. The appeals preferred by respondents – Satbir Singh and another were thereafter disposed of by the learned First Appellate Court of Additional District Judge, Panipat on 21.08.1993.

2. **Background Facts:** The dispute concerns agricultural land measur-



RSA-1908-1993 (O&M)

RSA-1909-1993 (O&M)

ing 70 Kanal 19 Marla situated in the revenue estate of village Lahori, Tehsil Panipat. It is not in dispute that the said land belonged to Bhara son of Shadi.

3. ***Appellants' case:*** Smt. Parbati and Smt. Dhupli, asserting themselves to be the daughters of Bhara, filed Civil Suit No. 670 of 1980 seeking a declaration that they were the rightful owners of the suit land. Their claim was based both on natural succession as well as on a registered Will dated 18.05.1979, purportedly executed by Bhara in their favour. Alongside this claim, they challenged a prior judgment and decree dated 25.10.1978 passed in Civil Suit No. 483 of 1978 by the Court of the then Sub-Judge 1st Class, Panipat, whereby Bhara was purported to have suffered a decree in favour of defendants Satbir & Shamsheer. According to Parbati and Dhupli, this earlier decree had been procured by fraud, misrepresentation, and undue influence, and was in any case void for want of registration. Alleging that they were already in possession of the land and that the defendants were attempting to interfere, they sought a declaration of ownership, and consequential decree of permanent injunction.

4. ***Respondents' stand :*** On the other hand, respondents - Satbir & Shamsheer filed Civil Suit No. 637 of 1980 against Parbati and Dhupli, asserting that they were the owners in possession of the same parcel of land. They too complained of interference at the hands of the opposite party and prayed for a decree of permanent injunction for protecting their possession.

5. In their written statement to the suit filed by Parbati and Dhupli, Satbir and Shamsheer took a categorical stand that the plaintiffs were not the daughters of Bhara and that Bhara had died issueless. They defended the decree dated 25.10.1978 as lawful and valid, asserting that it reflected a family settlement arrived at in June 1977, pursuant to which mutation No. 1006 dated 28.11.1978 had been sanctioned in their favour. Their stand was that once Bhara had transferred his rights through the decree and mutation, he was left with no title in the land, and therefore, he could not have executed the Will dated 18.05.1979 in favour of Parbati and Dhupli.



RSA-1908-1993 (O&M)

RSA-1909-1993 (O&M)

6. Parbati and Dhupli contested the suit of Satbir and Shamsheer taking similar stand, as in the plaint of their suit.

7. With consent of counsel on both sides, the Trial Court consolidated the two suits. Consolidated issues were framed, and common evidence was recorded in the suit filed by Parbati and Dhupli.

8.1 ***Trial Court Findings:*** Upon a detailed appraisal of the evidence, oral and documentary, the learned Trial Court held unequivocally that Parbati and Dhupli were in fact the daughters of Bhara. The Court further found that the registered Will dated 18.05.1979 (Ex. PW1/A) had been duly proved in accordance with law. It also held that Parbati and Dhupli were in possession of the suit land. On the crucial question concerning the earlier decree dated 25.10.1978, the Trial Court recorded that although allegations of fraud, misrepresentation, and undue influence had not ultimately been pressed by counsel for the plaintiffs, the decree nevertheless suffered from a fundamental legal defect, as it was compulsorily registrable under the law, and since it had not been registered, it was invalid and non-binding upon the rights of Parbati and Dhupli. The Court also observed that Satbir and Shamsheer were strangers to Bhara; whereas they had projected themselves as his grandsons without any proof merely to obtain the decree on the strength of an alleged family settlement.

8.2 In view of these findings, the Trial Court, vide a common judgment dated 16.01.1985, decreed Civil Suit No. 670 of 1980 filed by Parbati and Dhupli, declaring them to be owners in possession of the suit land, and holding the judgment and decree dated 25.10.1978 in Civil Suit No. 483 of 1978 to be null, void, and inoperative against their rights. A decree of permanent injunction was also granted in their favour restraining Satbir and Shamsheer from interfering in their possession. Consequently, Civil Suit No. 637 of 1980 filed by Satbir and Shamsheer was dismissed.



RSA-1908-1993 (O&M)

RSA-1909-1993 (O&M)

9.1 **Appellate Court Findings:** Aggrieved by the above judgment of the Trial Court, Satbir and another, who were the defendants in Civil Suit No. 670 of 1980, and plaintiffs in Civil Suit No. 637 of 1980, filed two separate appeals before the First Appellate Court. Both the appeal were disposed of vide judgment dated 21.08.1993 by the first appellate court.

