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1. NON-FILING OF THE WRITTEN STATEMENT DOES NOT FORECLOSE THE RIGHT TO CROSS-EXAMINE THE PLAINTIFF'S WITNESS: SUPREME COURT OF INDIA [OCTOBER 08, 2025]

Introduction

In the case of **M/s. Anvita Auto Tech Works Pvt. Ltd. v M/s. Aroush Motors [1]** the Hon'ble Supreme Court held that the failure of a respondent to file a written statement ("**WS**") within the prescribed timeline under Rule (1)(1) of Order VIII of the Code of Civil Procedure (1908) ("**CPC**") does not result in foreclosure of his right to cross-examine the plaintiff's witness.

Facts

In the present case, M/s. Aroush Motors ("**Respondent No. 1**") was provisionally appointed as a dealer by M/s. Anvita Auto Tech Works Pvt. Ltd. ("**Appellant**") for its flagship motorcycle by the name of CFMOTO launched in India. Several payments were made by the Respondent No. 1 towards security deposit, inventory, interiors, rent, etc. Further, on the advice of the Appellant, Respondent No. 1 also made certain payments to Respondent No. 2. Subsequently, the Appellant supplied motorbikes of BS-IV Category to Respondent No. 1. However, soon thereafter, the government imposed a ban on the sale of BS-IV Category vehicles and despite its promises, the Appellant failed to upgrade its BS-IV motorcycles. Owing to the same, the Respondent No. 1 terminated its dealership with the Appellant alleging breach of obligations and filed a suit against the Appellant and Respondent No. 2.

Thereafter, the Appellant appeared when the summons was served, however, it failed to file a WS within the statutorily prescribed time period of 120 days. Multiple IAs filed by the Appellant seeking extension of time for filing of the WS and condonation of delay were rejected by the Hon'ble Trial Court. Consequently, the WS was rejected and the WS of Respondent No. 2 was also taken as nil. Aggrieved by the same, the Appellant preferred an appeal before the Hon'ble Karnataka High Court challenging the rejection of the WS.

Meanwhile, the suit progressed to the stage of recording of evidence of the plaintiff i.e., Respondent No. 1 herein, and the examination-in-chief of the witness of Respondent No. 1 was recorded. However, cross-examination of the defendant i.e., the Appellant and Respondent No. 2 herein, was taken as nil by the Hon'ble Trial Court on the ground that Appellant and Respondent No. 2 had failed to file their WS within stipulated time. Ultimately, the suit was partly decreed against the Appellant and Respondent No. 2 and such decree was upheld by Hon'ble Karnataka High Court. Hence, the Appellant moved the Hon'ble Supreme Court.

Issue

Whether the High Court was correct in observing that on account of non-filing of written statement by the defendant, his right to cross-examination is taken away.

Held

The Hon'ble Supreme Court noted that the Appellant had not filed their WS until long after the statutory period of 120 days had already expired. The Hon'ble Supreme Court further explained the law regarding the filing of WS. It stated that the Proviso to Rule 1(1) of Order VIII CPC and Second Proviso to Rule 1(1) of Order V of CPC clearly impose an absolute embargo upon the courts to accept the written statement after the expiry of 120 days.

Further, referring to its judgment in *SCG Contracts (India) Pvt. Ltd. v. K.S. Chamankar Infrastructure Private Limited (2019) 12 SCC 210,* the Hon'ble Supreme Court stated that the timeline of 120 days fixed by the statute is mandatory and not directory, and therefore, commercial courts cannot condone the delay beyond 120 days in filing the WS. However, the Hon'ble Supreme Court pointed out the failure of the Hon'ble High Court to take into account the excluded Covid

[1] 2025 INSC 1202

period for the purpose of calculation of limitation as laid down in In *Re: Cognizance for Extension of Limitation (2022) 3 SCC 117.* The Hon'ble Supreme Court observed that upon exclusion of the aforementioned Covid period, the Appellant was well within limitation for the purpose of filing its WS.

The Hon'ble Supreme Court also noted that after the examination-in-chief of the plaintiff's witness was closed, the cross examination of the Appellant was taken as "Nil" on the ground that it had failed to file their written statement within stipulated time. The Hon'ble Supreme Court observed that the said reason was absolutely perverse and was contrary to the right of defence available to a defendant. Further, it pointed out that the purpose of cross-examination is to elicit the truth from the witness and impeach its credibility. Thus, relying upon its decision in *Ranjit Singh v. State of Uttarakhand 2024 INSC 724*, the Hon'ble Supreme Court observed that when the WS is not allowed to be taken on record, the denial of the right to cross-examine cannot be taken away by leaving the defendant in lurch.

In view of the above, the Hon'ble Supreme Court allowed the appeal before it and set aside the decisions of the Hon'ble High Court and Hon'ble Trial Court quo the Appellant. Further, the matter was remanded back to the Hon'ble Trial Court to dispose of the same after allowing the Appellant to file its WS with costs.

2. DISMISSAL OF EMPLOYEE BASED ON A CHARGE NOT SPECIFIED IN SHOW-CAUSE NOTICE IS IMPROPER: SUPREME COURT OF INDIA [OCTOBER 09, 2025]

Introduction

In the case of **Ravi Oraon v The State of Jharkhand and Ors. [2]** the Hon'ble Supreme Court set aside the termination of the Appellants on the ground of violation of principles of natural justice since the actual reason for termination was never mentioned in their Show-Cause Notice and they were never given an opportunity to be heard in respect of the same.

Facts

In the present matter, pursuant to successful completion of the recruitment process, the Appellants herein had joined and started discharging duties as teachers in Jharkhand. Thereafter, show-cause notices were issued to the Appellants alleging that they did not fulfil the eligibility criterion of having secured a minimum of 45% marks in their intermediate examination (Class XII) ("**Show-Cause Notices**") to appear in the Teacher Eligibility Test Examination. The Show-Cause Notices also questioned the validity of their certificates of graduation. Consequently, the Appellants issued separate replies to the Show-Cause Notices. Therein, the Appellants contended that being members of the Scheduled Tribe category, they were required to secure only 40% marks in the intermediate examination and not 45%. Further, having secured 42.55%, 40.22%, and 41.33% marks, respectively, in the intermediate examination, the Appellants claimed that they had been eligible to participate in the recruitment process. In respect of the validity of their graduation certificates, they clarified that no graduation certificate was required for appointment on posts of teachers in Classes I to V, and that the same had been furnished by them only for the sake of completeness.

Subsequently, vide separate office orders, the services of the Appellants were terminated on the ground that they had secured less than 40% marks in the intermediate examination and that their certificates of graduation were not proper ("**Termination Orders**"). In arriving at this calculation of the Appellants' score being less than 40% marks, the Department had excluded the additional marks secured by the Appellants in the vocational subject.

The Termination Orders were challenged by the Appellants before the Hon'ble Delhi High Court and the Hon'ble Single Judge had set aside the Termination Orders. However, the Respondents preferred an appeal

[2] 2025 INSC 1212

before the Division Bench of the Hon'ble Delhi High Court ("**Hon'ble Division Bench**") wherein the Hon'ble Division Bench upheld the Termination Orders. Subsequently, the matter was placed before the Hon'ble Supreme Court.

Issue

Whether the termination of services of the Appellants, on the ground that they had not secured at least 40% marks in the intermediate examination taken by them, was proper.

