

Supreme Court of India

Reddy Veerana v. State of Uttar Pradesh (2025)

Fraud Vitiating Judicial Proceedings: Supreme Court Reaffirms That No Judgment Can Stand if Built on Deceit. (Brief Report)

Case: *Vishnu Vardhan @ Vishnu Pradhan v. State of Uttar Pradesh*

Citation: 2025 INSC 884

Court: Supreme Court of India

Author: Dipankar Datta, J.

Bench: Dipankar Datta, J., Surya Kant, J., Ujjwal Bhuyan, J.

Date: July 23, 2025

I. Introduction and Doctrinal Framework

The Supreme Court in this landmark judgment reaffirmed the foundational legal doctrine that fraud nullifies all judicial acts, regardless of procedural progress or finality. Reiterating the classical maxim “Fraud unravels everything” (*Lazarus Estates Ltd. v. Beasley*, 1956), and the Indian Supreme Court’s own precedents in *S.P. Chengalvaraya Naidu v. Jagannath* (1994) and *A.V. Papayya Sastry v. Govt. of A.P.* (2007), the Court held that:

No decree, order, or judicial recognition can survive once it is established that the result was obtained by deception, suppression, or deliberate falsification of material facts. The Court emphasized that finality of litigation cannot become a sanctuary for fraud. Judicial institutions must ensure that justice is not defeated by manipulation of proceedings, abuse of process, and fraudulent advantage.

II. Background of the Dispute

The matter arose from a land acquisition compensation dispute relating to land jointly purchased by three co-owners in 1997 in Village Challera Banger, Gautam Budh Nagar, Uttar Pradesh—later acquired by NOIDA for development of Sector-18.

Over years of litigation, evidence showed that while all three originally acted together asserting joint ownership, Respondent Reddy later made a unilateral claim to sole ownership.

This was achieved through a series of suppressed facts, collusive litigation maneuvers, and misuse of a cancelled Power of Attorney, resulting in a compromise decree in 2006, which Reddy later used to mutate revenue records and seek compensation exclusively in his name.

In 2021, the Allahabad High Court, relying on materially incomplete disclosures, recognized Reddy as sole owner and enhanced the compensation to approximately ₹295 crore, which was thereafter disbursed.

The appellant Vishnu challenged this before the Supreme Court, alleging that the High Court's findings, the revenue mutations, and subsequent compensation determinations were products of fraud and suppression.

III. Findings: Fraud as the Determining Factor

The Supreme Court, after detailed examination of records, held that the respondent intentionally suppressed material facts, relied on a collusive compromise decree obtained through an unauthorized representative, and misled ongoing judicial proceedings. The fraud was deliberate and went to the root of all orders arising from it.

IV. Directions Issued

The Supreme Court set aside the Allahabad High Court judgment and recalled prior orders affected by fraud. The matter was remanded for fresh adjudication, with mandatory implement of all co-owners and liberty to lead evidence.

V. Conclusion

This judgment reinforces that fraud vitiates all judicial acts. Judicial institutions must ensure that justice is not compromised by concealment, manipulation, or deceit. Equity must prevail over procedural finality.

Full Judgment:

The official SCI site for direct PDF link:
<https://main.sci.gov.in/judgment/judis/884.pdf>

Or a reliable alternative from Indian Kanoon:
<https://indiankanoon.org/doc/26257438/>

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