

VISHNU VARDHAN@VISHNU PRADHAN VS. THE STATE OF UTTAR PRADESH AND ORS.

A dispute over a piece of land in Noida brought the principle of "fraud unravels everything" to the forefront of a legal battle before the Supreme Court of India. The case involves two primary parties, Vishnu and Reddy, and centres on allegations of fraud committed by Reddy to gain sole ownership of a jointly held property. This case serves as a reminder that all judgments and decrees obtained through fraudulent means will be considered null and void, irrespective of which court issued them.

CASE BACKGROUND

The core of the dispute lies in the ownership of a piece of land in Gautam Budh Nagar, Uttar Pradesh, purchased by Vishnu, Reddy and Sudhakar in 1997. In 2005, the New Okhla Industrial Development Authority (NOIDA) acquired the property.

The three, collectively referred to as "the trio" in court documents, had initiated various legal proceedings over the years concerning the land. Vishnu alleges that Reddy repeatedly acted slyly and through a series of legal measures, attempted to claim sole ownership of the land. The most significant alleged act of fraud occurred in 2006 when Reddy filed a civil suit against Vishnu. A power of attorney holder for Vishnu, whose authority Vishnu claims was revoked, filed a written statement admitting Reddy's claims. Reddy then used this decree to remove Vishnu's name from the land records.

The situation escalated when the High Court, in an order that Vishnu challenged, acknowledged Reddy's claim of sole ownership and drastically increased the compensation amount for the land, which was eventually paid to Reddy. Aggrieved by the High Court's verdict and Reddy's conduct, Vishnu approached the Supreme Court, filing a civil appeal and writ petition. He sought to have the High Court's order set aside, be declared a co-owner of the land and request for an inquiry into the alleged fraud committed.

The Supreme Court examined the complicated facts and web of legal proceedings and transactions, to determine whether the alleged fraud occurred, and to what extent it influenced the outcomes of various court orders. The case highlights the importance of honesty in legal proceedings and the court's role in preventing the misuse of the legal system by dishonest litigants.

RESPONDENT'S ARGUMENTS

The Respondent argued that Vishnu's appeals were not legally sound and that he pursued multiple legal options simultaneously. Reddy also claimed that Vishnu had attempted to bypass court fees by not seeking monetary compensation in his civil suit. Furthermore, Reddy asserted that the Supreme Court cannot handle complex factual questions under its original jurisdiction. He claimed that Vishnu's writ petition was invalid because it challenged a judicial order of the Supreme Court, which as per him did not violate a fundamental right. Reddy maintained that he got sole ownership of the land through a valid decree from the Trial Court in 2006. According to him, Vishnu had already sold his share of the property to him and later to a third party, and was now barred from re-litigating the matter. Reddy argued that the power of attorney Vishnu executed could not be unilaterally revoked without a registered document and proper notice.

VISHNU'S SUBMISSIONS

The appellant, Vishnu, contended that his petitions were not an attempt to appeal the earlier judgment but for the court to invoke its special powers in preventing a miscarriage of justice. He stated that the **doctrine of merger** was not applicable to him because he was not part of the High Court proceedings, and because fraud invalidates all legal proceedings. He contended that his writ petition was maintainable as his rights to justice and a fair judicial process were violated. His main argument was that Reddy obtained the court orders through fraud and deception and the court must intervene to set aside the orders and correct the injustice.

SUBMISSIONS BY THIRD PARTY (NOIDA)

NOIDA, the third party involved, supported the view that the doctrine of merger was inapplicable in cases of fraud. It requested the Supreme Court to use its plenary powers under Article 142 of the Constitution to recall the previous orders, which it believed were obtained illegally. Noida also argued that the determination of compensation should be handled by a reference court under the Land Acquisition Act of 1984, and not by the High Court or the Supreme Court as they had made an error in evaluating the price of the land earlier too. It urged the Court to revisit the enhanced compensation amount.

SUPREME COURT'S ANALYSIS

In its analysis the Supreme Court first addressed the core allegation of fraud over procedural custom. Citing the case of *Ramesh B. Desai v. Bipin Vadilal Mehta* it justified its approach by noting that the question of maintainability was a mixed question of fact and law and was intertwined with the fraud.

The Court found Reddy's actions to be full of repeated acts of fraudulent conduct and suppression. Key findings pointed to his doing a complete turnaround on ownership claims, his calculated failure to implead Vishnu and Sudhakar in an important writ petition, and his deliberate suppression of the ongoing litigation. This was considered a breach of natural justice and a grave abuse of the judicial process, with the court quoting the case of *S.J.S. Business Enterprises (P) Ltd. v. State of Bihar* and *Poonam v. State of U.P.* as an example.

The court dismissed Reddy's arguments against the court's jurisdiction and rejected the claim that the case was impermissible because it was essentially an appeal of an earlier decision. The court cited the precedence of *A.V. Papayya Sastry v. Govt. of A.P.*, and asserted the principle of "fraud unravels everything" which allows it to review its own decisions if they were procured through deception.

Regarding the doctrine of merger, the court acknowledged that while it is an important legal principle, it is not of rigid and universal application as per *State of Madras v. Madurai Mills Co. Ltd.* The court established that fraud is an exception to this doctrine, and applying it blindly would create a "juridical cul-de-sac" and constitute a "travesty of justice."

Finally, on the matter of procedural law, the court ruled that legal procedure should serve justice rather than obstruct it (*State of Punjab v. Shamlal Murari*). It concluded that the court's intrinsic powers to correct a wrong caused by fraud takes precedence over procedural technicalities, applying the "**actus curiae neminem gravabit**" (an act of the court shall prejudice no one).

JUDGMENT

The High Court's previous order and the Supreme Court's earlier judgment in the *Reddy Veerana* case were both nullified, meaning they were considered void. The case was sent back to the High Court with the directive that Vishnu and Sudhakar be included as parties to the lawsuit. The court was instructed to hear the case from the beginning. The Supreme

Court recommended that the Chief Justice of the High Court preside over the matter for a swift and just resolution.