



2026 INSC 1126

IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NO. OF 2026
(@ Special Leave Petition (C) No. 6930 of 2023)

B. ANASUYAMMA (DIED)
PER LR AND ANOTHER

..... Appellants

versus

B. MADHUSUDHAN REDDY (DIED)
PER LRS AND OTHERS

..... Respondents

J U D G M E N T

SANJAY KUMAR, J

1. Leave granted.
2. Tracing its origin to a family settlement executed as long back as on 19.04.1959, this litigation beseeches closure. However, the judgment dated 12.12.2022 passed by the Telangana High Court in Appeal Suit No. 372 of 2012, impugned presently, failed to achieve that objective.
3. B.Venkat Reddy was married to Manikyamma. They had three sons – Sudhakar Reddy, Madhusudhan Reddy and Janardhan Reddy. B.Venkat Reddy and his eldest son, Sudhakar Reddy, met with untimely demise in the year 1948, during the Razakar Movement. Anasuyamma, Sudhakar Reddy's widow, adopted Venkatraji Reddy on 25.05.1975. Manikyamma, Anasuyamma, Madhusudhan Reddy and Janardhan Reddy entered into a family settlement on 19.04.1959, delineating their

separate shares in the ancestral properties left behind by B.Venkat Reddy. In terms thereof, Manikyamma was given Acres(Ac.) 53-10 Guntas (Gts.) of land in Karkalpahad Village. Anasuyamma was given Ac. 40-01 Gts. in Karkalpahad Village; Ac. 28-38 Gts. in Kadthal Village; Ac. 14-12 Gts. in Vasudevapuram Village and Ac. 8-11 Gts. in Vampuguda Village. In all, she was given Ac. 91-22 Gts. Madhusudhan Reddy was allotted Ac. 1-30 Gts. in Karkalpahad Village and Ac. 60-19 Gts. in Vasudevapuram Village. In all, he got Ac. 62-09 Gts. Janardhan Reddy was given Ac. 50-10 Gts. in Karkalpahad Village along with Ac. 56-14 Gts. in Vampuguda Village and Ac. 24-23 Gts. in Kadthal Village. In all, he got Ac. 131-07 Gts.

4. While so, Anasuyamma and her adopted son, Venkatraji Reddy, filed O.S. No. 555 of 1977 before the learned I Additional Judge, City Civil Court, Hyderabad, seeking partition of the suit schedules A, B and C properties. Manikyamma was arrayed as defendant No. 1 in the said suit while Madhusudhan Reddy and Janardhan Reddy, her sons, were shown as defendant Nos. 2 and 3 respectively. As Madhusudhan Reddy had sold certain properties, the vendees independently filed O.S. No. 21 of 1977 before the learned Subordinate Judge, Mahabubnagar, for declaration of title along with a permanent injunction to protect their rights. This suit was transferred to the file of the learned I Additional Judge, City Civil Court, Hyderabad, to be tried along with O.S. No. 555 of 1977 and was renumbered as O.S. No. 263 of 1978. By common judgment dated

21.04.1984, the Trial Court decreed O.S. No. 263 of 1978 and partly decreed O.S. No. 555 of 1977, directing partition of the suit schedules B and C properties. Insofar as the suit schedule A properties were concerned, the Trial Court held that the same were covered by the family settlement dated 19.04.1959 and dismissed the suit in relation thereto.

5. Aggrieved by the judgment dated 21.04.1984 insofar as it pertained to part decretal of O.S. No. 555 of 1977, Madhusudhan Reddy filed City Civil Court Appeal (CCCA) No. 86 of 1984 before the then Andhra Pradesh High Court at Hyderabad. During the pendency of O.S. No. 555 of 1977, Janardhan Reddy had died and his son, Venkat Reddy, was brought on record as his legal representative. His sister, Nirmala, who was not a party to O.S. No. 555 of 1977, filed CCCA No. 54 of 1989 assailing the judgment dated 21.04.1984 insofar as it pertained to the said suit.

