



**IN THE HIGH COURT OF KARNATAKA AT BENGALURU**  
**DATED THIS THE 9<sup>TH</sup> DAY OF FEBRUARY, 2026**  
**BEFORE**  
**THE HON'BLE MR. JUSTICE M.G.S. KAMAL**  
**REGULAR FIRST APPEAL NO.294 OF 2012 (PAR)**  
**C/W**  
**REGULAR FIRST APPEAL NO.196 OF 2012**  
**REGULAR FIRST APPEAL NO.347 OF 2014**

**IN RFA No.294/2012**

**BETWEEN:**

SMT RADHAMMA  
W/O GOPAL REDDY  
AGED ABOUT 50 YEARS  
R/A GARVEBHAVIPALYA  
BEGUR HOBLI  
BANGALORE SOUTH TALUK  
BANGALORE - 560 068.

...APPELLANT

(BY SRI. PRAKASH T. HEBBAR.,ADVOCATE)

**AND:**

1. SMT LAKSHAMMA  
W/O LATE RAJAPPA REDDY  
AGED ABOUT 52 YEARS
2. SMT. ARCHANA  
W/O A MARI REDDY  
D/O LATE RAJAPPA REDDY  
AGED ABOUT 35 YEARS
3. SMT. HIMABINDU  
D/O LATE RAJAPPA REDDY  
AGED ABOUT 33 YEARS





4. JHANSI  
D/O LATE RAJAPPA REDDY  
AGED ABOUT 31 YEARS

NO.1 TO 4 ARE  
R/AT NO.40, PAPAMMA'S HOUSE  
GARVEBHAVIPALAYA,  
7<sup>TH</sup> MILE HOSUR ROAD  
BANGALORE - 560 068.

5. SMT. INDRAMMA  
W/O RAMAREDDY  
AGED ABOUT 51 YEARS  
GARVEBHAVIPALAYA  
BEGUR HOBLI  
BENGALURU SOUTH TALUK  
BANGALORE - 560 068.

6. N R GUPTA  
S/O LATE BANWARILAL  
CHOWDRY , MAJOR

7. S S GUPTA  
S/O M L GUPTA, MAJOR

8. MAHENDRA KUMAR  
S/O N R GUPTA, MAJOR

9. PAVAN KUMAR  
S/O N R GUPTA, MAJOR

RESPONDENTS NO.6 TO 9 ARE  
R/AT NO.19 GRANT ROAD  
BANGALORE - 560 001.



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**C/W RFA No.196 of 2012**  
**RFA No.347 of 2014**

10. SRI. A. RAMA REDDY  
S/O A ASHWATHANARAYANA REDDY  
AGED ABOUT 47 YEARS  
R/AT NO.453, 15<sup>TH</sup> CROSS  
LAKKASANDRA LAYOUT  
BENGALURU.
11. SRI. H.P RAMA REDDY  
S/O LATE CHIKKA APPAIAH  
AGED ABOUT 74 YEARS  
R/A NO.355, 36<sup>TH</sup> CROSS  
5<sup>TH</sup> MAIN, 4<sup>TH</sup> BALOCK  
JAYANAGAR, BENGALURU.
12. SRI. V. KIRAN  
S/O VENUGOPALA REDDY  
AGED ABOUT 43 YEARS  
R/AT NO.1140, 17<sup>TH</sup> CROSS  
17<sup>TH</sup> SECTOR, HSR LAYOUT  
BENGALURU.

...RESPONDENTS

(BY SRI. V S HEGDE.,ADVOCATE FOR R1 & R4;  
SRI. K. VISHWANATHA, ADVOCATE FOR R2 & R3;  
R5 IS SERVED AND UNREPRESENTED;  
V/O DATED 06.01.2021, R8 & R9 ARE LRS OF DECEASED R6;  
V/O DATED 01.04.2015 NOTICE TO R4 IS HELD SUFFICIENT;  
SRI. MOHAMMED SHAMEER, ADVOCATE FOR R8 & R9;  
SRI. V.B. SHIVAKUMAR., ADVOCATE FOR R10 TO R12)

THIS RFA IS FILED UNDER SEC.96 OF CPC., AGAINST THE JUDGMENT AND DECREE DATED 15.10.2011 PASSED IN O.S.NO.5639/2007 ON THE FILE OF THE XXXVIII ADDL. CITY CIVIL & SESSIONS JUDGE, BANGALORE CITY, DISMISSING THE SUIT OF PLAINTIFFS THEREIN FOR PARTITION, SEPARATE POSSESSION AND DECLARATION AND DISMISSING THE CLAIMS OF DEFENDANT NO.1 AND 2 THEREIN FOR PARTITION AND SEPARATE POSSESSION.



