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INSIDE THIS EDITION

Supreme Court Judgments • MCA & FEMA Notifications • Legal Trivia
Arbitration • Contract • Labour • Property • Taxation • Insolvency • Family Law



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FOREWORD

We are pleased to present the fifth volume of our newsletter, continuing our endeavour to keep our clients, colleagues, and readers informed of significant legal and regulatory developments.

In a legal environment shaped by evolving judicial interpretations, legislative reforms and changing commercial realities, this edition brings together noteworthy judgments, statutory updates, and practical insights from diverse areas of law.

Our objective remains not merely to report developments but to examine their practical implications for businesses, institutions, and individuals alike.

This volume reflects our commitment to thoughtful legal analysis, knowledge-sharing, and informed discourse on contemporary legal issues. We are particularly proud of our young lawyers' contributions, whose engagement in research and analysis continues to strengthen our knowledge-driven practice.

This publication is the result of the dedicated efforts of our Editorial Team, whose diligence ensures clarity, relevance, and professional integrity.

We are grateful for the encouragement and positive response received from our readers. Your feedback remains invaluable as we continue to refine future editions. We thank you for your continued trust and support and look forward to the editions ahead.

Editorial Team

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ABOUT US

Rajneesh Sood & Co. LLP is a full-service law firm based in New Delhi, established in 2000 by Advocate Rajneesh Sood and has been structured as a limited liability partnership since 2015. With over two decades of experience, the firm has grown into a trusted legal partner to a diverse clientele, including leading Indian and international brands.

Driven by the core principles of Ethics, Excellence, and Experience, the firm combines rigorous legal research with practical, solution-oriented advice tailored to client needs.

The firm offers a broad range of services, including corporate advisory and entity formation, secretarial compliance, taxation counsel, litigation and arbitration, human resources and labour law support, and intellectual property protection.

Known for its client-centric approach and attention to detail, *Rajneesh Sood & Co. LLP* helps clients navigate complex legal challenges with clarity, confidence, and strategic foresight.



TABLE OF CONTENTS

FOREWORD.....	2
ABOUT US.....	3
MCA NOTIFICATIONS.....	6
G.S.R. 725(E).....	6
FEMA NOTIFICATIONS.....	7
RBI/2026-27/254 A.P. (DIR Series) Circular No. 21.....	7
Notification No. FEMA 23(R)/(1)/2026-RB.....	7
ARBITRATION LAW.....	8
SUPREME COURT VOIDS ARBITRAL TRIBUNAL APPOINTED WITHOUT GENUINE CONSENT, QUASHES ASSET-FREEZING INTERIM ORDERS.....	8
SUPREME COURT: CONDITIONAL DEPOSITS DON'T STOP INTEREST, FLAGS NATIONAL ASYMMETRY IN COURT DEPOSIT ADMINISTRATION.....	8
SUPREME COURT: PERSONAL GUARANTOR BOUND BY ARBITRATION CLAUSE IN THE MASTER LOAN AGREEMENT.....	9
CONTRACT LAW.....	11
SUPREME COURT RESTORES 1979 SALE DECREE, REJECTS HIGH COURT'S ATTEMPT TO INFLATE REFUND AS "EQUITY".....	11
SUPREME COURT QUASHES FIR OVER DISTRIBUTORSHIP DISPUTE: CONTRACTUAL BREACH WITHOUT DISHONEST INTENT AT THE INCEPTION IS A CIVIL BREACH OF CONTRACT AND NOT CHEATING OR CRIMINAL BREACH OF TRUST.....	12
LABOUR LAWS.....	13
SUPREME COURT: CONTRACT LABOURERS CANNOT CLAIM EMPLOYER-EMPLOYEE RELATIONSHIP WITH PRINCIPAL EMPLOYER FOR GRATUITY.....	13
SUPREME COURT: BIHAR AND JHARKHAND MUST PAY 12% EPF INTEREST, 6% ON WAGE ARREARS AND ₹1 LAKH EACH TO DAILY-WAGERS OF DEFUNCT CORPORATIONS.....	14
CIVIL PROCEDURE CODE.....	16
SUPREME COURT: ADMISSIBILITY OF UNREGISTERED DOCUMENT CANNOT BE DECIDED AT PLAINT-REJECTION STAGE, MUST AWAIT TRIAL.....	16
SUPREME COURT: NO RECEIVER OR INTERIM PROTECTIVE ORDERS CAN BE PASSED BEFORE LEAVE IS GRANTED UNDER SECTION 92 CPC.....	16
SUPREME COURT: FRESH SUIT FOR SPECIFIC PERFORMANCE BARRED BY ORDER II RULE 2 CPC AFTER INJUNCTION-ONLY SUIT WITHDRAWN WITHOUT LEAVE; ORAL CONTRACT NOT PROVED.....	17
PROPERTY LAW.....	19
SUPREME COURT: LESSEES CANNOT BYPASS TRUST'S WITHDRAWN SLP BY FILING FRESH WRIT PETITIONS FOR POSSESSION PROTECTION.....	19

SUPREME COURT: REVENUE ENTRIES ALONE CANNOT PROVE DEDICATION OR ADVERSE POSSESSION WITHOUT HOSTILE ANIMUS AND SUPERIOR TITLE.....	20
SUPREME COURT: TENANT WHO SIGNS AGREEMENT TO SELL REMAINS TENANT ABSENT SURRENDER; UNREGISTERED AGREEMENT GIVES NO SECTION 53A PROTECTION.....	21
TAXATION.....	23
SUPREME COURT: CBDT CIRCULARS CANNOT OVERRIDE STATUTORY TEXT, EXPORT QUOTA PREMIUM DENIED SECTION 80HHC BENEFIT.....	23
SUPREME COURT: ONCE SETTLEMENT COMMISSION'S ORDER ATTAINS FINALITY, AO CANNOT REOPEN ASSESSMENT UNDER SECTION 148.....	24
NEGOTIABLE INSTRUMENTS ACT.....	26
SUPREME COURT: REMAND IN CHEQUE DISHONOUR CASE FOR ACCUSED'S AFFIDAVIT EVIDENCE SET ASIDE, MANDVI COOPERATIVE BANK BREACH NEEDS PROOF OF PREJUDICE.....	26
SUPREME COURT: DEMAND NOTICE RECEIVED BY DRAWER'S MOTHER AT CORRECT ADDRESS SATISFIES SECTION 138 NI ACT; M.D. THOMAS HELD PER INCURIAM.....	27
FAMILY LAWS.....	29
SUPREME COURT RESTORES DISMISSAL OF PARTITION SUIT: UNPROVED VICES, HEARSAY UNDERVALUATION AND NON-EXAMINATION OF WIFE DEFEAT CHALLENGE TO FATHER'S SALE FOR LEGAL NECESSITY.....	29
SUPREME COURT EXERCISES ARTICLE 142 TO DISSOLVE MARRIAGE BY MUTUAL CONSENT IN TRANSFER PETITIONS, RECORDS ₹35 LAKH ALIMONY SETTLEMENT AND QUASHES ALL 18 PENDING CASES BETWEEN SPOUSES AND FAMILIES.....	30
INSOLVENCY AND COMPANY LAWS.....	32
SUPREME COURT: LIQUIDATION AUCTION BIDDER FORFEITS EMD AND PART-PAYMENT FOR NOT PAYING BALANCE WITHIN 90 DAYS; EXPRESS FORFEITURE CLAUSE IN E-AUCTION NOTICE PREVAILS, "TRIPLE TEST" GIVES NO RELIEF.....	32
SUPREME COURT: TRIBUNAL CAN RECALL ADMISSION OF SECTION 9 PETITION OBTAINED THROUGH FRAUD AND COLLUSION, BUT CIRP NEED NOT AUTOMATICALLY END; NCLT TO DECIDE ON CONTINUATION AFTER HEARING RP, COC AND STAKEHOLDERS.....	33
MISCELLANEOUS.....	35
SUPREME COURT: OUTGOING PARTNER'S SHARE IN DISSOLVED FIRM'S ASSETS VALUED AT DATE OF SALE, NOT DATE OF DISSOLUTION.....	35
SUPREME COURT: ABSENCE OF TICKET CANNOT DEFEAT RAILWAY ACCIDENT CLAIM WHEN PASSENGER STATUS IS PLEADED ON OATH AND RAILWAYS FAIL TO REBUT; BELATED INQUIRY REPORT IGNORED.....	36
HARD TIMES BY CHARLES DICKENS.....	38
LEGAL TRIVIA.....	39