9.2 While re-appraising the evidence, the First Appellate Court affirmed the Trial Court's finding that Parvati and Dhupli were indeed the daughters of Bhara. It thereafter examined the pleadings of Civil Suit No. 483 of 1978. In that earlier suit, Satbir and Shamsheer had asserted that Bhara was their grandfather, and the learned First Appellate Court observed that since Bhara had not disputed this assertion in the earlier proceedings, the correctness of that relationship could not be reopened in the subsequent litigation. Significantly, the First Appellate Court did not return any independent or categorical finding as to whether Satbir and Shamsheer were in fact the grandsons of Bhara. Instead, relying solely on the pleadings of the earlier suit, it invoked the principle laid down by a Division Bench of this Court in **Gurudev Kaur and another v. Mehar Singh and others, 1989 (2) RLR 338**, as well as the judgment in **Harpal and others v. Ram Pyari and others, 1981 PLJ 492**, to hold that a Court trying a later suit cannot go behind an earlier decree and re-examine whether that earlier decree had been passed on correct or incorrect facts. Proceeding on this premise, the First Appellate Court treated the decree dated 25.10.1978 as binding, without adjudicating the foundational question of relationship between the parties.

9.3 The Appellate Court further held that since the decree dated 25.10.1978 in the previous suit, was based upon a family settlement, therefore, it did not require compulsory registration, as per Section 17 of the Registration Act. The Appellate Court also noticed that before the trial Court, the counsel for plaintiffs - Parvati and Dhupli had not pressed the allegations of fraud, misrepresentation or undue influence. Therefore, it was held that Parvati and



RSA-1908-1993 (O&M)

RSA-1909-1993 (O&M)

Dhupli were bound by the consent decree suffered by their father in favour of Shamsheer and Satbir.

9.4 Consequent to these findings, the First Appellate Court reversed the judgments passed by the trial Court and dismissed the suit filed by Parvati & Dhupli; whereas the suit filed by Satbir & Shamsheer, was decreed.

10. The above-said judgment dated 21.08.1993 of learned Addl. District Judge, Panipat has given rise to these two appeals, both filed by Parvati & Dhupli, i.e. plaintiffs of one suit, and the defendants of the other suit.

11.1 **Contentions of Appellants:** Assailing the judgment of first appellate court, Learned counsel for the appellants submits that the relationship of Parvati & Dhupli with Bhara is beyond dispute, inasmuch as both Courts below have concurrently held them to be the daughters and thus, the only natural heirs of Bhara. Referring to the evidence on record, Ld. counsel argues that Satbir & Shamsheer are not even remotely related to Bhara. On the contrary, it has come in evidence that one Pyara Singh, the father of one respondent, and grandfather of the other, was engaged in litigation with Bhara. In such circumstances, Ld. counsel contends, it is inconceivable that Bhara would enter into any settlement with the son & grandson of Pyara Singh. When members of that family are strangers to Bhara, the very foundation of the alleged family settlement collapses, and no rights could possibly flow from such a claim.

11.2 It is argued further that even assuming for the sake of argument that Bhara had, out of his free will, suffered the decree dated 25.10.1978 in favour of Satbir & Shamsheer, such decree did not bind the rights of the appellants. The decree, according to him, created rights in immovable property for the first time in favour of Satbir and Shamsheer, and therefore required compulsory registration. In support of this submission, reliance is placed on the judgment of the Hon'ble Supreme Court in **Bhoop Singh v. Ram Singh Major, 1995 (3) RRR 541**, wherein it was held that if a compromise decree is not a bona fide settlement of pre-existing rights but is instead a device to avoid payment of



RSA-1908-1993 (O&M)

RSA-1909-1993 (O&M)

stamp duty or to circumvent the law of registration, such a decree must necessarily be registered to have legal effect.

11.3 Learned counsel further argues that the First Appellate Court erred in placing reliance on the Division Bench judgment in ***Gurudev Kaur v. Mehar Singh, 1989 (2) RLR 338***, which, according to him, is wholly inapplicable to the present facts. It is submitted that the earlier decree could not have been treated as conclusive or binding, when the very existence of any family relationship, the foundation of the earlier decree, stood disproved on the record.

11.4 On these premises, prayer is made for setting aside the judgment and decree of the First Appellate Court and restoring the well-reasoned findings of the Trial Court.