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**IN RFA NO.196/2012**

**BETWEEN:**

SMT INDRAMMA  
W/O RAMA REDDY  
AGED ABOUT 59 YEARS  
R/AT GARVEDHABIPALYA  
BEGUR HOBLI,  
BANGALORE SOUTH TALUK,  
BANGALORE - 560 068.

...APPELLANT

(BY SRI. B.C. VENKATESH.,ADVOCATE)

**AND:**

1. SMT LAKSHAMMA  
W/O LATE RAJAPPA REDDY  
AGED ABOUT 60 YEARS
2. SMT. ARCHANA  
W/O A MARI REDDY  
D/O LATE RAJAPPA REDDY  
AGED ABOUT 35 YEARS
3. SMT. HIMA BINDU  
D/O LATE RAJAPPA REDDY  
AGED ABOUT 33 YEARS
4. JHANSI  
D/O LATE RAJAPPA REDDY  
AGED ABOUT 31 YEARS

NO.1 TO 4 ARE  
R/AT NO.40, PAPAMMA'S HOUSE  
GARVEBHAVIPALAYA,  
7<sup>TH</sup> MILE HOSUR ROAD  
BANGALORE - 560 068.

5. SMT. INDRAMMA



W/O RAMAREDDY  
AGED ABOUT 58 YEARS  
GARVEBHAVIPALAYA  
BEGUR HOBLI  
BENGALURU SOUTH TALUK  
BANGALORE - 560 068.

6. N R GUPTA  
S/O LATE BANWARILAL  
CHOWDRY, MAJOR
7. S S GUPTA  
S/O M L GUPTA, MAJOR
8. MAHENDRA KUMAR  
S/O N R GUPTA, MAJOR
9. PAVAN KUMAR  
S/O N R GUPTA, MAJOR

RESPONDENTS NO.6 TO 9 ARE  
R/AT NO.19, GRANT ROAD  
BANGALORE - 560 001.

10. SRI. A. RAMA REDDY  
S/O A ASHWATHANARAYANA REDDY  
AGED ABOUT 47 YEARS  
R/AT NO.453, 15<sup>TH</sup> CROSS  
LAKKASANDRA LAYOUT  
BENGALURU.
11. SRI. H.P RAMA REDDY  
S/O LATE CHIKKA APPAIAH  
AGED ABOUT 74 YEARS  
R/A NO.355, 36<sup>TH</sup> CROSS  
5<sup>TH</sup> MAIN, 4<sup>TH</sup> BALOCK  
JAYANAGAR, BENGALURU.
12. SRI. V. KIRAN  
S/O VENUGOPALA REDDY  
AGED ABOUT 43 YEARS



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R/AT NO.1140, 17<sup>TH</sup> CROSS  
17<sup>TH</sup> SECTOR, HSR LAYOUT  
BENGALURU.

...RESPONDENTS

(BY SRI. K. VISHWANATHA., ADVOCATE FOR R1 TO R4;  
SRI. B.S. GURUDATH, ADVOCATE FOR R5;  
R5 IS SERVED AND UNREPRESENTED;  
V/O DATED 26.08.2014, R8 & R9 ARE LRS OF DECEASED R6;  
V/O DATED 01.04.2015 NOTICE TO R7 IS HELD SUFFICIENT;  
SRI. MOHAMMED SHAMEER, ADVOCATE FOR R8 & R9;  
SRI. V.B. SHIVAKUMAR., ADVOCATE FOR R10 TO R12)

THIS RFA IS FILED UNDER SEC.96 OF CPC., AGAINST THE  
JUDGMENT AND DECREE DATED 15.10.2011 PASSED IN  
O.S.NO.5639/2007 ON THE FILE OF THE XXXVIII ADDL. CITY  
CIVIL & SESSIONS JUDGE, BANGALORE CITY, DISMISSING  
THE SUIT OF PLAINTIFFS THEREIN FOR PARTITION, SEPARATE  
POSSESSION AND DECLARATION AND DISMISSING THE  
CLAIMS OF DEFENDANT NO.1 AND 2 THEREIN FOR PARTITION  
AND SEPARATE POSSESSION.

