



CNR: KAHC010105042026

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 15TH DAY OF JULY, 2026

BEFORE

THE HON'BLE SMT. JUSTICE LALITHA KANNEGANTI

CIVIL REVISION PETITION NO. 117 OF 2026 (IO)

BETWEEN:

SRI RAMANJANAPPA
SINCE DEAD BY LR'S

SMT.RATHNAMMA
W/O LATE NANJIAH
AGED ABOUT 73 YEARS
R/OF BIDARAHALLI VILLAGE AND HOBLI
BENGALURU EAST THALUK
BENGALURU – 560 067.

...PETITIONER

(BY SRI V.D.RAVIRAJ, ADVOCATE)

AND:

1. SRI MUNIYAPPA
S/O LATE RAMAIAH
AGED ABOUT 65 YEARS.
2. SRI DODDE GOWDA
S/O MUNIYAPPA
AGED ABOUT 41 YEARS.
3. SRI AMBRISH
S/O MUNIYAPPA
AGED ABOUT 39 YEARS.





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4. SRI MANJUNATH
S/O MUNIYAPPA
AGED ABOUT 37 YEARS.

5. SMT. MUNINARAYANAMMA
W/O LATE RAMANNA
AGED ABOUT 83 YEARS

SL.NO.1 TO 5 ABOVE ARE
R/OF AKKIMANGALA VILLAGE
S.K.HALLI POST, CHITHAMANI TALUK
CHIKKABALLAPURA – 563 125.

6. SMT. BYRAMMA
D/O LATE RAMANNA
AGED ABOUT 63 YEARS
R/OF SONNENAHALLI
SHIDLAGATTA TALUK
CHIKKABALLAPURA – 562 105.

7. SMT. VENKATALAKSHMAMMA
D/O LATE RAMANNA
AGED ABOUT 59 YEARS
R/OF DASAGANDANAHALLI VILLAGE
DODDABALLAPURA TALUK
BENGALURU RURAL- 561 203.

8. SRI MUNIHANUMAPPA
D/O LATE NARAYANAPPA
AGED ABOUT 72 YEARS.

9. SRI B.N.NAGARJ
S/O LATE NARAYANAPPA
AGED ABOUT 66 YEARS.



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10. SMT. GOWRAMMA
W/O SREENIVAS B.
AGED ABOUT 64 YEARS

SL.NO.8 TO 10 ARE
R/OF BIDARAHALLI VILLAGE AND HOBLI
BENGALURU EAST THALUK
BENGALURU – 560 067.

...RESPONDENTS

(BY SRI Y.R.SADASHIVA REDDY, SR.COUNSEL FOR
SRI AKKI MANJUNATH GOWDA K., ADVOCATE FOR
R1 TO R7)

THIS CRP IS FILED UNDER SEC.115 OF CPC., AGAINST
THE ORDER DATED 12.01.2026 PASSED ON IA IN OS
NO.593/2025 ON THE FILE OF CIVIL JUDGE AND JMFC,
KRISHNARAJAPURA., ALLOWING THE INTERIM APPLICATION
FILED UNDER SEC.151 OF CPC., SEEKING TO REOPEN OS
NO.1633/2006.

THIS CRP HAVING BEEN HEARD AND RESERVED ON
11.06.2026, COMING ON FOR PRONOUNCEMENT OF ORDER
THIS DAY, THE COURT PRONOUNCED THE FOLLOWING:

CORAM: HON'BLE SMT. JUSTICE LALITHA KANNEGANTI



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CAV ORDER

Aggrieved by the order passed in I.A. in O.S.No.593/2025(old No.1633/2006) dated 12.01.2026 by the Civil Judge and JMFC, Krishnarajapura, Bengaluru Rural District, Bengaluru, the petitioner/defendant No.3(a) is before this Court .

2. The respondent No.1/plaintiff had filed a suit for partition in O.S.No.1633/2006 before the Principal Senior Civil Judge, Bengaluru Rural District, claiming that the plaintiff and defendants are lineal descendants of late Hanumanna, the suit schedule properties are ancestral joint family properties, and they have definite shares. The petitioner herein and the other defendants together filed the written statement contending that the father of the plaintiffs left the family house when they were 12 years old, the suit schedule item Nos.1 to 3 are self-acquired property of Narayanappa, and the house property detailed in suit schedule item Nos.4 to 6 is the only ancestral house property. Later, the plaintiff included his children and the sister and daughter of late Narayanappa as additional plaintiffs.



