Cassie

THURSDAY
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DAILY

Court Digest

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

IN TODAY'S DIGEST

- Art.22(1) | Written arrest grounds mandatory before remand : Patna HC
- S.12(5) A&C Act | Unilateral arbitrator voids entire award : Delhi HC
- S.32 IT Act | Demerger goodwill qualifies for depreciation : ITAT
- S.154 IBC | Bankruptcy estate vests instantly in trustee : NCLAT
- CPA | Age adjustment terms bar policy repudiation : Uttarakhand SCDRC

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Contracts & Business Disputes
Arbitration Agreements, Proceedings & Enforcement

DELHI HC

Unilateral arbitrator appointment vitiates the entire award and bars any partial severance

The dispute. An insurer engaged a contractor for civil works and unilaterally appointed its own executive director as sole arbitrator to decide payment disputes. The Single Judge held the appointment invalid but restricted relief to the specifically challenged claims, prompting the insurer's appeal seeking total.

The reasoning. A unilaterally appointed arbitrator lacks inherent jurisdiction under statutory eligibility bars, rendering the entire arbitral proceedings non-est.

> *The defect goes to the root of the constitution of the Arbitral Tribunal and, consequently, to the validity of the Arbitral Award itself.*
>
> FROM THE JUDGMENT

For your practice. Parties challenging an ineligible tribunal's award must seek comprehensive setting aside, as courts will not allow them to approbate and reprobate by preserving favourable.

The order. The High Court allowed the appeal and set aside the entire arbitral award dated 10 January 2022. The contractor was granted liberty to pursue separate legal proceedings for recovering sums already paid under the invalidated award.

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

LIFE INSURANCE CORPORATION OF INDIA vs N.S. ASSOCIATES PVT. LTD

COURT	DECIDED	CASE NO.	CITATION
Delhi High Court	06.10.2026	FAO(OS) (COMM)-261/2026	2026:DHC:8751-DB

BENCH
Anil Kshetarpal

Property & Asset Disputes
Inheritance/Succession Matters

BOMBAY HC

Attesting witness testimony outweighs expert opinion to establish valid execution of a will

The dispute. A daughter sought probate of her late father's will bequeathing the entire estate to her, while her brother claimed the father died intestate. The brother challenged execution as suspicious, citing the testator's Parkinson's disease, shaky signature, and total exclusion of natural heirs. The Single Judge granted probate after accepting attesting witness testimony, prompting the son's legal heirs to challenge the decree in appeal.

The reasoning. Direct testimony of a credible attesting witness outweighs expert opinion when proving the valid execution of a will.

For your practice. Caveators must specifically plead suspicious circumstances in caveat affidavits and target attesting witnesses rather than relying on handwriting experts to dispute capacity.

The order. The High Court dismissed the appeal and upheld the probate granted on 13 February 2020. The interim application seeking a stay on the probate grant was consequently disposed of without costs.

§ Section 63, Indian Succession Act, 1925

ASHIM CHATTERJEE AND ANR. vs SHANTA ASHOK TOLAT

COURT	DECIDED	CASE NO.	CITATION
Bombay High Court	07.10.2026	APP/69/2021	2026:BHC-OS:21891-DB

BENCH
Ranjitsinha Raja Bhonsale

Criminal Issues
Quashing of Cases

GUJARAT HC

Loan recovery pressure without active instigation does not constitute abetment of suicide

The dispute. A salon owner borrowed funds at exorbitant interest from private lenders, delivering blank signed cheques as security. Subjected to persistent repayment demands and aggressive recovery visits, he consumed poison and died, leading his family to lodge an abetment complaint. After the police charge-sheeted the lenders for abetment of suicide and extortion, the accused moved the High Court seeking quashing of all proceedings.

The reasoning. Abetment of suicide requires an active, proximate act of instigation or intentional aid, which mere financial pressure and repayment demands cannot establish.