Held

The Hon'ble Supreme Court provided its judgement on the basis of two key aspects as follows:

i.Whether the Appellants were eligible to appear in the Teacher Eligibility Test Examination:

The Hon'ble Supreme Court examined the two separate calculation methods adopted by the Department and the Appellants. It found that as per the guidelines contained on the reverse side of the marksheets of the Appellants, marks secured in the vocational subjects, over and above the minimum pass marks, were to be added to the aggregate of compulsory and optional subjects. The Hon'ble Supreme Court observed that as per this calculation, the Appellants had indeed obtained more that 40% marks. On the other hand, the Jharkhand Primary School Teacher Appointment Rules, 2012 ("**2012 Rules**"), particularly Rule 21, provided that the marks secured by a candidate in an "additional subject" will not be taken into consideration while calculating the "educational merit point". The Hon'ble Supreme Court found that the Department, while calculating the percentage of marks secured by the Appellants, had primarily relied upon Rule 21 of the 2012 Rules and thus, the marks secured by the Appellants fell below 40% upon exclusion of the marks obtained in the vocational subjects.

The Hon'ble Supreme Court observed that there was no reason to justify deviation from the guidelines provided at the reverse of the Appellants' marksheets since marks secured in the vocational subject is a way for a candidate to improve his/her overall percentage of marks and is specifically chosen by a candidate for such purpose. Thus, the Hon'ble Supreme Court held that in the absence of a bar or an alternate method provided by any law, the method provided on the marksheet has to be followed and accordingly, the onus of proof shifted to the Respondents to show that calculation as per the marksheet is not warranted. However, it was found that the Respondents had only relied upon Rule 21 of the 2012 Rules and therefore, it was to be ascertained as to whether Rule 21 of the 2012 Rules would bar/override the method provided in the marksheet.

In this respect, the Hon'ble Supreme Court held that Rule 21 of the 2012 Rules was altogether not applicable since it was in no way concerned with providing a mechanism for deciding the eligibility of a candidate. It noted that the procedure prescribed in Rule 21 only applied at the time of preparing the "Merit List". On the other hand, consideration of eligibility of a candidate fell within the exclusive domain of Rule 4. Accordingly, Hon'ble Supreme Court held that the Respondents had erred in applying Rule 21 for the purpose of determining the eligibility of the Appellants. Further, considering Rule 4, which did not provide for exclusion of marks secured in the vocational subject, and Rule 21 which was already held to be inapplicable, the Hon'ble Supreme Court held that guidelines provided on the reverse of the Appellants' marksheets would be applicable. Consequently, since the aforementioned guidelines included vocational subject marks, the Appellants were held to have secured more than 40% marks and therefore, were held to be eligible to appear in the Teacher Eligibility Test Examination.

ii.Whether Principles of Natural Justice had been violated:

The Hon'ble Supreme Court found that the Show-Cause

Notices raised questions about the Appellants not fulfilling the eligibility criterion of having secured a minimum of 45% marks in their intermediate examination. Further, the validity of their graduation certificates was also questioned. In response, the Appellants had clarified that being members of the Scheduled Tribe, they were entitled to a 5% relaxation of marks. Further, as regards the graduation certificate, it was made clear that the same was not a requirement for appointment of a teacher for Classes I-V. However, by adopting a calculation method which excluded the marks secured by the Appellants in vocational subjects, the Respondents had terminated their services on the ground that the Appellants had failed to secure 40% marks.

The Hon'ble Supreme Court observed that the allegation that the Appellants had failed to secure 40% marks (after exclusion of marks secured in the vocational subject) in the intermediate examination had never even been mentioned as an allegation in the Show-Cause Notices. Thus, the findings of the Respondents clearly differed from the allegations levelled in the Show-Cause Notices. Accordingly, the Hon'ble Supreme Court held that in the absence of fresh show-cause notices specifically requiring the Appellants to explain why the marks secured in the vocational subject should not be taken into account for determining their overall percentage, the Appellants had been denied a fair and reasonable opportunity of hearing. It further added that the finding of guilt which is at variance with the original charge, without proper opportunity to respond, offends due process and renders any order or action unsustainable.

Thus, the Hon'ble Supreme Court held the termination orders to be wholly unsustainable and vitiated since they violated the principles of natural justice.

3. CLAUSE SHORTENING THE STATUTORY LIMITATION PERIOD PRESCRIBED BY LAW IS VOID UNDER SECTION 28 OF INDIAN CONTRACTS ACT, 1872: HIGH COURT OF DELHI AT NEW DELHI [OCTOBER 13, 2025]

Introduction

In the case of **HP Spinning Mills Pvt. v United India Insurance Co. Ltd. [3]**, restoring an arbitral award in favour of the Appellant, the Hon'ble Delhi Court has held that contractual stipulations that either shorten the statutory limitation period or extinguish rights and discharge liabilities after a period of time which is shorter that the limitation period prescribed by law, are rendered void.

Facts

The bone of contention in the present appeal was Clause 6(b)(ii) included in the fire insurance policies ("**Insurance Policy**") issued by the Respondent to the Appellant. According to the said Clause, the Respondent's liability stood discharged after the expiry of 12 months from the happening of loss or damage unless the claim was the subject of pending action or arbitration. Further, the said Clause provided that in the event that the Respondent disclaimed its liability for any claim and such claim is not made the subject matter of a suit in a court of law within 12 months from the date of such disclaimer, then the said claim would be considered abandoned and non-recoverable.

The Appellant had raised a claim with the Respondent owing to extensive damage cause due to a fire at the Appellant's factory. While the Appellant raised a claim of Rs. 1,21,78,020/-, the Respondent approved the claim at only Rs. 52,55,660/-. After an initial disbursement of certain amounts by the Respondent to the Appellant, the latter raised a dispute alleging coerced acceptance of amounts far lesser than its actual losses. Owing to such dispute, the Appellant invoked Section 11 of the Arbitration Act and subsequently, an arbitral award was in favour of the Appellant. Aggrieved, the Respondent filed objections under Section 34 of the Arbitration Act before the Hon'ble Single Judge of the Delhi High Court ("**Hon'ble Single Judge**"). The Hon'ble Single Judge allowed the objections of the Respondent and set aside

[3] FAO(OS) 426/2009

the arbitral award on the ground that the claim stood barred under Clause 6(b)(ii) of the Insurance Policy ("**Impugned Judgement**").

Thus, the present appeal came to be filed before the Division Bench of the Hon'ble Delhi High Court at New Delhi ("**Hon'ble Division Bench**").

Issue

Whether the Impugned Judgement suffers from infirmities and deserves to be set aside.

Held

Prior to delving into the issue before it, the Hon'ble Division Bench reiterated the well-settled position that the jurisdiction under Section 37 of the Arbitration Act is extremely circumscribed, and permits interference only on specific and narrow grounds. The Hon'ble Division further clarified that interference of the appellate court is justified in cases where the court deciding a petition under Section 34 of the Arbitration Act has either failed to exercise the jurisdiction vested in it by law, or has exceeded those limits by venturing beyond its authority. It was noted that the appellate court bears the duty of safeguarding the integrity of arbitral proceedings by correcting jurisdictional lapses committed under Section 34 of the Arbitration Act. In view of the same and upon consideration of the facts of the present appeal, the Hon'ble Division Bench observed that the Impugned Judgement suffered from serious infirmities and therefore, the interference of the appellate court was warranted herein.

