2026 INSC 1177

REPORTABLE

IN THE SUPREME COURT OF INDIA

CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NOS. 14017-14018 of 2026

[Arising out of SLP (Civil) Nos. 29178-29179 of 2024]

GIRISHBHAI NATWARLAL PATEL **...Appellant**

Versus

GAUTAM PUNJABHAI PALKHIWALA (DEAD) BY LRS & ORS. **...Respondent(s)**

JUDGMENT

Signature Not Verified
Digitally signed by VISHAL ANAND
Date: 2026.10.30 14:19:26 IST
Reason:

J.B. PARDIWALA, J.:

For the convenience of exposition, this judgment is divided into the following parts:

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1. Leave granted.

2. Since the issues raised in the above captioned appeals are the same, the parties are also same and the challenge is also to the self-same judgment and order passed by the High Court, those were taken up for hearing analogously and are being disposed of by this common judgment and order.

A. PROCEDURAL BACKDROP OF THE MATTER:

3. The present appeals arise from (i) the **Order dated 02.04.2024** in ***C.A. No. 1408/2024*** whereby the High Court granted an *ex parte ad interim* injunction against the appellant herein; and (ii) the **Judgment dated 14.08.2024** passed in ***C.A. No. 1408/2024 with C.A. No. 1608/2024*** in ***F/First Appeal No. 7226 of 2024*** whereby the High Court condoned a delay of 11 years and granted the Respondent Nos. 1-9 herein, Leave to Appeal against the consent decree dated 29.04.2013 passed in the ***Original Civil Suit No. 322 of 2012***, instituted for specific performance of contract.

4. By the aforesaid *ex parte ad interim* order, the High Court restrained the appellant/Girish Natwarlal Patel, and any person acting on his behalf from entering upon the subject suit property and/or selling, transferring, mortgaging, leasing, creating third-party rights or encumbrances in respect thereof, or otherwise dealing with the property in any manner whatsoever, until the next date of hearing. The injunction was granted with a view to preventing multiplicity of proceedings pending the decision of the appeal.

5. As the appellant/Girish Natwarlal Patel was not a party to the proceedings at the time the aforesaid *ex parte ad interim* order was passed, the High Court Registry had issued him a writ of the Civil Application for Leave to Appeal, thereby informing him of the injunction granted against him. When the matter was next listed on 02.05.2024, an adjournment was granted at the request of Ms. Vanu Nanavaty, the learned counsel who stated that she had received instructions to appear on behalf of Girish Natwarlal Patel, but the interim relief granted earlier was ordered to be continued. On 18.8.2024, when the matter came

up for hearing, the High Court asked the Registry to notify all Civil Applications and place them on file for hearing.

6. The matter was thereafter listed on 01.07.2024, 09.07.2024, 18.07.2024, 22.07.2024, respectively and heard *inter partes,* with the interim relief being continued in the meantime. The matter was eventually argued at length on 25.07.2024, when the parties advanced extensive submissions on the grant of *ex parte ad interim* relief, the condonation of delay and the application seeking leave to appeal, following which, it was reserved for orders.

7. On 31.07.2024, the matter was taken up again for clarification of certain aspects of the written submissions tendered by the learned counsel for the appellant. Finally, on 14.08.2024, the High Court pronounced the Judgment in the Civil Application for Leave to Appeal, whereby it confirmed the interim relief granted by the order dated 02.04.2024, allowed the application seeking condonation of delay and granted the leave to appeal.

8. Aggrieved by the aforesaid orders, the appellant has preferred the present SLPs, seeking to challenge the grant of the *ex parte ad interim* injunction, the condonation of delay of 11 years in seeking leave to appeal, and the grant of such leave to those who were not parties to the consent decree.

9. For ease of reference, the description of the parties before this Court, the High Court and the Trial Court, is tabulated respectively, as follows:

	Before this Court	**Before the High Court**	**Before the Trial Court in Civil Suit no. 322 of 2012**
Girishbhai Natwarlal Patel	Appellant	Not a party (when the Oral Order dated 02.04.2026 was passed; However, he was issued a writ of civil application and had thereafter	Not a party

		appeared before the High Court through his counsel	
versus			
Gautam Punjabhai Palkhiwala	Respondent No. 1	Applicant No. 1	Not a party
Varsha Vikrambhai Palkhiwala	Respondent No. 2	Applicant No. 2	Not a party
Saurin Vikrambhai Palkhiwala	Respondent No. 3	Applicant No. 3	Not a party
Sujal Vikrambhai Palkhiwala	Respondent No. 4	Applicant No. 4	Not a party
Sejal Rikeen Dalal	Respondent No. 5	Applicant No. 5	Not a party
Samir Anilbhai Palkhiwala	Respondent No. 6	Applicant No. 6	Not a party
Mira Jagatbhal Palkhiwala	Respondent No. 7	Applicant No. 7	Not a party
Anar Urvish Thakersky	Respondent No. 8	Applicant No. 8	Not a party
Akash Jagatbhai Palkhiwala	Respondent No. 9	Applicant No. 9	Not a party
Geetagram Cooperative Housing Society	Respondent no. 10	Respondent no. 1	Plaintiff in Regular Civil

			suit no. 322 of 2012
Manjulaben Ganpatbhai Patel Widow of Ganpatbhai Patel	Respondent no. 11	Respondent no. 2	Defendant No. 1
Bharatbhai Ganpatbhai Patel	Respondent no. 12	Respondent no. 3	Defendant No.2
Rita Ganpatbhai Patel	Respondent no. 13	Respondent no. 4	Defendant No. 3
Shobhaben Rajnibhai Patel (Legal heir of Rajnibhai Patel)	Respondent no. 14	Respondent no. 5.1	Defendant No. 4
Parth Rajnibhai Patel (Legal heir of Rajnibhai Patel)	Respondent no. 15	Respondent no. 5.2	
Krunal (Krushant) Rajnibhai Patel (Legal heir of Rajnibhai Patel)	Respondent no. 16	Respondent no. 5.3	

10. For the sake of convenience, the parties shall hereinafter be referred to by their respective status before this Court, unless otherwise indicated.

B. SUBMISSIONS ON BEHALF OF THE PARTIES (ALONG WITH THEIR CORRESPONDING FACTUAL MATRIX):

11. Since the facts of the case are inextricably intertwined with the rival submissions advanced by the parties, the factual narrative is set out in conjunction with their respective submissions.

(i) Submissions on behalf of the Appellant:

12. Mr. Anshin H. Desai, the learned senior counsel appearing for the appellant/Girishbhai Natwarlal Patel submitted that the High Court committed an egregious error of law in granting *an ex parte ad interim* injunction against the present appellant on the basis of a proposed draft amendment to the application and by granting Leave to Appeal, condoning an inordinate delay of 11 years.