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The petitioner herein is brought on record as LR of the deceased defendant No.3.

3. With the intervention of common friends and relatives, the parties to the suit settled the dispute and filed a compromise petition, and the compromise decree was passed on 16.04.2010. Under the compromise, the parties have admitted the relationship of the parties to the suit and that the suit schedule item Nos.1 to 3 are the self acquired and absolute properties of late Narayanappa. To compensate the plaintiffs in so far as suit schedule item No.4 to 6 (house properties), the defendant Nos.1 to 3 agreed to pay a total sum of Rs.15,00,000/- out of which they paid an amount of Rs.1,75,000/- by cash and issued 06 post-dated cheques to the plaintiffs. In the compromise, it is specifically agreed that in case of non-payment of the amount under the cheque, the parties are barred from seeking cancellation of the compromise order and are at liberty to recover the amount through due process of Court . The writ petition challenging the same also came to be dismissed as withdrawn. In the meanwhile, the cheques issued under compromise petition got dishonoured.

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The defendant No.1 challenged the compromise by filing Misc.No.17/2010 seeking its cancellation. The plaintiff had submitted that there is no objection to allow the said petition. The petition came to be dismissed on 14.12.2015.

4. Thereafter, the plaintiffs filed an application under Section 151 of CPC seeking to set aside the compromise decree and restore the suit for adjudication. The defendants filed a statement of objection and cross-examined the plaintiff witness on the said interim application. The trial Court allowed the application and set aside the compromise decree and restored the suit for adjudication. Aggrieved thereby, defendant No.3(a) is before this Court .

5. Learned counsel appearing for the petitioner submits that the impugned order allowing the interim application to restore the suit by setting aside the compromise decree is unsustainable. The trial Court had completely ignored the mutually agreed and binding terms. It is submitted that as per the agreed terms and conditions of the compromise, in order to put an end to the litigation and to bind all the parties to the compromise, a specific and stringent clause was incorporated in

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the compromise petition, barring the parties from defeating the purpose of the compromise on the ground of non-payment of the amount. It was further agreed that the aggrieved party would be entitled to recover the amount due, if any, through the process of the Court under the compromise decree. Learned counsel submits that the trial Court, while passing the impugned order, had failed to understand the clauses in the agreement. It is submitted that due to the confusion that prevailed, the cheques presented by the plaintiffs were dishonoured. Under such circumstances, the option available to the plaintiffs was to recover the amount from defendant Nos.1 to 3 by following due process of law, by filing the execution proceedings based on the compromise decree and seeking attachment of the suit schedule properties. The trial Court has no power to recall the compromise decree and the same has to be set aside.

6. Learned Senior counsel representing learned counsel for respondent Nos.1 to 7 submits that as per the terms and conditions of the decree, the parties have failed to comply with the same, as such, the trial Court had rightly set aside the



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compromise decree. It is submitted that the trial Court has every power to pass such an order as the terms and conditions of the compromise decree are violated by the parties. He relied on the judgment of the Co-ordinate Bench of this Court in case of **Lakshamma and Others Vs. T.H.Ramegowda and Others¹** on paragraph No.14, 16 and 17 which reads thus:

"14. In view of the aforesaid pronouncement of the law by the Apex Court and the aforesaid statutory provisions, the law is well settled. Once the parties settle the disputes by way of a compromise by presenting an application under Order 23 Rule 3 of the Code of Civil Procedure and the Court accepts compromise and passes a decree in terms of the compromise, the decree passed by the Court attains finality. Section 96 of the Code provides for appeal from original decrees. It provides that an appeal shall lie from every decree passed by any Court exercising original jurisdiction to the Court authorized to hear appeals from the decisions of such Court . However sub-Section (3) of Section 96 provides that no appeal shall lie from a decree passed by the Court with the consent of parties. In other words, Section 96(3) of the Code prohibits an appeal challenging a decree passed by the Court with the consent of parties. • Earlier, Order 43 Rule 1(m) of CPC provided that an appeal shall lie from an order under Rule 3 of Order XXIII recording or refusing to record an agreement, compromise or satisfaction. If the party wanted to treat the order accepting the compromise itself as an order and wanted to prefer a miscellaneous appeal, Order 43 Rule 1(m) of the Code provided a miscellaneous appeal. However, Clause (m) was omitted by Act 104 of 1976 with effect from 01.02.1977. Now such a course is not open to him. No miscellaneous appeal lies against the order accepting or rejecting the