MCA NOTIFICATIONS			
S.no.	Notification/ Circular	Date of Notification	Brief
1	G.S.R. 725(E)	12.08.2026	The Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2026 through Notification G.S.R. 725(E) dated 12 August 2026, under the Companies Act, 2013, in consultation with National Financial Reporting Authority (NFRA). The amendments update several Ind AS provisions and come into force from the date of publication. Key changes cover Ind AS 101, 107, 109, 110 and 7, including hedge accounting, classification and measurement of financial instruments, disclosures, and contracts involving nature-dependent electricity. Ind AS 109 introduces specific guidance for electricity contracts and related hedging arrangements, while Ind AS 107 adds corresponding disclosure requirements. Amendments also clarify transition provisions and reporting requirements. Several changes, including Annual Improvements to Ind AS (2024), apply for annual reporting periods beginning on or after 1 April 2026. The amendments are intended to align Indian accounting requirements with relevant international developments while retaining provisions specific to the Indian regulatory framework. (ACCESS HERE)



FEMA NOTIFICATIONS			
S.no.	Notification/ Circular	Date of Notification	Brief
1	RBI/2026-27/254 A.P. (DIR Series) Circular No. 21	08.09.2026	Under an initiative to rationalise its regulatory framework under the Foreign Exchange Management Act (FEMA), 1999, the Reserve Bank of India is reviewing circulars issued since June 1, 2000. Consequently, the RBI has withdrawn seven inoperative circulars due to obsolescence, regulatory amendments, overlap, or newer directives. These withdrawn instructions primarily concern External Commercial Borrowings (ECB) and the Money Transfer Service Scheme. Authorised persons are directed to inform relevant constituents about it. (ACCESS HERE)
2	Notification No. FEMA 23(R)/(1)/2026-RB	22.09.2026	On 22 September 2026, the RBI notified the Foreign Exchange Management (Export and Import of Goods and Services) (Amendment) Regulations, 2026 (Notification No. FEMA 23(R)(1)/2026-RB). It amends the January 2026 principal regulations (FEMA 23(R)/2026-RB). It takes effect from 1 October 2026 and was published in the Gazette on 24 September 2026. The central change is that the time allowed to realise and repatriate export proceeds is cut from 15 months to 9 months. (ACCESS HERE)

ARBITRATION LAW

SUPREME COURT VOIDS ARBITRAL TRIBUNAL APPOINTED WITHOUT GENUINE CONSENT, QUASHES ASSET-FREEZING INTERIM ORDERS

In [*Arth Micro Finance Private Ltd. & Ors. v. Shivalik Small Finance Bank Ltd.*](#) (2026 INSC 1014), the Supreme Court of India delivered a definitive ruling reinforcing the principles of party autonomy, mutual consent, and impartiality in arbitration.

The Supreme Court set aside the appointment of an Arbitral Tribunal, declaring it *non est* (legally non-existent) because it was unilaterally imposed by the respondent bank without the genuine consent of the appellants, who had actively raised objections regarding bias.

The Court held that a tribunal cannot use its Section 16 powers (the power to rule on its own jurisdiction) if it was never legally and validly constituted in the first place.

Consequently, the Court quashed three severe interim orders passed under Section 17—which had frozen the appellants’ bank accounts, authorised the takeover of their properties, and directed the direct transfer of funds to the respondent. The respondent bank was ordered to remit all such funds back to the appellants within one week under a strict interest penalty, and an independent sole arbitrator was appointed to adjudicate the disputes afresh.

SUPREME COURT: CONDITIONAL DEPOSITS DON’T STOP INTEREST, FLAGS NATIONAL ASYMMETRY IN COURT DEPOSIT ADMINISTRATION

In [*National Seeds Corporation Ltd. v. National Agro Seed Corporation \(India\)*](#), National Seeds Corporation Ltd, the award-debtor/Appellant lost an arbitration case and was ordered to pay. They deposited the money in court to pause the case (a Section 34 stay order), but they put conditions on it. They refused to let National Agro Seed Corporation (India) (the award-holder) freely take the money unless that party gave a security deposit.

The Supreme Court dismissed the appeal and upheld the High Court orders. This meant the award-debtor/Appellant had to continue paying the full 12% annual interest on the arbitral award until the date the money was unconditionally released to the award holder rather than stopping the interest when they first deposited a conditional sum into court.

Beyond deciding the parties' dispute, the Court flagged a systemic gap: no uniform rules govern how courts/tribunals invest and manage litigant deposits, causing inconsistency nationwide. It referred the issue to the Law Commission for legislative reform, drawing on US (CRIS) and Canadian models, signalling a push toward standardised, interest-bearing court deposit administration and clearer Section 36 Arbitration Act stay conditions.

SUPREME COURT: PERSONAL GUARANTOR BOUND BY ARBITRATION CLAUSE IN THE MASTER LOAN AGREEMENT

In [National Skill Development Corporation v. Surya Wires Private Limited & Ors.](#):

A company (Surya Wires) took a loan from the lender (National Skill Development Corporation) and the loan agreement had an arbitration clause.

The company director signed a separate personal guarantee promising to repay the loan if the company defaulted but the personal guarantee document did not have an arbitration clause.

When the loan went bad, the lender started arbitration against both the company and the director. The arbitrator however removed the director from the case, saying: *"He never signed an arbitration clause in his guarantee."*

The Supreme Court reversed the decision and held that the director is bound by the arbitration clause. It relied on the grounds that the main loan agreement had an explicit clause stating that all related security papers (including personal guarantees) are treated as part of the main loan agreement *"as if set out herein in full"*. Because the documents were tied together by clear contract language, the

arbitration clause in the loan agreement automatically applied to the personal guarantee too.

Key Takeaway: The judgment clarifies incorporation-by-reference doctrine for composite, multi-instrument commercial transactions, holding that explicit deeming language integrating ancillary documents into a principal agreement suffices—no separate signature on the arbitration clause is needed. It strengthens lenders’ ability to arbitrate against personal guarantors in structured financing, aligning with the Constitution Bench’s broader approach to binding non-signatories in composite transactions.



CONTRACT LAW

SUPREME COURT RESTORES 1979 SALE DECREE, REJECTS HIGH COURT'S ATTEMPT TO INFLATE REFUND AS "EQUITY"

In [*Sobaran Singh \(Dead\) Through Lrs. v. Gordhan Singh \(Dead\) Thr. Lrs.*](#):

Sobaran Singh (the buyer) agreed to buy a plot of agricultural land near Agra from Gordhan Singh (the seller) for ₹20,000. He paid a ₹5,000 advance. The seller refused to complete the sale, falsely claiming the deal was just security for a simple loan.

The buyer sued, won the case, and the Trial Court executed the sale deed in 1979. The buyer took legal possession of the land and has lived on and farmed it for over 40 years. The First Appellate Court reversed it.

The High Court agreed that the seller had made a "cooked-up" defence. However, trying to be "fair" due to inflation and the passage of time, the High Court cancelled the land ownership and instead ordered the seller to pay the buyer a massive ₹15,00,000 refund instead of the original ₹5,000 advance.

The Supreme Court reversed the High Court's decision and restored the Trial Court's decree, holding that the plaintiff's decades-long possession since 1979 should not be disturbed and that it is unfair to undo a completed court sale decades later under the guise of balancing equities.

Key Takeaway: The ruling clarifies that once a court finds the plaintiff's readiness and willingness proved and a defence "cooked-up," appellate courts cannot dilute a specific performance decree through disproportionate monetary equity, especially where possession has vested long ago. It reaffirms that equity favours the party who performed the contract and took possession, not belated compensatory generosity toward a defendant found to have resisted a genuine sale.

