Cassie

FRIDAY
9 OCTOBER 2026

DAILY

Court Digest

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

IN TODAY'S DIGEST

- **S.31 IBC | Extinguished debt usable solely as defensive set-off : SC**
- **Art.226 | Withdrawn statutory revision bars writ : Allahabad HC**
- **PWDV Act | Overlapping maintenance requires set-off : Calcutta HC**
- **CPA 2019 | Bank must prove mandate to alter mobile : Delhi SCDRC**
- **CPA | Flat area shortfall compensable at market rate : WB SCDRC**

12	2	6	4
JUDGMENTS IN ALL	SUPREME COURT	HIGH COURTS	TRIBUNALS

Swipe to read all 12 judgments >>>

Inside this digest

12 judgments reported in full on cassie.in

— SUPREME COURT

Extinguished operational debts may be raised solely as defensive set-offs 4

Subsequent contract arbitration clauses survive prior licence agreements 12

— HIGH COURTS

Overlapping maintenance awards require set-off rather than quashing 6

Parallel arbitration barred after electing to sue in civil court 7

Withdrawing a revision as not pressed bars a subsequent writ petition 8

Unregistered agreements are admissible in suits for specific performance 12

Surviving decree-holders may execute despite naming a deceased co-holder 12

Specific Factual Averments Needed for Director Liability 13

— TRIBUNALS

Banks bear strict burden to prove customer consent before modifying regist... 10

Flat area shortfall is a deficiency of service compensable at certified market... 11

Pre-existing disease waiting periods apply afresh to enhanced mediclaim li... 13

Mere concealment without proof of foreign origin cannot sustain customs 13

Supreme Court

1 judgment in this edition

KEEP SWIPING >>>

Banking Law, Debt & Money Matters

SUPREME COURT

Extinguished operational debt may be raised solely as a set-off in arbitration

The dispute. An employer terminated a Rs 133 crore construction contract with a contractor facing corporate insolvency. The employer lodged claims exceeding Rs 12 crore, but received only a nominal sum under the approved resolution plan. When the resolution applicant initiated arbitration for contract dues, the High Court directed reference, prompting the employer to appeal.

The reasoning. Approval of a resolution plan extinguishes debts owed by a corporate debtor but leaves its own claims intact. Equity permits an extinguished creditor to raise its full claim as a defensive set-off, without seeking affirmative recovery.

For your practice. Creditors facing arbitration by resolution applicants can set off extinguished claims against incoming demands without violating the clean-slate doctrine.

The order. The Supreme Court partly allowed the appeal, permitting the employer to raise a set-off defence up to Rs 12,26,30,840 without any affirmative recovery.

§ Section 31, Insolvency and Bankruptcy Code, 2016

MODERN ASSET vs KNK CONSTRUCTIONS PRIVATE LIMITED

COURT	DECIDED	CASE NO.	CITATION
Supreme Court of India	08.10.2026	C.A. No.-013536-013536 - 2026	2026 INSC 1103

BENCH

J.b. Pardiwala, K. Vinod Chandran

High Courts

3 judgments in this edition

KEEP SWIPING >>>

Relationships & Family Matters
Maintenance for Spouse & Children

CALCUTTA HC

Overlapping maintenance awards require adjustment and set-off rather than quashing

The dispute. A wife obtained Rs 18,000 monthly maintenance under the Hindu Marriage Act. She then secured an ex parte Domestic Violence Act order directing her husband to pay Rs 24,000 monthly for herself and two minor daughters without adjusting the earlier award. Facing an arrest warrant in execution, the husband petitioned under Section 482 CrPC to quash the domestic violence order.

The reasoning. Overlapping maintenance awards do not warrant quashing welfare proceedings instituted for minor children. Courts must instead enforce strict adjustment and set-off to prevent duplicate recovery.

> *The executing court cannot be permitted to execute duplicate or double claims for identical months where payments have already been tendered under the prior matrimonial proceeding.*
>
> FROM THE JUDGMENT

For your practice. Counsel must disclose all pre-existing maintenance awards and seek express set-off mechanisms to prevent duplicate recovery during execution.

The order. Dismissing the petitions, the Court directed that the Rs 24,000 order be set off against the Rs 18,000 award. The executing court must recalculate arrears, and the modification plea must be decided within eight weeks.