The Hon'ble Division Bench observed that according to Section 28 of the Indian Contracts Act, 1872 ("**IC Act**") as it stands today, any agreement that restrains a party from enforcing their legal rights through ordinary courts is declared void. Further, such agreements are void if they either:

(a) absolutely prohibit a party from approaching legal tribunals, or prescribe a shortened period for filing a claim; or

(b) extinguish rights or discharge liabilities upon the expiry of a specified period in a way that restricts enforcement.

The Hon'ble Division Bench observed that the underlying principle in this provision is that every individual has the right to free and fair access to legal remedies, and private contracts cannot take away or undermine such right.
Drawing attention to Clauses (a) and (b) of Section 28 of the IC Act as amended by the 1997 Amendment to the IC Act, the Hon'ble Division bench observed that the purpose and effect of the said Amendment is clear and unequivocal – Any contractual stipulation that either shortens the statutory limitation period prescribed by law, or extinguishes substantive rights and discharges liabilities upon the expiry of a period shorter than the statutory limitation, is rendered void. Further, the Hon'ble Division Bench observed that Clause (b) of Section 28 of the IC Act, expressly prohibits agreements that attempt to extinguish rights or discharge liabilities merely upon the expiry of a contractually fixed period. Thus, it observed that the legislative intent behind this amendment is to safeguard the right of parties to have unrestricted access to legal remedies and to prevent private agreements from undermining statutory protections.

In light of the aforementioned observations, the Hon'ble Division Bench held that the statutory framework as laid out rendered Clause 6(b)(ii) of the Insurance Policy manifestly void and unenforceable. It held that by stipulating that the insurer shall not be liable if arbitration or legal proceedings are not initiated within 12 months, the said clause sought to extinguish the rights of the insured prematurely, without any regard for the limitation periods prescribed under the Limitation Act, 1963, or the Arbitration Act. Thus, the Hon'ble Division bench held that the clause attempted to create a contractual bar, which is clearly prohibited by the amended Section 28 of the IC Act. Finally, holding that

the contractual stipulation not only curtailed the lawful right of the insured to enforce its claim but also contravened the legislative policy of ensuring fair and reasonable access to remedies, the Hon'ble Division Bench set aside the Impugned Judgement passed by the Hon'ble Single Judge.

4. REJECTION OF PLAINT UNDER ORDER VII RULE 11 OF THE CPC SHALL BE DECIDED SOLELY ON THE BASIS OF AVERMENTS MADE IN THE PLAINT: SUPREME COURT OF INDIA [OCTOBER 15, 2025]

Introduction

In the case of **Karam Singh v Amarjit Singh and Others [4]**, setting aside the decision of the Hon'ble Punjab & Haryana High Court, the Hon'ble Supreme Court held that in order to determine whether a plaint is to be rejected under Order VII Rule 11(d) of the Code of Civil Procedure, 1908 ("**CPC**"), only the averments made in the plaint are to be considered to find out whether the suit is barred by law.

Facts

In the present case, disputes arose regarding succession to the estate of one Ronak Singh between his widow, Kartar Kaur and his sisters, the predecessor-in interest of the Appellant. Subsequently, pursuant to a decree whereby Kartar Kaur was held the owner in possession of the suit land, mutation was sanctioned and entered in her favour. Proceedings challenging the said mutation were instituted by the predecessor-in interest of the Appellant, however, during the pendency of the same, Kartar Kaur died. Subsequently, the Defendants presented a Will alleged to have been executed in their favour by Kartar Kaur and claimed mutation in their favour. Ultimately, the mutation proceedings were decided against the Appellant.

Thereafter, the Appellant, claiming the Will to be fraudulent, instituted a suit against the Defendants seeking a declaration of ownership and possession of the suit property claiming themselves to be the natural heirs of Kartar Kaur through the sisters of Ronak Singh. The Defendants filed an application under Order VII Rule 11 of the CPC for rejection of the plaint on the ground that the said suit was barred by limitation. However, the aforesaid application of the Defendants was dismissed by the Hon'ble Trial Court on the ground that a plain reading of the plaint was insufficient to hold that the suit was ex-facie barred by limitation. Further, the Hon'ble Trial Court held that the question of limitation being a mixed of question of law and fact, rejection of the plaint under Order 7 Rule 11 of CPC would not be appropriate.

The Defendants preferred revision of the order of the Hon'ble Trial Court before the Hon'ble Punjab & Haryana High Court and the same was allowed. Owing to the order allowing revision being passed *ex-parte*, the Appellant filed an application for recall of the same before the Hon'ble Punjab & Haryana High Court. However, vide another order, the Hon'ble High Court dismissed the said recall application filed by the Application.

Aggrieved by the two aforementioned orders of the Hon'ble High Court ("**Impugned Orders**"), the Appellant filed two appeals before the Hon'ble Supreme Court.

Issue

Whether the present case was a fit case for rejection of the plaint under Order VII Rule 11 of CPC.

Held

Prior to its assessment of the correctness of the Impugned Orders, the Hon'ble Supreme Court reiterated the basic principles governing rejection of a plaint under Order VII Rule 11 of the CPC. Noting that the Defendants had sought rejection of the plaint in question under Clause (d) of Order VII Rule 11 of the CPC, the Hon'ble Supreme Court stated that the aforementioned clause clearly provides that while considering rejection of the plaint thereunder, only the averments made in the plaint

[4] 2025 INSC 1238

are to be considered to find out whether the suit is barred by law. Accordingly the Hon'ble Supreme Court observed that whether the suit is barred by any law or not is to be determined on the basis of averments made in the plaint.

The Hon'ble Supreme Court noted that there was no document on record which indicated that the Will was probated or its validity was tested and upheld in regular civil proceedings *inter se* parties. Further, it observed that mutation entries do not confer title and merely serve a fiscal purpose i.e., realisation of tax from the person whose name is recorded therein. Additionally, the Hon'ble Supreme Court found that the plaint averments indicated that the mutation proceedings culminated in the year 2017 and the suit in question was instituted within 3 years thereafter.

Apart from the aforementioned, it was noted that the suit was not for a mere declaration of the Will being null and void but for possession as well. In view of the same, the Hon'ble Supreme Court observed that the limitation period for such a suit seeking possession of immovable property or any interest therein, based on title, is 12 years according to Article 65 of the Schedule to the Limitation Act, 1963. Thus, it was held that the plaint as it stood could not have been rejected on the ground that the suit as framed was barred by limitation. Accordingly, the Hon'ble Supreme Court found the contrary view taken by the Hon'ble High Court to be erroneous in law.

The Hon'ble Supreme Court observed that the Hon'ble High Court while deciding the revision application filed by the Defendants had failed to consider the plaint averments in its entirety and was swayed only by the fact that Will as presented was 36 years old. Further, the Hon'ble High Court had overlooked that a will operates only on the death of the testator, however in the present case, after the death of the testator, the validity of the will was throughout questioned in mutation proceedings which continued and, was ultimately, settled in the year 2017. The Hon'ble Supreme Court held that during such time, whether the Defendants perfected their title by adverse possession would be a mixed question of law and fact and could be addressed only after evidence was led. Thus, holding that the same could not be made the basis to reject the plaint at the threshold, the Impugned Orders passed by the Hon'ble High Court were set aside.