**SUPREME COURT QUASHES FIR OVER DISTRIBUTORSHIP DISPUTE:
CONTRACTUAL BREACH WITHOUT DISHONEST INTENT AT THE INCEPTION IS
A CIVIL BREACH OF CONTRACT AND NOT CHEATING OR CRIMINAL BREACH
OF TRUST**

In [*Parag Kishore Satoskar & Ors. v. State of Jharkhand & Anr.*](#), a camphor distributor alleged that a company and its officers took ₹73 lakh as advance, supplied goods worth about ₹31.5 lakh, then stopped supplies and kept the balance. The Jharkhand High Court refused to quash the resulting BNS FIR.

The Supreme Court quashed it, holding that to prove “cheating,” the person accused must have had a dishonest intention right from day one. Here, the company actually supplied almost half the goods, proving they did not enter the deal with an intention to scam the distributor. In commercial sales, advance money is paid as price consideration, not held like a trust. Therefore, keeping the advance after a deal breaks down cannot be called “criminal breach of trust.”

Key Takeaway: Courts cannot allow criminal law to be weaponised to pressure a business partner into settling money debts.



LABOUR LAWS

SUPREME COURT: CONTRACT LABOURERS CANNOT CLAIM EMPLOYER-EMPLOYEE RELATIONSHIP WITH PRINCIPAL EMPLOYER FOR GRATUITY

In [*Oil and Natural Gas Corporation Ltd. v. Suryakand D. Lad & Ors.*](#), workers engaged through a contractor at ONGC claimed gratuity from ONGC, as the principal employer. The Controlling Authority under the Payment of Gratuity Act held ONGC liable, the Appellate Authority reversed this, and the Bombay High Court restored the Controlling Authority's order in 2023. ONGC argued that the workers were not its "employees", that the contract (Clause 12.4.1) created no employer-employee relationship, and that Section 21(4) of the Contract Labour Act makes the principal employer responsible only for wages, which do not include gratuity. It also argued that the Controlling Authority could only compute the amount of gratuity and had no power to fasten liability on ONGC.

The Supreme Court allowed ONGC's appeals. It held that the Controlling Authority's only power is to compute the gratuity payable to an "employee". Deciding that ONGC was liable was beyond its jurisdiction, so the proceeding was not maintainable in the form claimed. The Court restored the Appellate Authority's order and said the contentions under the Payment of Wages Act and the Contract Labour Act were sustainable. It decided the case on the short jurisdiction point, and did not rely on the recent *Nandyal Municipality* ruling that contractor-supplied workers cannot claim employee status against the principal employer. Since ONGC had already paid the gratuity under an earlier order of the Court dated 15 December 2023, no recovery is to be made from the workers.

Key Takeaway: The ruling makes clear that a gratuity claim against a principal employer for contractor-supplied workers cannot be adjudicated by the Controlling Authority, whose role is limited to computing amounts due to employees. The broader question of the principal employer's liability was left to the contractor-worker framework, as the Court gave only a brief indication on it.

SUPREME COURT: BIHAR AND JHARKHAND MUST PAY 12% EPF INTEREST, 6% ON WAGE ARREARS AND ₹1 LAKH EACH TO DAILY-WAGERS OF DEFUNCT CORPORATIONS

In [*Bihar State Ardh Sarkari Arajpati Karamchhari Maha Sangh & Ors. v. State of Bihar & Ors.*](#), employees of five defunct corporations, left unpaid after Bihar's reorganisation, sought dues from the successor States. When Jharkhand was carved out of Bihar in 2000, the question arose of who would pay the dues of employees of five State-owned corporations: the Bihar State Construction, Industrial Development, Electronic Development, Forest Development and Panchayati Raj Financial Corporations. All five had become defunct, and their employees went unpaid for decades. A Committee headed by Justice Dinesh Maheshwari (Retd.) studied the claims. By its order of 29 May 2026, the Court accepted most of the Committee's recommendations and fixed how Bihar and Jharkhand would share the liability. By August 2026 the two States reported that dues had been fully paid to 2,074 of 2,274 verified employees. About 200 cases were still pending because the employees were untraceable or lacked documents. Three issues had been left open, and the Court decided them in this judgment.

On the first issue, the Court held that the States had made all reasonable efforts to trace the missing employees, including newspaper notices and messengers, and that they could not be asked to continue indefinitely. The Court therefore closed the tracing exercise, but said this does not extinguish anyone's claim. Employees or their legal heirs have 12 months to approach the Nodal Officer of the relevant Corporation with documents, after which their claims will be processed. The States must also publish employee-wise payment and pending-claim details on government websites within four weeks.

On the second issue, the daily-wagers' dues had been worked out at a flat ₹42.50 per day from 1992. The Court called this unfair, because it assumes the value of labour stayed frozen for decades despite changes in the cost of living and wage structure. It did not send the matter back for recalculation, since that would drag the dispute on further. Instead, to balance the equities, it directed Bihar and Jharkhand

to pay a one-time ₹1,00,000 to each daily-wage workman, over and above what was already paid.

On the third issue, the Court dealt with interest separately for PF dues and for salary. For PF dues, interest at 12% per annum is payable under Section 7-Q of the EPF Act, from the date each amount fell due until actual payment. The Court called this a statutory consequence of delay. For salary and other dues, no statute fixes a rate. The Court awarded simple interest at 6% per annum from the date each amount fell due until payment, which is lower than the Committee's recommended 7.5%, because interest should compensate and not punish the public exchequer. This must be paid within three months. The States argued that the Corporations were separate legal entities. The Court accepted this as a general rule but held that the States, as welfare States under whose control the Corporations functioned, cannot let the employees' dues become illusory.

Key Takeaway: The ruling shows the Court using fairness and the idea of compensation for lost use of money to bring a decades-old wage dispute to an end, and allowing interest to run even where the State points to the separate legal personality of its public-sector units. However, the Court expressly said the reliefs rest on the peculiar facts of this case and lay down no general principle for similar claims.



CIVIL PROCEDURE CODE

SUPREME COURT: ADMISSIBILITY OF UNREGISTERED DOCUMENT CANNOT BE DECIDED AT PLAINT-REJECTION STAGE, MUST AWAIT TRIAL

In [*Sheo Kumar Singh & Ors. v. M/s Sharda Educational Society & Ors.*](#), plaintiffs sought eviction and arrears based on an unregistered supplementary lease deed modifying a registered lease. The plaintiffs leased land to Sharda Educational Society by a registered 33-year lease in 2011. A supplementary lease revising the rent was signed in 2013 but never registered. The plaintiffs say it needed no registration because it only modified the registered lease. When the lessee stopped paying the revised rent, the plaintiffs sued for eviction and arrears. The lessee denied signing the supplementary deed and sought rejection of the plaint under Order VII Rule 11(a) and (d) CPC, arguing that under Section 49 of the Registration Act the unregistered deed could not be relied on. The trial court refused, but the Patna High Court reversed and sent the matter back.

The Supreme Court restored the trial court's view. At this stage only the plaint and the documents filed with it can be read, and the defendants' stand is irrelevant. The plaint said no registration was needed, and accepting the opposite argument would mean looking beyond the plaint. The Court also noted that the proviso to Section 49 lets an unregistered document be used as evidence of a collateral transaction, and whether it applies here is for the trial court after evidence. The defendants' application was rejected and the suit will proceed to trial.

Key Takeaway: The ruling confirms that a defendant cannot get a plaint rejected by calling the plaintiff's document inadmissible. Admissibility is a question for trial. The Court did not decide whether the supplementary deed is admissible.

SUPREME COURT: NO RECEIVER OR INTERIM PROTECTIVE ORDERS CAN BE PASSED BEFORE LEAVE IS GRANTED UNDER SECTION 92 CPC

In [*S. Panchalingu & Ors. v. People's Education Trust & Ors.*](#), the Supreme Court held that a court cannot pass protective interim orders, such as appointing a receiver,

until it has first granted leave to sue a public charitable trust under Section 92 of the Code of Civil Procedure.

The appellants filed a Section 92 plaint (a suit against a public charitable or religious trust for breach of trust) along with an application for leave to file it. While that application was pending, the District Judge, Mandya, appointed an ad hoc committee of existing trustees to manage the trust under Order XL Rule 1(a) (appointment of a receiver). The Karnataka High Court set this aside, holding that a Section 92 suit is “stillborn” without leave. High Courts had been divided on the issue.

