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1. ORDER DEMANDING PAYMENT OF DEFICIT STAMP DUTY MUST BE PASSED WITHIN SIX YEARS FROM THE DATE OF CERTIFICATE UNDER SECTION 32 OF THE MAHARASHTRA STAMP ACT, 1958

Introduction:

The Bombay High Court by an order dated 7th August 2025 in the case of **Sony Mony Electronics Limited v. State of Maharashtra & Anr.**[1] has held that an order demanding payment of deficit stamp duty under Section 53A (1) of the Maharashtra Stamp Act, 1958 ("**Act**") must be passed within 6 years from the date of the certificate under Section 32 of the Act.

Facts:

The Petitioner submitted an agreement for sale to the Collector for adjudication of stamp duty and pursuant thereto, a certificate under Section 32 (1) (b) of the Act was issued to the Petitioner on 2nd December 2003 determining the stamp duty to be Rs. 16,59,950/-. The Petitioner executed the agreement on 12th December 2003 and paid the stamp duty as adjudicated. On 2nd March 2007 and 29th December 2007 notice was issued to the Petitioner by the Chief Controlling Revenue Authority of Maharashtra ("**Respondent No. 2**") with respect to valuation and payment of stamp duty. On 14th November 2011, Respondent No. 2 issued a show cause notice to the Petitioner demanding payment of differential stamp duty under Section 53A (1) of the Act. Section 53A of the Act deals with the revisionary powers of Respondent No. 2 in relation to orders passed by the Collector under Section 32 of the Act. Based on the recommendation of the Assistant Director of Town Planning Valuation, Government of Maharashtra regarding the valuation of the document in question, Respondent No. 2 passed an order on 14th August 2012 demanding deficit stamp duty of Rs. 8,21,000/- (Rupees Eight Lakh Twenty-One Thousand Only). However, since the Petitioner did not have a copy of the audit report referred to in the order dated 14th August 2012, the High Court directed the same to be served upon the Petitioner following which Respondent No. 2 passed order dated 21st August 2015 confirming his earlier order. The Petitioner challenged both the orders dated 14th August 2012 and 21st August 2015 ("**Impugned Orders**") before the High Court stating that the same were barred by limitation as they were passed after the expiry of 6 years from the date of adjudication. However, the Respondent No. 2 submitted that under Section 53A (1) of the Act, proceedings are required to be initiated within 6 years and final order can be passed anytime after that.

Issues:

1. On a reading of Section 53A (1) of the Act, only initiation of proceedings should be within 6 years or whether the order also should be passed within 6 years from the date of certificate under Section 32 of the Act
2. If Section 53A (1) of the Act provides only for initiation of the proceedings within 6 years then within what time from the date of initiation should an order be passed under Section 53A (1) of the Act?

Held:

The Court dissected the provisions of Section 53A(1) of the Stamp Act into three parts :-

(i) The Collector/Chief Controlling Revenue Authority may, within a period of six years from the date of certificate of the Collector under Sections 32, 39 or 41, as the case may be
(ii) require the concerned party to produce before him the instrument and, after giving reasonable opportunity of being heard to the party, examine such instrument whether any duty is chargeable or any duty is less levied, thereon
(iii) and order the recovery of the deficit duty, if any, from the concerned party.

[1] Writ Petition No. 2757 of 2012

The Court was of the view that the order of recovery should be passed within 6 years preceded by compliance of natural justice and application of mind.

Further, the Court referred to the provisions of Section 32C of the Act which deals with the powers of revision of Respondent No. 2. The Court noted that Section 32C of the Act stipulates that no notice calling for the record under Section 32C shall be served by the Chief Controlling Revenue Authority after the expiry of three years from the date of communication of the order sought to be revised and no order of revision shall be made by the said Authority after expiry of 5 years from such date. The Court held that in the absence of a similar provision for passing a final order under Section 53A (1) of the Act, it should be presumed that the legislature intended for proceedings to be completed within a period of 6 years. The Court held that wherever legislature wanted to specify different time period for initiation and completion they have specified so but in the absence of different periods it should be presumed that legislature intended to complete the proceedings within one time limit specified therein which in the present case is 6 years.

Further, regarding the question of time within which the order should be passed under Section 53A (1), the Court was of the view that once any proceedings are initiated then, the same has to be concluded within a "reasonable time" frame which would be maximum two years from the date of initiation of proceedings. The Court reasoned that Section 32C provides for issuance of notice within 3 years from the date of communication of the order sought to be revised and mandates that an order is passed within 5 years from the date of the order sought to be revised. Since the scheme of the Act dealing with similar provision gives a period of two years for completion of proceedings, therefore, a period of two years is considered to be reasonable to conclude the proceedings from the date of initiation.

The Court also held that in revenue matters, proceedings cannot be kept in abeyance for long periods of time and the reasonable period ought to be construed based on the scheme of the Act.

In this view of the matter, the Court quashed the Impugned Orders as they were not passed within the limitation period of 6 years provided under Section 53A(1) of the Act or within reasonable period from the issue of notice under Section 53A(1) or within a reasonable time from expiry of the 6 years period.

2. PLEA OF ADVERSE POSSESSION CANNOT BE RAISED FOR THE FIRST TIME IN APPEAL

Introduction:

The Supreme Court in the case of **Kishundeo Rout & Ors. v. Govind Rao & Ors.**[2] passed an order on 8th August 2025 holding that the plea of adverse possession cannot be taken for the first time in appeal, unless the same has been specifically raised in the pleadings, put in issue, cogent evidence is led and an opportunity to refute the case is made out by the Plaintiff and availed of by the Defendant.