**IN RFA NO.347/2014**

**BETWEEN:**

1. SMT. LAKSHMAMMA  
W/O LATE RAJAPPA REDDY  
AGED ABOUT 55 YEARS
2. SMT ARCHANA  
W/O MARI REDDY  
D/O LATE RAJAPPA REDDY  
AGED ABOUT 30 YEARS
3. KUM HIMA BINDU  
D/O LATE RAJAPPA REDDY  
AGED ABOUT 28 YEARS
4. KUM JHANSI  
D/O LATE RAJAPPA REDDY



AGED ABOUT 26 YEARS

ALL ARE RESIDING AT NO.40  
"PAPAMMAS HOUSE",  
GAREBHOVIPALYA, 7ST MILE  
HOSUR ROAD  
BANGALORE-560 068.

...APPELLANTS

(BY SRI. VISHWANATHA K.,ADVOCATE)

**AND:**

1. SMT INDRAMMA  
W/O RAMA REDDY  
AGED ABOUT 59 YEARS  
GARVEBHAVIPALYA  
BEGUR HOBLI  
BENGALURU SOUTH TALUK  
BENGALURU - 560 068.
2. SMT. RADHAMMA  
W/O GOPAL REDDY  
AGED ABOUT 58 YEARS  
R/A GARVEBHAVIPALYA  
BEGUR HOBLI  
BENGALURU SOUTH TALUK  
BENGALURU - 560 068.
3. N R GUPTA  
S/O LATE BANWARILAL  
CHOUDHARY, MAJOR
4. S S GUPTA  
S/O M L GUPTA, MAJOR
5. MAHENDRA KUMAR  
S/O N R GUPTA,  
AGED ABOUT 54 YEARS



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6. PAVAN KUMAR  
S/O N R GUPTA, MAJOR

RESPONDENTS NO.1 TO 6 ARE  
R/AT NO.19, GRANT ROAD  
BANGALORE - 560 001.

7. SRI. A. RAMA REDDY  
S/O A ASHWATHANARAYANA REDDY  
AGED ABOUT 47 YEARS  
R/AT NO.453, 15<sup>TH</sup> CROSS  
LAKKASANDRA LAYOUT  
BENGALURU.

8. SRI. H.P RAMA REDDY  
S/O LATE CHIKKA APPAIAH  
AGED ABOUT 74 YEARS  
R/A NO.355, 36<sup>TH</sup> CROSS  
5<sup>TH</sup> MAIN, 4<sup>TH</sup> BALOCK  
JAYANAGAR, BENGALURU.

9. SRI. V. KIRAN  
S/O VENUGOPALA REDDY  
AGED ABOUT 43 YEARS  
R/AT NO.1140, 17<sup>TH</sup> CROSS  
17<sup>TH</sup> SECTOR, HSR LAYOUT  
BENGALURU.

...RESPONDENTS

(BY SRI. L.M. RAMAIAH GOWDA, ADVOCATE FOR R1;  
SRI. B.S. GURUDATH, ADVOCATE FOR R2;  
R5 IS SERVED AND UNREPRESENTED;  
V/O DATED 06.01.2021, R5 & R6 ARE LRS OF DECEASED R3;  
V/O DATED 06.01.2021, NOTICE TO R4 IS DISPENSED WITH;  
SRI. MOHAMMED SHAMEER, ADVOCATE FOR R5 & R6;  
SRI. V.B. SHIVAKUMAR., ADVOCATE FOR R7 TOR R9( VK NOT  
FILED)



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**RFA No.347 of 2014**

THIS RFA IS FILED UNDER SECTION 96, OF CPC, AGAINST THE JUDGMENT AND DECREE DATED 1.10.2011 PASSED IN O.S.5639/2007 ON THE FILE OF THE XXXVIII-ADDL. CITY CIVIL JUDGE, BENGALURU CITY, DISMISSING THE SUIT FOR PARTITION AND SEPARATE POSSESSION AND DECLARATION.

THESE APPEALS, COMING ON FOR ORDERS, THIS DAY, JUDGMENT WAS DELIVERED THEREIN AS UNDER:

CORAM: HON'BLE MR. JUSTICE M.G.S. KAMAL

### **ORAL JUDGMENT**

Plaintiffs are before this Court in RFA No.347/2014, while, defendant Nos.1 and 2 are in RFA No.196/2012 and RFA No.294/2012 respectively being aggrieved by the judgment and decree dated 15.10.2011 passed in O.S.No.5639/2007 on the file of XXXVIII Additional City Civil Judge, Bangalore City (hereinafter referred to as 'the Trial Court'), whereby, the trial Court while dismissing the suit of the plaintiffs has also dismissed counter claim made by the defendant Nos.1 and 2 seeking partition and separate possession of their 1/3<sup>rd</sup> share in the suit schedule property.