5. FAILURE TO GIVE PARTICULARS OF FRAUD DOES NOT AMOUNT TO ADMISSION OF AUTHENTICITY OF DOCUMENT: HIGH COURT OF DELHI AT NEW DELHI [OCTOBER 17, 2025]

Introduction

While deciding an interim application seeking rejection of the plaint filed by the Plaintiff, the Hon'ble Delhi High Court in **Mrs. Shumita Sandhu v Mrs. Tani Sandhu Bhargava [5]** held that mere failure of a party to give particulars of fraud should not necessarily lead to admission as regards the genuineness of the document; subsequent amendment to add the particulars of fraud may be done by the party.

Facts

In the present case, Mrs. Tani Sandhu Bhargava ("**Respondent No. 1**") had filed a suit seeking possession of certain property on the basis of a gift deed executed in her favour by her mother ("**Gift Deed**"). This was contested by Mrs. Shumita Sandhu ("**Appellant**"), the sister-in-law of the Respondent No. 1 on the ground that the suit property is a Joint Hindu family property and that the Gift Deed was forged and fabricated and not a result of the free mind of the executant. Further, the Appellant filed a second suit seeking partition of the suit property. Observing the defence of the Appellant to be moonshine and finding that the Gift Deed had not been challenged, the Hon'ble Single Judge of the Delhi High Court ("**Hon'ble Single Judge**") decreed the suit filed by Respondent No. 1 in exercise of powers under Order XII Rule 6 of the Code of Civil Procedure, 1908 ("**CPC**"). Consequently, the second suit filed by the Appellant was dismissed on the ground that the judgment passed in the suit filed by Respondent No.1 recorded that Respondent No.1 was entitled to possession of the suit property.

[5] SUIT NO. 1033 OF 2016

Thus, the matter was placed before the Hon'ble Division Bench of the Delhi High Court ("**Hon'ble Division Bench**").

Issue

Whether the judgment passed by the Hon'ble Single Judge based on Order XII Rule 6 of the CPC was called for.

Held

The Hon'ble Division Bench considered the primary contentions of the Respondent No. 1 that though the Appellant had alleged fraud, she had failed to give particulars of the same, as required under Order VI Rule 4 of the CPC, and that she had never challenged the Gift Deed.

Examining Order XII Rule 6 of the CPC, the Hon'ble Division Bench observed that the said provision serves as a procedural mechanism for the expeditious disposal of suits where the entitlement of one party is apparent from clear admissions. The Hon'ble Division Bench further added that the provision does not create an absolute right to judgment in every instance of admission. Accordingly, the Hon'ble Division Bench held that the court must, in each case, satisfy itself that the admission relied upon is complete, definite, and incapable of any other interpretation before invoking the said provision.

The Hon'ble Division Bench noted that the Appellant had contested the suit filed by Respondent No. 1 by alleging that the property is a Joint Hindu Family Property and that the Gift Deed is forged and fabricated, apart from the fact that it was not the result of the free mind of the executant. Moreover, it observed that the Appellant had also filed a separate suit seeking partition, claiming to be the co-owner of the suit property and was thus claiming right, title or interest in the same. The Hon'ble Division Bench held that in such circumstances the court was expected to identify the issues that required adjudication and thereafter grant an opportunity to the parties to lead evidence.

The Hon'ble Division Bench further observed that although the Appellant had claimed that the Gift Deed was a result of fraud, the same may have been due to poor vocabulary, and that the Appellant was claiming the Gift Deed to be forged and fabricated. Consequently, the Hon'ble Division Bench held that the failure to give particulars of fraud should not necessarily lead to admission and that a party may subsequently add the particulars of fraud by way of an amendment.

Accordingly, the Hon'ble Division Bench set aside the judgement and decree of the Hon'ble Single Judge and disposed of the appeals before it.

6. INOPERABILITY OF THE ARBITRATION CLAUSE DUE TO SUBSEQUENT CHANGES IN STATUTORY PROVISIONS CANNOT RENDER THE ENTIRE ARBITRATION MECHANISM NUGATORY: SUPREME COURT OF INDIA [OCTOBER 07, 2025]

Introduction

The Hon'ble Supreme Court in the case of **Offshore Infrastructures Limited v Bharat Petroleum Corporation Limited [6]** set aside the decision of the Hon'ble Madhya Pradesh High Court and held that merely because the procedure to appoint an arbitrator provided in the clause has become inoperative due to subsequent changes in statutory provisions, it would not mean that the core of the contract referring the dispute for adjudication to arbitrator would be rendered nugatory.

Facts

In the present matter, following a tender process, Offshore Infrastructures Limited ("**Appellant**") was awarded work by Bharat Oman Refineries Limited which has since merged with M/s. Bharat Petroleum Corporation Limited ("**Respondent**").

As per the terms of the letter of acceptance issued to the Appellant, the work awarded to it was to be completed within a period of 5 months, however, the same came to be completed with a delay of 8 months. Subsequently, the Respondent released a part of the payment due to the Appellant and deducted liquidated damages amounting to 5% on account of delay caused by the Appellant. The Appellant issued a consolidated claim of its outstanding dues and thereafter issued a notice to Managing Director of the Respondent for appointment of Arbitrator as per Clause 8.6 of General Conditions of the Contract ("**GCC**"). According to Clause 8.6 of GCC, the Managing Director of Bharat Oman Refineries Limited was named as the arbitrator, however, owing to the 2015 Amendment to the Arbitration and Conciliation Act, 1996 ("**Arbitration Act**"), neither the Managing Director nor an officer could act as an Arbitrator. Owing to such amendment, the Appellant in its notice requested the Respondent to suggest names of four qualified persons unconnected with either party to be selected as Sole Arbitrator in the matter. The Respondent refused and consequently, the Appellant filed an application under Section 11(6) of the Arbitration Act before the Hon'ble Madhya Pradesh High Court seeking appointment of Sole Arbitrator.

The Hon'ble Court observed that the Appellant had issued a "No Claim Certificate" on October 03, 2018, however, had failed to file the application for appointment of an arbitrator within a period of 3 years. Thus, Hon'ble Court held that the period of limitation for filing the application for appointment of the arbitrator had elapsed and consequently, dismissed the application. Aggrieved by the same, the Appellant filed a Review Petition, however, the aforementioned judgement of the Hon'ble Court was upheld. Finally, the Appellant challenged the judgement of the Hon'ble Court by way of an appeal before the Hon'ble Supreme Court.

Issues

1.Whether the court has power to appoint an arbitrator when the clause providing the arbitration mechanism has become bad in law pertaining to certain statutory amendments;
2. Whether the application under Section 11(6) of the Arbitration Act filed by the Appellant is within the period of limitation.

Held

Referring to its judgement in *Perkins Eastman Architects DPC v HSCC (India) Limited (2020) 20 SCC 760*, the Hon'ble Supreme Court noted that the jurisdiction of the court under Section 11(6) of the Arbitration Act is not ousted merely because appointment of an arbitrator has already been done if such appointment is ex facie invalid or contrary to the agreed procedure. Further, the Hon'ble Supreme Court took note of its judgement in

[6] 2025 INSC 1196

Voestalpine Schienen GmbH v. Delhi Metro Rail Corporation Limited (2017) 4 SCC 655 and reiterated its holding therein that if any arbitration clause runs contrary to the mandate provided in Section 12(5) of the Arbitration Act, the power to appoint an independent arbitrator is vested with the court under Section 11 of the Arbitration Act.

