VERDICTUM.IN

Reportable

2026 INSC 1209

IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION

CIVIL APPEAL No. 013993/2026
@ SLP (C) No(s). 19254/2026

D. KALIDASREDDY & ANR. Appellant(s)

VERSUS

CHENNAMMA (K. BHARATHI) Respondent(s)

O R D E R

1. Leave granted.

2. This appeal arises from an Original Suit[1] instituted by the first respondent against her father (i.e. the predecessor-in-interest of the appellants) for: (a) setting aside the Gift Deed dated 19.12.1974; (b) delivery of possession of the suit schedule properties; (c) mesne profits; (d) costs, etc. The Suit was instituted on 30.08.1997.

3. The plaint case was that the plaintiff was daughter from the first wife of the defendant; the suit schedule properties were inherited by the plaintiff and her three sisters from her mother who died in 1955; by 1974 all her elder sisters got married whereas the plaintiff had been pursuing her

[1] O.S. No.359 of 1997

VERDICTUM.IN

graduation, therefore, in the year 1974, plaintiff's elder sisters, one by one, gifted their interest in the suit property to the plaintiff, the plaintiff accepted those gifts and thereby became exclusive owner in possession of the suit schedule properties; however, she was under the care and protection of the defendant (i.e. her father) till her marriage in February 1975; taking advantage of his position, and by exercising undue influence over the plaintiff, the defendant got an instrument of Gift dated 19.12.1974 executed in his favour from the plaintiff on the pretext that if the plaintiff gets married, and settles with her husband, he may have no means to maintain himself; the said gift was nominal, made on a representation that the defendant would remain unmarried and would safeguard the properties; acting on those representations and the fiduciary relationship between the defendant and the plaintiff, the gift deed was executed; however, contrary to those representations, the defendant got secretly married, which came to plaintiff's knowledge sometime after her own marriage; however, till two years before the institution of the suit, the plaintiff had no reason to suspect the *bona fides* of her father, but, in the last two years, the attitude of the defendant changed;

VERDICTUM.IN

he stopped maintaining good relations with the plaintiff, though earlier he had been not only visiting the plaintiff but bringing gifts in cash and kind to her; however, in the last two years, defendant's affection shifted towards his second wife and children from his second wife besides he started planning to alienate the properties; in consequence, upon seeing the change in attitude, on 27.02.1997 the plaintiff issued a notice to the defendant declaring the gift void; the defendant responded to the notice by making false allegations; hence, the necessity to institute the suit arose.

4. Paragraph 13 of the plaint states that the cause of action for the suit arose on 19.12.1974 when the plaintiff executed the Gift Deed in favour of the defendant and, again, in the year 1995 when the plaintiff came to know about the fraud played by the defendant.

5. The defendant filed a written statement, *inter alia*, pleading that the impugned gift was unconditional and absolute; besides, it was acted upon and the properties (i.e. subject matter of the gift) were being dealt with by the defendant as his own, therefore, there was no occasion for its revocation. Additionally, it was pleaded, the suit as framed was

VERDICTUM.IN

not maintainable and squarely barred by limitation.

6. The trial court decreed the suit holding that the defendant being father of the plaintiff could dominate her will; the gift was not in good faith being a consequence of undue influence and, for this reason alone, was liable to be set aside. While recording such finding, the trial court rejected the contention of the plaintiff that she was not aware about execution of the gift deed. The observations of the trial court in that regard are extracted below:

> "21. … The contention of the plaintiff that she was not aware about the gift deed being executed and the gift deed was put in other sale deeds, cannot be believed as the plaintiff was studying B.A., and when she is able to understand the transaction with third parties and was doing transaction voluntarily and at the time of transaction the elder of the defendant S Bali Reddy was also present and she has no dispute with the paternal uncle, her version is contrary to her pleadings in the plaint and further PW-1 also speaks about the presence of Venkatesvarredy of Vellamaddi at the time of execution of Ex.B1."

7. On the question of limitation, the trial court held as under:

> "28. … According to the plaintiff, from 1995 onwards when the defendant has stopped giving share to the plaintiff, failed to explain accounts and details of the properties, the plaintiff has started getting her initial suspicion and she has issued legal notice under Ex A-5 on 27.02.1997 and therefore when the plaintiff has got doubt about the nature of the transaction, the point of limitation starts and as such the suit is within time

VERDICTUM.IN

and not barred by limitation."