12.1 ***Contentions of Respondents*** : *Per contra*, learned senior counsel for the respondents—Satbir & Shamsheer submits that the findings of the First Appellate Court call for no interference. According to him, the decree dated 25.10.1978 has been found not to be the result of fraud, misrepresentation or undue influence, and once that is so, the Court in the subsequent proceedings cannot go behind the earlier decree, or the admissions made therein. He argues that in the earlier suit, Bhara had admitted Satbir and Shamsheer to be his grandsons, and such admission, once acted upon by the Court, cannot be re-examined in a later suit.

12.2 However, when queried specifically by this Court, learned senior counsel for the respondents candidly conceded that, in fact, no family relationship existed between Bhara on the one hand and Satbir & Shamsheer on the other as per evidence on record, and that they were complete strangers to him. Nonetheless, his contention is that because the decree was based on consent and was not vitiated on grounds of fraud or coercion, the correctness of the admissions made by Bhara therein cannot be questioned in a later suit. On this basis, he supports the conclusion of the First Appellate Court that registration of the decree was not necessary, and that the dismissal of the suit



RSA-1908-1993 (O&M)

RSA-1909-1993 (O&M)

filed by Parbati & Dhupli, as well as the decree of injunction in favour of Satbir and Shamsher, was justified. To support this contention, learned senior counsel for the respondents, has referred to *Khushi Ram and others vs Nawal Singh and others 2021 AIR (SC) 1117; Gurcharan Singh and others v Angrez Kaur and another (2020) AIR (SC) 2912; Mohammade Yusuf and others vs Rajkumar and others (2020) AIR (SC) 796; Pushpa Devi Bhagat (D) thr LR Smt. Sadhna Rai v Rajinder Singh and others 2006 (5) SCC 566; and Sakina Sultanali Sunesara (momin) v. Shia Imani Ismaili Momin Jamat Samaj and others (2025) INSC 570.*

12.3 Learned senior counsel for the respondents further argues that the suit filed by Parbati & Dhupli was itself not maintainable. According to him, the decree dated 25.10.1978 being a compromise decree under Order XXIII Rule 3 CPC, could only be challenged by way of an application in the same suit, in terms of Order XXIII Rule 3-A CPC, and therefore, an independent suit would be barred.

12.4 With the above submissions, learned counsel prayed for dismissal of the present appeals.

13. In reply to above contention, learned counsel for the appellants submits that the decree of 1978 was not a compromise decree under Order XXIII Rule 3 CPC at all, but rather a consent decree / decree based on admission, passed under Order XII Rule 6 CPC. Consequently, the bar under Order XXIII Rule 3-A CPC would not apply, and the appellants were fully entitled to bring an independent suit challenging the legal efficacy and binding nature of that decree.

Court's Analysis and Findings:

14. Having considered the rival submissions and examined the record, this Court proceeds to determine the substantive legal issues arising in the matter.



RSA-1908-1993 (O&M)

RSA-1909-1993 (O&M)

15. Before proceeding further, some admitted facts may be noted.

- Suit property was owned by Bhara.
- Bhara had two sons, but both of them had pre-deceased him. When Bhara expired, he left behind only two natural legal heirs - his daughters, i.e., appellants Parbati and Dhupli. Though, the respondents herein had denied the relationship of Parbati & Dhupli with Bhara to be his daughters, but there is concurrent finding of fact in this regard by both the Courts below that they are the daughters of Bhara. This finding has not been refuted by Ld. Senior advocate for the respondents even before this Court.
- The First appellate Court has not held the finding of fact of the trial court to the effect that Satbir and Shamsheer are not related to Bhara as his grandsons, as wrong. In fact, First Appellate Court did not return any independent or categorical finding as to whether Satbir and Shamsheer were in fact the grandsons of Bhara. Instead, relying solely on the pleadings of the earlier suit, it held that a Court trying a later suit cannot go behind an earlier decree and re-examine whether that earlier decree had been passed on correct or incorrect facts.
- As a matter of fact, the evidence on file clearly establish that Bhara was not related even remotely to Shamsheer and Satbir; and as has been noted earlier, Ld. Senior advocate for the respondents candidly admitted this fact on specific query by this Court
- Most importantly, the judgment and decree dated 25.10.1978 passed in civil suit No.483 of 1978 as suffered by Bhara in favour of Satbir and Shamsheer, has been found to be not based upon fraud, misrepresentation or undue influence and rather, it has been found that it was suffered with the consent of Bhara.