2. Subject matter of the suit is the dry agricultural land measuring 2 acres and 08 guntas in Sy.No.55/5C of Hongassandra Village, Begur Hobli, Bengaluru South Taluk, (hereinafter referred to as 'the suit schedule property')



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3. Plaintiffs/appellants in RFA No.347/2014, filed above suit for partition and separate possession of the 2/3<sup>rd</sup> share in the suit schedule property and for the declaration to the effect that the suit schedule property belonged to the family consisting of themselves and defendant Nos.1 and 2 and for further direction of defendant Nos.3 to 6 to deliver them possession of suit schedule property. The plaint was apparently amended seeking additional relief of declaration to the effect that the alleged investment of the suit schedule property, which is an agricultural land into a partnership business of partnership firm vide partnership deed dated 30.10.1980, constituting M/s. Karnataka Agrarian Poultry and Dairy farm is void being in violation of provisions of Sections 79-A, 79-B, 79-C and 80 of the Karnataka Land Reforms Act, 1961.

4. It is contented by the plaintiffs/appellants that land bearing Sy.No.55/5, originally measuring 6 acres 24 guntas of land situated at Hongassandra Village, Begur Hobli, Bengaluru South Taluk, originally belonged to one Sri. Abbaiah, who passed away leaving behind three sons namely Sri. Krishna Reddy, Sri. Ramaiah Reddy and Sri. Venkataswamy Reddy, who



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had effected the partition, in terms of which, Sri. Ramaiah Reddy was allotted his share of 2 acres 8 guntas which was assigned with Sy.No.55/5C. 2 acres 8 guntas was allotted to Sri. Venkataswamy Reddy, which was assigned with Sy.No.55/5B. So also the remaining extent of 2 acres 8 guntas of land was allotted to the share of Sri. Krishna Reddy, which was assigned with Sy.No.55/5A.

4.1 That Sri. Ramaiah Reddy married to one Smt. Papamma, who are blessed with a son Sri. Rajappa Reddy and two daughters by name Smt. Indramma and Smt. Radhamma, who are defendant Nos.1 and 2 in the suit. Plaintiff No.1 is the widow and plaintiff Nos.2 to 4 are the children of late Sri. Rajappa Reddy S/o Sri. Ramaiah Reddy.

4.2 It is contended that Sri. Ramaiah Reddy and his son Sri. Rajappa Reddy constituted Hindu joint family. Sri. Ramaiah Reddy passed away in the year 1968, when his son Sri. Rajappa Reddy was still a minor. Suit schedule property was being cultivated by Smt. Pappamma, widow of Sri. Ramaiah Reddy. That Sri. Rajappa Reddy was working as a Waterman



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in the City Municipal Council, Bomanahalli, was addicted to bad vices and died on 09.10.1989.

4.3 Smt. Papamma was illiterate and ignorant lady. At the time of death of Sri. Rajappa Reddy, plaintiff Nos.2 to 4 were minors. Being minors, were virtually thrown to the streets as they had lost their only earning member in the family. When they had enquired about the property with Smt. Papamma, she apparently pleaded ignorance. However, plaintiff No.2 through her husband learnt that in a partition, the property was allotted to her grandfather/Sri.Ramaiah Reddy and upon further enquiry, she learnt that in the property which was allotted the share of Sri. Ramaiah Reddy, some stranger was in possession. Accordingly, they filed a suit for partition, separate possession and for declaration.

4.4 After service of notice, defendant Nos.1 to 3, 5 and 6 appeared through their counsel. Defendant No.4 remained absent and was placed ex-parte. Defendant No.3 passed away and legal representatives were already on record. Defendant Nos.1 and 2 consented for decreeing the suit claiming their 1/3<sup>rd</sup> share in the property.



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4.5 The only contestants were defendant Nos.5 and 6, who apart from denying the plaint averments, pleaded that with an intention of expanding their business, they entered into partnership agreement dated 30.10.1980 with Sri. Venkataswamy Reddy, the brother of late Sri. Ramaiah Reddy along with his wife and children and with defendant Nos.3 to 6 to carry on the business under the name and style of "M/s Karnataka Agrerian Poultry and Dairy Farm".