Facts:

The Petitioners (original Plaintiffs) filed a suit against the Respondents (original Defendants) inter alia seeking a declaration that a sale deed in favour of the Defendant is bogus, inoperative and fit to be cancelled and a permanent injunction restraining the Defendant from claiming to be the owner of the suit property on basis of the forged and fabricated sale deed. They also prayed for confirmation of possession and recovery of possession in the event that they were dispossessed during the pendency of the suit.

The trial court dismissed the suit stating that the Plaintiffs have not succeeded to prove that the sale deed was managed by playing fraud, misrepresentation and due (sic) influence and also failed to prove that possession of the suit property was not given to the Defendant after execution of the alleged sale deed and the suit was not maintainable in its present form and there is no valid cause of action.

[2] Special Leave Petition (Civil) No.22070/2025 (@Diary No.30361)

Aggrieved by this judgment, the Plaintiffs filed a First Appeal before the District Judge, Deoghar. The First Appellate Court held that it had the powers to frame additional issues from the material on record in order to adjudicate the matter finally and to avoid multiplicity of proceedings without taking further evidence as everything is admitted in the record of the trial court. The First Appeal was allowed and the suit instituted by the Plaintiffs was decreed as the First Appellate Court accepted the plea of adverse possession put up by Plaintiffs.

The Defendants being dissatisfied with the judgment and order preferred the Second Appeal before the High Court of Jharkhand. The High Court framed two substantial questions of law
(i) whether the Ld. Lower Appellate Court was justified in framing additional issue of adverse possession in an appeal filed by the plaintiffs although the plaintiffs never pleaded any case of, adverse possession in the plaint?
(ii) Whether the learned lower appellate court after Framing the additional issue of adverse possession could decide the case without taking further evidence in connection with the additional issue of adverse possession?"

The High Court passed a judgement and order dated 28th February 2025 holding there was fundamentally no foundational pleading with regards to claim of title by adverse possession in the plaint of the written statement, there was no occasion for the Ld. First Appellate Court to frame an issue of adverse possession and consequently there is no question of taking any further evidence on the point of adverse possession framed for the first time by the Ld. First Appellate Court.

Aggrieved by the order passed in Second Appeal the Plaintiffs / Petitioners approached the Hon'ble Supreme Court.

Issue:
Whether a plea of adverse possession can be raised and considered in first appeal?

Held:

The Hon'ble Court held that a plea of adverse possession is not always a legal plea. It is always based on facts which must be asserted and proved. A person claiming adverse possession must show on what date he came into possession, what was the nature of his possession, whether this fact was known to the legal claimants and the length of time for which his possession continued openly and undisturbed. These are all questions of fact and unless they are asserted and proved, a plea of adverse possession cannot be inferred from them.

The basic rule of law of pleadings is, that a party can only succeed according to what he has alleged and proved, otherwise, on the principle of *secundum allegata et probata*, a party is not allowed to succeed where he has not set up a case which he wants to substantiate. Pleadings and proof must correspond so that no party is prejudiced by being taken by surprise by varying the case as originally set up. The Hon'ble Court concluded that unless the plea of adverse possession has been specifically raised in the pleadings, put in issue, and then cogent and convincing evidence is led on a multitude of points, and an opportunity to refute the case is made out by the plaintiff, and availed of by the defendant, the plea of adverse possession cannot be allowed to be flung as a surprise, on an unsuspecting defendant, for the first time in appeal.

3. AN ADVOCATE IS BOUND BY HIS CLIENT'S INSTRUCTIONS AND IS NOT OBLIGATED TO VERIFY THE TRUTHFULNESS OF THE SAME

Introduction:

In the case of **Chand Mehra v. Union of India & Ors.**[3] the Delhi High Court held that it is not the duty of an advocate to ascertain the truthfulness of his client's instructions, especially if they are assertions that require adjudication by a court.

[3] LPA 431/2025 & CM APPL. 41457/2025

Facts:

The Appellant filed a complaint before the Bar Council of Delhi ("**BCD**") alleging misconduct by the Respondents for filing an allegedly false complaint against him on behalf of their client under Section 138 of the Negotiable Instruments Act, 1881 ("**NI Act**"). The BCD dismissed the complaint stating that the Appellant failed to establish any professional relationship between himself and the Respondents. The BCD further rejected his contention that the Respondents ought to have ascertained the facts with due diligence and only after verification could they have contested the matter on behalf of their respective clients. The BCD further opined that the allegations in the complaint in the matter filed against the Appellant under Section 138 of the NI Act, are false or correct, is to be decided by the Court, and, accordingly, no misconduct was made out against respondent Nos. 3 to 5.

Aggrieved by the findings of the BCD, the Appellant preferred a revision before the Bar Council of India ("**BCI**") which upheld the decision of the BCD and further stated that no case of any "professional misconduct" is made out against respondent Nos. 3 to 5, an advocate cannot be prosecuted because his client's case is false and the appellant and the respondent Nos. 3 to 5 did not have any fiduciary relationship of lawyer and client. The BCI also stated that the provisions of Rule 4 of Section I, Chapter 1, Part VI of the BCI Rules which restricts advocates from being mere mouth pieces of their clients cannot be construed to mean that the advocate must first ascertain the genuineness of his client's claim before representing them.