¹ ILR 2015 KAR 4024



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compromise by the Trial Court . Order XXIII Rule 3A which was inserted by Act 104/1976 which came into effect from 01.02.1977 provides that no suit shall lie to set-aside a decree on the ground that the compromise on which the decree is passed was not lawful. In view of the aforesaid statutory provisions, a regular appeal, a miscellaneous appeal and a separate suit is not maintainable to challenge a compromise decree. Therefore, the only remedy available to an aggrieved person, who wants to challenge the compromise decree is to approach the very same Court , which passed the compromise decree. He has to file application in the suit, in which the compromise was recorded and a decree is passed on such compromise. Thus, after a compromise has been recorded, the Court concerned can entertain an application under Section 151 of the Code questioning the legality or validity of the compromise. If such an application is filed, then the Court which passed the decree shall consider the said application after notice to either side. Then the said Court has to decide the question as to whether the compromise entered into and the decree passed thereon is lawful or valid. It can also decide whether such compromise is void or voidable. If the agreement or compromise itself is fraudulent, then it shall be deemed to be void within the meaning of the explanation to the proviso to Rule 3 and as such not lawful.

16. The validity of a consent decree depends wholly on the validity of the agreement or compromise on which it is made. It is open to the parties to the compromise to show that the agreement is not lawful and by misrepresentation, fraud or mistake, they were made to agree to such compromise. 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. The explanation to the proviso says that an agreement or compromise "which is void or voidable under the Indian Contract Act.." shall not be deemed to be lawful within the meaning of the said Rule. In view of the said proviso read with the explanation, a Court which had entertained the petition of Compromise has to examine whether the compromise was void or



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voidable under the Indian Contract Act. Then, if the compromise is not lawful, it may be either invalid decree or a void decree. In either event, unless, the compromise is challenged and a competent Court declares it as invalid or void, the compromise is binding on the parties.

17. In the instant case, the suit filed by the plaintiff for setting aside the compromise petition dated 28.03.2005 and consequential decree passed in O.S. No.121/2000 on the file of the II Additional Senior Civil Judge, Bangalore Rural District was challenged on the ground that it is vitiated on the ground of fraud and misrepresentation. Such a suit was not maintainable. Therefore, the Trial Court was justified in invoking Order VII Rule 11 of the Code to dismiss the suit as not maintainable."

7. Relying on the above judgment, it is submitted that to question a compromise decree, a regular appeal, miscellaneous appeal, or a separate suit is not maintainable. Therefore, the only remedy available to the aggrieved person who wants to challenge the compromise decree is to approach the very same Court which passed the compromise decree. The aggrieved party can file an application in the suit in which the compromise was recorded and the decree was passed on such compromise. Thus, after a compromise has been recorded, the concerned Court can entertain an application under Section 151 of CPC, questioning the illegality of the compromise. If such an application is filed, then the Court which passed the decree

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shall consider the said application after notice to the other side. Then the said Court has to decide the question as to whether the compromise entered into and the decree passed thereon is lawful or valid. It can also decide whether such compromise is void or voidable. If the agreement of compromise itself is fraudulent, then it shall be deemed to be void. Learned Senior counsel further submits that it is open to the parties to the compromise to show that the agreement is not lawful and by misrepresentation, fraud or mistake, they were made to agree to such compromise. It is submitted that in this case, as the cheques that are issued by the parties are dishonoured and the trial Court had rightly considered and dismissed the petition and set aside the compromise decree, there are no grounds to interfere.

8. Having heard the learned counsel for the petitioner and the learned Senior counsel appearing for respondent Nos.1 to 7, perused the material on record. In the light of the arguments, advanced on behalf of either of the parties, the issues that falls for consideration is:



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"Whether a compromise decree lawfully passed under Order XXIII Rule 3 of CPC can be set aside on the grounds that the parties to the compromise committed breach of terms and conditions of the compromise?"

Before advertng to the respective contentions raised, it is appropriate to look at Order XXIII Rule 3 and Rule 3A of CPC, which reads as follows:

"Order XXIII:-Withdrawal and Adjustment of Suits

Rule 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 subjectmatter 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 not 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.

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."

9. A decree that is passed under Order XXIII Rule 3 of CPC is not an ordinary adjudicatory degree. It embodies two distinct elements.



