

ITEM NO.103

COURT NO.4

SECTION XIIA

S U P R E M E C O U R T O F I N D I A
R E C O R D O F P R O C E E D I N G S

CIVIL APPEAL NO. 945/2008

G.HANUMANTH RAO

APPELLANT(S)

VERSUS

KANNAYALAL & ORS.
(WITH OFFICE REPORT)

RESPONDENT(S)

Date : 09/03/2017 This appeal was called on for hearing today.

CORAM :

HON'BLE MR. JUSTICE RANJAN GOGOI
HON'BLE MR. JUSTICE NAVIN SINHA

For Appellant(s)

Mrs. D. Bharathi Reddy, Adv.
Ms. Vidyottma, Adv.

For Respondent(s)

Mr. D. Bharat Kumar, Adv.
Mr. Tadimalla Baskar Gowtham, Adv.
Mr. Sayooj Mohandas M, Adv.
Mr. Abhijit Sengupta, Adv.UPON hearing the counsel the Court made the following
O R D E RThe appeal is dismissed in terms of the signed
order.[VINOD LAKHINA]
COURT MASTER[ASHA SONI]
COURT MASTER

[SIGNED ORDER IS PLACED ON THE FILE]

IN THE SUPREME COURT OF INDIA

CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NO. 945/2008

G.HANUMANTH RAO . . . APPELLANT

VERSUS

KANNAYALAL & ORS. . . RESPONDENTS

ORDER

1. We have heard the learned counsels for the parties.

2. This is plaintiff's appeal under Article 136 of the Constitution of India against a reversal of the decree passed in favour of the plaintiff by the first appellate court. The plaintiff's suit which has been dismissed was one for rendition of accounts of the partnership firm.

3. It appears that to resolve the disputes between the partners of the partnership firm efforts were made to settle the matter amicably and mediation was conducted in the presence of as many as 12 mediators which included the family members and relatives of the disputing parties. At the end of the process of mediation a document dated 5th March, 1982 (Exhibit B.1) was executed and signed by the three partners by which the plaintiff and the second defendant/partner decided to convey their title to the agricultural land and all other assets and liabilities of the partnership firm to the defendant No.1. The authenticity of the said document at Exhibit B.1 is not in dispute. Exhibit B.1, however, is not a registered document. The question, therefore, that was formulated by the High Court in the Second Appeal before it was as follows:

"11. The issue that arises for consideration is whether the lower Appellate Court was right in holding that Ex.B.1 is inadmissible in evidence, and therefore, there is no settlement of accounts and accordingly the plaintiff is entitled to seek rendition of accounts by the defendants?"

4. Having perused the contents of Exhibit B.1 it is clear and evident to us that what is recorded therein is an agreement arrived at by and between the parties/partners to handover the agricultural land measuring about 6 acres and 9 guntas situated at Survey No.273/1 at village Nandigama in the name of M/s B. Jagadamba Trading Co. and M/s Narsing Traders to the defendant No.1. In the said document it is also recorded that "the above partners relinquished their rights of the goodwill of the business and also the rights of the assets and liabilities of the firm" (underlining is ours). Even if the

said document in question i.e. Exhibit B.1 is to be considered *de hors* the provisions of the Registration Act, namely, Section 17 requiring compulsory registration and Section 49 regarding limited permissible reliance thereon, what is clear and evident from the facts of the case as well as the recitals in the document in question i.e. Exhibit B.1 is that the parties have recorded in writing the terms of the compromise arrived at in the presence of the mediators to handover all assets and liabilities of the firm including the agricultural land in question to the defendant No.1. If the plaintiff and the other partner (defendant No.2) had so agreed it is difficult to see as to how the plaintiff's suit for rendition of accounts of the partnership firm could have been decreed. That apart, Exhibit B.1 categorically recites that the plaintiff

and the second partner of the firm (defendant No.2) had agreed to register the above agricultural land to the defendant No.1 as and when demanded by him. If that is so, in our considered view, the High Court had correctly arrived at the conclusion that no interest or rights in the immovable property had been transferred by Exhibit B.1. However, if the said document is to be read as a record of an agreement arrived at by and between the parties to surrender all rights in the partnership firm in favour of the defendant No.1, the plaintiff's suit for rendition of accounts of the partnership firm clearly could not have been decreed.

5. Consequently and for the above reasons we are of the view that the eventual decree passed/affirmed in Second Appeal by the High Court dismissing the

plaintiff's suit is fully justified. We, therefore, though for somewhat different reasons, affirm the decree of dismissal of suit passed/affirmed by the High Court in Second Appeal.

6. The present appeal, therefore, is dismissed in terms of the above.

.....,J.
(RANJAN GOGOI)

.....,J.
(NAVIN SINHA)

NEW DELHI
MARCH 09, 2017