Cassie

THURSDAY
17 SEPTEMBER 2026

DAILY

Court Digest

The day's most significant judgments from India's courts.

IN TODAY'S DIGEST

- **Midnight vehicle repossession without notice unlawful : SC**
- **Res Ipsa Loquitur | State liable for auction collapse : Gujarat HC**
- **S.22-A Reg Act | Registration of unapproved plots barred : Madras HC**
- **Art.309 | Seniority counts from initial contract appointment : HP HC**
- **S.12(5) A&C Act | Named arbitrator requires written waiver : Delhi HC**

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Supreme Court

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Banking Law, Debt & Money Matters
Vehicle/Property Repossession & Auction Disputes

SUPREME COURT

Self-help vehicle repossession at night without notice violates RBI lending guidelines

The dispute. A truck operator defaulted on a commercial vehicle loan secured by hypothecation. Recovery agents broke the steering lock at 1:00 a.m. and seized the vehicle without seven-day notice or an inventory memorandum. The High Court dismissed the borrower's writ petition on the sole ground of delay, which he challenged before the Supreme Court.

The reasoning. Repossession clauses waiving notice violate statutory RBI guidelines under Section 35-A of the Banking Regulation Act. Extra-judicial seizures by force or stealth in the dead of night infringe the right to livelihood.

For your practice. Borrowers can challenge notice-waiver repossession clauses as illegal and claim constitutional compensation for forceful vehicle seizures.

The order. The Supreme Court allowed the appeal with Rs.50,000 costs and directed loan account closure. The lender must refund Rs.4,50,000 sale proceeds with 6% interest and pay Rs.10,00,000 compensation.

§ Section 35-A, Banking Regulation Act, 1949

HARI DUTTA SHARMA vs STATE OF U.P.

COURT	DECIDED	CASE NO.	CITATION
Supreme Court of India	16.09.2026	C.A. No.-012950-012950 - 2026	2026:INSC:998

BENCH
Pamidighantam Sri Narasimha, Alok Aradhe

High Courts

4 judgments in this edition

KEEP SWIPING >>>

Property & Asset Disputes
Property Ownership, Title, Registration, Mutation, Division

MADRAS HC

Unapproved layout plots cannot be registered without prior house site registration

The dispute. Purchasers sought registration of sale deeds for subdivided land plots situated in an unapproved layout. The registering authority issued refusal check slips, finding the land agricultural and developed without statutory planning permissions. A single judge directed registration of the deeds, which the registering authorities challenged in writ appeals before the Division Bench.

The reasoning. The High Court held that Section 22-A(2) of the Registration Act bars registering unapproved plots unless previously registered as house sites. Providing a common pathway amounts to forming a new road, which administrative clarification letters cannot bypass.

For your practice. Conveyancing practitioners must verify prior house site registration before executing plot sales, as carving out common access routes triggers layout restrictions.

The order. The High Court allowed the writ appeals and set aside the single judge's order directing registration of the sale deeds. No costs were awarded.

§ Section 22-A(2), Registration Act, 1908

The District Registrar vs Mohammed Junaith

COURT	DECIDED	CASE NO.	BENCH
Madras High Court	16.09.2026	WA.2881/2025	Abdul Quddhose, R. Rajesh Vivekananthan

Contracts & Business Disputes
Arbitration Agreements, Proceedings & Enforcement

DELHI HC

Pre-naming an arbitrator does not cure unilateral appointment absent post-dispute waiver

The dispute. An NBFC advanced a Rs 2,00,000 business loan under an agreement guaranteed by the respondent. Following default, the lender unilaterally appointed a contract-named sole arbitrator, who passed an ex-parte award for Rs 5,18,600 with 18% annual interest. The District Judge set aside the award for unilateral arbitrator appointment without a post-dispute waiver, which the lender challenged in appeal.

The reasoning. Pre-naming an arbitrator in a contract does not make a subsequent unilateral reference bilateral. Section 12(5) renders unilateral appointments invalid absent an express written waiver executed by the non-appointing party after disputes arise.

For your practice. Lenders relying on pre-named arbitrator clauses must secure an express written waiver after disputes arise or seek court appointment under Section 11.

The order. The High Court dismissed the Section 37 appeal and affirmed the setting aside of the arbitral award. The lender was denied recovery of the Rs 5,18,600 award with 18% annual interest.

§ Section 12(5), Arbitration and Conciliation Act, 1996

MATSYA FINCAP PVT LTD vs MOHD HASSINUDDIN

COURT	DECIDED	CASE NO.	CITATION
Delhi High Court	16.09.2026	FAO (COMM)-221/2024	2026:DHC:7849-DB

BENCH
Anil Kshetarpal

Government & Public Body Interactions
Caste, Income & Domicile Certificate Disputes

PUNJAB AND HARYANA HC

Admission prospectus cannot be altered to exclude migrant reserved candidates

The dispute. A Scheduled Caste candidate who cleared NEET sought medical admission under the Chandigarh quota. The administration rejected her reservation claim because her caste certificate was marked migrant, reclassifying her into the general category. The candidate filed a writ petition before the High Court challenging the revised provisional merit list that excluded her.