4.6 Sri. Venkataswamy Reddy had his property situated adjacent to the suit schedule property. Defendant Nos.3 to 6 had invested money as capital and Sri. Venkataswamy Reddy, wife and children of late Sri. Ramaiah Reddy had invested their landed properties including the suit schedule property as their capital contribution to the firm. As such, the suit schedule property had become the asset of the aforesaid partnership firm namely M/s. Karnataka Agrerian Poultry and Dairy Farm.

4.7 It is further contented that Sri. Venkataswamy Reddy, wife and children of late Sri. Ramaiah Reddy were in need of money. As such by executing a deed of retirement dated 23.01.1982 they exited/retired from the partnership firm by



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receiving the valuable consideration from defendant Nos.3 to 6. Defendant Nos.3 to 6 became the sole continuing partners of the firm. In addition to executing deed of retirement dated 23.01.1982, Sri. Venkataswamy Reddy, his wife and children of Sri. Ramaiah Reddy had also sworn to a joint affidavit confirming the fact that they having retired from the firm.

4.8 It is also contented that on the suit schedule property having been invested as the capital contribution of the firm, the name of the firm was mutated in the revenue records in Hongasandra Grama panchayat, which had issued 'No Objection Certificate' in respect to the suit property to be used for running poultry farm. The partnership firm was registered with the Registrar of Firms. After retirement of Sri. Venkataswamy Reddy, wife and children of Sri. Ramaiah Reddy, by executing deed of retirement dated 23.01.1982, the change in the partnership has been registered with the Registrar of Firms.

4.9 That later suit schedule property has been handed over to one M/s. Chamundi Steel Re-rolling Mills for storing raw materials.



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4.10 That Bangalore Development Authority had proposed to acquire the suit property and had issued preliminary notification dated 28.04.1998 to which defendant Nos.3 to 6 had filed their objections. Which was well within the knowledge of the plaintiffs and other landowners. Plaintiffs, as such are not entitled to any share in the suit property. But the same is filed in collusion with defendant Nos.1 and 2.

4.11 Subsequent to filing of the written statement, plaintiffs got the suit amended to contend that the suit schedule property being agricultural land could not have been invested into a partnership firm and it was in violation of provisions Sections 79-A, 79-B, 79-C and 80 of the Karnataka Land Reforms Act and that the firm, M/s. Karnataka Agrerian Poultry and Diary Firm was not competent to hold the suit schedule property. As such, sought for additional relief of declaration and delivered possession in that regard.

5. Based on the pleadings the trial Court framed the following:



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### **ISSUES**

- 1) *Whether plaintiffs prove that they are the legal heirs of late Sri Rajappa Reddy?*
- 2) *Whether plaintiffs prove that suit property is joint family property consisting of themselves and defendant Nos.1 and 22?*
- 3) *Whether plaintiffs prove that they are entitled to a share in the suit schedule property and if so to what share?*
- 4) *Whether defendant Nos.5 and 6 prove that widow & children of late Sri Ramaiah Reddy had executed a partnership deed dtd:30. 10. 1980 and invested the suit property in the business of partnership firm "Karnataka Agrarian Poultry and Diary Farm' as their share capital?*
- 5) *Whether defendant Nos.5 and 6 prove that the widow and children of late Sri Ramaiah Reddy have retired from the Firm by executing a deed of retirement dated 23.1 1982?*
- 6) *Whether defendant Nos 1 and 2 are entitled to a share in the suit property and if so to what share?*
- 7) *Whether plaintiffs are entitled to the relief sought for?*
- 8) *What decree of order?*

### **Additional issues**

- 1) *Whether suit of plaintiffs is, in time?*
- 2) *Whether defendant, Nos 5 and 6. prove that. suit of plaintiffs is. bad for, non-joinder of necessary party?*
- 3) *Whether defendant Nos:5 and 6 prove that they had perfected their title to suit property. by adverse possession?*
- 4) *Whether the Court fee paid by plaintiffs on their plaint is proper and sufficient?*

6. Plaintiff No.1 examined herself as PW1 and got marked  
9 documents as Exs.P1 to P9. Defendant No.5 examined as



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DW1 and exhibited 64 documents Ex.D1 to Ex.D64. Defendant Nos.1 and 2 have got examined themselves as DW2 and DW3.