13. The learned Senior Counsel argued that an appeal under Section 96 of the Code of Civil Procedure, 1908, is not maintainable against a consent decree and that someone who is not a party to the compromise decree, cannot get a cause of

action to challenge the validity of the same. He placed reliance on this Court's judgment in ***Triloki Nath Singh v. Anirudh Sing (Dead) through legal heirs and representatives*** **[2020(6) SCC 639]** and ***Pushpa Devi Bhagat v. Rajinder Singh*** **[2006 (5) SCC 566]** and ***R. Janakiammal v. S.K. Kumarasamy*** **[(2021) 9 SCC 114].**

14. The learned senior counsel further submitted that the *ex parte ad interim* injunction could not have been granted on the basis of a proposed draft amendment presented in the Application for Leave to Appeal. To substantiate his argument, he referred to this Court's observation in ***Acqua Borewell Pvt. Ltd. v. Swayam Prabha & Others*** **[2022 (15) SCC 511]**, wherein it was held that "*No injunction can be granted without impleading and without granting opportunity of hearing to parties when parties have right, title and interest in the property and when they are directly affected by the interim injunction*". He also referred to this Court's observation in ***Kishorsinh Ratansinh Jadeja v. Maruti Corporation & others*** **[2009 (11) SCC 229]**, wherein it was observed that "*interim order affecting third*

party rights in their absence when they are not parties to the proceedings cannot be sustained."

15. He further submitted that the continuation of the *ad interim* injunction against the appellant, without him having been impleaded as a party, is prejudicial to his interests. He contended that, until the impleadment application is heard and the appellant was afforded an opportunity to put forth his case, restraining him on the basis of a proposed draft amendment to the application for leave to appeal, was legally unsustainable. Accordingly, he submitted that the *ad interim* injunction ought to have been vacated in the interest of justice.

16. With respect to the issue of condonation of delay, the learned Senior Counsel submitted that the impugned oral order dated 02.04.2024 is legally unsustainable because the High Court had granted an *ex parte ad interim* injunction even before deciding the application for condonation of delay. The Civil Application for Condonation of Delay was allowed only subsequently, *vide* the impugned order dated 14.08.2024. He further contended that the High Court committed an error in

condoning the delay mechanically, without any exchange of pleadings on this issue, despite the inordinate delay of 11 years and the absence of any satisfactory explanation therefor. In support of this submission, he placed reliance on the decisions of this Court in ***Union of India v. Jahangir Byramji Jeejeebhoy (D) through his LR*** **[2024 SCC OnLine SC 489],** ***Postmaster General v. Living Media Limited*** [**2012 (3) SCC 563**], ***Oriental Aroma Chemical Industries Ltd. v. GIDC*** **[2010 (5) SCC 459],** ***Lanka Venkateswarlu by Lrs v. State of Andhra Pradesh*** **[2011 (4) SCC 363],** and ***Pundlik Jalam Patil by Lrs v. Executive Engineer, Jalgaon Medium Project and another*** **[2008 (17) SCC 448].**

17. The learned senior counsel further contended that the Respondent Nos. 1-9 respectively, lacked *locus standi* to maintain the appeal before the High Court. He submitted that even if Punajalal Mohanbhai HUF were considered to be the aggrieved party, the HUF was a distinct legal entity, separate from the Respondent Nos. 1-9. Accordingly, he argued that leave to appeal ought not to have been granted at the instance

of the Respondent Nos. 1-9, who could not have maintained the appeal in their individual capacity when the HUF itself was the alleged aggrieved party.

18. The following is the appellant's version of the factual matrix, as submitted by the learned senior counsel:

i. The original owner Purshottambhai Punjabhai had executed a sale deed dated 29.08.1975 in favour of Vikram Punja Palkhiwala, pursuant to which Mutation Entry no. 3106 had been recorded in the revenue records.

ii. On 10.06.1980, Mutation Entry no. 4018 was recorded in the name of Punjalal Mohanbhai HUF in respect of the subject land. However, the said entry no. 4018 was allegedly cancelled on 16.08.1980, on the basis of objections raised by Vikrambhai Palkhiwala himself and his other brother. They had allegedly contended that the property had been purchased by Vikram Palkhiwala in his individual capacity and therefore, could not be treated as belonging to the Punjalal Mohanlal HUF. Accordingly, the

mutation entry no. 4018 itself reflects that it was cancelled in 1980.

iii. The mutation entry no. 4018 stood cancelled from 16.08.1980 until 20.11.1997, i.e. for a period of about 17 years. During this period, two significant developments took place:

i. On 16.03.1993, the Dy. Collector, passed an order in Ganot (Tenancy) Appeal no. 116 of 1990. The order stipulated that, if both the seller and the purchaser agree, the land would be restored to its original position within 3 months, failing which it would vest in the government. This order of 16.03.1993 was recorded vide revenue entry no. 6624 dated 29.03.1993. It is in view of this order dated 29.03.1993 that the name of the original owner Purshottambhai Punjabhai came to be reflected in the Village Form Nos. 7 & 12 for the subject land.

ii. On 11.09.1996, the heirs of Purshottambhai Punjabhai executed a registered agreement to sell the

subject land in favour of Respondent no. 10/Geetagram Society.

iv. On 20.11.1997, Revenue Entry no. 7597 was entered in the revenue records, recording the order of the Mamlatdar in RTS Appeal no. 7 of 1997. By the said order, Mutation Entry no. 4018 was approved, and the name of the HUF was re-entered in the revenue records, subject to the outcome of all pending civil proceedings.

v. In May 2012, Respondent No.10/Geetamgram Society through its chairman one Mr. Ramesh Patel, instituted the Civil Suit no. 322 of 2012, against the heirs of Purshottam Punjabhai, praying for specific performance of the registered agreement to sell dated 11.09.1996 or grant of damages/compensation.

vi. On 29.04.2013, a compromise pursis is filed in the Civil Suit no. 322 of 2012, signed by the defendants/heirs of Purshottam Punjabhai/Respondent nos. 11-16, and by the Plaintiff/Geetagram Society/Respondent no. 10. Pursuant to the the compromise pursis, a consent decree

was passed on 29.04.2013 itself, whereby, it was agreed by all parties to grant specific performance of the agreement to sell in favour of Geetagram Society. Thereafter, this consent decree got recorded in the revenue records.

vii. On 26.11.2020, Execution Application no. 725 of 202 was filed by the plaintiff/Respondent no. 10/Geetagram Society, seeking execution of the consent decree dated 29.04.2013.

viii. On 18.06.2022, a registered sale deed came to be executed by the Court Commissioner, in favour of the appellant/Girish Natwarlal Patel, with the plaintiff/Respondent no. 10/Geetagram Society as the confirming party. Entry no. 5327 came to be mutated in the revenue records with regard to this sale transaction, and that is how the name of the appellant got reflected in the revenue records corresponding to the subject land.

19. Having set out the aforesaid chronology of events, the learned Senior Counsel submitted that the Respondent Nos. 1-9

respectively had suppressed a material and relevant fact, namely, that it was during the aforementioned 17 year period between 1980 and 1997 that the name of the original owner Purshottam Punja was entered in the revenue records in 1993 and that the registered agreement to sell the subject land had been executed by the Respondent nos. 11-16/heirs of Purshottam Punja, in favour of the Respondent no. 10/Geetagram Society. The learned senior counsel further submitted that although the issue of suppression of this material fact had been specifically raised before the High Court, yet the High Court failed to consider or address the same in its impugned order.