§ Section 29, Protection of Women from Domestic Violence Act, 2005

A.M. *v.* B.S.N.M.

COURT	DECIDED	CASE NO.	BENCH
Calcutta High Court	08.10.2026	CRR/5059/2025	Uday Kumar

Contracts & Business Disputes
Arbitration Agreements, Proceedings & Enforcement

MADRAS HC

Prior civil suit on the same dispute bars a parallel petition for arbitration

The dispute. An expelled partner in two registered firms alleged fund diversion and unauthorised cheques exceeding one crore rupees against his co-partners. He first instituted a commercial civil suit before a district court over intertwined investments involving an affiliated non-partner entity. He subsequently petitioned the High Court under Section 11 seeking an arbitrator, which the respondents opposed citing the pending suit.

The reasoning. Election of remedies bars a party from seeking arbitration after submitting identical financial claims to a civil court. Where transactions involve a non-signatory entity, split proceedings invite conflicting verdicts and procedural confusion.

For your practice. Parties must choose their forum at the threshold, as filing a civil suit covering partnership accounting will extinguish subsequent recourse to Section 11.

The order. The High Court dismissed the Section 11 petition without costs, holding it non-maintainable due to the prior pending commercial suit. No monetary relief was granted.

§ **Section 11, Arbitration and Conciliation Act, 1996**

Manikandan vs Antony Franklin

COURT	DECIDED	CASE NO.	CITATION
Madras High Court	08.10.2026	ARB O.P(COM.DIV.).817/2025	2026:MHC:4140

BENCH
Sushrut Arvind Dharmadhikari

Government & Public Body Interactions

ALLAHABAD HC

Withdrawing a statutory revision as not pressed bars a subsequent writ petition

The dispute. An allottee defaulted on instalments for a commercial plot, leading the development authority to cancel the allotment and forfeit deposited funds. After multiple remands, the authority rejected the restoration plea and directed a fresh auction of the plot. The allottee challenged the rejection in revision but withdrew it as not pressed before filing a writ petition under Article 226.

The reasoning. The rule of public policy under Order XXIII Rule 1 CPC applies equally to statutory revisions and writ proceedings. Withdrawing a revision as not pressed amounts to abandonment of the remedy, barring a subsequent writ petition on the same cause of action.

For your practice. Litigants invoking a statutory revision must prosecute it to conclusion, as withdrawing it as not pressed forfeits recourse to writ jurisdiction.

The order. The High Court dismissed the writ petition as not maintainable without costs, leaving the petitioner to pursue appropriate statutory remedies in accordance with law.

§ Order XXIII Rule 1, Code of Civil Procedure, 1908

M/S Raj Hans Towers Private Limited vs State Of U.P. & ors.

COURT
Allahabad High Court

DECIDED
08.10.2026

CASE NO.
WRIT - C No. - 37986 of 2026

BENCH
Siddhartha Varma, Kunal Ravi Singh

Tribunals

2 judgments in this edition

KEEP SWIPING →



SCDRC

Consumer & Service Problems
Banking, Loans & Financial Services

Bank Must Prove Customer Mandate to Alter Mobile Number

The dispute. A senior citizen lost ₹42.92 lakh through unauthorised withdrawals after bank officials modified her registered mobile number without written consent. The bank contended the customer was bound by automated SMS transaction alerts dispatched to the altered number. The District Commission found the bank deficient and directed a refund with compensation, which SBI challenged before the State Commission.

The reasoning. Banks bear the burden of proving customer authority before altering registered mobile credentials. Automated transaction alerts do not prove an authorised mandate or exonerate the bank from deficiency under Section 2(11) of the CPA.

> *Receipt of transaction alerts does not, by itself, establish that the change of the registered mobile number was authorised.*
>
> FROM THE JUDGMENT

For your practice. Litigators can defeat bank defences resting on SMS alerts; banks must produce contemporaneous written records proving the customer directly authorized credential alterations.

The order. Appeal dismissed. SBI directed to refund ₹42,92,450/- with 7% interest per annum and pay ₹1,00,000/- compensation within three months, escalating to 9% on default.