The Supreme Court dismissed the appeals. Since 1976, Section 92 requires a person to have “obtained” leave before a suit is instituted. Until then, there is no suit and no lis (live dispute) before the court. A receiver under Section 94 and Order XL is a supplemental proceeding, which needs an underlying proceeding to attach to. Section 141 and the inherent power under Section 151 cannot override the safeguards of Section 92, which affect substantive rights. A receiver also displaces the trust’s management, defeating the very purpose of the leave requirement, which is to shield trusts from vexatious litigation.

However, where there is compelling urgency, the court may grant leave without notice to the trust, after recording reasons and with great caution. The trust can later seek revocation of leave.

Key Takeaway: The judgment clarifies that Section 92 is both a “protective shield” for trusts and a “remedial sword” for beneficiaries. The remedy in urgent cases is early, reasoned grant of leave, not interim orders before leave.

SUPREME COURT: FRESH SUIT FOR SPECIFIC PERFORMANCE BARRED BY ORDER II RULE 2 CPC AFTER INJUNCTION-ONLY SUIT WITHDRAWN WITHOUT LEAVE; ORAL CONTRACT NOT PROVED

In *Bombay Garage Ahmedabad Limited & Ors. v. J P Iscon Private Ltd. & Anr.*, the Supreme Court set aside concurrent decrees for specific performance of an oral

agreement to sell land. It held that the suit was barred and that no concluded contract had been proved.

The plaintiff (the buyer) claimed it orally agreed to buy a property from the defendant company (the seller) for ₹18.51 crore, later raised to ₹20.5 crore, and handed over a cheque for ₹5 crore as advance. When the defendant refused to complete the sale on 08.05.2007, the plaintiff first sued only for an injunction (to stop the sale of the property). It withdrew that suit, citing settlement talks and asking for liberty to file afresh, and then sued for specific performance. The Trial Court and the High Court decreed the suit.

The Supreme Court first held that the suit was barred by Order II Rule 2 of the CPC, which requires a plaintiff to claim all reliefs arising from one cause of action. A relief omitted without the court's leave cannot be claimed in a later suit. Following the Constitution Bench in *Gurbux Singh v. Bhooralal*, the Court found that the plaintiff's own first plaint showed the refusal had already happened, so specific performance was available then. No leave was taken when that suit was filed, and liberty sought at withdrawal does not cure this. Order XXIII Rule 1(3) permits a fresh suit on the same claim, not a new relief.

The Court also held that no concluded oral contract was proved. The pleadings kept changing, and there was no proof that the ₹5 crore cheque was ever presented. The key witness's account was hearsay, and his high public office added nothing. The defendant's evasive answers could not fill gaps in the plaintiff's case, and the negotiator for the company had no proved authority.

Key Takeaway: The judgment clarifies that a buyer who sues first for injunction must also claim specific performance, or take leave, once the refusal has occurred. It also reaffirms that oral sale agreements are valid but need strict proof.

PROPERTY LAW

SUPREME COURT: LESSEES CANNOT BYPASS TRUST'S WITHDRAWN SLP BY FILING FRESH WRIT PETITIONS FOR POSSESSION PROTECTION

In [*The State of Telangana & Ors. v. M.A. Garden Function Hall & Ors.*](#), the Supreme Court set aside High Court orders protecting the possession of lessees on disputed land. It held that the writ court should not have entertained their petitions.

In 1997, the State issued an eviction notice under the Andhra Pradesh Land Encroachment Act, 1905 to Kishan Chand Foundation Trust (the Trust), which claimed ownership of 4,678 sq. m. in Hyderabad under a 1968 sale deed. Its civil suit failed in 2001 for want of pecuniary jurisdiction (the court's monetary limit), and its appeal was dismissed in 2002 for non-prosecution. The Trust then won a writ petition before a Single Judge in 2005, but the Division Bench reversed this in 2022, holding that a writ court cannot decide possession or title where facts are seriously disputed. On 09.09.2025, the Supreme Court allowed the Trust to withdraw its appeal with liberty to file a fresh suit, but gave no interim protection.

Two days later, the Trust's lessees filed fresh writ petitions against the State taking possession. The Single Judge barred their dispossession and gave the Trust ten days to sue and seek interim orders. The Division Bench upheld this. No interim order was passed in the civil suit within that period.

The Supreme Court set aside both orders. The lessees claim only through the Trust, against whom the 2022 Division Bench judgment stood. The writ court could not act against those earlier orders. Since the Trust itself could not file a writ petition, the lessees did so only to obtain an interim order that the civil court alone could consider. The State's locking of the premises was left undisturbed, and the pending civil suit will be decided on its merits.

Key Takeaway: The ruling clarifies that persons claiming through a party whose writ remedy has failed cannot reopen the issue by a fresh writ petition. Interim protection in a property dispute must be sought from the civil court.

SUPREME COURT: REVENUE ENTRIES ALONE CANNOT PROVE DEDICATION OR ADVERSE POSSESSION WITHOUT HOSTILE ANIMUS AND SUPERIOR TITLE

In [*Bhag Singh \(D\) Thr. Mahant Kashmir Singh v. Basant Kaur \(D\) Thr. Lrs. & Ors.*](#), the Supreme Court upheld the Punjab and Haryana High Court's decree for the plaintiffs. It held that the Dera (religious institution) had proved neither a completed dedication of the land nor title by adverse possession.

The plaintiffs sued in 1981 for a declaration of ownership and an injunction over 4 Kanals 18 Marlas of land in Muktsar, Punjab, relying on a registered sale deed dated 13.05.1965. The defendants, representing Dera Bhai Mastan Singh, said the land had earlier been dedicated to the Dera for Dharam-Arth (religious and charitable purposes). They relied on revenue records showing an earlier Mahant in possession "gair marusi bila lagan bawaja Dharam Arth" (without rent, for religious purposes), and also claimed adverse possession through successive Mahants. The Trial Court and First Appellate Court dismissed the suit. The High Court reversed this in second appeal under Section 100 CPC, and the defendants appealed.

The Supreme Court dismissed the appeal. Revenue entries are evidence of possession, not title. A party claiming dedication must show a clear intention to permanently give up ownership, and long possession or a revenue entry is not enough. Adverse possession needs possession that is open, continuous and hostile to the true owner, and the defendants never pleaded or proved when their possession became hostile. Their own case was that possession began under a dedication, so it could not also be hostile. The High Court did not merely re-weigh evidence. It corrected a misapplication of law, which Section 100 permits.

The Court accepted that the vendors owned only half the land and could not convey more than they owned. But each side must succeed on the strength of its own title, so the defendants' failure to prove theirs could not defeat the plaintiffs' claim.

Key Takeaway: The judgment clarifies that such a revenue entry is neither conclusive proof of dedication nor of permissive possession, and that long possession alone is not adverse possession.

SUPREME COURT: TENANT WHO SIGNS AGREEMENT TO SELL REMAINS TENANT ABSENT SURRENDER; UNREGISTERED AGREEMENT GIVES NO SECTION 53A PROTECTION

In [Nazim Shaikh Hasan v. Nasir Mushtaq Shaikh & Ors.](#), the Supreme Court dismissed a tenant's petition and upheld his eviction. It held that signing an agreement to sell with the landlord does not turn a tenant into a buyer or end the tenancy.

The landlady owned a 200 sq. ft. shop in Pune, let to the petitioner at ₹1,500 a month. On 21.09.2004, during the tenancy, she agreed to sell it to him for ₹1,90,000. He paid ₹40,000 and was to pay the balance within three months, subject to bank loan sanction. Clause 4 said that if the loan was not sanctioned in time, the agreement would stand cancelled and he would hand back possession "as it was in the previous condition". The sale never happened. In 2010 the landlady sued for possession, alleging rent default, change of use and her own bona fide (genuine) need. The tenant argued that the landlord-tenant relationship ended when the agreement was signed. The Small Causes Court, the First Appellate Court and the Bombay High Court all ruled for the landlady.