8. Aggrieved by trial court's decree, the defendant went up in appeal. The first appellate court affirmed the decree and observed that the defendant did not enter the witness box; whereas the plaintiff succeeded in proving that she was under the influence of her father and used to act on his dictates, therefore, the burden was on the defendant to prove that the gift was executed with free consent, which he failed to discharge. On the issue of limitation, the first appellate court held:

> "31. … The plaintiff filed this suit nearly after lapse of 23 years after execution of Ex.B1. The plaintiff's counsel cited a decision reported in AIR 1968 SC 956 wherein it was observed that under Article 95 of the Limitation Act - starting point of limitation. Article 91 of the Limitation Act - it is not the date of execution of gift deed but time when fraud becomes known to the party wronged. It is the date when plaintiff discovers true nature of deed and not the date when he escaped from influence by which he was dominated. So, in this case it is specific case of the plaintiff that even after execution of Ex. B1, the defendant had been cordial towards the plaintiff, and he had been supplying produce realized from the plaint scheduled properties. The plaintiff also says that from 1995 onwards when the defendant has stopped giving share to the plaintiff, failed to explain accounts and the details of the properties, the plaintiff has started getting her initial suspicion and he has issued legal notice. The plaintiff came to know about the nature of document and the defendant started to act adverse to the interests of the plaintiff. The period of limitation starts from the date

VERDICTUM.IN

> **of knowledge of the plaintiff about the fraud played by the defendant. Therefore, the suit is perfectly within time."**

9. Impugning the judgment and decree of the first appellate court, the defendant filed a second appeal[2] before the High Court[3]. The High Court affirmed the finding on the issue that Gift was an outcome of undue influence. On the issue of limitation, the High Court observed that though plaintiff had knowledge of the true nature of the deed executed by her, however, the start point of limitation was the year 1995 when she came to know about the fraud (i.e. false representation) played by the defendant, that is, when the defendant stopped sharing the fruits of the properties. Accordingly, the High Court dismissed the second appeal by the impugned judgment and order dated 08.04.2026.

10. Aggrieved by the impugned judgment of the High Court, this appeal has been filed, *inter alia*, on the ground that the suit was *ex facie* barred by limitation, therefore, there was no option but to dismiss the suit under Section 3 of the Limitation Act, 1963[4].

11. We have heard learned counsel for the parties.

2[2] Second Appeal No.611 of 2006
3[3] The High Court of Andhra Pradesh at Amravati
4[4] Limitation Act

VERDICTUM.IN

Submissions on behalf of the Appellants

12. The submission on behalf of the appellants is that a gift can be revoked on such grounds as are specified in Section 126[5] of the Transfer of Property Act, 1882[6]. The Gift in question is not conditional; therefore, it can be rescinded only if grounds for rescinding a contract are made out. A plain reading of the plaint would indicate that the plaintiff was throughout aware of the nature of the instrument i.e. Gift Deed dated 19.12.1974 and she was conscious of the influence of her father, which resulted in execution of the Gift Deed. In such circumstances, the limitation period for rescission of the gift would commence from the date of execution of the Gift Deed and not from any date later. Insofar as the allegation of fraud is concerned, there is no proper pleading except that promise to safeguard the property and not to marry again was breached by the defendant. Failure to fulfill a promise does not amount to fraud. Besides no such promise appears in the gift deed. Even if

5[5] **Section 126. When gift may be suspended or revoked. -** The donor and donee may agree that on the happening of any specified event which does not depend on the will of the donor a gift shall be suspended or revoked; but a gift which the parties agree shall be revocable wholly or in part, at the mere will of the donor, is void wholly or in part, as the case may be.

A gift may also be revoked in any of the cases (save want or failure of consideration) in which, if it were a contract, it might be rescinded.

Save as aforesaid, a gift cannot be revoked.

Nothing contained in this section shall be deemed to affect the rights of transferees for consideration without notice.

6[6] T.P. Act

VERDICTUM.IN

second marriage amounted to fraud, the plaintiff came to know about it sometime after her own marriage which took place in February 1975, therefore, even if the period of limitation is to be counted from that date (i.e. when the defendant entered into a second marriage), the period of limitation had lapsed long before the date of institution of the suit. Based on the aforesaid submission, the learned counsel for the appellants submitted that this was a suit plainly barred by limitation and, therefore, there was no option but to dismiss the suit as barred by limitation. Hence, the appeal is entitled to be allowed.