The Appellant challenged the findings of both the BCD and BCI before a single judge of the Delhi High Court by a writ petition. The Ld. Single Judge agreed with the decision of the BCI and observed that advocates of the adversary do not owe any fiduciary duty to the Appellant nor is there any professional relationship between them. This judgement was challenged before a division bench of the Delhi High Court.

Issues:

Whether an advocate is bound to ascertain the veracity of his client's claim before proceeding on client's instructions?

Held:

The Division Bench agreed with the reasoning and conclusion of the Ld. Single Judge and held that no case of professional misconduct is made out. The Division Bench further observed that if the complaint of the Appellant was to be acted upon, it would undermine the duties an advocate owes to his client. The Court further held that an advocate is bound by his client's instructions and it does not form part of his duty to verify the truthfulness or veracity of such instructions especially for the reason that the assertions made by the parties before the Court in the form of pleadings or setting up a case are to be decided by the learned Court concerned in the proceedings and not by the lawyers representing the respective parties.

4. APPELLATE COURT MUST EXAMINE THE PLEADINGS BEFORE ALLOWING A PARTY TO LEAD ADDITIONAL EVIDENCE

Introduction:

By an order dated 22nd August 2025 the Supreme Court in the case of **Iqbal Ahmed (Dead) by LRs & Anr. v. Abdul Shukoor** [4] held that while evaluating if a party is entitled to lead additional evidence under Order XLI Rule 27(1) of the Code of Civil Procedure, 1908 ("**CPC**"), the pleadings must be examined to ensure that the additional evidence proposed to be led was in consonance with the pleadings.

Facts:

The Appellants (original Plaintiffs) entered into an agreement with the Respondent to purchase his property and paid part consideration. It was agreed by the parties that the sale would be completed within one and a half

[4] Civil Appeal No. 10458 of 2010

year.
The Appellants called upon the Respondent to execute the Sale Deed, however, they received no response. The Appellants filed a suit for specific performance against the Respondent. The Appellants had pleaded in the plaint that they disposed of other properties in order to purchase the suit property and were ready and willing to perform their part of the agreement. In the written statement the Defendant denied the case of the Appellants and stating that he had borrowed money for expansion of his business from Plaintiff No.1 and his signatures were obtained on blank stamp papers. He further contended that it was not within his knowledge whether the Plaintiffs/Appellants had sold their immovable properties for purchasing the suit property.

The trial court decreed the suit in favour of the Appellants and the Respondent being aggrieved by the decree, appealed against the same. The Respondent also filed an application to produce additional documentary evidence before the Appellate Court under the provisions of Order XLI Rule 27 of CPC in support of the appeal. The High Court, while considering the appeal, observed that while the Appellants stated in the plaint that they sold immoveable property in order to purchase the suit property, the Respondent subsequently received information that no such sale had taken place and therefore it was necessary to permit additional evidence to be led. After considering the same, the High Court held that the agreement entered into between the parties was not proved and that the case set up by the Appellant was not true. Thus, the High Court reversed the decree passed by the trial court. Aggrieved by the High Court's decision, the Appellants approached the Supreme Court.

Issue:

Whether the Appellate Court should consider the pleadings of the parties before adjudicating the prayer made for leading additional evidence under provisions of Order XLI Rule 27 of CPC?

Held:

The Supreme Court observed that it was specifically pleaded that the Appellants disposed of their immoveable property in order to purchase the suit property and that in response in the written statement, the Respondent stated that he was unaware of this factual aspect. The High Court while considering the Respondent's application to lead additional evidence failed to examine if the same was supported by the pleadings of the Respondent in the written statement. The Supreme Court held that before considering if a party is entitled to lead additional evidence under Order XLI Rule 27(1) it would be necessary to examine the pleadings to verify if the case sought to be set up is pleaded so as to support the additional evidence that is proposed to be brought on record. It was held that in the absence of necessary pleadings, permitting a party to lead additional evidence would result in an unnecessary exercise and such evidence, if led, would be of no consequence as it would not be permissible to take such evidence into consideration. In view of the aforesaid, the Hon'ble Supreme Court set aside the judgment of the High Court and ruled that since the High Court failed to consider if the additional evidence proposed to be led was in consonance with the pleadings of the Respondent and whether such a case has been set up by him, the matter was remanded back to the High Court to be re-considered afresh.

5. A PROPRIETORSHIP CONCERN CAN BE SUED EITHER IN ITS OWN NAME OR IN THE NAME OF ITS PROPRIETOR

Introduction:

By a judgment dated 26th August 2025, the Supreme Court in the case of **Dogiparthi Venkata Satish & Anr. v. Pilla Durga Prasad & Ors.**[5] held that whether proprietorship concern is sued in its name or through its proprietor representing the concern is one and the same thing.

[5] (SLP(C) No.25938 of 2023)

Facts:

The Appellants leased their property to Aditya Motors, a proprietary concern of Pilla Durga Prasad, who without the consent of the Appellants, sub-leased the property to M/s. Associated Auto Services Pvt. Ltd. After the expiry of the lease, vacant possession of the property was not handed over to the Appellants. Therefore, the Appellants filed an eviction suit against Aditya Motors, M/s. Associated Auto Services Pvt. Ltd. and its directors. During the pendency of the proceedings, the Appellant filed an application to amend the Plaint and *inter alia* sought to delete Aditya Motors and substitute the Pilla Durga Prasad in its place. The amendment was allowed and Pilla Durga Prasad filed an application under Order 7 Rule 11 of the Code of Civil Procedure, 1908 (**"CPC"**) to reject the Plaint on the ground that the lease agreement was executed with Aditya Motors which had been deleted as a party and since the plaint did not disclose any cause of action against Pilla Durga Prasad, it was liable to be rejected.