Examining Clause 8.6 of the GCC, the Hon'ble Supreme Court observed that the same was bad in law since subsequent amendment to the Arbitration Act, particularly the 2015 Amendment, rendered the Managing Director or an officer ineligible to act as an Arbitrator in a matter. However, the Hon'ble Supreme Court disagreed with the contention of the Respondent that the inoperability of the arbitration clause in GCC would render the entire arbitration mechanism non-existent. It observed that the very existence of the arbitration clause in the GCC referring to all disputes to arbitrator is the core part of contract. Thus, merely because the procedure to appoint an arbitrator provided in the clause became inoperative owing to subsequent changes in statutory provisions, would not mean that the core of the contract referring the dispute for adjudication to arbitrator would be rendered nugatory.

The Hon'ble Supreme Court stated that the amendment to the Arbitration Act was enacted with the legislative intent to enforce neutrality of the arbitrator and bring impartiality in arbitration proceedings by virtue of Section 12(5) of the Arbitration Act. Further, it was observed that it is unjustified to literally interpret the clause in the contract in a manner or at the cost of the entire arbitration mechanism itself being abandoned.

In view of the above, the Hon'ble Supreme Court held that non-operation of arbitration clause in the GCC will not result in forgoing of entire arbitration mechanism and rendering the Appellant disentitled for seeking appointment of arbitrator. Consequently, it held that the Appellant is entitled to file application under Section 11(6) of the Arbitration Act for appointment of arbitrator and thereby the power is vested with the court to appoint an arbitrator upon filing of such application.

In relation to the issue with the limitation period, the Hon'ble Supreme Court relied upon its judgement in *Geo Miller and Company Private Limited v. Chairman, Rajasthan Vidyut Utpadan Nigam Limited (2020) 14 SCC 643* wherein it was held that the cause of action in respect of arbitration application arises when the final bill handed over to the respondent becomes due, and further correspondences between the parties subsequent to the due date of bill would not extend the time of limitation. The Hon'ble Supreme Court noted that in the present case, final bill was raised by the Appellant on March 20, 2018 which had become due on April 21, 2018. However, the Appellant had failed to file the application under Section 11(6) of the Arbitration Act within a period of 3 years from the due date i.e., by April 21, 2021. The Hon'ble Supreme Court observed that in normal course of action, the application filed by the Appellant would have been hit by the statutory bar of 3 years, however by way of its Order in *In Re: Cognizance for Extension of Limitation (2022) 3 SCC 117*, the period from March 15, 2020 till April 02, 2022 stood excluded for the purpose of limitation. In view of the same, the Hon'ble Supreme Court held that the benefit of the excluded period must be given to the Appellant and upon such exclusion, the Appellant's application fell within limitation.

Therefore, the judgement of Hon'ble Madhya Pradesh High Court was set aside and the matter was referred to the Delhi International Arbitration Centre for appointment of an arbitrator.

7. MERE RECTIFICATION OF TYPOGRAPHICAL ERRORS IN ARBITRAL AWARD DOES NOT EXTEND THE STATUTORY LIMITATION PERIOD FOR A PETITION UNDER SECTION 34: HIGH COURT OF DELHI AT NEW DELHI [OCTOBER 08, 2025]

Introduction

In the case of **Tefcil Breweries Ltd. v Alfa Laval India Limited [7]**,the Hon'ble Delhi High Court held that in cases where an application under Section 33 of the Arbitration Act is filed, the starting point for limitation under Section 34(3) of the Arbitration Act is the date on which the application is disposed of by the Arbitral Tribunal; irrespective of whether the application under Section 33 of the Arbitration Act results in correction or not.

Facts

In the present case, Tefcil Breweries Ltd. ("**Appellant**") and Alfa Level India Pvt. Ltd. ("**Respondent**") had entered into an agreement for supply, erection, and commissioning of a brewery plant. Disputes arose between the parties and the same were referred to arbitration by a Sole Arbitrator.

On October 17, 2017, the Arbitral Tribunal passed an award allowing certain claims and counter-claims ("**First Award**"). Subsequently, the Respondent being the Claimant in the arbitral proceedings, filed an application under Section 33 of the Arbitration Act seeking certain corrections and also praying for passing of an additional award under Section 33(4) of the Arbitration Act. Accordingly, on May 18, 2018, the Arbitral Tribunal passed an additional award whereby a further sum of Rs. 31,23,889/- was awarded to the Respondent ("**Additional Award**"). This Additional Award was communicated by the office of the Arbitrator to the counsels of both parties on May 23, 2018. On the same date, a small typographical error in the Additional Award was brought to the notice of the Arbitrator by the Respondent. The same was corrected by the Arbitrator and such correction was communicated to the parties on the same date, i.e., May 23, 2018. Thereafter, the duly signed corrected copy of the Additional Award dated May 18, 2018 was dispatched to the parties and the same was received by the Appellant on August 21, 2018.

On November 13, 2018, the Appellant filed a petition under Section 34 of the Arbitration Act challenging the First Award as well as the Additional Award passed by the Arbitrator. The Hon'ble Single Judge held that the date of disposal of the application under Section 33 of the Arbitration Act would be the starting point for calculation of limitation and not the date on which the corrected award was received. Accordingly, the petition was dismissed as being barred by limitation. This came to be challenged by the Appellant before the Hon'ble Division Bench of the Delhi High Court ("**Hon'ble Division Bench**") on the ground that the correction was made suo moto by the Arbitrator and that limitation under section 34(3) of the Arbitration Act begins from the date on which a signed corrected copy of the award is received under section 31(5) of the Arbitration Act.

Issue

When does the limitation arise for challenging the Arbitral Award under Section 34 of the Arbitration Act.

Held

The Hon'ble Division Bench noted that in the case of *Geojit Financial Services Ltd. v. Sandeep Gurav 2025 SCC OnLine SC 1811*, the Hon'ble Supreme Court had held in cases where an application under Section 33 of the Act has been filed, that limitation period to file a petition under Section 34 of the Arbitration Act commences from the date of the disposal of the said application filed under Section 33 of the Act.

The Hon'ble Division Bench observed that the correction made in the Additional Award had no impact on the same and that the same was merely in the nature of rectification of a clerical error in the Additional Award. Further, it was noted that the correction made by the Arbitrator was at the behest of the Respondent and such correction was immediately communicated by the Arbitrator to the counsels of both the parties on the same date. Accordingly, the Hon'ble Division concluded that the correction made by the Arbitrator could not constitute a suo moto correction.

[7] FAO(OS) (COMM) 37/2025 & CM APPL. 13366/2025

The Hon'ble Division further observed that it was not in dispute that the Additional Award was passed on May 18, 2018 and that the application filed by the Respondent under Section 33 of the Arbitration Act was disposed of by the Arbitrator on the same date, i.e., May 18, 2018. Consequently, it held that if there was no correction effected on May 23, 2018, the limitation for filing the objection under Section 34 of the Arbitration Act was the date when the request under Section 33 of the Arbitration Act was disposed of. Therefore, the Hon'ble Division Bench held that in the absence of the correction of the typographical error on May 23, 2018, the limitation would begin from May 18, 2018 i.e., the date on which the application under Section 33 of the Arbitration Act was disposed of.

