

IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NOS. OF 2026
(arising out of SLP(C) Nos. 13941-13942/2024)

BHAKTI VINAYKUMAR KHATU & ANR.

Appellant(s)

VERSUS

JAYANTI BHASKAR SHIRSAT & ANR.

Respondent(s)

O R D E R

1. Leave granted.
2. Application seeking discharge of Advocate on record is allowed.
3. The appellants would assail the judgment rendered by the High Court of Bombay dismissing the Writ Petition filed by the appellants under Article-227 of the Constitution of India to challenge the Compromise Decree recorded by the Lok Adalat vide its order dated 11.04.2015 recording compromise *pursis* dated 10.04.2015 vide Exhibit Nos. 42 and 43 in Regular Civil Suit No. 17/2015.
4. The appellants are the daughters of the first respondent/ plaintiff, *Jayanti Bhaskar Shirsat*, whereas the second respondent, *Kapil Bhaskar Shirsat*, is their brother, being the

son of the first respondent/plaintiff.

5. The appellants executed two Power of Attorneys in favour of the second respondent, *Kapil Bhaskar Shirsat (brother)*, on 23.06.2012 and 19.07.2012 respectively authorizing them, amongst other acts, to settle the disputes and to compromise.

6. Thereafter, the respondent no.1/ plaintiff (mother of the appellants) preferred a suit for partition on 16.02.2015 *inter alia* praying that out of the suit properties, one-fourth share of plaintiff and it's separate possession be given to her.

7. During the pendency of the suit, the parties presented a *pursis* for recording joint compromise on behalf of plaintiff(s) and defendant(s). The defendant no.1, *Kapil Bhaskar Shirsat*, signed on the *pursis* on behalf of defendant nos. 2 and 3, who are the present appellants, basing on the Power of Attorney executed by the appellants in their favour. The *pursis* was accepted and a compromise decree was passed wherein, the plaintiff's mother was allotted 70 per cent share of the suit properties whereas the remaining three parties, i.e. the two sisters and one brother, were allotted 10 per cent share each.

8. It is also relevant to mention that the appellants' cousin, *Vithoba Shantaram Shirsat*, preferred Regular Civil Suit No. 102 of 2007 in the Court of Civil Judge (Junior Division), Kudal at District-Sindhudurg, Maharashtra involving some properties, including the present suit property(s) and in the said suit also, a *pursis* for compromise was submitted and a compromise decree was eventually passed on 20.05.2015 in which, the second respondent, *Kapil Bhaskar Shirsat (brother)*, signed on their behalf on the basis of the same Power of Attorney executed by them.

9. When the matter stood with us, the appellants moved a Civil Suit seeking a decree for setting aside the Award passed by the Lok Adalat on the ground of commission of fraud by the attorney holders. Realizing that a suit for a declaration or for setting aside the Lok Adalat Award is not maintainable, appellants withdrew the said suit and subsequently preferred the present Writ Petition.

10. The appellants argued before the High Court that no power to compromise the appellants' right was conferred on defendant no.1 expressly or by necessary implication and the defendant no.1 was not authorized to reduce

the appellants' share and therefore, recording of compromise by the Lok Adalat based on such compromise without authority amounts to fraud. It was also pleaded that the satisfaction as required under Section 20 of the Legal Services Authorities Act, 1987 (for short, 'the Act'), was not recorded. Therefore, there being a violation of Section-20 of the Act, the decree deserves to be set aside. It was also stated that appellants were never served with the summons and were also not informed by any other means before finalizing the compromise or before passing of the Award.

11. The High Court has refused to interfere with the Award passed by the Lok Adalat on the ground that the Power of Attorney specifically confers the power on the second respondent, *Kapil Bhaskar Shirsat*, to compromise and as such, his acts are being duly covered under the authority given to him under the Power of Attorney and no fraud has been committed. The High Court has also found that there is no violation of the directions prescribed under Section-20 of the Act.

12. We have heard learned counsel for the parties at length and perused the material papers.

13. It is a settled law that the Award passed by the Lok Adalat can only be challenged on the ground mentioned under the Regulation 12(3) of the National Legal Services Authority (Lok Adalat) Regulations 2009. The said regulations reads as hereunder;

"12. Pre-Litigation matter-(1)....

(2)

(3) An award based on settlement between the parties can be challenged only on violation of the procedure prescribed in Section 20 of the Act by filing a petition under Articles 226 and 227 of the Constitution of India.

14. Before reaching to the conclusion that the procedure prescribed under Section-20 of the Act has been followed, the High Court called for the records of the Lok Adalat and satisfied itself that the procedure prescribed under Section-20 of the Act has been followed by examining the parties before recording the compromise and passing of the Award. According to the High Court, the appearance of respondent no.2, *Kapil Bhaskar Shirsat*, at the time of recording of the compromise was also on behalf of the appellants as their Attorney holder. Therefore, all the parties were deemed to be present and represented at the time of passing

of the Award by the Lok Adalat.