> *Mere quarrels, disputes, or allegations of harassment are not by themselves sufficient unless they amount to abetment.*
>
> FROM THE JUDGMENT

For your practice. Defence counsel can seek quashing of suicide abetment charges where complaints disclose only aggressive debt recovery without contemporaneous, active provocation triggering.

The order. The High Court allowed the applications and quashed the First Information Report, the charge-sheet, and all consequential criminal proceedings qua the applicant lenders. Rule was made absolute with direct service permitted.

§ Section 306, Indian Penal Code, 1860

Khodabhai Dhanabhai Jograna v. State of Gujarat & ors.

COURT	DECIDED	CASE NO.	CITATION	BENCH
Gujarat High Court	07.10.2026	R/CR.MA/6657/2018	2026:GUJHC:62738	P. M. Raval

Insurance Law & Claims
Motor Insurance Claims (Own, Second and Third-party)

DELHI HC

Criminal compensation for pain and suffering cannot be deducted from tribunal dependency awards

The dispute. A fatal road accident in December 2017 killed an executive earning thirty-six thousand rupees monthly, leaving behind dependent legal heirs. The criminal court convicted the driver and directed payment of ten lakh rupees as compensation to the family for their pain and suffering. The Claims Tribunal awarded fifty-six lakh rupees refusing to deduct the criminal compensation, prompting the insurer to appeal alleging double recovery.

The reasoning. Criminal compensation for pain and suffering addresses distinct legal loss from tribunal compensation awarded for loss of dependency.

For your practice. Insurers claiming set-off must establish that criminal and civil damages cover identical heads of loss, while claimants should seek explicit itemisation of dependency components.

The order. The High Court upheld the award of fifty-six lakh rupees with nine percent interest, refusing any deduction. It directed the tribunal to retain the disputed ten lakh rupees in an interest-bearing fixed deposit pending the criminal appeal.

§ **Section 357, Code of Criminal Procedure, 1973**

M/S UNITED INDIA INSURANCE COMPANY LTD vs SMT USHA RANA & ors.

COURT	DECIDED	CASE NO.	CITATION	BENCH
Delhi High Court	06.10.2026	MAC.APP.-65/2022	2026:DHC:8741	Anish Dayal

Criminal Issues
NDPS, Arms Act & Misc. Serious Offences

CHHATTISGARH HC

Seriousness of offence cannot justify denying interim vehicle custody to an unaccused owner

The dispute. Police seized a sports utility vehicle during a narcotics operation, leaving it exposed to weather at the station yard. The registered owner sought interim custody of his vehicle, asserting that third parties used it without his knowledge and that he faced no criminal charges. The special court rejected the release plea citing offence gravity and possible reuse, prompting the owner to file a criminal revision petition.

The reasoning. Denying interim custody solely due to offence gravity is impermissible when the registered owner faces no criminal accusations.

> *In our view, whatever be the situation, it is of no use to keep such seized vehicles at the police stations for a long period.*
>
> FROM THE JUDGMENT

For your practice. Petitioners seeking interim vehicle release should establish the absence of accusations and tender adequate indemnity bonds, shifting the burden to the prosecution to demonstrate.

The order. The High Court set aside the rejection order and directed interim release of the Tata Safari to the petitioner.

§ Section 497, Bharatiya Nagarik Suraksha Sanhita, 2023

AMAR SINGH KANWAR vs STATE OF CHHATTISGARH AMAR SINGH KANWAR VS STATE OF CHHATTISGARH

COURT	DECIDED	CASE NO.	CITATION
Chhattisgarh High Court	06.10.2026	CRMP/1992/2026	2026:CGHC:43331

BENCH
Parth Prateem Sahu

Tribunals

4 judgments in this edition

KEEP SWIPING →



Consumer & Service Problems
Builder/Construction Matters, Delayed Possession, Structural Issues, etc.