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1. *A contract voluntarily entered into by the parties.*
2. *The order of the Court in incorporating such lawful agreement into a decree.*

10. Once the Court records that the compromise is lawful and passes a decree in terms thereof, the compromise merges into the decree. Thereafter, the rights of the parties are governed not merely by contract but by the decree of the Court. The legislative intent underlying Order XXIII Rule 3 is to confirm the sanctity and finality of lawful settlement to avoid multiplicity of proceedings. Hence, the Court will not set aside the compromise decree except on the grounds recognised by law. Order XXIII Rule 3 of the CPC authorises the Court to record a lawful compromise and pass a decree in accordance with law. Order XXIII Rule 3A of the CPC expressly bars the institution of a separate suit to set aside a compromise decree on the ground that the compromise was not lawful. The object of Rule 3A is to ensure that disputes relating to the validity of the compromise are decided by the very same Court which recorded the compromise, not by way of an independent suit. However, Rule 3A does not enlarge the jurisdiction of the Court



to reopen every compromise decree. The jurisdiction is confined to examining whether the lawful compromise existed at the time when the decree was passed. The enquiry is directed to decide questions such as fraud, coercion, undue influence, impersonation, want of authority, misrepresentation inducing the compromise, absence of consensus ad idem and illegality rendering the compromise void or voidable. However, subsequent breach of the compromised terms is all together a different issue.

11. When the compromise is validly entered into by the parties, and subsequently one of the parties fails to perform his obligation, the compromise remains valid only until its performance is breached. Failure to honour the terms, i.e., dishonour of cheques, does not retrospectively render the original consent involuntary. The legality of the compromise must be judged on the date on which the Court recorded it and not basing on the subsequent conduct of the parties. If the contentions as put forth by the learned senior counsel for the respondent are accepted, it would destroy the sanctity and certainty attached to the compromise decree. Every default



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after the decree would become a ground to reopen the concluded litigation. This will defeat the very purpose and purport of Order XXIII Rule 3 of CPC. If the terms and condition of the compromise decree are violated as it is an executable decree, decree holder can execute the decree under Order XXI of CPC. He has a remedy under the Negotiable Instruments Act, 1881. The legislature has never intended that breach of compromise shall result in recall of the decree itself.

12. Learned counsel for the respondent relied on the judgement of the Apex Court in the case of **Krishna Kumar Ojha vs Jitendra Chaudhary** arising out **SLP (C) No. 13671/2025**. He relied on paragraph Nos. 6, 6.3 to 6.6 which reads as follows:

"6. On the aspect of delay, prima facie the gap between 1994 and 2022 is egregiously large and it requires to be examined in detail. To that end, we must consider the application filed under Section 151 CPC and the reasoning on this aspect given both by the Civil Court and also the High Court .

6.3 The Sub-Judge-01(East) Muzaffarpur in Miscellaneous case no.07 of 2022 rejected the ground of limitation observing that the case of the applicant is that he came to know of the allegedly fraudulent compromise decree, just shortly before filing the said application. Whether or not this was



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the case, is a matter of evidence to be decided at trial. Further, it was observed that the law of limitation applies against act of parties and not action of the Court . It was also observed that assuming truth to the matter of knowledge being subsequent, the power under Section 151CPC can be exercised by the Court for the ends of justice especially where fraud is alleged to have been perpetuated and the same cannot be defeated due to irregularity in procedure.

6.4 The aspect of delay was not gone into by the High Court and instead the order overall was affirmed as there was no illegality or jurisdictional error therein.

6.5 In our view, if the delay had been the ground to dismiss the miscellaneous case, the effect would be to perpetuate something which is not in accordance with law. The same cannot be permitted. The law of limitation, while undoubtedly an important facet of the legal system, cannot be used as a means to defeat substantive rights. In this case, although the compromise was not signed by him, defendant no.5's rights in the property which is not miniscule were directly affected by the compromise.

6.6 There is another aspect that requires to be noted. All of the essential facts which form the basis of the compromise are itself contested. One party says that they are not family members while the other, in the objection via family chart demonstrates them to be relatives; One submits that the defendant no.5 had been made party only because his name had been inadvertently recorded in the survey register, while the other says that they have full right over the property and no part of the disputed property had been given up by them; there is also a statement regarding the complete lack of authorisation any which way, to the counsel for defendant no.5; the appellants submit that they/their father (defendant no.5) were not aware of the suit proceedings whereas the other party submits that defendant no.5 knew about all of the going-ons that led to the compromise decree. It was nearly 22 years after defendant no.5 died, which was in itself eight years



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after the decree of 1994, that the respondents sought to dispossess the appellants thereby setting into motion the present proceedings. Clearly, the most basic facts are disputed. This, along with the fact that the compromise decree is not in accordance with law gives us enough reason to agree with the reasoning of the Court below. It is for the aforementioned reasons that the delay of 25 years has to be given a go-by in the facts of this case. It is not in all cases that such large delay can be set aside. Whether or not a particular case warrants taking such a view is to be determined after a detailed examination of the record in each case.