The Hon'ble Division Bench also observed that the receipt of the signed copy of the Additional Award has no bearing on the limitation and that the correction stood merged into the Additional Award since no separate order was passed by the Arbitrator. Accordingly, it held that the Additional Award was not a new award but an award which disposed of the application under Section 33 of the Arbitration. Thus, the Hon'ble Division Bench held that the limitation could not be extended till the date of receipt and upheld the finding of the Hon'ble Single Judge.

8. AN UNRELATED THIRD-PARTY TO A CONTRACT CANNOT BE CONSIDERED AS A "VERITABLE PARTY" TO THE ARBITRATION AGREEMENT: HON`BLE BOMBAY HIGH COURT [OCTOBER 09, 2025]

Introduction

In the case of **M/s. Mukesh Patel and Ors. v Pant Nagar Ganesh Krupa Cooperative Housing Society Limited and Ors. [8]** the Hon'ble Bombay High Court reiterated that the doctrine allowing non-signatories to be considered as parties to the arbitration agreement and held that an unrelated third-party to a contract cannot be treated as "veritable party" to the arbitration agreement.

Facts

In the present case, an application under Section 11 of the Arbitration Act was filed owing to disputes and differences which arose between the Applicant and Society ("**Respondent No. 1**") under a Development Agreement which was terminated later. These disputes were sought to be settled through invocation of arbitration under the Development Agreement, however, another developer i.e., Respondent No. 2 herein, was sought to be made a party to the arbitration proceedings by the Petitioner. The Petitioner contended that the Respondent No. 2, who was appointed as a developer after the Development Agreement was terminated, was a "veritable party" to the arbitration agreement under the Development Agreement and hence was required to be made a part of the arbitration proceedings. This contention of the Appellant was opposed by Respondent No. 2.

Issue

Whether Respondent No. 2 must be drawn into the arbitration proceedings sought to be initiated by the Petitioner on the ground that Respondent No. 2 is a veritable party.

Held

The Hon'ble Bombay High Court observed that the Appellant had sought to include Respondent No. 2 as a veritable party in the arbitration proceedings by invoking known principles of law governing participation by non-signatory parties in arbitration proceedings.

The Hon'ble Bombay High Court first considered whether Respondent No. 2 could have any role to play in arbitration proceedings between the Applicant and Respondent No. 1. It observed that Respondent No. 2 had no claim and purported to make no claim, whether under the Development Agreement or otherwise. It was only the Applicant who sought to make a claim against Respondent No. 2 bringing him into the dispute that the

[8] COMMERCIAL ARBITRATION APPLICATION NO. 389 OF 2024

Applicant purported to have with Respondent No. 1.

Further, the Hon'ble Court noted that Respondent No. 2 was a subsequent grantee of development rights and had nothing to do with the Development Agreement to which the Applicant was a party and which was subsequently terminated well after Respondent No. 2 was appointed. Accordingly, the Hon'ble Court observed that the agreement that Respondent No. 2 would have with Respondent No. 1 would be a different agreement and the same would not be connected with the Applicant merely because at some time in the past, the Applicant had executed the Development Agreement. Moreover, the Hon'ble Court pointed out that the said Development Agreement between the Applicant and Respondent No. 1 was neither assigned nor novated to Respondent No. 2, as a transfer of the rights enjoyed by the Applicant being conveyed to Respondent No. 2.

The Hon'ble Court observed that when the law allows a non-signatory to an arbitration agreement to be regarded as a "veritable party", it essentially permits a non-signatory to be treated as a signatory to the arbitration agreement. It further explained that the term "veritable" in the context of "party" means a party that is truly, genuinely, authentically to be regarded as a party to the agreement that such party has not signed.

Further, referring to the judgement of the *Hon'ble Supreme Court in Cox and Kings Ltd. v. SAP India (P) Ltd. (2024) 4 SCC 1,* the Hon'ble Bombay High Court observed that when the law therein pertaining to a non-signatory being considered as a veritable party was laid down, it was in the context of whether a party that is part of the same "group of companies" to which a signatory belongs, could be regarded as a veritable party. In view of the same, the Hon'ble Court held that a non-signatory which is neither a related party nor a group company or enterprise, has no commonality of ownership, management or control, and is not alter ego of a party, such non-signatory could not be considered a veritable party.

The Hon'ble Court further held that a veritable party has to have proximity and connections to one of the de jure parties having privity, in order to be treated as a veritable party. However, it noted that in the present case, Respondent No. 2 was a counter-party to Respondent No. 1 and had its own development agreement.

Therefore, holding that it was impossible to draw linkages to unconnected parties to make them veritable parties, the Hon'ble Bombay High Court disposed of the application before it.

9. ARBITRAL PROCEEDINGS CAN BE TERMINATED UNDER SECTION 32(2)(c) WHEN THE CONTRACT IS UNENFORCEABLE: HIGH COURT OF DELHI AT NEW DELHI [OCTOBER 15, 2025]

Introduction

In the case of **Gaurav Aggarwal v Richa Gupta [9]** the Hon'ble Delhi High Court upheld an arbitral award which terminated the arbitral proceedings in accordance with Section 32(2)(c) of the Arbitration Act owing to the agreement between the parties being unenforceable.

Facts

In the present case, the Petitioner had entered into an Agreement to Sell ("**ATS**") for transfer of the said sub-leasehold interest of the Respondent in the subject property for an agreed consideration of Rs. 5 crores. Out of the said consideration, the Petitioner had paid a sum of Rs. 50,000/- as token money to the Respondent. Thereafter, the said ATS was terminated by the Respondent and the same was disputed by the Petitioner. Consequently, the Petitioner invoked Clause 14 of the ATS being the arbitration clause in terms of Section 21 of the Arbitration Act. The Respondent objected to the same on the ground that there was no arbitrable dispute between the parties since the ATS was not a valid contract. Thereafter, the arbitral proceedings commenced.

[9] O.M.P. 1/2025 & I.A. 4139/2025

In her statement of defence, the Respondent took the ground that the ATS was unenforceable since the same was not registered and stamped, which is a mandatory requirement in the State of Uttar Pradesh. Upon completion of pleadings before the Arbitrator, the Respondent filed an application under Section 32(2)(c) of the Arbitration Act seeking termination of the arbitration proceedings on the ground that the ATS, being an unregistered and unstamped document, could not be specifically performed. Subsequently, an arbitral award was passed wherein the aforementioned application filed by the Respondent was allowed and the arbitral proceedings were terminated holding that the ATS executed between the parties required mandatory registration and stamping in the State of Uttar Pradesh ("**Impugned Award**"). This award was challenged by the Petitioner in the present case before the Hon'ble Delhi High Court.

Issue

Whether the arbitral award suffers any infirmity or perversity which would require interference of the Hon'ble Delhi High Court under Section 34 of the Arbitration Act.

Held

The Hon'ble Delhi High Court observed that the Arbitrator had correctly appreciated the legal position with regard to the amendment carried out in the Registration Act, 1908 ("**Registration Act**") in the State of Uttar Pradesh requiring mandatory registration of a contract for sale of an immovable property. Further, it affirmed the observation of the Arbitrator that even transfer/ sale of leasehold or sub leasehold rights by a party without reserving any right would amount to 'sale' and any contract for transfer/ sale of such leasehold or sub-leasehold rights would be a 'contract for sale' within the meaning of Section 54 of the Transfer of Property Act, 1882 ("**ToPA**"). The Hon'ble High Court further observed that a holistic reading of the ATS showed that the intent of the parties was to carry out a sale transaction in respect of the subject property.