6. While the aforesaid appeals were pending before the High Court, a compromise was arrived at by and between Anasuyamma along with her adopted son, Venkatraji Reddy, and Madhusudhan Reddy, the appellant in CCCA No. 86 of 1984. The terms of the said compromise were reduced to writing in the document titled 'Settlement of Dispute' dated 24.02.1986. Pursuant thereto, Civil Miscellaneous Petition (CMP) No. 9728 of 1988 was filed by Madhusudhan Reddy under Order XXIII, Rule 3 of the Code of Civil Procedure, 1908, to record the settlement dated 24.02.1986 and decree the appeal in terms thereof. This miscellaneous

petition was ordered on 27.06.1988 and the compromise, reflected in the Settlement of Dispute Deed dated 24.02.1986, was recorded.

7. In terms of the said settlement, Anasuyamma and her adopted son, Venkatraji Reddy, gave up their claim for a 1/3rd share in the suit schedule B house property at Door No. 3-6-375, Himayatnagar, Hyderabad, and Madhusudhan Reddy was given the said house property absolutely. Madhusudhan Reddy, in turn, gave up his claim for a share in the properties of his mother, Manikyamma, and the same were surrendered to Anasuyamma and Venkatraji Reddy. Anasuyamma and Venkatraji Reddy also gave up their claim for a 1/3rd share in the suit schedule C house property situated at Karkalpahad Village. A sum of ₹2,20,000/- was paid by Madhusudhan Reddy to Anasuyamma and Venkatraji Reddy.

8. By judgment dated 07.09.1990, the High Court allowed CCCA No. 86 of 1984, in the light of the compromise by Madhusudhan Reddy with Anasuyamma and Venkatraji Reddy and also the settlement between Madhusudhan Reddy and Venkat Reddy, the son of Janardhan Reddy. However, as regards CCCA No. 54 of 1986 filed by Nirmala, the sister of Venkat Reddy, the High Court dismissed the said appeal leaving it open to her to work out her rights by way of a separate suit.

9. While matters stood thus, Madhusudhan Reddy executed registered Gift Deed No. 4257 of 2007 dated 24.04.2007 in favour of Siddhartha Reddy, the son of Venkat Reddy, that is, the grandson of Janardhan

Reddy, gifting him various lands. This Gift Deed pertained to lands in Survey Nos. 2, 70, 130, 135, 136 and 137 of Karkalpahad Village. Significantly, allotment of lands to Madhusudhan Reddy under the family settlement dated 19.04.1959 reflects that the lands gifted by him did not fall to his share. He was only given Ac. 1-30 Gts. in Survey No. 15 of Karkalpahad Village and had, therefore, no claim in the lands that found mention in the gift deed. In fact, the lands that found mention therein were allotted to Manikyamma and Madhusudan Reddy had given up his claim in those lands when he compromised his disputes with Anasuyamma and her adopted son, Venkatraji Reddy, *vide* the Settlement of Dispute Deed dated 24.02.1986, which had the imprimatur of the High Court, *vide* the judgment dated 07.09.1990 in CCCA No. 86 of 1984.

10. Anasuyamma and her adopted son, Venkatraji Reddy, along with his by-birth sister, Gunna Malinidevi, thereupon, filed O.S. No. 250 of 2007 before the learned Senior Civil Judge, Mahabubnagar, for declaration of their title over the suit schedule lands; to declare Gift Deed No. 4257 of 2007 dated 24.04.2007 as null and void; to effect necessary mutation in the revenue records; and to permanently injunct the defendants from interfering with their possession over the suit schedule lands. The suit schedule lands were Ac. 3-17 Gts. in Survey No. 121/AA, Ac. 0-33 Gts. in Survey No. 130/A, Ac. 5-33 Gts. in Survey No. 131/2, Ac. 3-34 Gts. in Survey No. 135/A, Ac. 1-11 Gts. in Survey No. 136/AA, Ac. 0-38 Gts. in

Survey No. 137/A and Ac. 2-12 Gts. in Survey No. 2 of Karkalpahad Village. Pertinent to note, Gunna Malinidevi had purchased an extent of Ac. 1-22 Gts. in Survey No. 2 of Karkalpahad Village from Venkatraji Reddy under registered sale deed dated 15.05.1998. The defendants in the suit were Madhusudhan Reddy, Venkat Reddy and his son, Siddhartha Reddy. Anasuyamma died during the pendency of the suit.