20. Refuting the allegation that the appellant had committed fraud in collusion with the Respondent Nos. 10-16, the learned senior counsel submitted that the compromise decree had been drawn up in accordance with due procedure and that all the defendants therein had individually signed the compromise pursis. He further pointed out that the compromise pursis expressly recorded the defendants' agreement to execute one

or more sale deeds, as required by the plaintiff/Geetagram Society. Pursuant to the compromise decree, it was during the execution proceedings that the Court Commissioner executed the sale deed dated 18.06.2022 in favour of the appellant/Girish Natwarlal Patel. The learned counsel further submitted that no provision of law prohibited the execution of a sale deed through a Court Commissioner, pursuant to a compromise decree between the original owners and the society, in favour of an office-bearer of the society. He therefore contended that the mere fact that the appellant may or may not have been an office-bearer of Geetagram Society was not, by itself, determinative of the validity of the transaction or any proof of collusion.

21. He further submitted that the Respondent Nos. 1-9 have only challenged the consent decree dated 29.04.2013, without any challenge to the execution proceedings or the sale deed dated 18.06.2022. Thus, he argued that in the absence of any challenge to the execution proceedings or the sale deed dated

18.06.2022, the reliefs sought against the appellant were not maintainable.

22. In such circumstances referred to above, the learned senior counsel prayed that there being merit in his appeals, those may be allowed and the impugned orders be set aside.

(ii) Submissions on behalf of the Respondent Nos. 1 to 9:

23. Mr. Mihir J. Thakore & Ms. Megha Jani, the learned senior counsel appearing for the Respondent Nos. 1 to 9, submitted that no error, not to speak of any error of law, could be said to have been committed by the High Court in passing the impugned orders, warranting any interference by this Court.

24. The learned senior counsel set out the following chronology of events to substantiate his arguments and claims:

i. One Shri Purshottam Punjabhai, the predecessor of the Respondent Nos. 11-16), had sold the subject land to one Shri Vikram Punjabhai Palkhiwala, the predecessor of the Respondent Nos. 1-9, by a registered sale deed dated 29.08.1975. This sale transaction was recorded in the

revenue records *vide* Mutation Entry no. 3106 dated 06.11.1975 , which was certified on 14.02.1076.

ii. Between 1987 to 1997, certain proceedings were initiated under the Gujarat Tenancy and Agricultural Lands Act, 1948. However, these proceedings eventually culminated in the Order dated 14.02.1994, passed by the Mamlatdar-Agricultural Tribunal in Tenancy Case No. 150 of 1991, whereby the transfer dated 29.08.1975 in favour of Vikram Punjabhai Palkhiwala was held to be valid, having been effected between agriculturists. Consequently, the proceedings initiated under the Act of 1948 were dropped, and the transfer in favour of Vikram Punjabhai Palkhiwala was upheld.

iii. Thereafter, Entry No. 7017 was posted in Village Form No. 6 *Hakk Patrak*, and certified on 04.03.1995, recording the order dated 14.02.1994 and reflecting the name of Vikram Punjabhai Palkhiwala in the revenue records pertaining to the subject land.

iv. The original seller, Shri Purshottam Punjabhai died on 11.03.1995.

v. Subsequently, on 20.11.1997, Mutation Entry no. 7597 was posted in the revenue records in respect of the subject land, along with certain other parcels of land, reflecting the same as part of the Punjabhai Mohanbhai HUF (hereinafter, the "**HUF**"). The HUF's name was thus entered in place of Vikram Punjabhai Palkhiwala, whose name had previously appeared in the revenue records pertaining to the subject land. The Respondent nos. 1-9 are members of the HUF. The entry was certified on 15.01.1998.

vi. It was in 2023, while ascertaining the status of the revenue records that the Respondent Nos. 1-9 were surprised to come across certain documents, including Form 8A, Form No. 7 and Form No. 12, which reflected the name of the appellant/Mr. Girish, as the *'Occupant'* of the subject land in place of the HUF. Soon thereafter, between 04.11.2023-09.02.2024, the Respondent nos. 1-9 undertook steps to gather information regarding the relevant mutation entries and the details of the purported transactions which had ensued in the meanwhile.

vii. On 28.02.2024, the Respondent nos. 1-9 filed the First Appeal, challenging the consent decree dated 29.04.2013 and its subsequent proceedings, alleging that those had been obtained by fraud and collusion. Along with the First Appeal, they simultaneously filed Civil Applications seeking Leave to Appeal, Condonation of Delay, *ad interim* relief, impleadment of Mr. Girish, and permission to adduce additional evidence.

viii. On 20.03.2024, the Civil Application for Leave to Appeal was listed before the High Court. However, the Civil Application for Condonation of Delay was not on record, purportedly in view of certain orders of the High Court, including those passed in CA No. 1 of 2015 in F/FA no. 337 of 2015. Yet, on 21.03.2024, the Respondent Nos. 1-9 sought permission from the High Court to file and circulate the CA for Condonation of Delay.

ix. On the same day, i.e. 21.03.2024, the Respondent Nos. 1-9 received documents in response to an RTI application which showed a close connection and commonality between the Respondent no. 10/ Geetagram Society and

the appellant/Mr. Girish. Some of these documents allegedly also established that the appellant was the Chairman of Geetagram Society, at least in 2002-2003. The aforesaid documents were brought on record by an Additional Affidavit dated 21.03.2024.

x. Between 22.03.2024 & 26.03.2024, the Civil Applications were listed on board but could not be taken up for hearing.

xi. On 02.04.2024, relying upon the Additional Affidavit dated 21.03.2024, which purportedly demonstrated a direct link between Geetagram Society and Mr. Girish, the Respondent Nos. 1-9 moved a Draft Amendment to add a prayer seeking interim orders against Mr. Girish, and against any third party operating through him, *inter alia* restraining him from entering, transferring or creating third-party rights over the subject land.

xii. On 02.05.2024, Mr. Girish, appeared before the High Court through his counsel and sought an adjournment.

xiii. On 18.06.2024, the High Court directed the Registry to notify all the Civil Applications and place them on record for hearing.

xiv. On 01.07.2024, 09.07.2024, 18.07.2024 and 22.07.2024, respectively, the First Appeal and connected applications were listed and heard *inter partes.*

xv. On 31.07.2024, in view of the submissions filed by Mr. Girish, which referred to certain revenue entries that had not been placed on record, the Court relisted the matter for clarification. The matter was thereafter reserved for orders.

xvi. On 14.08.2024, the High Court passed the impugned order, confirming the order dated 02.04.2024, condoning the delay and granting the Leave to Appeal to Respondent Nos. 1-9.

25. The learned senior counsel submitted that the original seller Shri Purshottam Punjabhai had divested himself of all rights, title and interest in the subject land upon executing the registered sale deed dated 29.08.1975 in favour of Vikram Punjabhai Palkhiwala. Consequently, his legal heirs had no subsisting rights over the subject land and therefore, they could not have validly executed the subsequent agreement to

sell dated 11.09.1996 in favour of the Respondent No. 10/Geetagram Society.