The trial court rejected the submissions of Pilla Durga Prasad and the order was challenged by him in revision before the High Court. The High Court took into consideration the provisions of Order XXX Rule 10 CPC which states,

*"**10. Suit against person carrying on business in name other than his own.—Any person carrying on business in a name or style other than his own name, or a Hindu undivided family carrying on business under any name, may be sued in such name or style as if it were a firm name, and, in so far as the nature of such case permits, all rules under this Order shall apply accordingly.**"*

In view of the contents of Order XXX Rule 10 of CPC, the High Court allowed the revision and ruled that the proprietorship ought to have been made party as it could be sued, but, could not sue in its own name. Being aggrieved by order of the High Court, the Appellants approached the Hon'ble Supreme Court.

Issue:

Whether impleading the proprietor in a suit is sufficient or if the proprietorship concern must be impleaded?

Held:

The Supreme Court held that the Trial Court was correct in rejecting the application under Order VII Rule 11 of CPC and that High Court made a serious error in while relying on the provisions of Order XXX Rule 10 of CPC. The Supreme Court observed that a proprietorship concern is nothing but a trade name given by an individual to carry on his business and is not a juristic person. The Supreme Court further noted that in view of Order XXX Rule 10 of CPC, a proprietorship cannot sue but, it can be sued in its own name. The word "can" in Order XXX Rule 10 of CPC, merely indicates that a proprietorship concern may be impleaded and it does not mean that if the proprietor itself is made a party, it would not be enough as the proprietorship is to be defended by the proprietor only and not by anybody else. Order XXX Rule 10 of CPC does not in any manner debar a suit being filed against the proprietor. The Supreme Court held that once the proprietor has been impleaded as a party representing the proprietorship, no prejudice would be caused, but rather, the interest of the proprietorship would be well protected. Suing a proprietorship in its name or through its proprietor representing the proprietorship is one and the same thing. Thus, the Supreme Court allowed the appeal and directed the trial court to decide the suit on merits.

6.NON-SIGNATORIES NOT BOUND BY THE ARBITRAL AWARD HAVE NO RIGHT TO ATTEND THE ARBITRATION PROCEEDINGS: SUPREME COURT OF INDIA.

Introduction:

By an Order dated 13th August 2025, the Hon'ble Supreme Court in the case of **Kamal Gupta and Another v M/s. L.R. Builders Pvt. Ltd. & Another** [6] set aside the decision of the Hon'ble Delhi High Court and held that permitting non-signatories to the arbitration agreement to remain present and observe the arbitral proceedings would result in breach of confidentiality as per Section 42A of the Arbitration and Conciliation Act, 1996 ("**Arbitration Act**")

Facts:

In the present case, disputes arose out of a Memorandum of Understanding / Family Settlement Deed ("**MoU/FSD**") between Mr. Pawan Gupta ("**Mr. Pawan**") and Mr. Kamal Gupta ("**Mr. Kamal"**). Consequently, proceedings under Section 11(6) of the Arbitration Act were filed by Mr. Pawan and one other against Mr. Kamal. Mr. Rahul Gupta ("**Mr. Rahul**") a non-signatory to the MoU/FSD and the son of Mr. Kamal, filed an intervention application to oppose the maintainability of the same. Mr. Pawan and one other also filed a petition under Section 9 of the Arbitration Act seeking interim measures. A similar intervention application was filed by Mr. Rahul and one other in these Section 9 proceedings.

On 22nd March, 2024, the Hon'ble Delhi High Court appointed a sole arbitrator and further, observing that Mr. Rahul was a not signatory to the MoU/FSD, dismissed his intervention applications. Thereafter, another intervention application was filed by Mr. Rahul and nine other non-signatory companies seeking recall of the order dated 22nd March, 2024 ("**said Order**"). While the Hon'ble Delhi High Court refused to recall the said Order, it permitted the non-signatory intervenors to be present in the arbitration proceedings.

Issues:

1. Whether it is permissible for a non-signatory to an agreement leading to arbitration proceedings to remain present in such arbitration proceedings;
2. After appointment of an arbitrator under Section 11(6) of the Arbitration Act, whether it is permissible for the Court in such disposed of proceedings to issue any further ancillary directions concerning the arbitration proceedings that have commenced pursuant to appointment of the arbitrator.

Held:

Allowing the appeals before it, the Hon'ble Supreme Court set aside the order passed by the Hon'ble Delhi High Court and delivered its judgement on the following key points:

A.Presence of intervenors is not essential for adjudication of the disputes.

It was observed that the apprehension of the intervenors was unfounded since even if the sole arbitrator dealt with their properties, the arbitral award would not be binding upon them. Therefore, it became abundantly clear that the presence of the intervenors before the sole arbitrator was not essential for adjudication of disputes between the parties to the MoU/FSD.

B. Section 35 of the Arbitration Act only binds the parties to the arbitration.

The Hon'ble Supreme Court observed that Section 35 of the Arbitration Act makes the arbitral award to be passed binding only on the parties to the arbitration and the persons claiming under it. Further, the Hon'ble Supreme Court noted that appropriate remedy exists under Section 36 of the Arbitration Act for a party who is not a signatory to the agreement, if such arbitral award is being enforced against him. Moreover, Section 2(h) of the Arbitration Act defines "party" as a party to an

[6] SLP (Civil) Nos. 4775-4779/2025

arbitration agreement. Thus, the Hon'ble Supreme Court held that when arbitration proceedings can take place only between parties to an arbitration agreement and Section 35 of the Arbitration Act does not make the arbitral award to be passed binding on non-signatories to such agreement, no legal right is conferred by the Arbitration Act that enables a non-party to the agreement to remain present in arbitration proceedings between signatories to the agreement.