The Supreme Court agreed. A tenancy ends only by express or implied surrender under Section 111(e) or (f) of the Transfer of Property Act (a mutual yielding up of the tenant's interest, shown by the agreement's terms or the parties' conduct). This agreement did not stop the rent or say that he now held the shop as a buyer. Clause 4 in fact assumed he was a tenant who would return the shop if the sale failed. The Court distinguished *R. Kanthimathi v. Beatrice Xavier*, where ₹20,000 of ₹25,000 had been paid and the agreement recorded possession as already surrendered.

The plea under Section 53A (protection for a buyer in possession under a contract) also failed. A person already in possession as a tenant cannot claim his possession became that of a buyer without showing the change. In addition, Section 17(1A) of the Registration Act requires such an agreement to be registered for Section 53A purposes, and this one was not. The Court also noted that the tenant never sued for specific performance.

Key Takeaway: The judgment clarifies that an agreement to sell does not by itself end a tenancy or confer title, and a tenant's continued possession is not part performance unless it flows from the agreement.



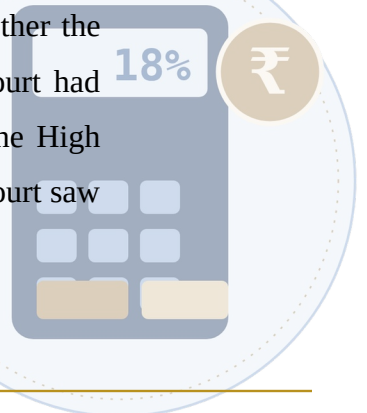
TAXATION

SUPREME COURT: CBDT CIRCULARS CANNOT OVERRIDE STATUTORY TEXT, EXPORT QUOTA PREMIUM DENIED SECTION 80HHC BENEFIT

In *[Orient Crafts Limited v. Commissioner of Income Tax, New Delhi](#)*, the Supreme Court dismissed the assessee's appeals and left undisturbed the Delhi High Court's ruling that the Commissioner had rightly used his revisional power under Section 263 of the Income Tax Act, 1961.

The assessee, a garment exporter, claimed a deduction of ₹13.86 crore under Section 80HHC for AY 2001-02 (a deduction for export profits). Its profits included ₹73.49 lakh received as premium on the sale of export quota. The Assessing Officer (AO) accepted the claim in 2003. The assessee relied on a CBDT office memorandum (1998) which said that export quota premium could be equated with items such as profit on sale of import licences and duty drawback. The Commissioner of Income Tax (CIT) issued a Section 263 notice, saying the AO should have excluded 90% of the premium under Explanation (baa) to Section 80HHC, which led to an excess deduction of ₹51.23 lakh. He set the assessment aside in 2005. The ITAT ruled for the assessee, but the High Court reversed it on appeal, holding that the memorandum could not override the statute and that the CIT correctly used Section 263.

Before the Supreme Court, the arguments were confined to Section 263. The Court recalled that revision needs an order that is both “erroneous” and “prejudicial to the interests of the Revenue”, and that it is not available where two views are possible. It examined the CIT's, ITAT's and High Court's orders only to see whether the High Court had ignored the Tribunal's view. It found that the High Court had considered the issue and found the CIT's use of Section 263 proper. The High Court's view on the memorandum was “available and tenable”, and the Court saw no reason to send the matter back.



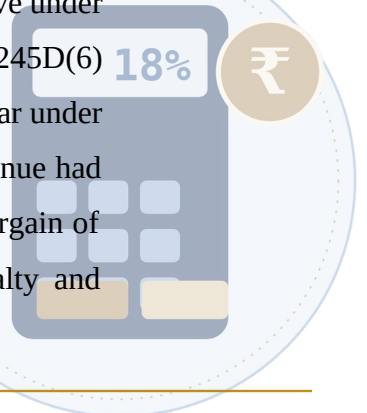
Key Takeaway: The ruling is a short, fact-based dismissal, and the connected appeals were dismissed for the same reasons.

SUPREME COURT: ONCE SETTLEMENT COMMISSION'S ORDER ATTAINS FINALITY, AO CANNOT REOPEN ASSESSMENT UNDER SECTION 148

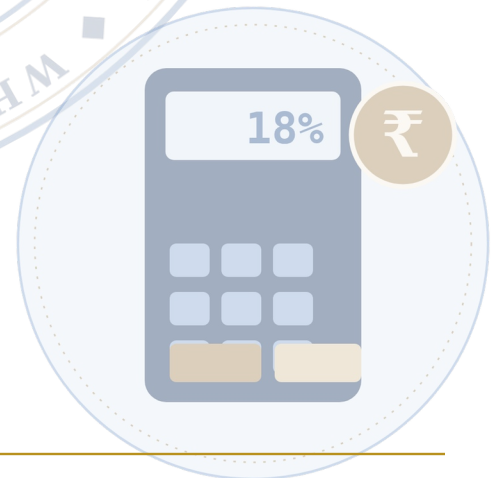
In *Assistant Commissioner of Income Tax & Anr. v. M/s. Omaxe Limited*, Omaxe Limited, a real estate company, claimed a deduction of about ₹78.99 crore under Section 80IB(10) (the tax break for housing projects) in its return for AY 2006-07. While its assessment was pending, it approached the Income Tax Settlement Commission (ITSC), which passed a final settlement order under Section 245D(4) on 17.03.2008. The ITSC fixed the net taxable income at ₹89,38,76,630 after allowing the deduction.

In December 2009, a Revenue survey found minutes of a meeting suggesting that the commercial area in four Omaxe projects exceeded the legal cap, making them ineligible for the deduction. The Assessing Officer reopened the year under Section 148 and, on 08.11.2011, added back ₹65,65,17,999 to Omaxe's income. Separately, the Revenue asked the ITSC under Section 245D(6) to declare its 2008 order void for misrepresentation. The ITSC rejected this on 16.12.2011, calling the dispute over what counts as a "project" a legal disagreement and not misrepresentation. The Delhi High Court quashed the reassessment, holding that the ITSC's order was final and covered the deduction. The Revenue appealed.

The Supreme Court dismissed the appeal. It held that once the ITSC admits a case, it examines the return for that year, including deductions, and the Revenue is presumed to have taken part through its Report. The final order is conclusive under Section 245-I. The Revenue's only remedy is an application under Section 245D(6) for fraud or misrepresentation. Letting the Assessing Officer reopen the year under Section 148 would defeat the finality Parliament intended. Here, the Revenue had already tried that remedy and lost. The Court described settlement as a bargain of "crust and crumb": the Revenue gets its tax, the assessee avoids penalty and prosecution, and neither can ask for more afterwards.



Key Takeaway: The ruling confirms that Chapter XIX-A is a self-contained code. A settled year cannot be reassessed under Section 148, and any suspicion of concealment must be raised before the ITSC, either by opposing the application or by seeking to void the order for fraud.



NEGOTIABLE INSTRUMENTS ACT

SUPREME COURT: REMAND IN CHEQUE DISHONOUR CASE FOR ACCUSED'S AFFIDAVIT EVIDENCE SET ASIDE, MANDVI COOPERATIVE BANK BREACH NEEDS PROOF OF PREJUDICE

In [*Sanu Varghese v. Shoukkathali*](#), the complainant, Sanu Varghese, filed a cheque bounce complaint under Section 138 of the Negotiable Instruments Act against Shoukkathali (the accused). The accused admitted his signature but said he had given a signed blank cheque only as security for a ₹10 lakh loan, while the cheque was presented for ₹30 lakh. He also claimed that on the date the complainant said he handed over ₹20 lakh and the cheque was issued, the complainant was in Bengaluru. He gave no real evidence of this. The Magistrate noted that he could easily have produced the complainant's Call Data Records (CDRs) to prove it, and convicted him. The First Appellate Court upheld the conviction.

In revision, the accused raised a new point for the first time. Relying on *Mandvi Cooperative Bank v. Nimesh B. Thakore* (2010), which held that an accused cannot give his evidence on affidavit under Section 145 (only the complainant's chief examination can be on affidavit), he argued that his evidence had been taken wrongly. The High Court agreed and sent the case back for fresh trial from the stage of defence evidence. The complainant appealed.