11. By judgment dated 09.04.2012, the learned Senior Civil Judge, Mahabubnagar, dismissed the suit. Surprisingly, the learned Judge opined therein that the compromise decree dated 07.09.1990 in CCCA No. 86 of 1984 had no evidentiary value. Holding so, the learned Judge completely ignored the compromise by Madhusudhan Reddy with Anasuyamma and Venkatraji Reddy and proceeded to hold against them.

12. Aggrieved by the dismissal of their suit, Venkatraji Reddy and Gunna Malinidevi filed Appeal Suit No. 372 of 2012 before the Telangana High Court at Hyderabad, which was dismissed by judgment dated 12.12.2022. Surprisingly, the learned Judge of the High Court, having set out at great length the chronology of events and the arguments advanced by the learned counsel, failed to draw the correct inferences from the past history, in terms of the family settlement of 1959 and the compromise of 1986, which had the seal of approval of the High Court, *vide* the judgment dated 07.09.1990 in CCCA No. 86 of 1994. Non-application of mind by the learned Judge is patent from the observation that 'execution of the Gift

Deed dated 24.04.2007 was never disputed'. In saying so, the learned Judge lost sight of the fact that O.S. No. 250 of 2007 was filed on 21.08.2007 challenging the said gift deed. Compounding her error, the learned Judge then observed that Manikyamma died during the pendency of the suit and was not entitled to any share and, therefore, the claim of Venkatraji Reddy that he was in enjoyment of the property allotted to her had no merit. This finding was based on the failure of the learned Judge to note the contents of the family settlement dated 19.04.1959, which was accepted by Madhusudan Reddy also, and the compromise dated 24.02.1986, whereby Madhusudhan Reddy gave up his claim for a share in the properties allotted to Manikyamma in the family settlement of 1959 and secured full rights in the house property at Himayatnagar, Hyderabad.

13. Founded on such fundamental errors, the judgments of the High Court and the Trial Court cannot be sustained. Notably, despite service of notice, none of the respondents in this appeal chose to appear. Madhusudhan Reddy and Venkat Reddy are Respondent Nos. 1 and 2, but as they had expired even during the pendency of the appeal before the High Court, they are shown as represented by their legal heirs. Siddhartha Reddy, son of Venkat Reddy, is respondent No. 3, while Hemalatha, Madhusudhan Reddy's widow, is respondent No. 4. Vijayata Devi, the widow of Venkat Reddy, and Rukmini and Sirisha, his daughters, are respondent Nos. 6 to 8. Third parties to whom Siddhartha Reddy

sought to alienate some lands were respondent Nos. 5, 6 and 7 before the High Court and they are respondent Nos. 3, 4 and 5 in this appeal. However, as stated earlier, none of the respondents chose to enter appearance before this Court to contest this appeal. Significantly, by order dated 16.05.2023, this Court had directed *status quo* obtaining as on that date, with regard to the nature and possession over the lands in dispute, to be maintained. Despite such an order being passed against them, none of the respondents chose to come forward to contest the appeal. Their failure to do so speaks for itself.

14. The appeal is, accordingly, allowed setting aside the judgment and decree dated 12.12.2022 in AS No. 372 of 2012 and the judgment and decree dated 09.04.2012 in O.S. No. 250 of 2007. The said suit shall stand decreed, as prayed for.

There shall be no orders as to costs.

....., J
SANJAY KUMAR

....., J.
SANJEEV SACHDEVA

October 14, 2026
New Delhi.