7. On appreciation of evidence, trial Court answered issue Nos.1, 4, 5 and additional issue Nos.2 and 3 in the affirmative. issue Nos.2, 3, 6, 7 and additional issue No.1 and 4 in the negative and consequently dismissed the suit.

8. Being aggrieved by the same, present appeals are filed by the plaintiffs, defendant No.1 and defendant No.2 as noted above.

9. Sri. Prakash T. Hebbar, learned counsel appearing for the appellant in RFA No.294/2012 which is filed by defendant No.2, taking this Court through the records, more particularly, partnership deed produced at Ex.D61 dated 30.10.1980 submits;

(a) that the contents of the said document would reveal that the parties did not intend to treat the suit schedule property to be the capital contribution of the firm. He submits that the parties had expressly agreed that partnership firm may



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choose to purchase the property. He refers to clause-7 of the said document in justification of his submission.

(b) He also refers to clause-16 of the said document to submit that any partner desirous of retiring from the firm was entitled to do so by giving a month's notice. In such an event, the continuing partners may purchase the share of the retiring partner. Thus, referring to clause-7 and Clause-16 he vehemently submits that since there is no deed of conveyance as contemplated under Section 17 of the Registration Act, 1908 has been brought into existence, there is no conveyance in the eyes of law. Therefore, he submits that the defendant Nos.3 to 6 cannot claim the partnership firm has become owner of the property. He also submits that the partnership firm is not a legal entity. It survives and thrives only with the existence of the partners. It cannot have its own independent existence. Therefore, any contribution brought into the partnership firm in the nature of immovable property has to be by way of deed of conveyance.

(c) He relies upon the judgment of the Hon'ble Apex Court in the case of **ARM Group Enterprises Ltd., Vs.**



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***Waldorf Restaurant and others***<sup>1</sup>, at paragraph No.35 of the said judgment, to contend that there shall be express or implied contract between the parties to treat the immovable property as the property of the firm and perusal of Ex.D61- Partnership Deed, according to him would not indicate there being any express or implied contract between the partners to treat the suit schedule property as a partnership firm. Therefore, he submits in the absence of any registered deed as required in Section 17 of the Registration Act, there is no conveyance in the eyes of law, as such the property remains the property of Sri. Ramaiah Reddy, to which the plaintiff and defendant Nos.1 and 2 are entitled for the share herein.

10. Sri. B.C. Venkatesh, and Sri. Vishwanatha K, learned counsels' appearing for the other appellants in RFA Nos.196/2012 and 347/2014 adopts the same argument.

11. In response, Sri. V.B. Shiva Kumar, learned counsel for the respondent Nos.10 to 12 in RFA Nos.294/2012 and 196/2012, respondent Nos.7 to 9 in RFA No.347/2014, who are

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<sup>1</sup> (2003) 6 SCC 423



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the subsequent purchaser during the pendency of the suit, submits as under:

(a) Justifying the judgment and decree passed by the trial Court, more particularly its finding and conclusion arrived at on issue No.4, relies upon the judgment of the Hon'ble Apex Court in the case of ***Sachin Jaiswal Vs. M/s. Hotel Alka Raje and others*** in ***SLP (C) No.18717/2022*** decided on ***27.02.2025***. In addition, he also relies upon the case of ***Commissioner of Income Tax, West Bengal Vs. Juggilal Kamalapat*** reported in ***AIR 1967 SC 401*** and also the judgment of the High Court of Madras in the case of ***Chief Controlling Revenue Authority Vs. Chidambaram, Partner, Thachanallur Sugar Mills and Distilleries and others*** reported in ***AIR 1970 MADRAS 5***.

(b) That the law with regard to vesting of the right, title or interest in respect of an immovable property in the partnership firm, brought in as a capital contribution by any partner is well settled, warranting no further probe. He submits that the partnership firm is capable of holding the property in terms of Section 14 of the Indian Partnership Act, 1932



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provided the parties have agreed that the immovable property brought in by them to be treated as a capital contribution.

(c) That perusal of clause Nos.5, 6, 7 and 8 of the Partnership deed dated 30.10.1980 produced at Ex.D61 leaves no doubt the parties indeed had expressly agreed the immovable property, which is subject matter to the present suit had been brought in as a capital contribution, which remains so even after they having exited/retired from the partnership firm in terms of a retirement deed.

Thus, he submits that trial Court has committed no error in dismissing the suit, warranting interference at the hands of this Court.