16. Having noticed the undisputed factual position on record, it



RSA-1908-1993 (O&M)

RSA-1909-1993 (O&M)

becomes evident that the controversy ultimately narrows down to a single determinative question as to - ***Whether the decree dated 25.10.1978 required compulsory registration under law.*** If the said decree is found to be one, which mandatorily required registration, then its non-registration would render it ineffective to convey or create any right, title, or interest in favour of Satbir & Shamsheer. In that event, the title to the property would unquestionably devolve upon Parbati and Dhupli, the admitted natural heirs and daughters of Bhara, who alone would succeed to his estate.

17. In order to consider the effect of non-registration of a consent decree, [Sections 17\(1\)](#) and [17\(2\)\(vi\)](#) of the Registration Act are relevant which are as follows:-

“17. Documents of which registration is compulsory.—(1) The following documents shall be registered, if the property to which they relate is situate in a district in which, and if they have been executed on or after the date on which, Act No. XVI of 1864, or the [Indian Registration Act, 1866](#), or the [Indian Registration Act, 1871](#), or the [Indian Registration Act, 1877](#), or this Act came or comes into force, namely:—

- (a) instruments of gift of immovable property;
- (b) other non-testamentary instruments which purport or operate to create, declare, assign, limit or extinguish, whether in present or in future, any right, title or interest, whether vested or contingent, of the value of one hundred rupees and upwards, to or in immovable property;
- (c) non-testamentary instruments which acknowledge the receipt or payment of any consideration on account of the creation, declaration, assignment, limitation or extinction of any such right, title or interest; and
- (d) leases of immovable property from year to year, or for any term exceeding one year, or reserving a yearly rent;
- (e) non-testamentary instruments transferring or assigning any decree or order of a Court or any award when such decree or order or award purports or operates to create, declare, assign, limit or extinguish,



RSA-1908-1993 (O&M)

RSA-1909-1993 (O&M)

whether in present or in future, any right, title or interest, whether vested or contingent, of the value of one hundred rupees and upwards, to or in immovable property:

Provided that the State Government may, by order published in the Official Gazette, exempt from the operation of this sub-section any lease executed in any district, or part of a district, the terms granted by which do not exceed five years and the annual rents reserved by which do not exceed fifty rupees.

XXXXXXXXXXXXXXXXXXXX

(2) Nothing in clauses (b) and (c) of sub-section (1) applies to—

(vi) any decree or order of a Court except a decree or order expressed to be made on a compromise and comprising immovable property other than that which is the subject-matter of the suit or proceeding; or

XXXXXXXXXXXXXXXXXXXX”

18. The above provisions came to be considered by Hon’ble Supreme Court in ***Bhoop Singh Vs. Ram Singh Major (supra)***, and it was held as under:

16. We have to view the reach of clause (vi), which is an exception to sub-section (1), bearing all the aforesaid in mind. We would think that the exception engrafted is meant to cover that decree or order of a court, including a decree or order expressed to be made on a compromise, which declares the pre-existing right and does not by itself create new right, title or interest *in praesenti* in immovable property of the value of Rs.100/- or upwards. Any other view would find the mischief of avoidance of registration, which requires payment of stamp duty, embedded in the decree or order.

17. It would, therefore, be the duty of the court to examine in each case whether the parties have pre-existing right to the immovable property, or whether under the order or decree of the court one party having right, title or interest therein agreed or suffered to extinguish the same and created right, title or interest *in praesenti* in immovable property of the value of Rs.100/- or upwards in favour of other party for the first time, either by compromise or presented consent. If latter be the position, the document is compulsorily



RSA-1908-1993 (O&M)

RSA-1909-1993 (O&M)

registerable.

18. The legal position qua clause (vi) can, on the basis of the aforesaid discussion, be summarised as below :

(1) Compromise decree if bona fide, in the sense that the compromise is not a device to obviate payment of stamp duty and frustrate the law relating to registration, would not require registration. In a converse situation, it would require registration.

(2) If the compromise decree were to create for the first time right, title or interest in immovable property of the value of Rs.100/- or upwards in favour of any party to the suit, the decree or order would require registration.

(3) If the decree were not to attract any of the clauses of sub-section (1) of section 17, as was the position in the aforesaid Privy Council and this Court's cases, it is apparent that the decree would not require registration.

(4) If the decree were not to embody the terms of compromise, as was the position in Lahore case, benefit from the terms of compromise cannot be derived, even if a suit were to be disposed of because of the compromise in question.

