2025 INSC 721

NON-REPORTABLE

IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION

SPECIAL LEAVE PETITION (C) NO. 27417 OF 2023

HYDRAULICS AND PNEUMATICS [INDIA] LLP **...PETITIONER**

VERSUS

M/S. METAL ARC AGRI. LLP AND OTHERS **...RESPONDENTS**

J U D G M E N T

B.R. GAVAI, J.

1. The present petition challenges the judgment and final order dated 29th November 2023 passed by the High Court of Punjab and Haryana at Chandigarh (hereinafter referred to as the "Revisional Court"), whereby the revision petition filed by the Respondent No.1 herein was disposed of thereby setting aside the order dated 6th April 2023 passed by the Executing Court-cum-Additional District Judge, Faridabad (hereinafter referred to as the "Executing Court") and remanding the matter for fresh consideration.

2. The facts in the case are not in dispute. The land owned by the petitioner-LLP, which was earlier a private limited company, was acquired vide Notification under Section 4 of the Land Acquisition Act, 1894 (hereinafter referred to as "Act") dated 4th July 2012. Notification under Section 6 of the Act for the same came to be issued on 31st December 2012 and the Award came to be passed on 29th May 2013. Subsequently, the original LLP agreement was executed and the petitioner-LLP was converted into the Limited Liability Partnership (LLP) from a private limited company. The petitioner-LLP filed a Land Acquisition Case No.4 of 2014, challenging the award passed by the Land Acquisition Officer dated 29th May 2013. The Reference Court passed an Award on 20th December 2019 enhancing the compensation at the rate of Rs.70,000/- per sq. yard. After making deductions towards purported development charges, the landowners were awarded an enhanced amount of Rs.56,000/- per sq. yard with statutory benefits along with interest. An appeal being RFA No.2532 of 2021 was filed by the petitioner-LLP, challenging the Award of the Reference Court.

3. It appears that for execution of the award passed by the Reference Court, the petitioner-LLP filed an execution petition before the Executing Court during the pendency of the said RFA before the High Court.

4. Notice was issued in the said execution petition on 31st August 2020.

5. It further appears that, Respondent No.1 had entered into a supplementary agreement showing Respondent No.1 as a partner of the petitioner-LLP having acquired 11.33% shareholding from one of the original partners namely Anirudh Kumar.

6. On the basis of the said supplementary agreement, Respondent No.1 filed an application under Order XXI, Rule 15(2) of the Code of Civil Procedure, 1908 (hereinafter referred to as, "CPC"), before the learned Executing Court. The learned Executing Court held that the LLP was having a separate entity, it was a juristic person distinct from shareholders and that the shareholder did not have any independent rights over the company's assets. Observing the same, the application filed by Respondent No.1 came to be rejected. Being aggrieved thereby a revision petition came to

be filed by Respondent No.1.

7. Learned Revisional Court held that the award was in the nature of joint decree conferring and creating the rights in favour of all the partners in the LLP firm. As such, Respondent No.1 was entitled to invoke the provision of Order XXI, Rule 15(2) of the CPC, so as to protect their interest in the award. The Revisional Court, therefore, set aside the order of the Executing Court and remanded the matter to the Executing Court to give an opportunity to all the parties to produce all the relevant documents, as regards the execution of the supplementary agreement dated 17th December, 2018.

8. We have heard Shri A.N.S. Nadkarni, learned Senior Counsel appearing on behalf of the petitioner-LLP and Shri Nidhesh Gupta, learned Senior Counsel appearing on behalf of Respondent No.1.

9. Shri A.N.S. Nadkarni, learned Senior Counsel appearing on behalf of the petitioner submits that the learned Revisional Court had grossly erred in interfering with the well reasoned judgment and order passed by the learned Executing Court. It is submitted that the order passed by the Executing Court was based on the judgment of this

Court in the case of ***Bacha F. Guzdar v. Commissioner of Income Tax, Bombay***[1]. He further submits that the supplementary agreement itself is a bogus agreement being unsigned one and therefore not enforceable in law.

10. Shri Nadkarni, learned Senior Counsel for the petitioner fairly concedes that insofar as the original partner Anirudh Kumar is concerned, the position is not disputed that he has 11.33% shareholdings.

11. Per contra, Shri Nidhesh Gupta, learned Senior Counsel appearing on behalf of Respondent No.1, submits that the learned Revisional Court has rightly remanded the matter to the learned Executing Court for considering it afresh. He further submits that the petitioner has withdrawn the entire amount deposited by the State Government and as such if no orders are passed by this Court, Respondent No.1 would be left with no remedy. He further submits that out of the amount deposited in the Registry of this Court vide order dated 6th May 2024, some amount is already paid to Anirudh Kumar. He, therefore, submits that the remaining amount is also required to be paid to Anirudh Kumar.

12. Shri Gupta, learned Senior Counsel, submits that he appears on behalf of the said Anirudh Kumar also, who has

1 **(1954) 2 SCC 563**

filed an impleadment application.

13. This Court is required to take note of a subsequent development. After this Court entertained the proceedings and granted stay on 14th December 2023, Respondent No.1 filed an application before the Executing Court, for withdrawing the application filed by it under Order XXI Rule 15(2) of the CPC. Further, a fresh application was filed under Order XXI, Rule 15(2) of the CPC on behalf of said Anirudh Kumar.

14. Confronted with this situation, Shri Gupta, learned Senior Counsel, submits that since the petitioner was opposing the application of Respondent No.1, Anirudh Kumar was left with no other alternative but to file an application himself.

15. It appears from the submissions of Shri Gupta, learned Senior Counsel that Respondent No.1 and the said Anirudh Kumar are two sides of the same coin.

16. We, however, cannot ignore the fact that after revision petition was allowed by the learned Revisional Court and the matter was remanded, Respondent No.1 has withdrawn the application filed before the learned Executing Court.

17. When there is no application on behalf of Respondent No.1 pending before the learned Executing Court, the order

passed by the Executing Court in favour of Respondent No.1 is totally rendered infructuous.

18. In that view of the matter, we find that the special leave petition itself does not survive and is disposed of as such.

19. Insofar as the application of the said Anirudh Kumar is concerned, we direct the learned Executing Court to consider the same in accordance with law, after giving an opportunity to all the parties and decide the same expeditiously.

20. The amount deposited in the Registry of this Court be remitted back to the learned Executing Court for passing appropriate orders, in accordance with law.

21. We further clarify that none of the observations made in the impugned judgment and order passed by the Revisional Court would be taken into consideration by the learned Executing Court while passing an order on the application under Order XXI Rule 15(2) of the CPC of the said Anirudh Kumar.

22. Pending applications, including the applications for impleadment, shall stand disposed of.

.....J.
(B.R. GAVAI)

.....J.
(AUGUSTINE GEORGE MASIH)

NEW DELHI;
MAY 07, 2025.