26. The learned senior counsel vehemently contended that the 2012 suit for specific performance, which culminated in the consent decree dated 29.04.2013, was nothing but a collusive and fraudulent suit, instituted to deprive the HUF of its rightful ownership. He argued that Mr. Girish ultimately became the beneficiary of the consent decree, through his role in representing the original defendants and subsequent acquisition of the subject land. To support his contention, he relied upon the following circumstances, which allegedly demonstrate the *ex facie* fraudulent and collusive nature of the proceedings:

i. **Complete commonality of representation and alleged collusion between the parties:** On 22.03.2012, about a month and half before the aforesaid suit for specific performance was filed, the heirs of Purshottam Punjabhai executed a power of attorney in favour of the appellant/Mr. Girish. Acting in that capacity of Power-of-attorney holder,

Mr. Girish filed a Vakalatnama on behalf of the said heirs, who were arrayed as defendants in the suit. Thus, the very person who subsequently became the beneficiary of the transaction, was also representing the defendants against whom the specific performance was sought. The learned counsel relied upon this commonality of representation, coupled with the subsequent events, to contend that the proceedings were not genuinely adversarial in nature, but were in fact fraudulent and collusive in nature.

ii. **Unexplained delay in instituting the suit for specific performance:** The Suit for specific performance was instituted in 2012, nearly sixteen years after the agreement to sell of 1996, which was the subject matter of the suit.

iii. **Expeditious disposal by consent**: The suit was thereafter disposed of on the basis of a compromise pursis, culminating in the consent decree dated 29.04.2013 in favour of Geetagram Society.

iv. **Prolonged inaction in enforcing the decree, followed by transfer in favour of the appellant**: No execution

petition was filed for approximately seven years after the passing of the consent decree. It was only in 2020, that Geetagram Society instituted Execution Petition No. 725 of 2020. Subsequently, a sale deed dated 18.06.2022 was executed in favour of Mr. Girish, with Geetagram Society joining as a confirming party. Thereafter, Mutation Entry No. 5327 was posted on 22.03.2023 and certified on 20.04.2023, recording the sale in favour of Mr. Girish.

v. **The appellant's association with Geetagram Society as its Chairman**: On 21.03.2024, Respondent nos. 1-9 received documents pursuant to their RTI application, which according to the learned counsel, revealed Mr. Girish's close association with Geetagram Society, including his alleged position as its Chairman during 2002-2003.

vi. **Non-appearance of the original parties to the suit, before this Court, as a circumstance indicative of collusion:** The learned senior counsel further submitted that the absence of appearance on behalf of Geetagram Society and the Respondent Nos. 11-16, stated to be the

successors of the original seller, Purshottam Punjabhai, was also a circumstance warranting consideration in assessing the allegation of collusion between the appellant and the original defendants.

27. With respect to the Application for condonation of delay, the learned senior counsel submitted that the Registry had returned the application on the ground that in view of various orders passed by the High Court of Gujarat, an application for condonation of delay is not required when the challenge is by a non-party to the suit on the ground of the decree being fraudulent and collusive. However, the Civil Application for Condonation of Delay was subsequently permitted to be filed and was circulated after a special mention was made in that regard.

28. In response to the appellant's contention that the High Court had erred in continuing the *ex parte ad interim* injunction, the learned senior counsel submitted that the appellant's objection had been extensively heard by the High Court over several dates, for approximately 6-7 hours. It was only thereafter that

the High Court had passed the second impugned order dated 14.08.2024, confirming the injunction granted by the first impugned order dated 02.04.2024.

29. The learned senior counsel submitted that the impugned orders were only interlocutory in nature, granting leave to appeal to the Respondent Nos. 1-9, and restraining the appellant from dealing with the subject land during the pendency of the First Appeal. The main issue regarding the title over the subject land is still pending consideration before the High Court in the First Appeal and the connected Civil Applications, and hence, the impugned orders do not warrant any interference at this stage.

30. He further submitted that the Respondent Nos. 1-9 have established a strong *prima facie* case and that the balance of convenience lies in their favour. He contended that unless the appellant is restrained in the manner as directed in the impugned order, from creating third-party rights in respect of the subject land and from deriving benefits from the alleged fraud and collusion, the appellant would cause irreparable loss

to the Respondent Nos. 1-9 and give rise to further litigation and multiplicity of proceedings.

31. Relying upon the judgment of this Court in ***H. Anjanappa and others v. A. Prabhakar*** **[2025 SCC OnLine SC 183]**, the learned senior counsel submitted that the Respondent nos. 1-9 squarely fall within the category of aggrieved persons recognised therein, and were therefore, entitled to the leave to appeal granted by the High Court.

32. He also alleged that even after the order dated 14.08.2024 had been passed, the appellant attempted to alter the nature of the subject land by putting up construction thereon, which fact was brought on record by the Respondent Nos. 1-9 by filing an Additional Affidavit dated 23.09.2024.

33. In such circumstances referred to above, the learned senior counsel prayed that there being no merit in the present appeals, those may be dismissed.

C. ISSUES:

34. Having heard the learned counsel appearing for the parties and having gone through the materials on record, the following questions fall for our consideration:

i. Whether the High Court committed any error in granting the impugned order dated 02.04.2024, restraining the appellant from dealing with the subject land, and in continuing the same by judgement and order dated 14.08.2024?

ii. Whether leave to appeal could have been granted to the original applicants/Respondent nos. 1-9, considering that they were not parties to the original suit which culminated in the consent decree sought to be appealed against?

iii. Whether the condonation of delay of 11 years in preferring the appeal was justified?

D. ANALYSIS:

35. At the outset, it is necessary to delineate the scope of the present proceedings. The present proceedings before us are limited to determining the legality and validity of the impugned order granting leave to appeal, the legality of the order condoning the delay, and the sustainability of the *ad interim* injunction granted against the appellant. The scope of the present proceedings before us do not extend to adjudicating upon the merits of the appeal sought to be preferred against the consent decree. Consequently, our examination of the allegations of fraud and collusion, as well as the circumstances surrounding the passing of the consent decree, and any observation made in this regard, should not be construed as conclusive findings on the merits of the appeal.

(i) Whether the *ex parte ad interim* injunction granted *vide* impugned order dated 02.04.2024, restraining the appellant from dealing with the subject land, and in continuing the same by judgement and order dated 14.08.2024 is sustainable in law:-

36. The High Court, *vide* its impugned order dated 02.04.2024 had issued an *ex parte ad interim* injunction against the appellant. Subsequently, after hearing the appellant as well as the Respondent nos. 1-9, the High Court confirmed the order of injunction during pendency of the appeal, granted the application for leave to appeal, and condoned the delay in preferring the appeal.

37. We are of the considered opinion that the High Court committed no error, not to speak of any error of law, in granting the *ad interim* injunction sought by the Respondent Nos. 1-9 against the appellant.

38. *Prima facie*, the circumstances surrounding the transaction raise serious questions as to the manner in which the appellant ultimately claims to have acquired the subject land. Serious doubts arise, at this stage, as to whether the legal heirs of Purshottam Punjabhai possessed a subsisting right or title capable of being conveyed. It further appears, *prima facie*, that the appellant had acted under a power of attorney executed by the original defendants, namely, the legal heirs of Purshottam

Punjabhai, while also having close links with the functioning of the original plaintiff Geetagram Society, having purportedly served as its Chairman for some period during 2002-2003. Hence, the allegation that the appellant was closely connected with both the sides and ultimately became the beneficiary of the consent decree by securing a sale deed in his favour assumes significance. While these circumstances may not, by themselves conclusively establish fraud or collusion, those do furnish sufficient basis, at this interlocutory stage, for the apprehension that the transactions warrant judicial scrutiny.

39. With respect to the contention advanced on behalf of the appellant that the *ex parte ad interim* injunction could not have been granted prior to deciding the application for grant of leave to appeal and the application for condonation of delay, we are of the considered view that the High Court was justified in granting interim protection, having regard to the peculiar procedural circumstances arising from the sequence of events in the present case. Neither the Respondent nos. 1-9, nor the appellant, was a party to the suit from which the appeal arises.