Accordingly, the Hon'ble High Court concurred with the conclusion of the Arbitrator that the ATS which formed the subject matter of the dispute was a 'contract for sale' under Section 54 of ToPA, and the same being unregistered was unenforceable under Section 49 of the Registration Act, as amended in the State of Uttar Pradesh. Therefore, the Hon'ble High Court held that there was no infirmity or perversity in the Impugned Award which would require its interference under Section 34 of the Arbitration Act.

10. DELAY IN PRONOUNCEMENT OF ARBITRAL AWARD CAN BE A GROUND TO SET IT ASIDE WHEN THE EFFECT OF SUCH DELAY CAN RESULT IN THE AWARD CONTRAVENING THE PUBLIC POLICY OF INDIA: SUPREME COURT OF INDIA [OCTOBER 31, 2025]

Introduction

In the case of **M/s Lancor Holdings Limited vs. Prem Kumar Menon and Others [10]**, the Hon'ble Supreme Court has held that when there is an undue delay in the pronouncement of an arbitral award and such delay adversely reflects on the findings therein and further remains unexplained, the same can be construed to result in the arbitral award being in conflict with the public policy of India, thereby forming a ground for setting aside of the arbitral award under Section 34(2)(b)(ii) of the Arbitration Act.

Facts

i. Background

In December 2004, the Respondents, being the landowners of a parcel of land, entered into a Joint Development Agreement ("**JDA**") with the Petitioner for the development of the said land by construction of a building thereon for mutual benefit of both the parties, at the cost and expense of the Petitioner–Developer.

[10] 2025 INSC 1277

Delivery of 50% of the built-up area in the building was promised to the Respondents free of cost. For the purpose of handover of the said land to itself, the Petitioner–Developer, deposited refundable interest-free security deposits aggregating to Rs.6.82 crore with the Respondents. The Respondents were obligated to refund the said security deposit to the Petitioner within 15 days from the fulfilment of conditions by the Petitioner as stipulated under Clause 6 of the JDA which provided the conditions for handover of the constructed land to the Respondents.

ii. Dispute

Disputes arose between the parties as to whether construction was completed as per terms stipulated under the JDA. The Petitioner–Developer, claiming completion, demanded refund of their security deposits from the Respondents. The Petitioner further used a photocopy of a Power of Attorney to execute sale deeds for their 50% share of the said building. The Respondents, challenging the actions of the Petitioner–Developer, refused to refund the security deposit of the Petitioner contending that the construction of the said building was incomplete. Thereafter, the Petitioner invoked the arbitration clause under the JDA on January 05, 2009 proposing the name of an Arbitrator. However, upon failure of the Respondents to nominate their Arbitrator, the Petitioner filed a petition under Section 11 of Arbitration Act wherein the Arbitrator nominated by the Petitioner came to be appointed by the Hon'ble Madras High Court. Thereafter, on October 23, 2010, while the arbitral proceedings were in progress, the Arbitrator passed an interim order under Section 17 of the Arbitration Act ("**Interim Order**") whereby the Respondents were directed to refund the security deposits to the Petitioner and the Petitioner was directed to deliver possession of the Respondent's 50% share in the building to them, thereby altering the complete factual position of the dispute. Consequently, the Arbitrator irreversibly changed positions of the parties which made impossible for them to revert to the status quo ante, as the Respondents had already created third-party rights in respect of their 50% share of the building.

iii. Arbitral Award

Upon conclusion of the arbitral proceedings, the arbitral award was reserved by the Arbitrator on July 28, 2012 and was pronounced on March 16, 2016 which was 3 years and 8 months later. Through this arbitral award, being unable to find middle-ground between the parties, the Arbitrator rejected the case of the Petitioner–Developer and made the following declarations:-

a) the five sale deeds executed by the Petitioners on their 50% share of building were illegal;

b) the rentals received by the Petitioner be made over to the landowners; and

c) all compensation claims and counter-claims stood rejected and parties were to seek fresh litigation/arbitration for unresolved issues—despite the Arbitrator's own interim order having altered status quo.

The Arbitrator passed the arbitral award without finalising the final relief with regards to the compensation.

iv. Challenge of the Arbitral Award

Being aggrieved, the Petitioner filed an application under Section 34 of the Arbitration Act before the Hon'ble Single Judge of Madras High Court ("**Hon'ble Single Judge**") which came to be partially allowed. Accordingly, the arbitral award was partially set aside to the extent it invalidated the sale deeds executed by the Petitioner in its own favour ("**Section 34 Order**").

Further, the Respondents preferred an appeal under Section 37 of the Arbitration Act before the Hon'ble Madras High Court challenging the aforementioned order passed under Section 34 of the Arbitration Act.

The Hon'ble Division Bench of the High Court ("**Hon'ble Division Bench**"), allowed the said appeal and observed that there was no perversity in the arbitral award passed the Arbitrator, thereby setting aside the Section 34 Order passed by the Hon'ble Single Judge.

Being aggrieved, the Petitioner filed an appeal before the Hon'ble Supreme Court challenging the order passed by the Hon'ble Division Bench.

Issues

1.What is the effect of undue and unexplained delay in the pronouncement of an arbitral award upon its validity;

2. Whether an arbitral award that is unworkable, wherein the Arbitrator has failed to settle the disputes between the parties finally, while altering their positions irrevocably thereby leaving the parties no choice but to initiate further litigation, is liable to be set aside on grounds of perversity, patent illegality and being opposed to the public policy of India? If so, would it be a fit case for exercise of jurisdiction under Article 142 of the Indian Constitution.

Held

Allowing the appeal before it, the Hon'ble Supreme Court, provided its judgement on the following key aspects:-

i. Undue and unexplained delay in pronouncement of the arbitral award is opposed to the public policy of India.

Considering judgements passed by various High Courts before the 2015 Amendment and examining the relevant provisions of the Arbitration Act, the Hon'ble Supreme Court held that delay in the delivery of an arbitral award, by itself, does not form a ground for the same to be set aside under Section 34 of the Arbitration Act. However, the Hon'ble Supreme Court clarified that each case would have to be examined on its own individual facts to ascertain whether the delay had an adverse impact on the final decision of the Arbitral Tribunal and whether such arbitral award would stand vitiated due to the lapses committed by the Arbitral Tribunal owing to such delay.

Venturing further, the Hon'ble Supreme Court held that when the effect of the undue delay in the delivery of an arbitral award is so explicit that it adversely reflects on the findings of the said arbitral award, such delay, if it remains unexplained, can be construed to be arbitral award in conflict with the public policy of India. The same would then attract Section 34(2)(b)(ii) or Section 34(2A) of the Arbitration Act, as it may also be vitiated by patent illegality.

ii. "Unworkable" arbitral awards are patently illegal and the same are in contravention of the public policy of India.

In light of the facts of the present case, the Hon'ble Supreme Court observed that the Arbitrator, without devising any relief which was equitable to both the parties, passed an award entirely in favour of the Respondents, leaving the Petitioner empty-handed except for advice to take recourse to fresh litigation.

Further, the Hon'ble Supreme Court observed that the Arbitrator took nearly 4 years to conclude that he had no equitable relief to offer both parties but still held in favour of one side. The Hon'ble Supreme Court also noted that the Arbitrator had conveniently opined that proper pleadings and evidence had not been placed before him and, therefore, he was constrained to relegate the parties to another round of litigation, ignoring the fact that he had already altered their positions vide the Interim Order and had benefitted one party at the expense of the other. The Hon'ble Supreme observed that the aforementioned approach of the Arbitrator after a delay of nearly 4 years, reflected a total non-application of mind.