The Supreme Court allowed the appeal and set aside the High Court's order. It accepted what *Mandvi* says, namely that the defence evidence may not be documentary and so the accused cannot be examined on affidavit. But it held that this principle must be applied in a criminal case with reference to the prejudice caused to the accused in a completed trial. Here, the accused never claimed any prejudice before the Trial Court or the First Appellate Court. His signature was admitted, the legal presumption against him applied and had not been rebutted, and his defence failed for lack of evidence, not because of the manner in which he was examined. The Court said the point was taken "merely by reason of the ingenuity of the lawyer" and that the absence of any plea of prejudice was stark.

The revision petition was restored to the High Court to be decided on its other merits. The Court also directed that the evidence led at the trial initially will be considered only if the Trial Court examined the accused in person. Any affidavit evidence of the accused will be left out.

Key Takeaway: The ruling makes it clear that a breach of the *Mandvi* procedure does not automatically cancel a completed trial. Unless the accused shows real prejudice, and raises it at the earliest stage, a technical objection to the form of his evidence will not justify a remand, especially where the cheque and signature are admitted and the statutory presumption stands unrebutted.

SUPREME COURT: DEMAND NOTICE RECEIVED BY DRAWER'S MOTHER AT CORRECT ADDRESS SATISFIES SECTION 138 NI ACT; M.D. THOMAS HELD PER INCURIAM

In [*Sainaba v. State of Kerala & Anr.*](#), Sainaba (the complainant) said the accused had borrowed ₹3,00,000 from her and given a cheque in repayment, which bounced. On 31.08.2016 she sent a statutory demand notice by registered post to his correct address, where his mother received it. He neither paid nor replied. In his Section 313 Cr.P.C. statement, he said he had borrowed ₹7,00,000 in all, repaid it, and given a blank signed cheque while taking the ₹3,00,000.

The Trial Court convicted him under Section 138 of the Negotiable Instruments Act on 10.07.2019 and sentenced him to six months' simple imprisonment and a ₹3,00,000 fine. The Appellate Court upheld this on 16.02.2023, noting that he never disputed his address. The Kerala High Court, in revision, set aside the conviction on 29.07.2025. It held that the notice had gone to his mother, and without proof that he knew of it, service could not be presumed. The complainant appealed, and the accused did not appear in the Supreme Court.

The Supreme Court allowed the appeal and restored the conviction. Relying on *K. Bhaskaran*, *D. Vinod Shivappa* and the three-Judge Bench decision in *C.C. Alavi Haji*, it held that a notice sent by registered post to the drawer's correct address is presumed served (Section 27 General Clauses Act, Section 114 Evidence Act). The

law requires “giving” of notice, not personal receipt. The burden is on the drawer to show that the address was wrong, the postal endorsement was incorrect, or he had no knowledge of the notice. Here, he had appeared on summons at the same address and used it in his vakalatnama, appeal and revision. He never disputed it, and never claimed he lived apart from or was on bad terms with his mother. The High Court wrongly put the burden on the complainant and misread *C.C. Alavi Haji*.

The Court also held that *M.D. Thomas v. P.S. Jaleel* (2009), which acquitted an accused because the notice was served on his wife, is per incuriam (decided without noticing binding precedent) and not binding under Article 141. It had ignored *C.C. Alavi Haji* and treated the wife as a stranger. The Court called the result anomalous: a complainant gets the presumption when a notice is not delivered at all, but loses it when a family member actually receives it.

Key Takeaway: The ruling settles that receipt by a family member at the correct address does not defeat service under Section 138, unless the drawer proves otherwise.



FAMILY LAWS

SUPREME COURT RESTORES DISMISSAL OF PARTITION SUIT: UNPROVED VICES, HEARSAY UNDERVALUATION AND NON-EXAMINATION OF WIFE DEFEAT CHALLENGE TO FATHER'S SALE FOR LEGAL NECESSITY

In *H.G. Pattabi v. K.R. Suraj & Ors.*, Renukaiah received six items of ancestral land in a family partition and, on 05.08.1993, sold two of them for ₹1,45,000. The sale deed recited that the land was far from his home in Bengaluru and that he was in financial difficulty. The land later passed to the appellant, H.G. Pattabi. After Renukaiah died in 1995, his wife and two sons sued for partition of the two plots, claiming the sale was without legal necessity. They did not seek cancellation of the sale deed, and they left out the other four plots, which they admitted had been sold to Renukaiah's elder brother.

The Trial Court dismissed the suit on 14.03.2002, holding that the sale money repaid a loan taken to build the family's house in Bengaluru, so there was legal necessity. The Karnataka High Court reversed this on 23.04.2010. Relying mainly on the elder son's evidence, it held that Renukaiah was addicted to gambling and drinking, so the sale could not be for bona fide necessity. The appellant came to the Supreme Court.

The Supreme Court allowed the appeal and restored the Trial Court's decree. It held that the plaintiffs' case rested on unproved assertions. The claim that the land was worth ₹5 lakh was hearsay, with no official valuation or witness. The allegation of vices went beyond the plaint and had no independent evidence. The wife, who knew the family's finances and the alleged habits, was never examined, and the Court drew an adverse inference against the plaintiffs, as the son was a minor at the time of the sale. The suit was also selective: it covered only two of six plots, and the son admitted it was filed at his uncle's instance. The Court said the absence of a prayer to cancel the sale deed was not decisive alone, but counted against the plaintiffs along with these points. It found the Trial Court's view plausible and reasoned, and held that the High Court was wrong to interfere on an unsubstantiated allegation.

Key Takeaway: The ruling confirms that family members challenging a father's or karta's sale of joint family property must plead and prove that it was not for necessity. Hearsay, additions to the pleadings and the withholding of the most material witness are not enough, and an appellate court should not overturn a reasoned trial court finding on such material.

SUPREME COURT EXERCISES ARTICLE 142 TO DISSOLVE MARRIAGE BY MUTUAL CONSENT IN TRANSFER PETITIONS, RECORDS ₹35 LAKH ALIMONY SETTLEMENT AND QUASHES ALL 18 PENDING CASES BETWEEN SPOUSES AND FAMILIES

In [*Shikha w/o Varun Surekha @ Shikha d/o Sharadkumar Raniwala v. State of Odisha & Ors.*](#), the parties married on 04.12.2016 and began living separately in 2022. Over the next three years they, and their family members, filed about 18 cases against each other in Cuttack, Mumbai, Noida, the Delhi High Court and the Orissa High Court. These included a criminal case against the wife filed by her father-in-law, the husband's divorce petition, her cases under Section 498A IPC and the Domestic Violence Act, and a domestic violence case filed by her mother-in-law. The wife came to the Supreme Court with two transfer petitions, seeking to move the Cuttack criminal case and the domestic violence case to Mumbai. The Court stayed both proceedings.

Mediation failed at first. The husband then applied under Article 142 of the Constitution for a divorce on the ground of irretrievable breakdown of marriage, and for quashing of all pending cases. A second round of mediation was held, and the wife eventually agreed to a divorce by mutual consent. The only issue left was permanent alimony. On the Court's suggestion, the husband raised his offer from ₹15 lakh to ₹35 lakh, which the Court found appropriate given the wife's medical condition and his means. On 05.08.2026 the Court directed him to pay it, and by the final hearing he had paid ₹2 lakh immediately and handed over demand drafts for the remaining ₹33 lakh, which the wife accepted.

The Supreme Court allowed the husband's application, dissolved the marriage and quashed all the cases listed in a table in the judgment, along with any other civil or

criminal case between the parties. It also directed the parties not to file fresh cases against each other. Relying on *Shilpa Sailesh v. Varun Sreenivasan* (2023) and *Rinku Baheti v. Sandesh Sharda* (2025), it held that its Article 142 power to do “complete justice” lets it grant a divorce by mutual consent and close connected cases without making the parties approach each court separately. The Court noted the factors that justified this: a long separation, many cases, a failed first mediation, a genuine settlement and full payment of alimony.

Key Takeaway: The ruling confirms that when a transfer petition reaches the Supreme Court and the parties settle, the Court can end the marriage and all related litigation in a single order under Article 142, which spares the parties and the courts years of separate proceedings.

Note: The Court did not state a separate finding on irretrievable breakdown beyond noting the marriage had reached a “dead end”, since the divorce was granted by mutual consent.