12. Heard and perused the records.

13. Points that arises for consideration are;

*1. Whether the suit schedule property had been brought into the partnership firm namely Karnataka Agrerian Poultry and Dairy Farm by Smt. Papamma and Sri. Rajappa Reddy, the wife and son of late Sri. Ramaiah Reddy as their capital contribution?*

*2. Whether the plaintiff and defendant Nos.1 and 2 have proved the suit schedule property was not contributed into the partnership firm and has remained as a family property?*



3. Whether the trial Court is justified in dismissing the suit?

14. Plaintiffs have not disputed, partnership deed dated 30.10.1980 at Ex.D61 executed by and between Smt. Papamma and Sri. Rajappa Reddy, the wife and son of late Sri. Ramaiah Reddy and daughters of Sri. Ramaiah Reddy namely Smt. Indrani (shown as Smt. Indramma in the suit) and Smt. Radhamma through and under whom, they are claiming share, right, title and interest in the suit schedule property.

15. It is also not in dispute that the said partnership firm was registered. Section 14 of the Indian Partnership Act, 1932 reads as under:

***"14. The property of the firm.—***

*Subject to contract between the partners, the property of the firm includes all property and rights and interests in property originally brought into the stock of the firm, or acquired, by purchase or otherwise, by or for the firm, or for the purposes and in the course of business of the firm, and includes also the goodwill of the business. Unless the contrary intention appears, property and rights and interests in property acquired with money belonging to the firm are deemed to have been acquired for the firm."*

16. Thus, unless otherwise agreed between the parties or unless contrary intention appears, the property brought in as a capital contribution or business of a firm shall be treated as a property of the firm.



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17. Clause 5, 6, 7, 8 and 16 of the Partnership deed dated 30.10.1980, which is relied upon both learned counsel for the plaintiffs as well as the defendants read as under:

*" 5. Before entering into the partnership the party of the II part has valued the land at Rs.1,30,000/- (Rupees One Lakh Thirty Thousand) only and has brought the same in partnership by way of their capital contribution.*

*6. The party of the II party shall invest in the business a sum of Rs.1,50,000/-*

*7. The partnership if it decided may acquire and hold properties in the name or name of the one or more of its partners and no in that individual capacity.*

*8. The partner hereby mutually agrees that the property of the firm includes all property, rights and interest in the property brought in by the partners at the time of commencement of this partnership, stock of the firm and property acquired by the firm from its funds, and includes also the good-will of the business. All personal rights and interest if any of the individual partners shall stand extinguished and it shall form part and parcel of the firm, the individual rights if any shall merge with the partnership firm.*

*16. if any partners desirous if retire from the partnership he/she will be entitled to do so by giving one month's written notice to the other partners. The out-going partner or partner shall not entitled to assign his/her share to any stranger, However the continuing partners may purchase the share of the retiring o\partner/s for the benefit of the firm."*

18. Clearly, descendants of Sri. Abbaiah, namely Sri. Venkataswamy Reddy, his daughter-in-law Smt.Papamma and Sri. Rajappa Reddy (wife and son of late Sri. Ramaiah Reddy) respectively and others had consciously become partners of the firm and had contributed the suit schedule property as their capital contribution valued the same at Rs.1,30,000/-. In



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addition, they had also invested amount as found in Clause-6. Clause-8 provides for an express "agreement" that had been entered into between the parties to treat that all the properties of the firm including properties brought in by the partners at the time of commencement of the firm as partnership property and all personal rights and interests, if any, of the individual partners stood extinguished forming the same as part and parcel of the assets of the firm. This being the only meaning that can be assigned to the contract referred to hereinabove, any other meaning would not be consonance with the facts and circumstances of the case, more particularly, when there is no dispute raised by Sri. Venkataswamy Reddy.

19. The trial Court having taken into consideration the factual and legal aspect of the matter, has found that the suit schedule property had been indeed brought in as a capital contribution by the wife and children of late Sri. Ramaiah Reddy, who are the plaintiffs. Therefore challenge mounted by them to wriggle out of the consequences of they having brought the immovable property to the firm has been negated.



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Hon'ble Apex Court, in the case of **ARM Group Enterprises Ltd.,** (Supra) which is relied upon by the appellants, at paragraph No.35 has held as under:

*35. Under Section 14 of the Partnership Act, 1932, in the absence of an agreement to the contrary, property exclusively belonging to a person, on his entering into partnership with others, does not become a property of the partnership merely because it is used for the business of the partnership. Such property will become property of the partnership only if there is an agreement - express or implied - that the property was, under the agreement of the partnership, to be treated as a property of the partnership.*

*(Emphasis Supplied)*

20. There cannot be any doubt, that should there be an express agreement amongst the partners to treat the property as the firm's property, it shall be treated as a property of the firm, which is the case at hand.