The reasoning. An admission prospectus binds the authorities and cannot be altered after the selection process commences. External instructions restricting reservation territorially cannot be imported without an express condition in the published prospectus.

For your practice. Admission authorities cannot impose fresh territorial eligibility hurdles mid-stream unless those disqualifications were clearly notified in the original prospectus.

The order. The High Court quashed the revised merit list and directed the administration to publish a fresh Scheduled Caste merit list under the prospectus within ten days.

§ **Article 341, Constitution of India, 1950**

JAPUJI KAUR BAINS vs THE UNION TERRITORY OF CHANDIGARH & ors.

COURT	DECIDED	CASE NO.	BENCH
Punjab and Haryana High Court	16.09.2026	CWP/27499/2026	Suvir Sehgal, Rajesh Gaur

Property & Asset Disputes
Ancestral Property & HUF Partition

DELHI HC

Partition suit is not maintainable without possession relief when plaintiffs lack possession

The dispute. Two sons filed a partition suit claiming their father died intestate and seeking a one-third share in a residential plot. A third-party buyer was in physical possession under an agreement to sell executed by the father's second wife under a registered power of attorney. The Trial Court dismissed the partition suit for want of possession relief and failure to prove forgery, which the sons challenged in appeal.

The reasoning. A registered power of attorney carries a presumption of validity that general medical records cannot rebut without specific proof of incapacity. A partition suit is not maintainable when plaintiffs out of possession fail to claim possession relief.

For your practice. Challengers of registered instruments must prove incapacity on the execution date and include possession prayers when third parties hold the suit property.

The order. The High Court dismissed the first appeal without costs and disposed of pending applications. The dismissal of the partition suit stands affirmed.

§ Code of Civil Procedure, 1908

MANJIT SINGH & ors. vs NIRMAL & ors.

COURT	DECIDED	CASE NO.	CITATION	BENCH
Delhi High Court	16.09.2026	RFA-858/2017	2026:DHC:7860	Amit Bansal

Tribunals

1 judgment in this edition

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Consumer & Service Problems
Misleading Advertisements, False Claims & Unfair Trade Practices

SCDRC

Territorial jurisdiction lies where sale and delivery occur, not at the buyer's residence

The dispute. A buyer in Haridwar purchased an SUV from an authorised Dehradun dealer, alleging it was falsely sold as a 2017 model. Upon discovering that the registration certificate recorded 2016 manufacture, he filed a consumer complaint seeking a refund of Rs 8.97 lakh. The District Forum directed a refund with interest, which the dealer and manufacturer challenged before the Uttarakhand SCDRC.

The reasoning. Territorial jurisdiction under Section 11(2) lies where sale and delivery occur, not at the complainant's residence. Technical chassis coding disproved the manufacturing discrepancy, while selling the vehicle pendente lite extinguished consumer status.

For your practice. Filings cannot rely on complainant residence alone to establish forum jurisdiction, while selling disputed goods pendente lite forfeits standing under the Act.

The order. The State Commission allowed both appeals, set aside the order awarding Rs 8.97 lakh with interest, and dismissed the complaint. Statutory amounts deposited by the dealer and manufacturer were directed to be returned.

§ Section 11(2), Consumer Protection Act, 1986

Dehradun Premier Motors Pvt. Ltd. vs Pradeep Agarwal & ors.

COURT
State Consumer Disputes Redressal Commission

DECIDED
15.09.2026

CASE NO.
SC/5/A/314/2019

BENCH
Kumkum Rani, C.M. Singh

Also decided today

§ Section 52-A, Narcotic Drugs and Psychotropic Substances Act, 1985

SUPREME COURT

Total non-compliance with statutory sampling renders forensic drug reports inadmissible

The prosecution must prove an unbroken chain of custody and follow Section 52-A sampling safeguards before forensic reports become admissible.

Crl.A. No.-001561-001561 - 2014 · 2026:INSC:1001 · 16.09.2026

§ Article 309, Constitution of India

HIMACHAL PRADESH HC

Contractual appointees under statutory rules earn seniority from initial appointment

Seniority under statutory rules runs from initial appointment rather than subsequent regularisation. Where claims suffer from delay, actual monetary arrears remain restricted to three years preceding the petition.

CWP/1912/2026 · 2026:HHC:39395 · 16.09.2026

§ Section 106, Transfer of Property Act, 1882

CALCUTTA HC

Filing an eviction suit against a tenant holding over constitutes notice to quit

Institution of an eviction suit under general law satisfies the notice requirement under Section 106, determining a holding-over tenancy. Subsequent occupation becomes wrongful from the date of filing, entitling the landlord to mesne profits.