C. Section 42A of the Arbitration Act mandates confidentiality of arbitral proceedings.

The Hon'ble Supreme Court noted that according to Section 42A of the Arbitration Act, the arbitrator, the arbitral institution and the parties to the arbitration agreement have to maintain confidentiality of all arbitral proceedings. Therefore, allowing a non-signatory to the agreement, i.e., a stranger to the arbitration proceedings to remain present and observe the said proceedings would result in breach of Section 42A of the Arbitration Act.

In light of the above, the Hon'ble Supreme Court held that allowing a non-signatory to the arbitration agreement to attend the arbitration proceedings is beyond the scope of the Arbitration Act.

D. Exercise of powers under Section 11(6) of the Arbitration Act.

The Hon'ble Supreme Court observed that the Arbitration Act is a self-contained code inter alia with respect to matters dealing with appointment of arbitrators, commencement of arbitration, making of an award and challenges to the arbitral award, as well as execution of such awards. Thus, provisions of Section 151 of the Code of Civil Procedure, 1908 could not have been invoked in this regard. Further, the Hon'ble Supreme Court observed that after the sole arbitrator was appointed and the proceedings under Section 11(6) of the Arbitration Act had been disposed of, the Court had become functus officio. Therefore, prayer made by the intervenors to permit them to remain present in the arbitration proceedings before the sole arbitrator was not liable to be entertained as it went beyond the scope of Section 11(6) of the Arbitration Act.

7. MERE PENDENCY OF CRIMINAL PROCEEDINGS ALLEGING SIMPLE FRAUD DOES NOT MAKE A DISPUTE NON-ARBITRABLE: SUPREME COURT OF INDIA.

Introduction:

In the case of **Managing Director Bihar State Food and Civil Supply Corporation and Another v Sanjay Kumar**[7] by an Order dated 5th August 2025, the Hon'ble Supreme Court upheld the High Court's decision and reaffirmed the principles distinguishing arbitrability in cases alleging fraud.

Facts :

In the present case, Bihar State Food and Civil Supplies Corporation ("**Appellant**") entered into agreements with rice millers for custom milling. These agreements contained clauses on recovery under the Bihar & Orissa Public Demands Recovery Act, 1914, ("**Recovery Act**") and arbitration. Each miller was allotted paddy and obliged to deliver 67% as rice. Upon default in delivery of rice, the Appellant initiated proceedings under the Recovery Act. In response, the rice millers ("**Respondents**") filed Writ Petitions challenging the demand notices issued under the Recovery Act. These petitions came to be disposed of by the Single-Judge of the Hon'ble Patna High Court by holding that the agreement provided a parallel remedy of arbitration. Consequently, Writ Appeals were filed by the Respondents before the Division Bench of the Hon'ble High Court. The Division Bench affirmed the decision of the Hon'ble Single-Judge and dismissed the appeals. Subsequent Review Petitions filed by the Respondents in this matter were also dismissed by the Division Bench.

Thereafter, proceedings under the Prevention of Money Laundering Act, 2002 came to be initiated by the Enforcement Directorate against the Respondents.

[7] SLP (C) No. 10455 of 2020.

Further, alleging massive fraud leading to a loss of more than a thousand crores to the public exchequer, the Appellant initiated criminal proceedings against the Respondents.

In order to resolve the disputes between the parties, the Respondents filed petitions under Section 11 of the Arbitration Act, and the same were allowed by the Hon'ble Patna High Court. This led to appeals being filed before the Hon'ble Supreme Court.

Issue:

The key issue in the present matter was whether the dispute between the Respondents and the Appellant arising out of the agreement incorporating the arbitration clause has become non-arbitrable in view of the initiation and pendency of the criminal cases.

Held:

The Hon'ble Supreme Court dismissed the appeals before it and provided a judgement on the following points:

A. **Principles governing arbitrability in cases involving allegations of serious fraud.**

The Hon'ble Supreme Court noted that the Arbitration Act itself limits arbitrability under Section 2(3) which provides that certain disputes may not be submitted to arbitration. Further, highlighting that the same set of facts may result in civil as well as criminal proceedings, the Hon'ble Court held that the mere fact that criminal proceedings can or have been instituted in respect of the same incidents would not per se lead to the conclusion that the dispute which is otherwise arbitrable ceases to be so.
The Hon'ble Court also drew a distinction between "serious fraud" and "fraud simpliciter". It held that disputes involving allegations of serious fraud need more clarity so as to determine the availability of remedy.

Relying upon its decision in *A. Ayyasamy v A. Paramasivam (2016) 10 SCC 386*, the Hon'ble Court held that disputes involving serious fraud may not be submitted to arbitration.

B. Scope of enquiry by the referral court when an application under Section 11(6) of the Arbitration Act is opposed on the grounds of serious fraud.

The Hon'ble Supreme Court observed that its decision in In Re: Interplay between Arbitration Agreements under the Arbitration and Conciliation Act 1996 and the Indian Stamp Act 1899 2023 INSC 1066 made it evident that under Section 11(6A) of the Arbitration Act, the referral court is only required to examine the existence of arbitration agreements.

