

IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NOS.8091-8093 OF 2026
(Arising out of S.L.P.(CIVIL) NOS.7744-7746 of 2026)

THE SPECIAL CHIEF SECRETARY & ORS. ...Appellant(s)

Vs.

K V MOHAN RAO & ORS. ...Respondent(s)

O R D E R

1. Leave granted.
2. A 40 year battle hopefully will come to an end with this order. The present appeals call in question the correctness of the judgment dated 8th October, 2025 passed by the High Court of Andhra Pradesh at Amaravati in Civil Revision Petition Nos.6302, 6303 and 6306 of 2017.
3. By the impugned order, the High Court confirmed the order of attachment dated 6th October, 2017 made by the III Additional District Judge, Kurnool.
4. The proceedings themselves arise out of an Award in favour of the respondent No.1 against M/s. Nandyal Co-operative Spinning Mills Ltd. The Award dated 27th February, 1999 was for a sum of Rs. 32,62,779/- (Rupees Thirty Two Lakh Sixty Two Thousand Seven Hundred and Sevety Nine Only).

5. The respondent No. 1 filed Execution Petition No. 2 of 2004 before the III Additional District Judge seeking to execute the Award. Thereafter, the respondent No.1 on the ground that the Government held substantial shareholding in M/s. Nandyal Co-operative Spinning Mills Ltd. sought to execute the decree against the properties of the Government. Consequential orders of attachments were made and notices to bring the property to sale of the Government were issued. The High Court has confirmed the orders directing execution against the properties of the Government.

6. When the matter came up for hearing on 13th March, 2026, Mr. N. Venkataraman, learned Additional Solicitor General assisted by Ms. Prerna Singh, learned counsel appearing for the State Submitted that properties of the State could not have been proceeded with, since Government is different from its instrumentality.

7. On the other hand, Mr. DVSS Somayajulu, learned Senior Counsel for the respondent No.1 contended that in this case more than 98 per cent of the shares of judgment award debtor is held by the Government and that the Government in certain other aspects have granted relief by granting amounts to satisfy other debts.

8. Before examining the controversy and without prejudice to the rights and contentions of the respective parties, we made the following order on 13th March, 2026:

"1. Having heard Mr. N. Venkataraman, learned Additional Solicitor General of India assisted by Ms. Prerna Singh, learned advocate appearing for the petitioners and Mr. DVSS Somayajulu, learned Senior Advocate appearing for respondent No.1, we are of the opinion that before we hear further, a meeting which should be summoned by the Chief Secretary, State of Andhra Pradesh between respondent No.1 - Contractor and the liquidator of M/s. Nandyal Co-operative Spinning Mills Ltd. to explore an amicable resolution to the dispute. We say so for the reason that even though the award is of 27.02.1999, respondent No.1 has not received any amount and today execution proceedings are going on. We are in the year 2026. This reflects a sad commentary. In any event without prejudice to the rights and contentions of the petitioners and respondents, let a meeting be summoned and an attempt be made at an amicable resolution of the dispute. We direct the State to play an active role to resolve this dispute.

2. Mr. DVSS Somayajulu, learned Senior Advocate appearing for respondent No.1 submits that no precipitative action pursuant to the attachment would be taken.

3. List on 11.05.2026."

9. Thereafter, meetings were held pursuant to our order presided over by the Chief Secretary of the State. The situation today is that without prejudice to the rights and contentions and considering that this was an award of 1999, the State, as a one-time measure and without it being

treated as a precedent, offers a sum of Rs. 2,55,14,874/- (Rupees Two Crore Fifty Five Lakh Fourteen Thousand Eight Hundred and Seventy Four Only) in full and final settlement. The matter was further adjourned for the respondents to consider the offer.

10. The respondent No.1 has today filed an application setting out the calculation as made by him. According to the respondent No.1, what is due is the sum of Rs.5,64,48,067.41/- (Rupees Five Crore Sixty Four Lakh Forty Eight Thousand and Sixty Seven Only).

11. Considering the overall facts and circumstances, we suggested that the matter should be closed by the appellants by offering a consolidated sum of Rs.3,00,00,000/- (Rupees three crore) in full and final settlement.

12. Parties ultimately left the matter to the Court.

13. Keeping the overall facts and circumstances, we are of the opinion that, in the peculiar facts of the case, the appellants should be directed to pay a sum of Rs.3,00,00,000/- (Rupees three crore) in full and final settlement. If such a payment is made that will be in full and final settlement of the Award dated 27th February, 1999 inclusive of all interest. We direct the appellants to pay the amount of Rs.3,00,00,000/- (Rupees three crore) within a period of eight weeks from today.

14. Considering the nature of the order made, the question of law is left open.

15. Our present order will be in supersession of all the orders of the Courts below.

16. With the result, the orders of the High Court will stand set aside. The amount shall be released by the appellants within a period of 8 weeks.

17. The order is made in the special facts of the case and shall not to be treated as a precedent.

18. The appeals are accordingly disposed of.

.....J.
(K.V.VISWANATHAN)

.....J.
(VIJAY BISHNOI)

NEW DELHI;
May 21, 2026.

S U P R E M E C O U R T O F I N D I A
R E C O R D O F P R O C E E D I N G S

Petition(s) for Special Leave to Appeal (C) No(s). 7744-7746/2026

[Arising out of impugned final judgment and order dated 08-10-2025 in CRP Nos.6302/2017, 6303/2017 and 6306/2017 passed by the High Court of Andhra Pradesh at Amravati]

THE SPECIAL CHIEF SECRETARY & ORS.

Petitioner(s)

VERSUS

K V MOHAN RAO & ORS.

Respondent(s)

(FOR ADMISSION)

Date : 21-05-2026 These petitions were called on for hearing today.

CORAM :

HON'BLE MR. JUSTICE K.V. VISWANATHAN
HON'BLE MR. JUSTICE VIJAY BISHNOI

For Petitioner(s) :

Mr. N. Venkataraman, A.S.G.
Mr. Guntur Pramod Kumar, AOR
Ms. Prerna Singh, Adv.
Mr. Dhruv Yadav, Adv.
Ms. Rakshita Rana, Adv.

For Respondent(s) :

Mr. Dvss Somayajulu, Sr. Adv.
Mr. Goli Rama Krishna, Adv.
Mr. Koneru Prabhakar Rao, Adv.
Mr. Sameer Kulshreshtha, Adv.
Ms. Vandana Sharma Bhandari, AOR
Ms. Karishma Seth, Adv.

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

1. Leave granted.

2. The appeals are disposed of in terms of the signed order.

3. Pending application, if any, shall also stand disposed of.

(ANITA MALHOTRA)
AR-CUM-PS

(MANOJ KUMAR)
COURT MASTER

(Signed order is placed on the file.)