SCDRC

Developer is liable for unpaid redevelopment dues and statutory agreement registration

The dispute. The complainants surrendered their ancestral land share to Skyline Developers for an allotted flat, FSI compensation, and transit rent. Delivering possession 23 months late, the developer withheld ₹88 lakh in FSI dues, unpaid rent, and failed to register the statutory agreement. The complainants filed a consumer complaint before the Maharashtra SCDRC, where the developer failed to appear and was proceeded against ex-parte.

The reasoning. Landowners surrendering property rights for constructed flats are consumers whose redevelopment agreements must be registered under MOFA.

For your practice. Counsel should tie redevelopment claims to explicit contractual clauses and MOFA mandates, ensuring comprehensive documentary proof to secure full recovery in ex-parte matters.

The order. The Commission directed the developer to register the agreement within 60 days and pay ₹88 lakh FSI compensation with 8% interest.

§ **Section 2(11) and Section 2(47), Consumer Protection Act, 2019**

MS SEJAL PRAVIN SHAH vs M.S SKYLINE DEVELOPERS & ors.

COURT	DECIDED	CASE NO.
State Consumer Disputes Redressal Commission	07.10.2026	SC/27/CC/80/2023

BENCH
Poonam V. Maharshi, Nisha Amol Chavhan

Insurance Law & Claims
Mis-selling, Non-disclosure & Proposal Form Issues

SCDRC

Insurer cannot repudiate claim for age misstatement if policy clause preserves eligibility

The dispute. SBI Life repudiated a ₹10.50 lakh death claim, alleging that the deceased insured misstated her age and occupation in the proposal form. The nominee contested the denial, arguing that the insured met entry age criteria and the policy incorporated an express age adjustment clause. The District Commission directed payment of ₹7 lakh, prompting the insurer to appeal the award before the Uttarakhand SCDRC.

The reasoning. Insurers cannot repudiate claims for age discrepancies where policy adjustment clauses exist and the insured met entry age limits at commencement.

For your practice. Counsel resisting repudiation must invoke policy adjustment clauses and prove inception eligibility, forcing insurers to demonstrate material risk alteration.

The order. The SCDRC dismissed the appeal, modifying the award to treat the sum assured as ₹10.50 lakh. After crediting ₹3 lakh previously refunded, SBI Life was directed to pay ₹7.50 lakh with 6% annual interest.

§ **Clause 16.9 of the policy document**

REGIONAL MANAGER SBI LIFE INSURANCE COMPANY LTD vs Dharmanand Sharma and another & ors.

COURT
State Consumer Disputes Redressal Commission

DECIDED
06.10.2026

CASE NO.
SC/5/A/113/2017

BENCH
Kumkum Rani, C.M. Singh

Government & Public Body Interactions

ITAT

Demerger goodwill is depreciable and expense disallowance requires recorded dissatisfaction

The dispute. A consumer company acquired a business division under a sanctioned demerger, claiming depreciation on goodwill and distribution networks. The assessing officer disallowed depreciation exceeding fifteen hundred crore rupees and added eight crore rupees for exempt dividend expenses. Following binding directions from the Dispute Resolution Panel confirming the additions, the assessing officer finalised the assessment.

The reasoning. Goodwill and brands acquired under demergers remain depreciable because the statutory prohibition operates prospectively from assessment year 2021-22.

> *We find that resort can be had to rule 8D only after rejection of the assessee's apportionment on cogent grounds.*
>
> FROM THE JUDGMENT

For your practice. Taxpayers can defend demerger goodwill depreciation for prior years and resist dividend expense disallowances lacking recorded dissatisfaction.

The order. The tribunal allowed depreciation of eight hundred ninety crore rupees on goodwill and six hundred fourteen crore on brands, reducing the expense disallowance to sixty-two lakh rupees.

§ Section 14A, Income Tax Act, 1961

Tata Consumer Products ... vs A.C.I.T., Circle - 4(1), Kolkata, ...