Although the Respondent nos. 1-9 had filed an impleadment application simultaneously with the application seeking leave to appeal, yet the impleadment application could have been heard only after the original applicants themselves had made good their case for leave to appeal. Had the Respondent nos. 1-9 been required to await the adjudication of the application for leave to appeal, followed by the application for impleadment, before seeking interim protection, the subject land might, in the meantime, have been alienated, encumbered, or otherwise dealt with in a manner prejudicial to their asserted rights and detrimental to the effective adjudication of the dispute. This apprehension was not merely speculative but warranted serious consideration in light of the *prima facie* circumstances surrounding the consent decree, the execution proceedings, the appellant's role under the power of attorney, and his association with the original plaintiff.

40. We may also observe that the injunction initially granted by the High Court on 02.04.2024 was *ex parte* and *ad interim* in nature. However, the matter did not rest at that stage. The

appellant was subsequently afforded an opportunity of being heard, and the High Court considered the rival submissions before deciding, by its judgment and order dated 14.08.2024, to continue the interim protection. The continuation of the injunction was thus not an automatic perpetuation of the *ex parte* order, but followed by a hearing at which the appellant had the opportunity to contest the relief sought against him. This subsequent hearing is a material consideration in assessing the sustainability of the *ad interim* injunction, particularly when viewed alongside the *prima facie* circumstances warranting preservation of the subject land pending adjudication of the matter before the High Court.

41. In such circumstances referred to above, the High Court cannot be faulted for considering immediate interim protection necessary to preserve the subject matter of the dispute pending consideration of the matter before it.

(ii) Whether leave to appeal could have been granted to the original applicants/Respondent nos. 1-9, considering that they were not parties to the original suit which culminated in the consent decree sought to be appealed against?

42. Having examined the sustainability of the interim injunction, we now turn to the question whether the High Court was justified in granting leave to appeal to the Respondent Nos. 1-9.

a. Whether a stranger to a consent decree can maintain an appeal under Section 96 r/w Order XXIII Rule 3 & Rule 3A of the CPC, 1908?

43. In the matter before us, the leave to appeal has been sought against a consent decree by a stranger to the original suit. Hence, one of the primary contentions raised by the appellant herein is that an appeal under Section 96 of the Code of Civil Procedure, 1908, is not maintainable against a consent decree and that someone who is not a party to the compromise decree, cannot get a cause of action to challenge the validity of the same. In this regard, reliance has been placed on this Court's judgment in ***Triloki Nath Singh v. Anirudh Sing (Dead)***

through legal heirs and representatives **[2020(6) SCC 639]** and ***Pushpa Devi Bhagat v. Rajinder Singh*** **[2006 (5) SCC 566]** and ***R. Janakiammal v. S.K. Kumarasamy*** **[(2021) 9 SCC 114]**. However, we are of the considered view that such an argument put forward by the appellant is thoroughly misplaced. We would like to clarify the position of law in this regard.

44. In order to address the appellant's contention which is based on Section 96(3) of the Code of Civil Procedure, 1908, read with Order XXIII Rule 3 & 3A, we are hereby reproducing the relevant provisions for ease of reference.

45. Section 96(3) of the CPC, 1908, reads thus:

> "***96. Appeal from original decree.—***
>
> ***
>
> *(3) No appeal shall lie from a decree passed by the Court with the consent of parties.*"

46. Order XXIII Rule 3 & Rule 3A, respectively, read thus:

> *"**ORDER XXIII : Withdrawal and Adjustment of Suits***

***

3. Compromise of suit.—*Where it is proved to the satisfaction of the Court that a suit has been adjusted wholly or in part by any lawful agreement or compromise in writing and signed by the parties, or where the defendant satisfied the plaintiff in respect to the whole or any part of the subject-matter of the suit, the Court shall order such agreement, compromise or satisfaction to be recorded, and shall pass a decree in accordance therewith so far as it relates to the parties to the suit, whether or not the subject-matter of the agreement, compromise or satisfaction is the same as the subject-matter of the suit:*

Provided that where it is alleged by one party and denied by the other that an adjustment or satisfaction has been arrived at, the Court shall decide the question; but no adjournment shall be granted for the purpose of deciding the question, unless the Court, for reasons to be recorded, thinks fit to grant such adjournment.

Explanation.— An agreement or compromise which is void or voidable under the Indian Contract Act, 1872 (9 of 1872), shall not be deemed to be lawful within the meaning of this rule.

3A. Bar to suit.—*No suit shall lie to set aside a decree on the ground that the compromise on which the decree is based was not lawful."*

47. A conjoint reading of Section 96(3) of the CPC, 1908 with Order XXIII Rule 3 & Rule 3A thereof, makes it clear that the statutory bar on an appeal against a consent decree, and the estoppel arising therefrom, are founded upon the binding effect of the compromise between the parties thereto. The legislative scheme seeks to ensure finality to lawful compromises and to prevent parties who have consented to a decree from subsequently resiling from their agreement through collateral proceedings. The statutory bar, however, cannot be mechanically invoked to defeat the right of a person who was not a party to the compromise and who asserts an independent legal interest prejudicially affected by the decree. The distinction between a party seeking to avoid a compromise to which he has consented and a non-party seeking to challenge a decree on the ground that it prejudicially affects his independent rights is, therefore, material.

48. In this regard, the following observations of this Court in ***Banwari Lal v. Chando Devi*** **[1992 SCC OnLine SC 541]**, are relevant:

> *"9. […] When Section 96(3) bars an appeal against decree passed with the consent of parties, it implies that such decree* ***is valid and binding on the parties*** *unless set aside by the procedure prescribed or available to the parties. One such remedy available was by filing the appeal under Order 43, Rule 1(m). If the order recording the compromise was set aside, there was no necessity or occasion to file an appeal against the decree. Similarly, a suit used to be filed for setting aside such decree on the ground that the decree is based on an invalid and illegal compromise not binding on the plaintiff of the second suit. But after the amendments which have been introduced, neither an appeal against the order recording the compromise nor remedy by way of filing a suit is available in cases covered by Rule 3-A of Order 23. As such a right has been given under Rule 1-A(2) of Order 43 to a party, who challenges the recording of the compromise, to question the validity thereof while preferring an appeal against the decree. Section 96(3) of the Code shall not be a bar to such an appeal because Section 96(3) is applicable to cases*

where the factum of compromise or agreement is not in dispute."

(Emphasis supplied)

49. The position was once again elucidated by this Court in ***Pushna Devi Bhagat v. Rajinder Singh*** **[(2006)5 SCC 566],** wherein this Court summarised the legal consequences flowing from the amended provisions of Order XXIII, including the bar under Section 96(3) of the CPC,1908 and the estoppel arising from a consent decree. The relevant observation of this Court in ***Pushna Devi*** *(Supra)* reads thus:

"17. The position that emerges from the amended provisions of Order 23 can be summed up thus:

(i) No appeal is maintainable against a consent decree having regard to the specific bar contained in Section 96(3) CPC.

(ii) No appeal is maintainable against the order of the court recording the compromise (or refusing to record a compromise) in view of the deletion of clause (m) of Rule 1 Order 43.

(iii) No independent suit can be filed for setting aside a compromise decree on the ground that the compromise was not lawful in view of the bar contained in Rule 3-A.