Thus, considering the grave delay in passing of the award, the Hon'ble Supreme Court held that the

unexplained and pointless delay of the Arbitrator in concluding the matter clearly pitted his ineffective and futile arbitral award against the public policy of India whose aim is to make it arbitration a time-saving mechanism for resolving disputes.

iii. Conditions for invoking the extraordinary power under Article 142 of the Constitution to rewrite the arbitral award or modify the arbitral award on merits.

Relying on the dictum of Constitutional Bench judgment of *Gayatri Balasamy v M/s. ISG Novasoft Technologies Limited 2025 INSC 605 and Shilpa Sailesh v. Varun Sreenivasan (2023) 14 SCC 231,* the Hon'ble Supreme Court observed that it is empowered under Article 142(1) of the Indian Constitution to do "complete justice" without being bound by the relevant provisions of procedure, if it is satisfied that the departure from the said procedure is necessary to do "complete justice" between the parties. However, the Hon'ble Court cautioned that such power should not be exercised where the effect of the order of this Court would be to rewrite the arbitral award or modify it on merits.

In the present case, the Hon'ble Supreme Court was of the opinion that exercising its powers under Article 142 of the Indian Constitution was the only viable option as the other alternative would be to set aside the arbitral award completely, thereby relegating the parties to another round of arbitration/litigation after 16 years. The Hon'ble Supreme Court further observed that setting aside the arbitral award is not even plausible because it is impossible to restore the parties to status quo ante as Respondents had already created third-party rights over their 50% share of the building.

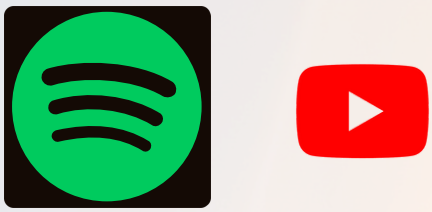
Therefore, the Hon'ble Supreme Court exercised its power under Article 142 of the Indian Constitution and directed that:

a) the sale deeds executed by the Petitioner in December 2008 would be considered lawful and valid;

b) the Petitioner shall pay a compensation of Rs. 10 Crore to the Respondents;

c) Upon full payment, the Petitioner would be entitled to take possession of its 50% share in the building, as per the terms of the JDA.

In doing so, the Hon'ble Supreme Court brought an end to the litigation between the parties.



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FIRM HIGHLIGHTS

Our Equity Partner, Anushree Rauta, was featured in ET BrandEquity's article, "Two-Minute Tales, Billion-dollar Bets." She shared her expert insights on the legal and regulatory landscape governing India's rapidly growing short-format video ecosystem.

Our Equity Partner and Head of the Media, Entertainment & Gaming Practice, Anushree Rauta, was featured in The Economic Times article, "Draft online gaming rules set stage for clean-up, esports growth." She shared her insights on the evolving regulatory framework and its impact on India's growing online gaming and esports industry.

FIRM HIGHLIGHTS

The Game: You Never Play Alone, a gripping new Tamil series, released on 2nd October 2025. ANM Global is proud to have represented Applause Entertainment Private Limited, extending advisory and transactional support for the series, encompassing S&P, format acquisition, and the revenue agreement.

Search – The Naina Murder Case, a compelling Hindi series, releasing on 10th October 2025 on JioStar.

ANM Global is proud to have represented Applause Entertainment Private Limited and Applause Productions, providing advisory and transactional services, including cast and crew agreements, format acquisition, and the revenue agreement for the series.

FIRM HIGHLIGHTS

We are delighted to announce the appointment of Shaili B. as Director – Strategy & Client Relations at ANM Global. She will lead strategic growth initiatives, strengthen client engagement, and enhance the firm's market presence.

Devi Chowdhurani, a Bengali drama, released on 26th September 2025.

ANM Global is proud to have represented Adited Motionpictures LLP in drafting, negotiating, and executing the agreements for the production of the film and the exploitation of music rights in and to the film.

Bison: Kaalamaadan, an original Tamil film dubbed in Hindi, Telugu, Malayalam, and Kannada, is set to release on 17th October 2025 across all major territories.

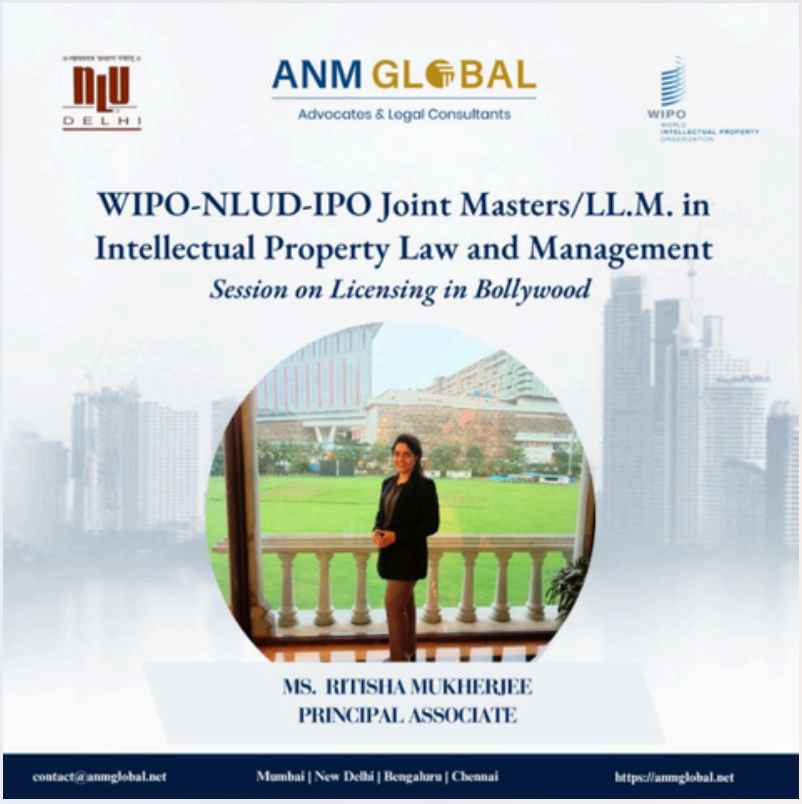
ANM Global is proud to have provided overall legal advisory for the film, including the drafting, reviewing, and negotiation of agreements.

ANM Global is proud to be recognised in the asialaw 2025 Rankings.

The Firm has earned accolades in Media & Entertainment and Intellectual Property, reflecting our deep expertise and commitment to delivering high-quality, client-focused legal services.

Anushree Rauta has been named a Notable Practitioner in Media & Entertainment, and Rahul Dhote has been named a Notable Practitioner in Intellectual Property.

Our Equity Partner and Head of the Media, Entertainment & Gaming Practice, Anushree Rauta, was featured in ETLegalWorld's article, "Playing by the Rules: India's Effort to Regulate Online Gaming Disputes." She shared her insights on the evolving regulatory framework and its impact on India's online gaming and esports landscape.



Ms. Ritisha Mukherjee, Principal Associate, was invited to speak at the prestigious World Intellectual Property Organization (WIPO) – National Law University, Delhi – IPO Joint Masters/LL.M. in Intellectual Property Law and Management Programme.

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