(5) If the property dealt with by the decree be not the "subject matter of the suit or proceeding", clause (vi) of sub-section (2) would not operate, because of the amendment of this clause by Act 21 of 1929, which has its origin in the aforesaid decision of the Privy Council, according to which the original clause would have been attracted, even if it were to encompass property not litigated."

19. In [Mohammade Yusuf and others Vs. Rajkumar and others \(supra\)](#), Hon'ble Supreme Court again had the occasion to interpret [Section 17](#), wherein ***Bhoop Singh's case*** was also referred. It was held as under:

"6. A compromise decree passed by a Court would ordinarily be covered by [Section 17\(1\)\(b\)](#) but sub-section (2) of [Section 17](#) provides for an exception for any decree or order of a court except a decree or order expressed to be



RSA-1908-1993 (O&M)

RSA-1909-1993 (O&M)

made on a compromise and comprising immovable property other than that which is the subject-matter of the suit or proceeding. Thus, by virtue of sub-section (2)(vi) of [Section 17](#) any decree or order of a court does not require registration. In sub-clause (vi) of sub-section (2), one category is excepted from sub-clause (vi), i.e., a decree or order expressed to be made on a compromise and comprising immovable property other than that which is the subject-matter of the suit or proceeding. Thus, by conjointly reading [Section 17\(1\) \(b\)](#) and [Section 17\(2\)\(vi\)](#), it is clear that a compromise decree comprising immovable property other than which is the subject-matter of the suit or proceeding requires registration, although any decree or order of a court is exempted from registration by virtue of [Section 17\(2\) \(vi\)](#).....”

20. Similar views have been expressed by Hon’ble Supreme Court in ***Khushi Ram vs Nawal Singh (supra)***; and ***Gurbachan Singh’s case (supra)***.

21. A careful reading of Sections 17(1) and 17(2)(vi) of the Registration Act makes it apparent that, as a general rule, every non-testamentary instrument which purports to create, declare, assign, limit, or extinguish a right or interest in immovable property of the value of one hundred rupees or above requires compulsory registration. At the same time, the statute carves out a limited exception by providing that a decree or order of a Court ordinarily does not require registration, unless it is a decree made on a compromise and comprises immovable property, which was not the subject-matter of the suit. This is the statutory backdrop against which the Supreme Court has repeatedly examined the effect of compromise and consent decrees.

22. In ***Bhoop Singh v. Ram Singh Major***, the Supreme Court undertook a detailed analysis of this exception and held that the exemption from registration is not absolute. The Court explained that the exception contained in Section 17(2)(vi) is intended to apply only to those decrees which merely recognise or record a pre-existing right. If, however, the so-called compromise or consent decree were to create, for the first time, a new right, title, or interest in immovable property in favour of a party who previously had no such right, the docu-



RSA-1908-1993 (O&M)

RSA-1909-1993 (O&M)

ment would fall squarely within Section 17(1)(b) and must be compulsorily registered. The Supreme Court warned that any contrary view would encourage parties to use compromise decrees as a device to avoid payment of stamp duty and defeat the law of registration. The Court thus held that it is the duty of every court to examine in each case whether the decree merely records an existing right, in which case registration is not required, or whether it extinguishes one party's right and creates a new right in another, in which case registration becomes mandatory.

23. This principle was further elaborated in *Mohammad Yusuf v. Rajkumar*, where the Supreme Court reaffirmed *Bhoop Singh* and clarified the scope of the statutory exception. The Court held that, generally, decrees, whether on compromise or otherwise, do not require registration provided they relate to the subject-matter of the suit. However, if a compromise decree deals with immovable property that is not the subject of the suit, or if the decree creates new substantive rights in property for the first time, then the protection of Section 17(2)(vi) is not available, and such a decree must be registered. The Supreme Court reiterated that the exemption under Section 17(2)(vi) cannot be interpreted so broadly as to permit the creation of title through an unregistered decree where the statute mandates registration.

24. Thus, the pivotal inquiry is whether the decree acknowledges an existing right or creates a fresh right. Where it is the latter, registration is indispensable; and a decree that ought to have been registered but is not, is legally ineffectual to transfer or create title. In short, a compromise or consent decree can avoid registration only when it reflects a genuine adjustment of pre-existing rights between the parties. Where the decree constitutes a fresh grant of title or is used to circumvent the statutory requirements of stamp duty and registration, the law insists upon compulsory registration, failing which the decree confers no enforceable rights.