Submissions on behalf of Respondents

13. *Per contra,* on behalf of respondents it was submitted that if the plaint is read as a whole, it would indicate that though there was a transfer by way of gift from the plaintiff to the defendant, the transfer created a trust whereunder the defendant had an obligation to safeguard the interest of the plaintiff and, therefore, the suit would not be barred by limitation having regard to the provisions of Section 10[7] of the Limitation Act. Besides, fraud came

[7] **Section 10. Suits against trustees and their representatives. -** Notwithstanding anything contained in the foregoing provisions of this Act, no suit against a person in whom property has become vested in trust for any specific purpose, or against his legal representatives or assigns (not being assigns for valuable consideration), for the purpose of following in his or their hands such property, or the proceeds thereof, or for an account of such property or proceeds, shall be barred by

VERDICTUM.IN

to the knowledge of the plaintiff in 1995 when the defendant stopped sharing usufruct of the property. Further, there is no specific disclosure in the plaint as to when the defendant's second marriage came to the knowledge of the plaintiff. Hence, to non-suit the plaintiff on the ground of limitation, the burden was on the defendant to demonstrate as to when the plaintiff derived knowledge of the fraud. Since the defendant did not step into the witness box, the said burden was not discharged. Therefore, the suit cannot be said to be barred by limitation. Thus, it was prayed that there being concurrent findings of all courts that the Gift was vitiated by undue influence, the appeal is liable to be dismissed.

14. We have accorded due consideration to the rival submissions and have perused the record carefully.

15. In our view, the short question that arises for our consideration is whether the suit in question is barred by limitation or not.

16. On the question of limitation, the submission on behalf of the plaintiff is two-fold. First, the gift was in fact creation of a trust for the benefit

any length of time.
Explanation. - For the purposes of this section any property comprised in a Hindu, Muslim or Buddhist religious or charitable endowment shall be deemed to be property vested in trust for a specific purpose and the manager of the property shall be deemed to be the trustee thereof.

VERDICTUM.IN

of the plaintiff and, therefore, by virtue of section 10 of the Limitation Act, there would be no limitation. Second, if Article 59 of the Limitation Act is considered applicable, the period of limitation would be counted from the date when the fraud came to be known, that is, from the year 1995 when the defendant had stopped sharing the usufruct of the properties.

17. Insofar as the submission that the gift created a trust is concerned, there is nothing in the gift deed to indicate that the suit schedule properties were to be held by the defendant for the benefit of the plaintiff. In fact, creation of any kind of trust is negated by the recitals in the gift deed. The relevant recitals in the gift deed are extracted below:

> "As a result of the love and affection I have developed in your favor, I have decided to give the scheduled property worth rupees 25,000 to you as a land gift through this Gift Deed Document on the basis of which you are free to enjoy all its undisputed rights in the future from now onwards. … I hereby further admit that I will not have anything on said property due to any reason without retaining any of its rights with me, its rights and title is being hereby conferred upon you the receiver of this gift…"

18. The above recital in the Gift deed makes it clear that the title in the subject matter of gift

VERDICTUM.IN

vested in the defendant (i.e. the done) absolutely without creating any corresponding obligation on the donee either to safeguard the property or to share the usufruct of the property with the donor. It was an unconditional gift whereunder the interest in the properties stood transferred absolutely in favour of the donee. Thus, there was no creation of trust. Hence, the submission that Section 10 of the Limitation Act would come to the rescue of the plaintiff is rejected.

19. Though the plaintiff has also sought possession, the limitation for instituting the suit would not be governed by Article 65 inasmuch as even if the plaint case is accepted, the Gift would be voidable and not void, therefore, unless the Gift is set aside, relief of possession cannot be granted. Hence, the limitation period for the suit seeking setting aside of the Gift would be governed by Article 59 of the Limitation Act, which reads as under:

Article Nos.	Description of Suit	Period of Limitation	Time from which period begins to run
59.	To cancel or set aside an instrument or decree or for the rescission of a contract.	Three years	When the facts entitling the plaintiff to have the instrument or decree cancelled or set aside or the contract rescinded first become known

VERDICTUM.IN

			to him.