The Hon'ble Court concluded that a detailed examination of the matter made it clear that a valid arbitration agreement existed. In view of the same, relying upon its decision in In Re: Interplay between Arbitration Agreements under the Arbitration and Conciliation Act 1996 and the Indian Stamp Act 1899 2023 INSC 1066, the Hon'ble Supreme Court held that since a valid arbitration agreement existed, diving deeper into the dispute at the referral stage would be impermissible under Section 11(6) and Section 8 of the Arbitration Act.

Thus, finding that a valid arbitration agreement existed, and holding that the institution or pendency of criminal proceedings alleging simple fraud did not make a dispute non-arbitrable, the Hon'ble Supreme Court dismissed the appeals.

8. ARBITRATION CLAUSE IN AN UNSIGNED CONTRACT IS BINDING UPON PARTIES IF THEY HAVE ACTED UPON ITS TERMS: SUPREME COURT OF INDIA

Introduction:
On 25th August 2025, in the case of **Glencore International AG v M/s. Shree Ganesh Metals and Another** [8] the

[8] 2025 INSC 1036.

Hon'ble Supreme Court held that an unsigned contract containing an arbitration clause could still bind the parties if they accepted and acted upon its terms.

Facts :

Disputes arose out of several transactions involving supply of zinc between Glencore International AG ("**Appellant**"), a Swiss commodity trading company and M/s. Shree Ganesh Metals ("**Respondent No. 1**"), an Indian metal manufacturer.

Contracts of the years 2011 and 2012 entered into by the parties contained arbitration clauses which referred disputes to the London Court of International Arbitration. In March 2016, the parties finalised another contract through email correspondences wherein Respondent No. 1 suggested a modified pricing formula. This modification was accepted by the Appellant and incorporated in the formal contract ("**2016 Contract**") issued by it subsequently. In accordance with this 2016 Contract, the Appellant supplied the contracted quantity of zinc.

Thereafter, invoices came to raised and honoured under the 2016 Contract. Further, at the behest of Respondent No. 1, HDFC Bank ("**Respondent No. 2**") issued two separate Standby Letters of Credit specifically referring to the 2016 Contract. In subsequent correspondences between the parties, Respondent No. 1, yet again specifically referring to the 2016 Contract, had assured the Appellant that it would perform its obligations.

When disputes arose over continuation of the business relationship owing to issues with supplies and pricing, Respondent No. 1 filed a civil suit before the Hon'ble Delhi High Court seeking to declare the invocation of the Letters of Credit as null and void, amongst other reliefs. Thereupon, the Appellant invoked the arbitration clause contained in the 2016 Contract. However, Respondent No. 1 contested this claiming that the parties had never concluded the 2016 Contract.

The Hon'ble Single-Judge of Delhi High Court rejected the application, holding that there was no concluded contract between the parties since it was not signed by Respondent No. 1. Subsequently, a Division Bench of the Hon'ble Delhi High Court upheld this view, finding that there was nothing on record which clearly showed that Respondent No. 1 had given its acceptance to enter into the 2016 Contract. This led to the appeal before the Hon'ble Supreme Court.

Issue:

Whether a binding arbitration agreement existed between the parties when the contract containing the arbitration clause was unsigned by the parties to the same.

Held:

The Hon'ble Supreme Court noted that it was an admitted fact that zinc was supplied by the Appellant and accepted by Respondent No. 1 under the 2016 Contract, leading to raising of invoices by the Appellant. Further, it was also noted that in the email correspondences exchanged between the parties, Respondent No. 1 had indicated its concurrence with the terms and conditions of the 2016 Contract and had even suggested a modification in that respect. In light of the same, the Hon'ble Supreme Court observed that the admitted facts clearly demonstrated that the parties had duly accepted and acted upon the 2016 Contract.

The Hon'ble Supreme Court reaffirmed the legal proposition that an arbitration agreement can be inferred even from an exchange of letters, including communication through electronic means, which provide a record of the agreement. It held that the mere fact that the 2016 Contract was not signed by Respondent No. 1 would not render this legal principle inapplicable when the conduct of the parties in furtherance of the 2016 Contract made it abundantly clear that, Respondent No. 1 had accepted the terms and conditions of the contract which included the arbitration clause.

Further, relying upon earlier rulings in Govind Rubber Ltd. v. Louis Dreyfus Commodities Asia Pvt. Ltd. (2015) 13 SCC 477 and *Caravel Shipping Services Pvt. Ltd. v. Premier Sea Foods Exim Pvt. Ltd. (2019) 11 SCC 461* the Hon'ble Supreme Court reiterated that for construing an arbitration agreement, the intention of the parties must be looked into and that an arbitration agreement needs to be in writing, however, the same need not be signed.

In light of the settled legal position and the admitted facts in the present case which unequivocally demonstrated that Respondent No. 1 signified its consent to the terms and conditions of the 2016 Contract, the Hon'ble Supreme Court allowed the appeal.

9. INTERIM INJUNCTION U/S 9 OF THE ARBITRATION ACT CANNOT BE GRANTED TO PREVENT CONVENING OF AN EGM FOR REMOVAL OF A DIRECTOR WHEN IT AMOUNTS TO RELIEF AKIN TO FINAL ADJUDICATION: HIGH COURT OF DELHI AT NEW DELHI.

Introduction:

In the case of **Drharors Aesthetics Private Ltd. v Debulal Banerjee[9],** a common order was passed on 11th August 2025 in two connected matters by the Hon'ble Delhi High Court holding that an interim injunction under Section 9 of the Arbitration Act cannot be granted to prevent convening of an extraordinary general meeting ("**EGM**") for considering removal of a director when such interim relief amounts to grant of final relief.