(iv) A consent decree operates as an estoppel and is valid and binding *unless it is set aside by the court which passed the consent decree, by an order on an application under the proviso to Rule 3 Order 23.*

Therefore, the only remedy available to a party to a consent decree to avoid such consent decree*, is to approach the court which recorded the compromise and made a decree in terms of it, and establish that there was no compromise. In that event, the court which recorded the compromise will itself consider and decide the question as to whether there was a valid compromise or not. This is so because a consent decree is nothing but contract between parties superimposed with the seal of approval of the court. The validity of a consent decree depends wholly on the validity of the agreement or compromise on which it is made. The second defendant, who challenged the consent compromise decree was fully aware of this position as she filed an application for setting aside the consent decree on 21-8-2001 by alleging that there was no valid compromise in accordance with law. Significantly, none of the other defendants challenged the consent decree. For reasons best*

known to herself, the second defendant within a few days thereafter (that is on 27-8-2001) filed an appeal and chose not to pursue the application filed before the court which passed the consent decree. Such an appeal by the second defendant was not maintainable, having regard to the express bar contained in Section 96(3) of the Code."

(Emphasis supplied)

50. The scope and object of Order XXII Rule 3 & 3A of the CPC,1908 were also considered by this Court in ***R. Rajanna v. S.R. Venkataswamy and Other*** **[2014 (15) SCC 471]**, wherein it was observed as follows:

"11. It is manifest from a plain reading of the above that in terms of the proviso to Order 23 Rule 3 ***where one party alleges and the other denies adjustment or satisfaction of any suit by a lawful agreement or compromise*** *in writing and signed by the parties, the Court before whom such question is raised, shall decide the same. What is important is that in terms of Explanation to Order 23 Rule 3, the agreement or compromise shall not be deemed to be lawful within the meaning of the said Rule if the same is void or voidable under the Contract Act, 1872. It follows that in every case* ***where the question arises***

whether or not there has been a lawful agreement or compromise in writing and signed by the parties, the question whether the agreement or compromise is lawful has to be determined by the court concerned. *What is lawful will in turn depend upon whether the allegations suggest any infirmity in the compromise and the decree that would make the same void or voidable under the Contract Act. More importantly, Order 23 Rule 3-A clearly bars a suit to set aside a decree on the ground that the compromise on which the decree is based was not lawful. This implies that no sooner a question relating to lawfulness of the agreement or compromise is raised before the court that passed the decree on the basis of any such agreement or compromise, it is that court and that court alone who can examine and determine that question. The court cannot direct the parties to file a separate suit on the subject for no such suit will lie in view of the provisions of Order 23 Rule 3-A CPC. That is precisely what has happened in the case at hand. When the appellant filed OS No. 5326 of 2005 to challenge the validity of the compromise decree, the court before whom the suit came up rejected the plaint under Order 7 Rule 11 CPC on the application made by the respondents holding that such a suit was barred by the provisions of Order 23 Rule 3-A CPC. Having thus got the plaint rejected, the defendants (respondents herein) could hardly be heard to argue that the plaintiff (appellant*

herein) ought to pursue his remedy against the compromise decree in pursuance of OS No. 5326 of 2005 and if the plaint in the suit has been rejected to pursue his remedy against such rejection before a higher court."

(Emphasis supplied)

51. The aforesaid references to this Court's observations in ***Banwari Lal*** *(Supra)*, ***Pushpa Devi*** *(Supra)* and ***R. Rajanna*** *(Supra)*, respectively, must, however, be understood in their proper context. When this Court in ***Pushpa Devi*** *(Supra)* observes that "*No appeal is maintainable against a consent decree having regard to the specific bar contained in Section 96(3) CPC.*", it has to be read with the qualifier that the statement had been made with respect to the remedies available to a party to a consent decree to avoid such a consent decree, i.e. the observation relates only to the rights of those who were parties to the compromise agreement. Hence, the appellant's reliance on these authorities in the present fact scenario is misplaced because the original applicants/Respondent Nos. 1-9 were not parties to the

consent decree and hence cannot be brought under the scope of Section 96 of the CPC, 1908 read with Order XXIII Rule 3 or Rule 3A, thereof.

52. Moreover, the reliance placed by the appellant on the decision of this Court in ***Triloki Nath Singh v. Anirudh Singh (D) Thr. LRs & Ors.*** **[2020 INSC 385]**, is also misplaced. In that case, the appellant therein had acquired the subject property during the pendency of the title suit which culminated in the consent decree. His claim to the property was, therefore, derived through a party to the original proceedings, and he was consequently bound by the legal consequences flowing from the compromise decree. Hence, when the appellant therein was tracing his title to the suit property through one of the parties to the suit, he was barred from instituting a separate suit challenging the compromise decree, under Order XXIII Rule 3A of the CPC, 1908. However, in sharp contrast, in the matter before us, the Respondent nos. 1-9 are complete strangers to the consent decree and do not even trace their claim through any of the parties to the consent decree sought to be

challenged. Moreover, unlike the facts in ***Triloki Nath*** *(Supra)* there were no pending litigation between the Respondent nos. 1-9 and the parties to the suit. Therefore, due to the distinctiveness of the factual scenario, no parallel can be drawn between the two cases. Hence, the decision in ***Triloki Nath*** *(Supra)* cannot be mechanically applied to desist the Respondent nos. 1-9 from seeking leave to appeal against the consent decree they were strangers to.

53. Thus, it follows that a person who was neither a party to the original proceedings nor a party to the compromise cannot, merely by virtue of the decree having been passed with the consent of others, be deemed to have consented to it or be precluded from asserting an independent right allegedly prejudiced thereby. A stranger to a compromise decree cannot be said to be barred under Section 96(3) read Order XXIII Rule 3 & Rule 3A of the CPC, 1908, since the scope and import of these provisions are limited to the parties to the compromise and act as an estoppel only with respect to them.

54. At the same time, non-party status does not confer an unrestricted right of appeal. Such a person must *prima facie* demonstrate that the impugned decree prejudicially affects his rights or interests and must obtain leave of the appellate court in accordance with the settled principles governing appeals by persons who were not parties to the original proceedings. Accordingly, the question that falls for our consideration is whether the Respondent nos. 1-9 have *prima facie* demonstrated that they have a legally cognisable interest in the subject land, and that the consent decree prejudicially affects their interest, so as to warrant the grant of leave to appeal.