20. A holistic reading of the plaint would indicate that the plaintiff executed the Gift Deed under the influence of her father by relying on his assurance that he would safeguard the property of the plaintiff and would not remarry. The plaint itself makes it clear that the plaintiff was conscious of her father's influence on her and that she had executed the gift deed under that influence. Thus, in view of this Court's decision in ***Ningawwa vs. Byrappa Shiddappa Hireknrabar and Ors.***[8], the limitation period would run from the date she was aware of the true nature of the instrument and not from the date she came out of the influence. Even otherwise, she came out of the influence of her father in 1975 when she got married. Thus, even as per the finding of the courts below she was not only conscious of her father's influence but also aware of the nature of the instrument executed by her. In such circumstances, the limitation expired much prior to 1997 when the suit was instituted.

21. Insofar as the allegation of fraud is concerned, firstly, there is no specific pleading that the defendant suppressed any material fact at the time the gift was made, and, secondly, even assuming that he

[8] **1968 SCC OnLine SC 206**

VERDICTUM.IN

promised not to marry again, mere subsequent breach of promise does not indicate fraud. In *Reliance Salt Ltd. v. Cosmos Enterprises & Another*[9], this Court held that fraud, which vitiates the contract, must have a nexus with the acts of the parties prior to entering into the contract. It was held subsequent breach of promise on the part of a party would not vitiate the contract itself. Here, fraud is alleged because the defendant remarried and did not safeguard the property as it was transferred. In that regard, it be observed, firstly, the Gift did not stipulate any kind of condition proscribing marriage by donee; secondly, it transferred the interest in the property absolutely to the donee without any kind of restriction on either his right to transfer or enjoy; and, thirdly, there is nothing to indicate that fraudulent intention was there from the very beginning. Insofar as sharing of gifts are concerned, sharing of gifts by a father with his daughter is not indicative of any kind of legal obligation because it is quite normal for a father to share his income with his children; therefore, if such gifts were stopped in 1995, that by itself would not generate a cause of action to sue, particularly, for setting aside a Gift made in 1974. Hence, in our view, the courts below committed manifest error in holding

[9] (2006) 13 SCC 599, see paragraph 17

VERDICTUM.IN

that the period of limitation for instituting the suit to rescind the Gift would commence from the date when the defendant stopped sharing the profits. In our view, the suit was clearly barred by limitation and was liable to be dismissed as such.

22. Accordingly, the appeal is allowed. The impugned judgment and decree of the courts below are set aside.

23. The suit of the plaintiff-respondent shall stand dismissed.

24. Pending application(s), if any, shall stand disposed of.

……J
[MANOJ MISRA]

……J
[MANMOHAN]

New Delhi;
October 29, 2026

VERDICTUM.IN

ITEM NO.29 COURT NO.9 SECTION XII-A

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

CIVIL APPEAL No. 013993/2026
@ SLP (C) No(s). 19254/2026

[Arising out of impugned final judgment and order dated 08-04-2026 in SA No. 611/2006 passed by the High Court of Andhra Pradesh at Amravati]

D. KALIDASREDDY & ANR. Petitioner(s)

VERSUS

CHENNAMMA (K. BHARATHI) Respondent(s)

IA No. 167905/2026 - EXEMPTION FROM FILING O.T.
IA No. 167906/2026 - PERMISSION TO FILE ADDITIONAL DOCUMENTS/FACTS/ANNEXURES

Date : 29-10-2026 This matter was called on for hearing today.

CORAM : HON'BLE MR. JUSTICE MANOJ MISRA
HON'BLE MR. JUSTICE MANMOHAN

For Petitioner(s) :Mr. V. Giri, Sr. Adv.
Ms. Ankita Gupta- 3391, AOR
Mr. Kushagra Pandey, Adv.
Mr. Ved P. Singh, Adv.
Ms. Aishwarya Mishra, Adv.

For Respondent(s) :M/S. Veritas Legis- 2581, AOR
Mr. Ananga Bhattacharyya, Adv.
Mr. Krishanu Barua, Adv.
Ms. Devahuti Tamuli, Adv.

UPON hearing the counsel the Court made the following
O R D E R

1. Leave granted.

2. The appeal is allowed in terms of the Reportable order placed on the record.

3. Pending application(s), if any, shall stand disposed of.

(CHETAN ARORA)
ASTT. REGISTRAR-cum-PS

(PARVEEN KUMAR RAWAT)
COURT MASTER (NSH)