21. As regards, the requirement of registration of a document of conveyance in favour of partnership firm as contended by the appellant is concerned, Hon'ble Apex Court in its judgment rendered in the case of **the Commissioner of Income Tax, West Bengal** (Supra) at paragraph Nos.8 and 9, adverting to the question with regard to requirement of registration of a immovable property, which was brought in as



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a capital contribution for the purpose of Section 17(1) of the  
Registration Act reads as under:

*"8. It appears to us that, in this case, the submissions that were made on behalf of the Commissioner before the High Court and which have been made before us have ignored the effect of the important relevant documents and have unnecessarily placed too much reliance on the Deed of Relinquishment. The Tribunal found that a Kamla Town Trust had been constituted of which the three Singhanian Brothers were the Trustees. The Tribunal also found that a deed of partnership was executed so as to constitute the firm Juggilal Kamalapat, consisting of two partners, the Kamala Town Trust, represented by the three trustees, and Jhabbarmal Saraf. Their shares in the profits and losses were also specified in the deed of partnership. There was the further finding by the Income Tax Officer that the Kamla Town Trust, which entered into the partnership, actually introduced a sum of Rs 50,000 as its capital in this partnership firm. On these facts by themselves, it should have been held that a valid partnership had come into existence.*

*9. So far as the deed of relinquishment is concerned, learned Counsel appearing on behalf of the Commissioner has not been able to show to us any provision of law, or any decision of a court laying down that a deed of relinquishment executed by partners of a firm in respect of their share and interest in a firm required registration, in case the firm owned immovable properties. In this connection, learned Counsel for the respondent firm brought to our notice a recent decision of this Court in *Addanki Narayanappa v. Bhaskara Krishnappa (dead)* [(1966) 3 SCR 400] where the question that came up for consideration was whether the interest of a partner in partnership assets comprising of movable as well as immovable property should be treated as movable or immovable property for the purposes of Section 17(1) of the Registration Act, 1908. The court upheld the view of the Full Bench of the Andhra Pradesh High Court in *Addanki Narayanappa v. Bhaskara Krishnappa* [ILR 1959 AP p. 387] *Mudholkar, J.*, speaking for this Court held: "It seems to us that looking to the scheme of the Indian Act, no other view can reasonably be taken. The whole concept of partnership is to embark upon a joint venture and for that purpose to bring in as capital money or even property including immovable property. Once that is done, whatever is brought in would cease to be the exclusive property of the person who brought it in. It would be the trading asset of the partnership in which all the partners would have interest in proportion to their share in the joint venture of the business of partnership. The person who brought it in would, therefore, not be able to claim or exercise any exclusive right over any property which he has brought in, much less over any other partnership property. He would not be able to exercise his right even to the extent of his share in the business of the partnership. As already stated, his right during the subsistence of the partnership is to get his share of profits from time to time as may be agreed upon among the partners and after the dissolution of the partnership or with his retirement from partnership of the value of his share in the net partnership assets as on the date of dissolution or retirement after a deduction of liabilities and prior charges".*

*On this basis, the ultimate decision was that a deed, evidencing the transfer of an interest of a partner in partnership assets, does not require registration even though the partnership assets are comprised of movable as well as immovable property."*

*(Emphasis Supplied)*



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22. The aforesaid exposition of law has been consistently followed even as late as in the judgment of ***Sachin Jaiswal*** (Supra).

23. Thus two primary contentions urged by the appellant, assailing the judgment and decree passed by the trial Court cannot be countenanced in the light of the aforesaid factual and legal aspect of the matter.

24. In view of deletion of provisions of Sections 79 and 79-B of the Karnataka Land Reforms Act, have been omitted by Act 56 of 2020 retrospectively, the contention urged in this regard is not adverted.

25. Appeals failed, same are ***dismissed***.

26. Judgment and decree dated 15.10.2011 passed by the XXXVIII Additional City Civil and Sessions Judge, Bangalore City is confirmed.

**Sd/-**  
**(M.G.S. KAMAL)**  
**JUDGE**

RL  
List No.: 1 Sl No.: 38