25. Applying the above legal position to facts of present case, it is



RSA-1908-1993 (O&M)

RSA-1909-1993 (O&M)

undisputed that decree dated 25.10.1978 is with regard to same immovable property, which is the subject matter of suit; and not any other property, as referred to in Section 17 (2) (vi) of the Registration Act. However, in the factual matrix of the present case, this Court is of the firm view that the decree dated 25.10.1978, on which the entire claim of Satbir & Shamsheer rests, was compulsorily registrable. It is for the reason that no pre-existing right in their favour existed, as they were utter strangers to Bhara and so, there could be no question of any family settlement between them. The decree did not merely record a settlement of antecedent rights and rather, it was a clear device to create rights in immovable property for the first time by avoiding stamp duty and registration, in favour of persons having no lawful claim prior thereto. In such circumstances, the ratio of ***Bhoop Singh v. Ram Singh Major, 1995 (3) RRR 541*** squarely applies, rendering the unregistered decree incompetent to divest Bhara of his ownership.

26. The law is well-settled that where a compromise or consent decree creates rights in immovable property in favour of a person, who did not previously possess them, such decree must be compulsorily registered. The authoritative pronouncement of the Hon'ble Supreme Court in ***Bhoop Singh v. Ram Singh Major, supra*** reiterates that where the compromise decree is not merely declaratory of pre-existing rights but travels beyond and creates fresh rights for the first time, it attracts Section 17 of the Registration Act. The Supreme Court further cautioned that Courts must look beyond the label of "compromise decree" to ensure that decrees are not used as a device to avoid stamp duty and registration.

27. This Court has carefully considered the judgments relied upon by learned senior counsel for the respondents, namely ***Khushi Ram v. Nawal Singh; Gurcharan Singh v. Angrej Kaur; Mohammad Yusuf v. Rajkumar; Pushpa Devi Bhagat v. Rajinder Singh; and Sakina Sultan Ali Sunesara v. Shia Imani Ismaili Memmi Jamat Samaj***. However, all of them are distinguishable



RSA-1908-1993 (O&M)

RSA-1909-1993 (O&M)

from the facts of present case.

28.1 In *Khushi Ram (supra)*, Smt. Jagno, the widow of Sher Singh was the owner of $\frac{1}{2}$ share in the property dispute. She suffered a consent decree in favour of her nephews, i.e. brother's sons in 1991. That decree was challenged by the nephews of her husband to be null, illegal and void on the ground that no family settlement could take place and further, the decree required registration and in the absence of registration, the decree did not create any right in favour of nephews of Smt. Jagno. The trial Court, the First Appellate Court as well as the High Court dismissed the suit. Hon'ble Supreme Court also dismissed the appeal. Thus, the Supreme Court dealt with a genuine family settlement among members of a joint family concerning pre-existing rights in ancestral property. The decree passed on the basis of such a settlement merely recorded recognition of existing claims and did not create new rights in strangers.

28.2 On the issue of relationship, Hon'ble Supreme Court held that heirs of father of female are included as person, who can possibly succeed, and therefore, it cannot be said that they were strangers and not members of the family qua the female. As such, nephews of Smt. Jagno were held to be not the strangers to the family and as such, it was held that decree did not require registration. For holding so, Hon'ble Supreme Court also referred **to Ram Charan Das v. Girjanandini Devi and others, 1965(3) SCR 841**, besides **Kale and ors. v. Deputy Director of Consolidation and ors. (1976) 3 SCC 119**.

28.3 However, in the present case, Satbir & Shamsheer are admittedly strangers to Bhara. There was no pre-existing right, no family relationship, and so, there could be no family settlement of any kind. The decree of 1978 did not acknowledge antecedent rights but purported to create title in favour of non-family members for the first time, thereby attracting compulsory registration under **Bhoop Singh**. Thus, **Khushi Ram** has no application.



RSA-1908-1993 (O&M)

RSA-1909-1993 (O&M)

29. Similarly, the issue in ***Gurcharan Singh (supra)*** concerned the effect of a valid family arrangement recorded through a compromise decree. The Supreme Court emphasized the sanctity and binding effect of genuine family settlements amongst related members designed to maintain peace and harmony. However, here in the present case, there is no family arrangement at all. The very assertion of family relationship between Bhara and the respondents stands disproved and even conceded as false before this Court. A decree based on a fictitious family relationship cannot be placed on the same pedestal as a bona fide compromise among family members. Therefore, the ratio of ***Gurcharan Singh*** is wholly inapplicable.