INSOLVENCY AND COMPANY LAWS

SUPREME COURT: LIQUIDATION AUCTION BIDDER FORFEITS EMD AND PART-PAYMENT FOR NOT PAYING BALANCE WITHIN 90 DAYS; EXPRESS FORFEITURE CLAUSE IN E-AUCTION NOTICE PREVAILS, “TRIPLE TEST” GIVES NO RELIEF

In *M/s ASJ Finsolutions Pvt. Ltd. v. Vikram Bajaj*, ASJ Finsolutions (the bidder) won Lot No. 5, a land parcel in Sonapat, in a liquidation auction held on 15.11.2021 at the reserve price of ₹25.56 crore. The auction notice said the sale was “as is where is” and disclosed a pending civil suit over the sale deed for part of the land. The bidder paid ₹6.39 crore (25% of the bid), which included the ₹2.55 crore Earnest Money Deposit (EMD, 10% of the reserve price) and part of the balance price. The remaining ₹19.17 crore was due within 30 days, or within 90 days with 12% interest. The notice also said that all amounts paid, including the EMD, could be forfeited if the successful bidder failed to pay the balance. The bidder never paid. It first said it would pay by 14.02.2022, then asked for the earlier title deeds, and cited a High Court order obtained by a rival bidder, Agarwal Trading Company. That rival had filed an application before the NCLT but withdrew it later. The NCLT rejected the bidder’s request for the deeds, and this was upheld in appeal. The property was then re-auctioned for ₹31.10 crore. The bidder later sought a refund of the EMD. The NCLT allowed this, applying the “Triple Test”, but the NCLAT reversed it and upheld the forfeiture. The bidder appealed.

The Supreme Court dismissed the appeal. The forfeiture clause in the auction notice made forfeiture an automatic result of non-payment, and the bidder had bid “with open eyes” and paid without protest. The bidder argued that Schedule I of the Liquidation Process Regulations, 2016 caps the EMD at 10% and does not mention forfeiture. The Court rejected this because the notice expressly allowed forfeiture, and the EMD itself was within the 10% cap. It relied on the NCLAT decisions in *Westcoast Infraprojects* and *Potens Transmission*, both affirmed by the Supreme Court. The Triple Test asks whether the bidder (i) had a hidden agenda to rig the

auction, (ii) was not a genuine bidder with adequate financial capacity, or (iii) was prevented by extraneous reasons from paying. The Court held that it gave the bidder no relief on these facts. It said the bidder's e-mails promising payment were assertions, not proof of financial capacity. The request for title deeds came too late for an "as is where is" sale, whose notice had flagged the title issue. The rival bidder's High Court order was an afterthought, since that application was withdrawn soon after. The claim that another bidder was given extra time was raised too late and without producing the orders. The higher price in the re-auction came from the property's inherent value and did not offset the default.

Key Takeaway: The ruling confirms that in IBC liquidation auctions, a forfeiture clause in the auction notice will be enforced against a successful bidder who defaults. A bidder cannot escape it by relying on the Regulations, on late objections to title, or on bare promises to pay. Bidders must check title and arrange funds before bidding.

SUPREME COURT: TRIBUNAL CAN RECALL ADMISSION OF SECTION 9 PETITION OBTAINED THROUGH FRAUD AND COLLUSION, BUT CIRP NEED NOT AUTOMATICALLY END; NCLT TO DECIDE ON CONTINUATION AFTER HEARING RP, COC AND STAKEHOLDERS

In *Orris Infrastructure Private Limited v. Rakesh Kumar Gupta & Ors.*, Straight Edge Contracts, claiming to be an operational creditor, filed a Section 9 petition against Three C Shelters, the developer of the Greenopolis housing project in Gurgaon. The company's directors admitted the debt, the NCLT admitted the petition, and a moratorium froze the homebuyers' other remedies. It later emerged that the debt was a sham. The NCLT found active collusion between Straight Edge and the company, but held it had no power to recall its own admission order. The NCLAT held that the power exists and set aside the entire insolvency process.

The Supreme Court held that the tribunal does have the power to recall an admission obtained by fraud and collusion. The existence of a debt is a "jurisdictional fact" for a Section 9 petition, and anyone invoking the Code owes a public-law duty not to

mislead the tribunal. The findings of fraud and collusion were uncontested before the Court.

However, the Court held that recall does not automatically end the insolvency process. Once a petition is admitted, the proceedings become in rem. Management passes to the resolution professional, a moratorium applies, and all creditors join through the Committee of Creditors. The original applicant is only the creditor who triggered the process, and it cannot withdraw alone, since Section 12A requires 90% approval of the Committee of Creditors. The process can therefore continue even though the original petition was collusive. The tribunal must bar the collusive applicant from participating and may act under Section 65. Before deciding whether to continue, it must hear the resolution professional, the Committee of Creditors and other stakeholders, and it may still decide that continuation is not permitted.

The Court set aside the NCLAT's order, restored the insolvency case, and directed the NCLT to decide whether to continue the process. It should consider all relevant facts, including the ownership of the Greenopolis project, and if it continues, it must conclude the process expeditiously.

Key Takeaway: The ruling confirms that fraud on the tribunal can unwind an insolvency admission. It also protects genuine creditors by ensuring that one creditor's collusion does not automatically destroy a process in which many others have a stake.



MISCELLANEOUS

SUPREME COURT: OUTGOING PARTNER'S SHARE IN DISSOLVED FIRM'S ASSETS VALUED AT DATE OF SALE, NOT DATE OF DISSOLUTION

In *V. Sumitra Reddy & Anr. v. K. Ranganadha Reddy & Ors.*, M/s Viraj Constructions was a partnership at will with six partners, in which Lakshmi Narayana Reddy held a 25% share. The firm owned about 3.27 acres of land at Begumpet, Hyderabad. In 1983 he served notice asking for the firm to be dissolved and for his share, and later sued for accounts. His legal heir, K. Ranganadha Reddy, continued the suit. The High Court held that the firm stood dissolved on 18 October 1983, the date of the notice. The remaining partners continued the business through a new firm and kept the land. In the final decree proceedings they argued that his share in the land should be fixed at its 1983 value, so that he would not gain from decades of appreciation. The High Court rejected this and directed the Commissioner to sell the land by public auction unless the partners settled it, with the plaintiff to receive 25% of the proceeds after liabilities.

The Supreme Court dismissed the appeal and upheld the High Court order. It held that the dissolution date of 18 October 1983 matters only for working out the firm's profits and losses. It has no bearing on the value of a partner's share in the remaining assets. On dissolution, all assets must be liquidated and the proceeds distributed in the shares stated in Section 48 of the Partnership Act. The only exception is when a partner or partners agree to buy out the others at market value. The Court held that the continuing firm has no right to use the old firm's assets unless all partners agree on this. Retaining the land without buying it from the old firm was illegal, and selling at the 1983 value would be unfair to the plaintiff and impractical. The defendants remain free to buy the land at the auction. The Court distinguished the cases they relied on, such as *Chillakuru Chandrasekhara Reddy*, because none concerned a partnership at will dissolved by notice.

Key Takeaway: The ruling makes clear that a partner who dissolves a partnership at will shares in the real, current value of the firm's assets, including any rise in the value of land, and the partners who keep running the business cannot hold on to those assets at old valuations. The Court vacated the interim stay on the sale.

SUPREME COURT: ABSENCE OF TICKET CANNOT DEFEAT RAILWAY ACCIDENT CLAIM WHEN PASSENGER STATUS IS PLEADED ON OATH AND RAILWAYS FAIL TO REBUT; BELATED INQUIRY REPORT IGNORED

In [*Sukhabhai Nanjibhai Makwana & Anr. v. Union of India*](#), Maheshbhai fell from a train in the general compartment between Sabarmati and Ahmedabad stations in September 2017 and died of his injuries a month later. His parents claimed compensation under the Railways Act, and the Railway Claims Tribunal awarded ₹8 lakh with interest. The Gujarat High Court reversed the award. It held that the claim gave no details of the train, no ticket was found on the victim, and there was no proof that he had fallen from a train, so there was no “untoward incident”. The Railways also argued that the injury was self-inflicted, and relied on an investigation report.