APD/14/2025 · 2026:CHC-OS:393-DB · 16.09.2026

Also decided, continued

§ Section 34, Arbitration and Conciliation Act, 1996 DELHI HC

Delay in delivering an arbitral award cannot vitiate it without adverse impact on findings

Delay in rendering an arbitral award does not conflict with public policy unless it remains unexplained and explicitly produces damaging effects on the substantive findings.

FAO(OS) (COMM)-29/2026 · 2026:DHC:7875-DB · 16.09.2026

§ Section 438, Bharatiya Nagarik Suraksha Sanhita, 2023 MADHYA PRADESH HC

Relatives of a husband cannot be charged on omnibus allegations without specific involvement

Relatives of a husband cannot be roped into matrimonial offences on sweeping and omnibus allegations devoid of specific dates, times, or overt acts.

CRR 1602/2026 · 16.09.2026

§ Section 348, Bharatiya Nagarik Suraksha Sanhita, 2023 UTTARAKHAND HC

Witnesses essential for a just decision may be summoned despite omission from the charge-sheet

The statutory power to summon or examine witnesses aims to secure a just decision and is not barred by an omission in the charge-sheet. Courts must exercise this discretion to admit essential link evidence necessary for proper trial adjudication.

CRLR/681/2026 · 2026:UHC:8287 · 16.09.2026

Also decided, continued

§ Section 26, Right to Fair Compensation and Transparency in Land Acquisition, R... JHARKHAND HC

Absence of local sales requires land compensation based on adjacent village deeds

Under Section 26(b) of the 2013 Act, market value must be derived from nearest adjoining village deeds when no local sales exist. Only exemplar transactions registered within three years preceding the preliminary notification qualify for assessment.

FA/303/2026 · 2026:JHHC:27828 · 15.09.2026

§ Section 107, Central Goods and Services Tax Act, 2017 DELHI HC

Alternative Appeal Required Before Writ Intervention in GST Penalty Cases

Practitioners must now ensure that challenges to GST orders based on alleged non-service of notices or denial of personal hearing are raised before the Appellate Authority first, as the High Court will not entertain writ petitions on such factual grounds when an appeal remedy exists.

CW - 7137/2026 · 2026:DHC:7913-DB · 15.09.2026

§ Section 311, Code of Criminal Procedure, 1973 TELANGANA HC

Recall of Witness Allowed When Evidence Essential and Grounds Differ

Practitioners must now ensure that any second recall petition under Section 311 CrPC is based on distinct grounds to avoid the bar of Section 362 CrPC, focus on the essentiality of the evidence rather than the timing of the application, and be prepared to argue for costs where prosecutorial delay undermines expeditious trial proceedings.

CRLP 13680/2026 · 16.09.2026

Also decided, continued

§ Section 65B(44), Finance Act, 1994 CESTAT

Trading income and residential rent are non-taxable under service tax law

Trading in goods is expressly excluded from service under Section 65B(44), while renting residential dwellings is exempt under Section 66D(m). Tax demands cannot rest solely on Form 26AS without independent verification or evidence of wilful suppression.

Service Tax Appeal No. 51065 of 2021 · 15.09.2026

§ Section 2(1)(d), Consumer Protection Act, 1986 SCDRC

Refund of Rs.5,52,838 with interest and compensation for deficient service

Practitioners must now bear in mind that a buyer's profit motive or multiple property ownership does not defeat consumer status; the onus to prove commercial purpose lies on the opposite party. Additionally, any unilateral alteration of allotment without consent and delay in possession constitutes deficiency, triggering refund liability with interest and compensation.

SC/7/CC/177/2019 · 15.09.2026

§ Rule 6 of the CENVAT Credit Rules, 2004 CESTAT

Processed Milk Not Exempted Final Product

Practitioners must now challenge Revenue demands on intermediates by proving their integral role in principal product manufacture, shifting focus from mere exemption status to production process integration.

Excise Appeal Nos. 41695 and 41696 of 2016 · 16.09.2026

The Supreme Court held that midnight self-help repossession of financed vehicles without mandatory prior notice violates RBI regulatory guidelines and fundamental rights under Articles 14 and 21, awarding substantial punitive damages against coercive recovery tactics. By penalising extra-judicial vehicle seizures through heavy punitive damages, will this ruling decisively rein in coercive recovery agents, or does the absence of strict statutory criminal sanctions leave vulnerable borrowers exposed to aggressive self-help tactics?

18 judgments **2** Supreme Court **12** High Courts **4** Tribunals

Every judgment here, analysed in full.

The facts, the reasoning and the precedents each court engaged with.

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