Facts:

In March 2025, disputes arose between Drharors Aesthetics Private Limited ("**Appellant Company**") and its erstwhile directors, namely Mr. Debulal Banerjee and Mr. Rahul Shawel ("**Respondents**") owing to their receipt of short notice communications for board meetings to discuss their proposed removal, their alleged financial irregularities committed by them (**"said Board Meetings**"). The Respondents were appointed as directors of the Appellant Company through an Executive Employment Agreement ("**Employment Agreement**") entitling them to monthly remuneration and certain shareholding rights, as further detailed in a Shareholders Agreement ("**said Shareholders Agreement**").

Aggrieved by the same, the Respondents invoked the arbitration clauses contained in the Employment Agreement and the said Shareholders Agreement. Further, the Respondents sought interim relief under Section 9 of the Arbitration Act restraining the Appellant Company from proceeding with the said Board Meeting.

The Hon'ble District Judge held that *prima facie* the Respondent had not been afforded a reasonable opportunity of being heard, as mandated under Section 169 of the Companies Act, 2013, and that the notices convening the meetings were issued in contravention of Section 173(3) of the Companies Act, 2013. Thus, to prevent irreparable harm, the Hon'ble District Judge passed an order granting interim protection to the Respondent by restraining the Appellant Company from acting upon the agendas of the Board Meeting and the EGM insofar as they pertained to the proposed removal of the Respondents from the Board ("**Impugned Order**").

Issue :

Whether the interim injunction granted by the Hon'ble District Judge under Section 9 of the Arbitration Act, restraining the Appellant Company from acting on the agenda of proposed Board and General Meetings concerning removal of the Respondent as a Director, was warranted in the facts and circumstances of the case.

Held :

Finding the interim injunction granted by the Hon'ble District Judge to be legally flawed and lacking sufficient factual foundation, the Hon'ble Delhi High Court reaffirmed the established principles of corporate law and Arbitration Act on the following key points:

[9] FAO (COMM) 163/2025; FAO (COMM) 164/2025.

A. Scope of Sections 169 and 173(3) of the Companies Act, 2013

The Hon'ble High Court noted that the Appellant Company had sought to convene the said Board Meetings for the purpose of considering serious allegations pertaining to financial irregularities, breach of fiduciary duties, and obstruction of audit processes. It observed that these issues, by their very nature, warranted urgent deliberation by the Board.

Further, Hon'ble High Court highlighted that while Section 169 of the Companies Act, 2013 guarantees a director the right to a reasonable opportunity of being heard prior to removal, the proviso to Section 173(3) expressly permits Board Meetings to be convened at shorter notice, subject to the prescribed conditions.

In light of this, the Hon'ble High Court held that the urgency cited by the Appellant Company constituted a legitimate basis for invoking the statutory exception under the proviso to Section 173(3) of the Companies Act, 2013 which permits shorter notice for the transaction of urgent business.

B. Scope of interim relief under Section 9 of the Arbitration Act

The Hon'ble High Court highlighted that interim relief under Section 9 of the Arbitration Act is a remedy which is equitable and discretionary in nature, and meant to be primarily exercised to preserve the subject matter of the arbitration or to prevent its frustration. Therefore, such power must be exercised cautiously, particularly where the interim relief sought effectively amounts to grant of final relief or impinges upon statutory powers conferred under the Companies Act, 2013. The Hon'ble Court also noted that the Impugned Order of the Hon'ble District Judge did not record any findings on the existence of a prima facie case, balance of convenience, or irreparable harm, principles that are fundamental to the grant of interim relief. Further, the Hon'ble High Court observed that such a hearing can only take place at an EGM itself, and that the suit seeking to pre-empt the meeting was premature and not maintainable. In view of the above, it held that the Impugned Order paralysed the internal corporate functioning of the Appellant Company and extended relief akin to final adjudication Accordingly, Hon'ble High Court allowed the appeals and set aside the Impugned Order.

10. NON-FRAMING OF ISSUE ON COUNTER-CLAIM DESPITE SPECIFICALLY BEING PLEADED, IS A VIOLATION OF THE MOST BASIC NOTIONS OF JUSTICE: HIGH COURT OF DELHI AT NEW DELHI.

In the case of **Indraprastha Power Generation Co. Ltd. v E.M. Services(I) Pvt. Ltd.**[10] by an Order dated 13th August 2025, the Hon'ble Delhi High Court held that when a counter-claim has been specifically pleaded in the pleadings by the Petitioner alongwith the reasons supporting such counter-claim, it is incumbent upon the arbitrator to frame an issue in this regard.

Facts :

In the present case, the Indraprastha Power Generation Co. Ltd. ("Petitioner") and E.M. Services(I) Pvt. Ltd. ("Respondent") had entered into an agreement for supply and replacement of critical spares and commissioning of a turbine unit at IP Station. Disputes arose between the parties resulting in invocation of arbitration by the Respondent. Thereafter, the Ld. Sole Arbitrator was appointed and the Respondent filed its Statement of Claim. In its reply, the Petitioner stated a delay caused by the Respondent, thereby resulting in a breach of contract on part of the Respondent. Further, the Petitioner also provided an estimated monetary loss caused due to such delay by the Respondent. Thereafter, the Ld. Sole Arbitrator denied to frame an issue on the counter-claim only on the ground that the same was not specifically prayed in the reply filed by the Petitioner, except an averment in the reply.