13. Coming to the facts of the case, the Court , while setting aside the compromise decree, observed that the material on record clearly establishes that out of 6 cheques issued under the compromise, 4 were in the names of persons who were not parties to the suit or to the compromise proceedings. Two cheques were issued in the name of Kamala, the daughter of defendant Nos. 1 and 2, and 2 cheques were issued in the name of Ramyashree Enterprises. There is no explanation in the compromise petition as to why cheques belonging to third parties were issued, nor is there any material to show the legal relationship of those third parties to the suit transaction, which is not denied by the defendants. Defendant No. 1, within a span of 30 days from the date of passing of the compromise decree, filed a Miscellaneous Petition No. 17/2010



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challenging the compromise decree on the ground that it was obtained without his knowledge and by playing fraud, and it was dismissed on technical grounds. The Court also observed that defendants No. 1 and 2 admitted before the police that he was initially unaware of the compromise and had issued cheques belonging to his daughter, and later instructed the Bank to stop the payment. The Court further observed that the plaintiff is left without any remedy as the cheques belong to 3rd parties and they cannot initiate recovery proceedings. The inclusion of Clause 7, which bars the cancellation of compromise decree, defeats the very object of Order XXIII Rule 3 of CPC. Instead of bringing finality to the litigation, it has resulted in multiplicity of proceedings and accordingly, set aside the compromise decree.

14. This Court has perused the miscellaneous application filed by the respondent herein dated 26.03.2021. In the affidavit in support of the application, it is stated that the cheques issued by the defendants are dishonoured, the terms of the compromise are violated and the compromise decree has to be set aside. The compromise decree is dated 16.04.2010,



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cheques are dated 25.07.2010 and after 10 years in 2021, the present petition is filed. There is no explanation forthcoming, and the Court has also failed to record any reasons in this regard. Under the compromise petition, defendant No.1 had issued 2 cheques belonging to his daughter, and defendant No.3 had issued 2 cheques. The details of the said cheques were specifically mentioned in the compromise petition and were accepted by the plaintiffs, in the presence of their counsel, before the Court .

15. The cheques were presented before the Court and accepted by the parties on 16.04.2010, though dated 25.07.2010. The trial Court has confused breach of compromise with invalidity of the compromise. A breach does not retrospectively make the compromise unlawful. The learned judge has not recorded any finding that the compromise was vitiated by fraud, coercion, or any other circumstance that renders it unlawful. The sole basis for recalling the decree is that the cheques belong to the defendant's daughter were dishonoured. Such subsequent defaults may give rise to a remedy available in law, but they do not become a basis to



annul a compromise decree validly passed under Order XXIII Rule 3 CPC. The learned judge exercised jurisdiction not vested in it by law in setting aside a valid compromise decree. The compromise remained lawful when it was recorded, and subsequent breach will not invalidate the decree.

16. The Court shall exercise extreme circumspection before recalling the compromise decree and shall bear in mind that the procedural law encourages the settlement of disputes and that the confidence of litigants in Court -annexed settlements depends on the certainty that a lawfully recorded compromise will not be reopened except on legally recognised grounds

17. In the considered opinion of this Court, the trial Court set aside the compromise decree on unfounded grounds, which is not permissible, and the issue raised is answered in favour of the petitioner. In that view of the matter, this Court is passing the following:



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ORDER

- i. The order passed on I.A. in O.S.No.593/2025 dated 12.01.2026 by the Civil Judge and JMFC, Krishnarajapura, Bengaluru Rural District, Bengaluru is ***set aside*** and the compromise decree passed in O.S.No.1633/2006 dated 16.04.2010 is ***restored.***
- ii. This order will not preclude the respondents from executing the decree in accordance with law
- iii. Accordingly, the Civil Revision petition is ***allowed.***
- iv. All I.As. in this petition shall stand closed.

SD/-
(LALITHA KANNEGANTI)
JUDGE

MEG
List No.: 1 Sl No.: 1