15. Moreover, in another Suit, the appellants were represented by their brother, respondent no.2, *Kapil Bhaskar Shirsat*, as their Attorney Holder and the said suit/petition also ended up in a compromise but the said compromise decree has never been assailed by the appellants.

16. It is also to be seen that the appellants have themselves acted upon the compromise by accepting the rent from the tenants who are in occupation of the subject premises, which has fallen in their share. Such statement has been made in Paragraph 35 of the counter affidavit filed on behalf of the respondents by extracting the relevant paragraphs from the written statement preferred by the second respondent, *Kapil Bhaskar Shirsat*, in the earlier suit filed by the appellants, which was eventually withdrawn for filing the present Writ Petition.

17. It is specifically mentioned by the second respondent, *Kapil Bhaskar Shirsat*, that after the compromise decree was passed, the appellants came to the village in June, 2015 at the time of birthday of the second respondent's son and at that point in time, one of the

tenants, *Smt. Desai*, handed over two cheques to the appellants on account of rent. Similar cheque was also given to the appellants in January, 2016. The appellants accepted the rent, and are thus, enjoying the properties which has fallen in their share.

18. If the appellants have accepted the compromise by accepting the rent from the tenant(s), who is in occupation of the premises which has fallen in their share in the compromise decree, the appellants are estopped from challenging the Compromise Decree passed by the Lok Adalat. This is in addition to the fact that the Power of Attorney empowers the attorney holder to compromise any dispute in relation to the suit property(s).

19. The High Court is right in observing that the term 'compromise' would not mean 'compromise with the third party' only. An issue relating to allotment of share to the members of the family in the event if there is a partition amongst the family members, would also fall in the nature of dispute and thus, compromise of such dispute was clearly permissible as per the recital in the Power of Attorney.

20. It will not be out of place to mention that after referring the present Civil Appeals, the appellants stopped responding to the communication sent by their counsel. In this situation, this Court appointed Mr. Ankur Mittal as an Amicus Curiae. While appreciating the assistance rendered by Mr. Ankur Mittal, learned Amicus Curiae, we draw an inference that the appellants may not desire to continue to prosecute the present appeals any further but since, an issue has been raised alleging commission of fraud with them, we deemed it appropriate to examine the matters on merits.

21. In view of the above discussion, we do not find any substance in the present appeals and are, accordingly, dismissed.

22. Pending application(s), if any, shall stand closed.

.....J.
(PRASHANT KUMAR MISHRA)

.....J.
(VIPUL M. PANCHOLI)

New Delhi
28-01-2026

ITEM NO.11

COURT NO.16

SECTION IX

S U P R E M E C O U R T O F I N D I A
RECORD OF PROCEEDINGS

Petition(s) for Special Leave to Appeal (C) No(s).13941-13942/2024

[Arising out of impugned final judgment and order dated 27-02-2024 in WP No. 4505/2022 27-02-2024 in WP No. 9063/2022 passed by the High Court of Judicature at Bombay]

BHAKTI VINAYKUMAR KHATU & ANR.

Petitioner(s)

VERSUS

JAYANTI BHASKAR SHIRSAT & ANR.

Respondent(s)

IA No. 309985/2025 - DISCHARGE OF ADVOCATE ON RECORD
 IA No. 309670/2025 - EXEMPTION FROM FILING O.T.
 IA No. 140212/2024 - EXEMPTION FROM FILING O.T.
 IA No. 140210/2024 - PERMISSION TO FILE ADDITIONAL DOCUMENTS/FACTS/ANNEXURES

Date : 28-01-2026 This matter was called on for hearing today.

CORAM :

HON'BLE MR. JUSTICE PRASHANT KUMAR MISHRA
 HON'BLE MR. JUSTICE VIPUL M. PANCHOLI

For Petitioner(s) :

Mr. Ankur Mittal, AOR
 Ms. Muskan Jain, Adv.

For Respondent(s) :

Mr. B.H. Marlapalle, Sr. Adv.
 Mr. Apoorv Shukla, AOR
 Ms. Prabhleen A Shukla, Adv.
 Mr. Avinish Kr Saurabh, Adv.
 Mr. Ajit Wagh, Adv.

UPON hearing the counsel the Court made the following

O R D E R

1. Leave granted.
2. Application seeking discharge of advocate on record is allowed.

3. The appeals are dismissed in terms of
the signed order.

4. Pending application(s), if any, shall
stand closed.

(NISHA KHULBEY) (CHETNA BALOONI)
SENIOR PERSONAL ASSISTANT COURT MASTER (NSH)
(signed order is placed on the file)