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## SC ON EVIDENTIARY VALUE OF WRITTEN INSTRUMENTS

### A. Introduction:

Supreme Court (“SC”), in the case of *V. Anantha Raju*,<sup>1</sup> held by its judgment of October 26, 2021 that when parties intentionally reduce their agreement into writing, it is conclusively presumed that they intended the writing to form a full and final statement of their intentions and the written instruments are entitled to a much higher degree of credit than parol (or oral) evidence.

### B. Brief Facts:

1. V. Anantha Raju (**Appellant 1**) and another (collectively “**Appellants**”) and T M Narasimhan and others (**Respondents**) were partners in a partnership firm (**Firm**) formed vide partnership deed dated 30.10.1992 (**1992 Deed**).
2. As per the 1992 Deed, Appellant 1 was entitled to have 50% share in profits and losses, subject to him furnishing contribution of Rs. 50 lakhs as capital within one year, failing which his share would be restricted to the extent of only 10%.
3. Vide Partnership Deed dated 18.08.1995 (**1995 Deed**), few more persons were inducted as partners and the shares of the Appellants were reduced to 25% each. In 2004, Appellants were removed from the Firm.
4. Subsequently, the Appellants served legal notice demanding accounts and their share of profit. Respondents replied contending that Appellants collectively were entitled only to 10% share in the profits and losses of the Firm and mentioning of 25% share each in the 1995 Deed was only a mistake of record.
5. Appellants filed the suit for rendition of accounts and for releasing their 50% share in the profits of the Firm. Trial Court held that Appellants together were entitled to 10% share in the profits. High Court of Karnataka (**HC**) upheld the Trial Court’s judgment.
6. Aggrieved, the Appellants appealed before the SC challenging the legality and correctness of the judgment.

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<sup>1</sup> *V. Anantha Raju and Anr. V. T.M. Narasimhan and Ors*: MANU/SC/0980/2021. Also available at [https://main.sci.gov.in/supremecourt/2015/13589/13589\\_2015\\_5\\_1501\\_30910\\_Judgement\\_26-Oct-2021.pdf](https://main.sci.gov.in/supremecourt/2015/13589/13589_2015_5_1501_30910_Judgement_26-Oct-2021.pdf)

### C. Reasoning and Judgment:

The SC observed as below in its judgment:

1. From the averments of the Respondents and affidavit in lieu of examination-in-chief, the SC noted that it is unambiguous and clear that the Appellants and Respondents have executed the 1995 Deed. Relying on *Roop Kumar* case<sup>2</sup> it emphasized on Sections 91 and 92 of the Indian Evidence Act, 1872 (**Act**), noting that: “*When persons express their agreements in writing, it is for the express purpose of getting rid of indefiniteness and to put their ideas in such a shape that there can be no misunderstanding, which so often occurs when reliance is placed upon oral statements*”.
2. That when a document is produced to prove its contents under Section 91 of the Act, provisions of Section 92 of the Act come into operation for the purpose of excluding evidence of any oral agreement for the purpose of contradicting, varying from its contents.
3. “*When the parties deliberately put their agreement into writing, it is conclusively presumed, between themselves and their privies, that they intended the writing to form a full and final statement of their intentions, and one which should be placed beyond the reach of the future controversy, bad faith and treacherous memory.*”<sup>3</sup>
4. Relied on *Gangabai*<sup>4</sup> and *Ishwar Dass Jain*<sup>5</sup> cases that the oral evidence necessarily must be led to show that the document executed never intended to operate as an agreement but that some other agreement altogether, not recorded in the document, was entered into between the parties.
5. Contention of the Respondents that share is mentioned as 25% by mistake does not sound logical or reasoned and burden to prove such contention is on the Respondents. If it was by mistake or inadvertence, nothing precluded the Respondents from rectifying the same between 1995 and 2004.
6. In view of Section 91 of the Act, evidentiary value of the 1995 Deed would stand on a much higher pedestal, as against the oral testimony of the parties. In view of Section 92 of the Act, any evidence regard to oral agreement for the purpose of contradicting, varying, adding to, or subtracting from the terms of the written contract would be excluded unless the case falls within any of the provisos to the section.<sup>6</sup>
7. It partly allowed the appeal, modifying and declaring that the Appellants together are entitled to 50% share.

### D. Conclusion:

This judgment makes clear that the Sections 91 and 92 of the Act are supplementary to each other. When the terms of the contract are proved by document, then oral evidence is not required to contradict it. After a document is proved under Section 91, the provisions of Section 92 exclude evidence of any oral agreement or statement for the purpose of contradicting or varying from its terms.

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<sup>2</sup> *Roop Kumar V. Mohan Thendani* (2003) 6 SCC 595.

<sup>3</sup> Para 23 of the judgment.

<sup>4</sup> *Gangabai V. Chhabubai* (1982) 1 SCC 4.

<sup>5</sup> *Ishwar Dass Jain V. Sohan Lal* (2000) 1 SCC 434.

<sup>6</sup> Para 25 of the judgment.