30. In ***Mohammade Yusuf's case***, the Supreme Court dealt with the circumstances under which a consent decree can be challenged and the limited scope of a collateral attack on such decrees, particularly where the compromise is lawful and the consent is unequivocal. However, in present case, decree of 1978 is not a mere consent decree but one that creates new rights in immovable property in favour of strangers. Such a decree attracts mandatory registration under Section 17 of the Registration Act. A decree that is void for want of registration is a nullity, and its invalidity can be declared even collaterally. The bar on collateral attack does not apply to void decrees. Hence, ***Mohammad Yusuf*** offers no assistance.

31. In ***Sakina Sultan's case***, the Supreme Court examined the doctrine that a consent decree is binding where the consent is free and the decree does not violate any statutory provision. The case reaffirmed that courts must respect compromise arrangements that reflect lawful settlements. However, the present decree violates Section 17 of the Registration Act, which mandates registration of instruments creating rights in immovable property. The decree also proceeds on the false premise that the respondents were grandsons of Bhara. A decree obtained on the basis of false foundational facts and creating fresh rights in strangers cannot be equated with a lawful compromise upheld in ***Sakina Sultan***.



RSA-1908-1993 (O&M)

RSA-1909-1993 (O&M)

Moreover, a decree contrary to mandatory statutory requirements is a nullity, and consent cannot breathe life into it.

32. The First Appellate Court placed strong reliance upon the Division Bench judgment in ***Gurudev Kaur and another v. Mehar Singh and others, 1989 (2) RLR 338***, to hold that a subsequent Court cannot look behind an earlier decree to determine whether it was passed on right or wrong facts. This reliance, however, was wholly misplaced. In ***Gurudev Kaur's case***, the parties were closely related, and the earlier decree was a bona fide arrangement recognising pre-existing family rights. The principle that a later Court cannot go behind an earlier consent decree assumes that the foundational facts in the earlier decree are true, lawful, and not suspect. However, in the present case, Satbir and Shamsher are strangers to Bhara, a fact now unequivocally admitted; there could be no family settlement amongst strangers; the decree conferred ownership for the first time; and the decree itself was void for want of registration.

33. Once the very foundation of the earlier decree is shown to be false, the later Court is not bound to treat it as sacrosanct. The First Appellate Court, therefore, erred in invoking ***Gurudev Kaur (supra)*** and in reversing the well-reasoned findings of the Trial Court.

34. A plea has been raised by the respondents that the suit filed by Parbati & Dhupli was barred by Order XXIII Rule 3-A CPC, which prohibits a separate suit to set aside a compromise decree. This submission fails on a fundamental premise.

35. The decree of 1978 was not a compromise decree under Order XXIII Rule 3 CPC. It was passed on the basis of admission by Bhara in his written statement, and the decree itself was drawn under Order XII Rule 6 CPC, which provides for a judgment on admissions. A consent decree based on admissions



RSA-1908-1993 (O&M)

RSA-1909-1993 (O&M)

is distinct from a compromise decree founded on a lawful agreement between parties.

36. The case of *Pushpa Devi Bhagat v. Rajinder Singh (supra)* is the leading authority on the effect of Order XXIII Rule 3-A CPC, holding that a compromise decree cannot be challenged through a separate suit and that the proper remedy is to approach the same court which recorded the compromise.

37. The said decision in *Pushpa Devi v. Rajinder Singh (supra)* was rendered on an entirely different factual matrix. In that case, the landlord had instituted a suit for eviction of the tenant. During the proceedings, the parties arrived at a compromise, whereby the tenant agreed to vacate the premises by a specified date. The compromise was not reduced into a written instrument; instead, the statements of counsel for both parties were recorded on oath, and on the basis of those statements, a consent decree came to be passed. The Hon'ble Supreme Court held that such a decree constituted a valid compromise decree under Order XXIII Rule 3 CPC, and the mere fact that the compromise was not embodied in a formal written instrument did not detract from its validity. The Court further held that, in view of the bar contained in Rule 3-A of Order XXIII, no independent suit would lie to set aside such a compromise decree on the ground that the compromise was unlawful. A consent decree, the Supreme Court observed, operates as an estoppel and remains binding on the parties unless and until it is set aside by the very Court that passed it, upon an application filed under the proviso to Order XXIII Rule 3 CPC. Thus, the only remedy available to a party seeking to avoid a consent decree is to approach the Court which recorded the compromise and to establish before that Court that no lawful compromise had, in fact, been arrived at. It is that Court alone, which is competent to examine and decide whether the compromise was validly entered into or not.