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

STATE BANK OF INDIA vs SHAKUNTALA MEHTANI

COURT	DECIDED	CASE NO.
State Consumer Disputes Redressal Commission	08.10.2026	SC/7/FA/601/2025

BENCH
Sangita Dhingra Sehgal, Bimla Kumari

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

SCDRC

Flat Area Shortfall Compensable at Market Value

The dispute. Under a development agreement, a landowner was entitled to two flats totalling 1,000 sq. ft. super built-up area. An expert inspection revealed a 246 sq. ft. deficit across both units, and the developer delivered an unsigned possession letter without obtaining a completion certificate. The landowner filed a consumer complaint for area compensation; his legal heirs were substituted as complainants upon his death before the State Commission.

The reasoning. Delivering flats with area shortfalls is a deficiency of service under Section 2(1)(g) CPA. Compensation must be computed on prevailing certified market value rather than historical agreement rates, alongside valid statutory completion certificates.

> *The opposite party's failure to deliver the agreed area amounted to a deficiency of service under Section 2(1)(g) of the Consumer Protection Act, 1986.*
>
> FROM THE JUDGMENT

For your practice. Flat buyers facing area deficits can claim compensation at certified market rates rather than historical costs, while holding builders strictly liable for completion certificates.

The order. Complaint allowed in part. Developer ordered to pay ₹11,73,420/- deficit compensation, ₹25,000/- costs, issue a valid possession letter, and obtain completion certificate within 45 days, with 9% interest on default.

§ **Section 2(1)(g), Consumer Protection Act, 1986**

Sri Saibal Kumar Bose vs Sri Tapas Ghosh

COURT
State Consumer Disputes Redressal Commission

DECIDED
07.10.2026

CASE NO.
SC/19/CC/314/2017

BENCH
Samiksha Bhattacharya, Ananda Kumar Tiwari

Also decided today

§ Section 11(6-A), Arbitration and Conciliation Act, 1996 SUPREME COURT

Independent arbitration clauses in subsequent contracts survive earlier master agreements

Judicial scrutiny under Section 11(6-A) is confined to examining the prima facie existence of an arbitration agreement. Subsequent contracts containing entire-agreement clauses operate independently of an earlier master agreement's dispute clause.

ARBIT.PETITON No.-000007-000007 - 2025 · 2026 INSC 1098 · 08.10.2026

§ Section 49, Registration Act, 1908 MADRAS HC

Unregistered sale agreements are admissible as evidence in suits for specific performance

Under the statutory proviso, an unregistered agreement affecting immovable property remains admissible as evidence in a specific performance suit.

AS(MD).305/2023 · 2026:MHC:4137 · 08.10.2026

§ Order XXI Rule 15 of the Code of Civil Procedure, 1908 ALLAHABAD HC

Surviving joint decree-holders may execute a decree despite naming a deceased co-holder

A surviving joint decree-holder possesses independent statutory competence to execute the entire decree for the benefit of all interested parties.

MATTERS UNDER ARTICLE 227 No. - 12386 of 2026 · 07.10.2026

Also decided, continued

§ Section 141, Negotiable Instruments Act, 1881 — HIMACHAL PRADESH HC

Specific Factual Averments Needed for Director Liability

Practitioners must now ensure complaints contain specific factual allegations showing how directors were in charge of and responsible for company's business at time of offence, rather than relying on mere directorship allegations.

CRMMO/149/2026 · 2026:HHC:44114 · 08.10.2026

§ Section 15, Consumer Protection Act, 1986 — SCDRC

Pre-existing disease exclusions apply afresh to enhanced sums insured under mediclaim

Pre-existing disease waiting periods apply afresh to enhanced mediclaim limits; treatments for conditions pre-dating the enhancement cannot be claimed.

SC/24/A/68/2020 · 08.10.2026

§ Section 123, Customs Act, 1962 — CESTAT

Foreign Origin Must Be Proved for Gold Confiscation

Gold seizures cannot be confiscated under Section 111 on mere concealment or missing papers without affirmative proof establishing smuggled foreign origin.

Customs Appeal No. 75528 of 2026 · 08.10.2026

When the clean slate doctrine under Section 31 of the Insolvency and Bankruptcy Code extinguishes an operational creditor's claims upon approval of a resolution plan, can a successful resolution applicant weaponise that statutory immunity to pursue contract dues in arbitration while foreclosing every counterclaim? Or does commercial equity demand that an extinguished debt survive as a defensive set-off, ensuring that the clean slate operates as a shield for corporate revival rather than an instrument of unjust enrichment?

12 judgments **2** Supreme Court **6** 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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