55. To summarise this sub-issue, an appeal under Section 96 of the CPC, 1908, may be preferred by any of the following persons:

i. Any party to the suit adversely affected by the decree or if such party is dead, by his legal representative.

ii. Any transferee of the interest of such party, so far as such interest is concerned, is bound by the decree.

iii. No person unless he is a party to the suit, is entitled to appeal under this Section. But a person who is not a party to the suit, may prefer an appeal with leave of the appellant court and such leave should be granted if he would be aggrieved, prejudicially affected by the judgment or if it would be binding on him as *res judicata* under Explanation 6 to Section 11 of the CPC, 1908. A person who is not a party to the decree or order may with the leave of the Court prefer an appeal from such decree or order if he is either bound by the order or is aggrieved by it or is prejudicially affected by it. As a rule, leave to appeal will not be refused to a person who might have been made ex nominee a party.

iv. Whether a party is adversely affected by a decree is a question of fact to be determined in each case according to its peculiar circumstances.

b. <u>Principles governing the grant of leave to appeal:</u>

56. At this stage, we consider it apposite to clarify that the fact that the consent decree under challenge was passed on the basis of a compromise does not, by itself, render the application for leave to appeal by a non-party subject to any distinct or more restrictive test. As we have already clarified in our discussion hereinabove, the bar under Section 96(3) of the CPC, 1908, read with Order XXIII Rules 3 and 3A thereof, cannot be invoked to preclude a person who was neither a party to the original proceedings nor a party to the compromise from seeking leave to appeal against a compromise decree which allegedly prejudicially affects his independent legal rights or interests. Such an applicant seeking leave to appeal cannot be bound by the estoppel arising from the compromise merely because the decree was passed with the consent of others. Accordingly, the application for leave to appeal must be examined in accordance with the same settled principles that govern an application by a non-party seeking to challenge an ordinary decree passed upon adjudication. The decisive

consideration remains whether the applicant has demonstrated a legally cognisable interest that is prejudicially affected by the impugned decree so as to warrant the exercise of the appellate court's discretion in granting leave. The fact that the decree in question is a consent decree neither dispenses with this requirement nor, in itself, constitutes a bar to the grant of leave.

57. Having clarified the above position, we now turn to the principles governing the grant of leave to appeal to a person who was not a party to the original proceedings. In this regard, the observations rendered by a three-Judge Bench of this Court in ***V.N. Krishna Murthy and Another v. Ravikumar and others*** **[(2020) 9 SCC 501]**, is of utmost relevance. This Court in ***V.N. Krishna Murthy*** *(Supra)* observed that applicants seeking leave to appeal, must demonstrate that they are prejudicially or adversely affected by the decree in question, or that any of their legal rights stand jeopardised, so as to bring them within the ambit of the expression "aggrieved person", in order to entitle them to maintain an appeal against

the decree. The relevant observation of this Court in ***V.N. Krishna Murthy*** *(Supra)*, reads thus:

> *"15. Sections 96 and 100 of the Code of Civil Procedure provide for preferring an appeal from any original decree or from decree in appeal, respectively. The aforesaid provisions do not enumerate the categories of persons who can file an appeal. However,* ***it is a settled legal proposition that a stranger cannot be permitted to file an appeal in any proceedings unless he satisfies the Court that he falls within the category of aggrieved persons. It is only where a judgment and decree prejudicially affects a person who is not party to the proceedings, he can prefer an appeal with the leave of the appellate court.*** *Reference be made to the observation of this Court in Jatan Kumar Golcha v. Golcha Properties (P) Ltd. [Jatan Kumar Golcha v. Golcha Properties (P) Ltd., (1970) 3 SCC 573] : (SCC p. 575, para 3)*
>
> > *"3. …* ***It is well settled that a person who is not a party to the suit may prefer an appeal with the leave of the appellate court and such leave should be granted if he would be prejudicially affected by the judgment****."*
>
> *16. This Court in State of Punjab v. Amar Singh [State of Punjab v. Amar Singh, (1974) 2 SCC 70] while dealing with*

the maintainability of appeal by a person who is not party to a suit has observed thus: (SCC p. 104, para 83)

> *"83. Firstly, there is a catena of authorities which, following the dictum of Lindley, L.J., Securities Insurance Co., In re [Securities Insurance Co., In re, (1894) 2 Ch 410 (CA)] have laid down* ***the rule that a person who is not a party to a decree or order may with the leave of the Court, prefer an appeal from such decree or order if he is either bound by the order or is aggrieved by it or is prejudicially affected by it****."*

17. In Baldev Singh v. Surinder Mohan Sharma [Baldev Singh v. Surinder Mohan Sharma, (2003) 1 SCC 34], this Court held that an appeal under Section 96 of the Civil Procedure Code, 1908, would be maintainable only at the instance of a person aggrieved by and dissatisfied with the judgment and decree. While dealing with the concept of person aggrieved, it was observed in para 15 as under: (SCC pp. 39-40)

> *"15. … A* ***person aggrieved to file an appeal*** *must be one whose right is affected by reason of the judgment and decree sought to be impugned."*

18. In A. Subash Babu v. State of A.P. [A. Subash Babu v. State of A.P., (2011) 7 SCC 616: (2011) 3 SCC (Civ) 851:

(2011) 3 SCC (Cri) 267] this Court held as under: (SCC pp. 628-29, para 25)

> *"25. … The expression "**aggrieved person**" denotes an elastic and an elusive concept. It cannot be confined within the bounds of a rigid, exact and comprehensive definition. **Its scope and meaning depends on diverse, variable factors such as the content and intent of the statute of which the contravention is alleged, the specific circumstances of the case, the nature and the extent of the complainant's interest and the nature and the extent of the prejudice or injury suffered by the complainant**."*

19. The expression "person aggrieved" does not include a person who suffers from a psychological or an imaginary injury; a person aggrieved must, therefore, necessarily be one, whose right or interest has been adversely affected or jeopardised (vide Shanti Kumar R. Canji v. Home Insurance Co. of New York [Shanti Kumar R. Canji v. Home Insurance Co. of New York, (1974) 2 SCC 387] and State of Rajasthan v. Union of India [State of Rajasthan v. Union of India, (1977) 3 SCC 592]).

20. In K. Ponnalagu Ammani v. State of Madras [K. Ponnalagu Ammani v. State of Madras, 1952 SCC OnLine Mad 300 : (1953) 66 LW 136], this Court laid down the test to find out when it would be proper to grant leave to appeal

to a person not a party to a proceeding against the decree or judgment passed in such proceedings in the following words: (SCC OnLine Mad)

> *"Now, what is the* ***test to find out when it would be proper to grant leave to appeal to a person not a party to a proceeding against the decree or judgment in such proceedings?*** *We think it would be improper to grant leave to appeal to every person who may in some remote or indirect way be prejudicially affected by a decree or judgment. We think that ordinarily leave to appeal should be granted to persons who, though not parties to the proceedings, would be bound by the decree or judgment in that proceeding and who would be precluded from attacking its correctness in other proceedings."*

(Emphasis supplied)

58. Thus, it is well settled that leave to appeal cannot be granted as a matter of course to every person who may be remotely or indirectly affected by a judgment or decree. The applicant must demonstrate that the impugned judgment or decree prejudicially affects his rights or interests so as to warrant the exercise of the appellate court's discretion in his favour. The relevant consideration is whether the applicant is a person aggrieved by the impugned judgment or decree, having regard

to the nature of his interest and the prejudice occasioned thereby. The principles governing the grant of leave to appeal to a person who was not a party to the original proceedings have been succinctly summarised by this Court in ***H. Anjanappa v. A. Prabhakar*** **[2025 INSC 121]** (wherein one of us, J.B. Pardiwala, J. was part of the Bench), the relevant paragraphs of which read thus:

> *"43.* ***The principles governing the grant of leave to appeal may be summarised as under****:*
>
> i. *Sections 96 and 100 of the CPC respectively provide for preferring an appeal from an original decree or decree in appeal respectively;*
>
> ii. *The said provisions do not enumerate the categories of persons who can file an appeal;*
>
> iii. *However, it a settled legal proposition that a stranger cannot be permitted to file an appeal in any proceedings unless he satisfies the court that he falls within the category of an aggrieved person;*

iv. *It is only where a judgment and decree prejudicially affects a person who is not a party to the proceedings, he can prefer an appeal with the leave of the court;*

v. *A person aggrieved, to file an appeal, must be one whose right is affected by reason of the judgment and decree sought to be impugned;*

vi. *The expression "person aggrieved" does not include a person who suffers from a psychological or an imaginary injury;*

vii. *It would be improper to grant leave to appeal to every person who may in some remote or indirect way be prejudicially affected by a decree or judgment; and*

viii. *Ordinarily leave to appeal should be granted to persons who, though not parties to the proceedings, would be bound by the decree or judgment in that proceeding and who would be precluded from attacking its correctness in other proceedings."*