38. The facts of present case are completely distinguishable. Here, the decree dated 25.10.1978 in the present case was not a compromise decree



RSA-1908-1993 (O&M)

RSA-1909-1993 (O&M)

under Order XXIII Rule 3 CPC. It was passed under Order XII Rule 6 CPC based on admissions. Consequently, the bar of Order XXIII Rule 3-A does not apply. Further, the decree is void for want of registration; and a void decree can always be questioned in an independent suit. Therefore, **Pushpa Devi Bhagat** is of no help to advance the plea of respondents Satbir & Shamsher.

39. Once the nature of the decree is correctly identified, the bar under Order XXIII Rule 3-A has no application. A decree passed on admissions may be challenged in an independent suit, particularly where it is a nullity for want of registration, as in the present case. The maintainability of the suit filed by the appellants thus stands affirmed.

40. Applying the principle of **Bhoop Singh** to the facts before this Court leaves no manner of doubt that the 1978 decree was compulsorily registrable. It was not the recognition of an antecedent right but a conferral of ownership upon complete strangers to the family. Not being registered, it could not legally divest Bhara of his title, nor could it prevent him from executing the subsequent Will in favour of Parbati and Dhupli. The Trial Court was, therefore, entirely correct in holding that the decree dated 25.10.1978 was null and void for want of registration.

41. Once the decree of 1978 is held to be a nullity for want of registration, it necessarily follows that Bhara continued to remain the owner of the suit land till his death. The registered Will dated 18.05.1979, duly proved on record, validly conferred the property upon his daughters Parbati and Dhupli. The Trial Court rightly upheld their rights and found them to be owners in possession.

42. Despite repetition, it may be noted that in the present case, it is indeed correct that the decree dated 25.10.1978 could not be proved to have been obtained through fraud, misrepresentation, or undue influence. On the contrary, the evidence demonstrates that Bhara voluntarily suffered the decree in favour of Satbir and Shamsher. However, what stands equally established



RSA-1908-1993 (O&M)

RSA-1909-1993 (O&M)

and has been fairly conceded by learned senior counsel for the respondents is that Satbir and Shamsher bore no relationship whatsoever with Bhara. They were not his heirs, not his descendants, nor even remotely connected to his family. In such circumstances, the very foundation of any alleged settlement between Bhara on the one hand, and Satbir & Shamsher on the other simply does not exist.

43. Once it is accepted that there was no familial relationship between the parties, the conclusion becomes inescapable that the decree dated 25.10.1978 was not a bona fide family arrangement, but a device employed to confer fresh rights in immovable property upon strangers without adhering to the mandatory requirements of the Registration Act. As held by the Hon'ble Supreme Court in ***Bhoop Singh v. Ram Singh Major***, a decree which, under the guise of a compromise, creates new rights in immovable property in favour of persons having no antecedent title or lawful claim, must be compulsorily registered. Its non-registration renders it legally ineffective.

44. Support for this principle is also found in the celebrated judgment of the three-Judge Bench of the Hon'ble Supreme Court in ***Kale & Ors. v. Deputy Director of Consolidation & Ors. (1976) 3 SCC 119***, wherein the Court emphasised that a family settlement must be a bona fide arrangement intended to resolve genuine family disputes among members who possess some antecedent title, claim, or even a possible claim to the property. Only then can such arrangements be upheld. In the present case, since Satbir and Shamsher had no antecedent claim, no title, and no relationship with Bhara, the very concept of a family settlement is wholly alien. No bona fide family arrangement, even notionally, could come into existence.

45. **Conclusion:** In view of these circumstances, this Court has no hesitation in holding that the First Appellate Court committed a grave error in concluding that the decree dated 25.10.1978 did not require registration. The Trial Court, on the other hand, correctly appreciated the legal position and rightly



RSA-1908-1993 (O&M)

RSA-1909-1993 (O&M)

held that the said decree required compulsory registration and, in its absence, could not confer any right upon Satbir and Shamsheer.

46. Consequently, the findings and decree of the First Appellate Court cannot be sustained and are accordingly set aside. The judgment and decree passed by the Trial Court are hereby restored. As a result, both the appeals stand allowed. The civil suit instituted by appellants Parbati and Dhupli is decreed, while the suit for permanent injunction filed by Satbir and Shamsheer is dismissed. Both the appeals are disposed of in these terms.

Photocopy of this order be placed on the connected case file.

(DEEPAK GUPTA)
JUDGE

27.11.2025

Neetika Tuteja

Whether speaking/reasoned?	Yes
Whether reportable?	Yes