COURT	DECIDED	CASE NO.
Income Tax Appellate Tribunal	07.10.2026	ITA No.1604/KOL/2024

BENCH

Rajesh Kumar, Pradip Kumar Choubey



Banking Law, Debt & Money Matters
Personal Bankruptcy & Insolvency

NCLAT

Bankruptcy estate vests immediately in trustee making subsequent withdrawals unauthorised

The dispute. Following her bankruptcy declaration as a personal guarantor, the appellant withdrew ₹19.18 lakh from her bank account. She resisted the bankruptcy trustee's refund claim by arguing the funds were excluded jewellery sale proceeds and family transfers. The NCLT ordered repayment of the ₹19.18 lakh and dismissed a recall petition, prompting the guarantor's appeals before the NCLAT.

The reasoning. Estate property vests automatically in the trustee upon appointment under Section 154 IBC, making subsequent withdrawals unauthorised regardless of debtor knowledge.

For your practice. Trustees should freeze accounts upon appointment, while debtors cannot justify post-vesting withdrawals by pleading personal hardship or tracing cash to exempt assets.

The order. The NCLAT dismissed the appeals without costs, affirming the orders that declared the withdrawal of ₹19,17,500 unauthorised and directed the guarantor to return the entire sum to the bankruptcy trustee.

§ **Section 154, Insolvency and Bankruptcy Code, 2016**

Ms. Manju Sirohi vs Assets Care & ors.

COURT
National Company Law Appellate Tribunal

DECIDED
07.10.2026

CASE NO.
Comp. App. (AT) (Ins) No. 1772 of 2026 & I.A. No. 6703 of 2026

BENCH
Naresh Salecha, Mohammad Faiz Alam Khan

Also decided today

§ Section 81, Representation of the People Act, 1951 — SUPREME COURT

Personal presentation of election petitions by the petitioner is mandatory for maintainability

Presentation of an election petition by the petitioner in person is a mandatory condition precedent under election law.

SLP(C) No.-030538 - 2026 · 2026:INSC:1092 · 07.10.2026

§ Section 295A, Indian Penal Code, 1860 — GUJARAT HC

Offence of outraging religious feelings requires proof of deliberate and malicious intention

Penal provisions against outraging religious feelings apply solely to aggravated insults perpetrated with deliberate and malicious intention.

R/CR.MA/854/2018 · 2026:GUJHC:62863 · 07.10.2026

§ Section 154B-1(13), Maharashtra Co-operative Societies Act, 1960 — BOMBAY HC

Society membership for basement premises is restricted strictly to the sanctioned portion

Sanctioned storage space qualifies as a flat under co-operative law, but statutory membership cannot extend beyond the area approved in sanctioned plans.

WP/10241/2026 · 2026:BHC-AS:40763 · 07.10.2026

Also decided, continued

§ Section 17, Copyright Act, 1957 — DELHI HC

Interim injunction cannot issue where copyright title lacks proof of author assignment

An author is the first owner of copyright, and title can only pass through written assignment or statutory transmission.

CS(COMM)-492/2024 · 2026:DHC:8862 · 07.10.2026

§ Section 14, SARFAESI Act, 2002 — MADHYA PRADESH HC

Magistrates cannot adjudicate borrower objections when assisting banks with asset possession

The statutory inquiry by an executive magistrate is strictly non-adjudicatory and limited to verifying mortgage validity alongside compliance with demand notices.

WP 40958/2026 · 2026:MPHC-IND:28294 · 07.10.2026

§ Section 12, Consumer Protection Act, 1986 — SCDRC

Insurer is liable for deficiency in service for failing to inform policy non-renewal

An insurer deducting renewal premium cannot avoid liability by refunding the sum without giving timely intimation to the insured.

SC/3/A/726/2023 · 06.10.2026

When personal liberty under Article 22(1) guarantees an arrested person the fundamental right to know the precise grounds of their detention, can a mechanical oral intimation ever substitute for written particulars served in advance of production? Or does the failure to deliver written reasons at least two hours before remand fatally vitiate the arrest itself, rendering any subsequent judicial custody fundamentally void?

15 judgments **1** Supreme Court **9** High Courts **5** Tribunals

Every judgment here, analysed in full.

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

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