(Emphasis supplied)

59. Applying the aforesaid principles to the facts of the present case, the question that arises is whether the original

applicants/Respondent Nos. 1-9 though not parties to the original suit or the compromise agreement culminating in the decree dated 29.04.2013, can be regarded as 'aggrieved persons', entitled to seek leave to appeal against the said consent decree. The answer to this question must turn on the nature of legal interest asserted by them, the prejudice alleged to have been occasioned by the decree, and the circumstances in which the decree came to be passed and subsequently acted upon. At this stage, the inquiry is not whether the claim of the Respondent nos. 1-9 to the subject land would ultimately be sustainable, but whether the material placed on record discloses an interest allegedly prejudiced by the decree, sufficient to warrant its examination in appeal.

60. It is not in dispute that Purshottambhai Punjabhai executed a sale deed dated 29.08.1975 in favour of Vikram Punja Palkhiwala in respect of the subject land, pursuant to which Revenue Entry No. 3106 was posted on 06.11.1975. The parties, however, are at considerable variance regarding the subsequent course of events, and rely upon different mutation

entries and related documents in support of their respective claims. Although mutation entries, by themselves, do not confer or establish title, the material relied upon by the Respondent Nos. 1-9 cannot, at this stage, be dismissed as disclosing no more than an imaginary or remote interest in the subject land. The sequence of events and the documents relied upon by them furnish a sufficient basis for examining whether the consent decree has prejudicially affected their asserted rights.

61. Few circumstances assume significance in this regard. The suit for specific performance was instituted in 2012 on the basis of an agreement to sell dated 11.09.1996 which culminated in the consent decree dated 29.04.2013 in favour of Geetagram Society. The decree was not put into execution until 2020, and the sale deed in favour of the appellant came to be executed on 18.06.2022, with Geetagram Society joining as a confirming party. It is further alleged that, on 22.03.2012, the heirs of the original seller had executed a power of attorney in favour of the appellant, who thereafter acted on their behalf

in the proceedings culminating in the consent decree from which he ultimately derived the benefit of the conveyance. The alleged non-appearance of Geetagram Society and the Respondent Nos. 11-16 in the proceedings before the High Court, as well as before this Court, is an additional circumstance which, when considered alongside the other material, cannot be wholly disregarded while assessing whether the allegations warrant appellate scrutiny. These circumstances do not, by themselves, establish fraud or collusion; they do, however, reinforce the conclusion that the grievance raised by the Respondent Nos. 1-9 is not so tenuous as to foreclose their access to the appellate process at the threshold.

62. Considered cumulatively, the material on record establishes, for the limited purpose of determining their entitlement to seek leave, that the Respondent Nos. 1-9 have asserted a legally cognisable interest which may be prejudicially affected by the consent decree. The fact that they were not parties to the original suit or to the compromise does not, by itself, disentitle

them from seeking leave to appeal where the decree is alleged to impinge upon their independent rights. We are, therefore, satisfied that the High Court was justified in granting leave to appeal to the Respondent Nos. 1-9. This conclusion is confined to their standing to challenge the decree and the need for appellate scrutiny; it shall not be construed as an expression of opinion on the ultimate merits of their claim to the subject land or on the truth of the allegations of fraud and collusion, which must be determined in accordance with law.

(iii) Whether the condonation of delay of 11 years was valid?

63. We shall now consider whether the High Court committed any error in condoning the delay in preferring the appeal. The principal objection raised on behalf of the appellant is that the appeal was instituted after an inordinate delay of approximately eleven years from the date of the consent decree. In our view, however, the mere computation of the period between the passing of the consent decree on 29.04.2013 and the institution of the appeal cannot, by itself, furnish a complete answer to the question of condonation. The

Respondent Nos. 1-9 were neither parties to the original suit nor participants in the compromise on the basis of which the decree came to be passed. In such circumstances, it would be erroneous to proceed on the assumption that they had knowledge of the decree from the date of its passing, or that the entire intervening period must necessarily be reckoned against them without examining when and in what circumstances they acquired, or could reasonably have acquired, knowledge of the proceedings and the prejudice allegedly occasioned thereby.

64. The material placed before the High Court indicates that the Respondent Nos. 1-9 claim to have become aware of the alteration in the revenue records and the consequential assertion of rights over the subject land in or around August 2023, whereupon they began taking steps to ascertain the circumstances in which such alteration had occurred and the basis on which the appellant claimed rights over the land. They further rely upon information obtained through the RTI process, including a response received on 21.03.2024, which,

according to them, shed further light on the circumstances surrounding the transaction. The significance of these events lies not in whether every allegation made by the Respondent Nos. 1-9 is ultimately established, but in the fact that the record discloses an explanation for their not having challenged the decree at an earlier stage, together with steps taken by them upon acquiring information which they considered material to their claim.

65. We are, therefore, of the view that the High Court committed no error in condoning the delay. The period elapsed since the passing of the consent decree had to be considered alongside the applicants' status as non-parties, their explanation as to when they acquired knowledge of the decree and the steps taken by them thereafter. The order of condonation does not determine the merits of their claim or validate the allegations made by them; it merely permits those issues to be examined in the appellate proceedings. Accordingly, the challenge to the order condoning the delay is rejected.

E. CONCLUSION:

66. In view of the foregoing discussion, we hold that:

(i) the *ex parte ad interim* injunction granted by the High Court on 02.04.2024, and continued by the subsequent judgment dated 14.08.2024, does not warrant interference;

(ii) the High Court was justified in granting leave to appeal to the Respondent Nos. 1-9, having regard to the legally cognisable interest asserted by them and the potential prejudice alleged to have been occasioned by the consent decree; and

(iii) the High Court committed no error in condoning the delay in preferring the appeal, in view of the explanation assigned by the Respondent Nos. 1-9 and the steps taken by them upon acquiring knowledge of the alteration in the revenue records and the consent decree being its basis.

67. We reiterate that our final conclusions are confined to the questions examined herein and shall not be construed as an expression of final opinion on the ultimate merits of the rival claims to the subject land or the allegations of fraud and collusion, which remain open for consideration in accordance with law.

68. Therefore, in the overall view of the matter, we are convinced that no error, not to speak of any error of law could be said to have been committed by the High Court in passing either the impugned order dated 02.04.2024, or the impugned judgment and order dated 14.08.2024.

69. Thus, the appeals before us fail and are hereby dismissed.

70. Pending application(s), if any, stand disposed of accordingly.

71. Having regard to the nature of the litigation, we request the High Court to take up the main appeal for final hearing and to see to it that the same is heard and disposed of within a period of three months from today.

72. Registry shall forward one copy of this judgment to the High Court of Gujarat.

..... J.
(J.B. Pardiwala)

..... J.
(K. Vinod Chandran)

New Delhi;
30th October, 2026.