The Supreme Court allowed the parents’ appeal. Relying on *Union of India v. Rina Devi*, it held that the absence of a ticket does not defeat a claim. The claimant’s initial burden is discharged by an affidavit of the relevant facts, after which the burden shifts to the Railways. Here the father had pleaded and sworn that his son had bought a ticket, which was lost along with his other belongings. The Railways’ own witnesses admitted they had not searched the victim’s pockets. The Court also noted that the victim had spent over a month in hospital, so it was unlikely the ticket would have been kept. On a balance of probabilities, the victim was a bona fide passenger, and the High Court gave undue importance to the missing ticket.

The Court also refused to rely on the Railways’ investigation report. It was prepared about seven months after the incident, and only after the claim was filed, though the rules require an immediate inquiry. The Railways gave no explanation for the delay, and the claimants could not be made to suffer for it. The Court held that the strict

liability under Section 124-A of the Railways Act applied, restored the Tribunal's award, and directed the Railways to pay within 30 days.

Key Takeaway: The ruling shows the Court applying a practical approach to proof in railway accident claims: a sworn account from the claimant is enough to shift the burden, and delays or lapses in the Railways' own inquiry will count against it.



***Hard Times* by Charles Dickens**

Charles Dickens' *Hard Times* is a scathing indictment of a society that values facts, figures, and profit above human feeling. Set in the industrial town of Coketown, the novel follows Thomas Gradgrind, a schoolmaster and devoted utilitarian, whose rigid philosophy governs his school, his household, and the lives of his children. As Louisa and Tom grow up starved of imagination, the narrative exposes the human cost of a system without compassion.

What makes *Hard Times* particularly compelling is its moral clarity. Beneath its social satire lies a deeply human story about stifled emotion, broken families, and the quiet dignity of workers who refuse to be reduced to numbers. Dickens invites readers to ask whether rules and efficiency can ever replace empathy. For members of the legal profession, the novel offers a timely reminder that justice without humanity is mere procedure.



LEGAL TRIVIA

We aim to encourage staying up to date on legal developments. Participate in this quiz and the winner will receive a token of our appreciation. Tap one option for each question, add your name and email at the end, and press Submit. A confirmation will be sent to your email.

1. **In Arth Micro Finance Pvt. Ltd. v. Shivalik Small Finance Bank Ltd., what became of the Section 17 interim orders after the Arbitral Tribunal's appointment was held non est?**
 - ☐ A. They continued in force until the fresh Arbitrator reviewed them
 - ☐ B. They fell along with the invalid tribunal, and the transferred funds were ordered to be remitted
 - ☐ C. They were treated as orders under Section 9 and continued by the Court
 - ☐ D. They were converted into a security deposit pending the fresh award
2. **In National Skill Development Corporation v. Surya Wires Pvt. Ltd., the personal guarantor was held bound by the arbitration clause in the Loan Agreement because:**
 - ☐ A. The Personal Guarantee contained its own arbitration clause
 - ☐ B. The guarantor separately signed the arbitration clause
 - ☐ C. The Loan Agreement deemed the "Facility Agreements" part of itself, incorporating the clause by reference under Section 7(5)
 - ☐ D. The guarantor was also a director of the borrower and therefore a party by conduct
3. **In Parag Kishore Satoskar v. State of Jharkhand, the Supreme Court quashed the FIR on the ground that:**
 - ☐ A. No dishonest intention at inception was alleged, and mere breach of contract is not cheating
 - ☐ B. The dispute was arbitrable, and the FIR was barred by the arbitration clause
 - ☐ C. The complaint was filed beyond the limitation period under the BNSS
 - ☐ D. The accused were not the persons who received the advance

4. **In ONGC v. Suryakand D. Lad, the Controlling Authority under the Payment of Gratuity Act was held to lack jurisdiction to fasten liability on ONGC because:**

- ☐ A. ONGC, as a public sector undertaking, is exempt from the Payment of Gratuity Act
- ☐ B. Its power is confined to computing amounts payable to “employees” and does not extend to deciding employer status
- ☐ C. The claim for gratuity was barred by limitation
- ☐ D. Contract labour are excluded from the Act altogether

5. **In S. Panchalingu v. People’s Education Trust, the Supreme Court held that before leave is granted under Section 92 CPC, a Civil Court:**

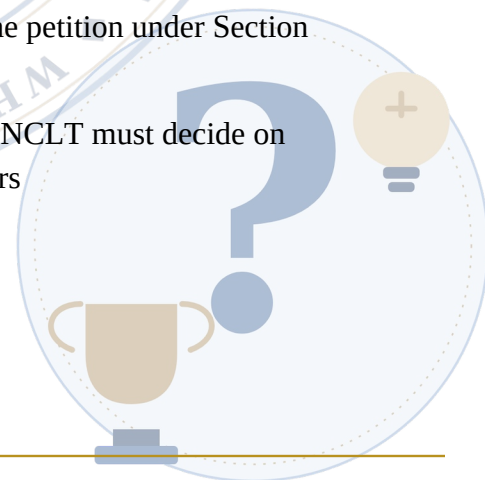
- ☐ A. May appoint a receiver under Order XL as a protective measure
- ☐ B. May pass preservatory orders under Section 151 CPC to prevent mismanagement
- ☐ C. May pass interim orders only with the trustees’ consent
- ☐ D. Cannot pass protective or interim orders, though it may grant leave ex parte in cases of genuine urgency

6. **In Nazim Shaikh Hasan v. Nasir Mushtaq Shaikh, the eviction decree against a tenant who had signed an agreement to sell was upheld because:**

- ☐ A. The agreement was impounded for deficient stamp duty and stood cancelled
- ☐ B. An agreement to sell automatically determines the tenancy
- ☐ C. No surrender was shown under Section 111(e) or (f) of the TP Act, and the unregistered agreement gave no Section 53A protection
- ☐ D. The tenant’s continued possession amounted to part performance



7. **In ACIT v. Omaxe Limited, the Supreme Court held that the Assessing Officer could not reopen the assessment under Section 148 because:**
- ☐ A. Once the Settlement Commission's order attained finality, only that Commission's own Section 245D(6) mechanism can address fraud or misrepresentation
 - ☐ B. A Section 80IB(10) deduction already allowed by the Commission can be disallowed by the Assessing Officer after a search
 - ☐ C. The reassessment notice was issued beyond the limitation period applicable to Section 148
 - ☐ D. Search-based assessments of this kind can be reopened only under Section 153A of the Act
8. **In Sainaba v. State of Kerala, the Supreme Court restored a Section 138 NI Act conviction where the demand notice, sent to the correct address, was received by the drawer's mother. The Court also held that:**
- ☐ A. Personal service on the drawer is essential for a valid notice
 - ☐ B. The "giving" of notice suffices, and M.D. Thomas v. P.S. Jaleel is per incuriam
 - ☐ C. K. Bhaskaran stood overruled by C.C. Alavi Haji
 - ☐ D. Receipt by a relative is valid only if the drawer admits it
9. **In Orris Infrastructure Pvt. Ltd. v. Rakesh Kumar Gupta, regarding the admission of a collusive Section 9 petition, the Supreme Court held that:**
- ☐ A. The Tribunal has no power to recall an admission once the CIRP has commenced, as proceedings are in rem
 - ☐ B. Recall is automatic once collusion is found, and the CIRP must end immediately
 - ☐ C. Recall is possible only if the original applicant withdraws the petition under Section 12A
 - ☐ D. Recall is possible as the debt is a jurisdictional fact, but the NCLT must decide on continuing the CIRP after hearing the RP, CoC and stakeholders



10. In **Shikha v. State of Odisha**, the Supreme Court exercised Article 142 to dissolve the marriage by mutual consent and quash all pending cases, applying:

- ☐ A. Gurbux Singh and Gurinderpal
- ☐ B. Ratan Melting and Kalandi Charan Sahoo
- ☐ C. Shilpa Sailesh and Rinku Baheti
- ☐ D. Rina Devi and R. Kanthimathi

Submit your answers

Name

Email

SUBMIT ANSWERS

Select one option for every question, fill in your name and email, then press Submit. Interactive submission works in Adobe Acrobat / Reader. If your viewer does not support it, email your answers (e.g. 1-A, 2-C ...) to rscorporate@rsood-attorneys.co.in.