The Ld. Sole Arbitrator passed an arbitral award

[10] O.M.P. 717/2010.

allowing the claims of the Respondent along with interest and a penalty. Consequently, the Petitioner filed a petition under Section 34 of the Arbitration Act for setting aside this arbitral award.

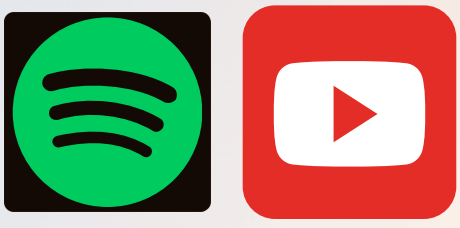
Issue :

Whether the arbitral award ought to be set aside owing to non-framing of issue on the counter-claim despite being specifically pleaded in the pleadings by the Petitioner.

Held :

The Hon'ble Delhi High Court observed that once the counter-claim is particularly pleaded by the Petitioner and the reasons/basis for the same alongwith its amount and computation have been given in the reply, the absence of a specific prayer in the prayer clause does not matter. In this respect, the Hon'ble Court noted that the Petitioner had not only made out a counter-claim, but had also provided a basis for its calculations. Further, noting that the Respondent in its rejoinder had denied the claim of the Petitioner, the Hon'ble High Court held that it was incumbent upon the Ld. Sole Arbitrator to frame an issue in this regard. Consequently, since a separate issue was not framed, the Hon'ble High Court held that the Petitioner could not have led evidence in respect of the same.

Further, observing that every disputed fact/claim made by a party and rebutted by the opposing party is an issue in itself which needs to be framed for adjudication, the Hon'ble High Court held that the Ld. Sole Arbitrator ought to have framed an issue with regard to the counter-claim of the Petitioner. Accordingly, the impugned arbitral award was set aside.



ANM ThinkPod

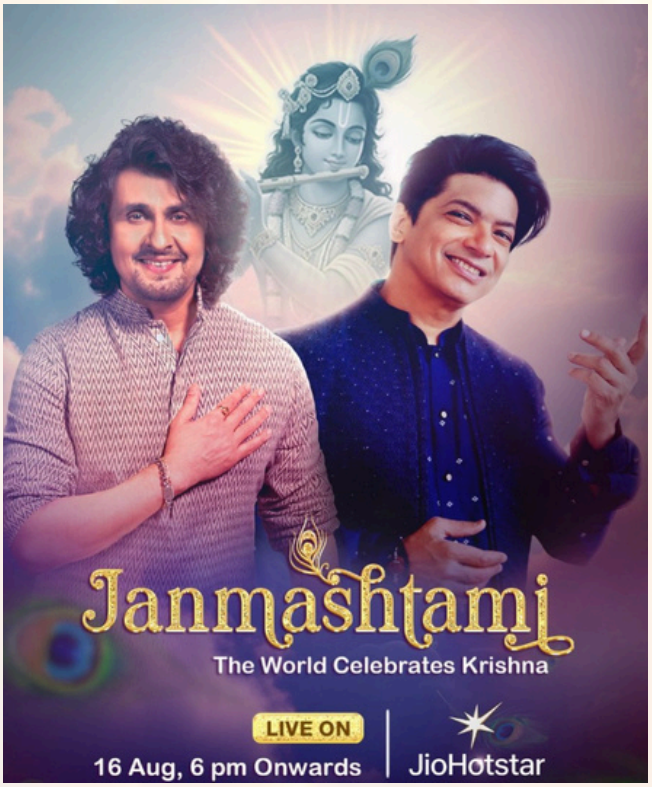
FIRM HIGHLIGHTS

ANM Global successfully defended Balaji Telefilms Ltd. in a copyright infringement suit over Dream Girl 2. The Bombay High Court rejected the Plaintiff's request for interim relief, holding that copyright cannot be claimed over common ideas. This decision reinforces key principles of copyright law.

ANM Global advised GSharp Media Pvt. Ltd., parent company of Hoopr, on its strategic partnership with Turnkey Music & Publishing Pvt. Ltd. This collaboration adds 1,250+ English-language tracks to Hoopr's platform, expanding its catalogue to over 20,000 tracks. ANM provided end-to-end legal and transactional support, ensuring a compliant and commercially aligned deal.

FIRM HIGHLIGHTS

ANM Global represented Sol Production LLP for the Janmashtami Event 2025, which premiered live on JioHotstar on 16th August 2025. The event was headlined by Sonu Nigam and Shaan. The firm provided comprehensive legal and advisory support for talent engagement and production activities during this festive celebration.



ANM Global advised Sol Production LLP on the Ganpati Event 2025, which streamed live on JioHotstar on 27th August 2025 and was headlined by Rahul Vaidya. The firm provided end-to-end legal and advisory support for talent engagement and production activities for this festive event.

FIRM HIGHLIGHTS

ANM Global has launched a specialised Sports & Gaming Practice to support India's rapidly growing yet highly regulated entertainment sectors. The vertical will be led by founder Nidhish Mehrotra & Anushree Rauta, bringing deep experience in advising athletes, clubs, associations, and leagues.

ANM Global and Scriboard launch specialised joint venture

ANM Global and Scriboard have launched a joint venture, ANM-Scriboard, to offer specialized legal services focused on digital laws. The collaboration brings together ANM Global's expertise in media and IP with Scriboard's strength in data privacy, AI governance, and tech law. The venture aims to serve the growing legal needs of the digital economy through a comprehensive, future-ready legal framework.

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