Cassie

WEDNESDAY
14 OCTOBER 2026

DAILY

Court Digest

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

IN TODAY'S DIGEST

- S.20 Arb Act | Exclusive jurisdiction clause fixes seat : SC
- S.175(4) BNSS | Prior report needed to probe official : Allahabad HC
- Art.226 | Writ lies against private ARC on mortgage fraud : Delhi HC
- S.372 CrPC | S.138 victim may appeal acquittal directly : Gujarat HC
- Art.110 Lim Act | Partition bar runs from known exclusion : Bombay HC

15	1	11	3
JUDGMENTS IN ALL	SUPREME COURT	HIGH COURTS	TRIBUNALS

Swipe to read all 15 judgments >>>

Inside this digest

15 judgments reported in full on cassie.in

— SUPREME COURT

Exclusive jurisdiction clauses override venue terms to fix arbitral seat 4

— HIGH COURTS

Minor retains Indian citizenship despite parent acquiring foreign nationality 6

Property transfer cannot defeat a wife's accrued right to residence 7

Bank deductions for doubtful debts under provisos operate cumulatively 8

Exclusion from joint property bars partition only when known to plaintiff 9

FIR directions against public servants require prior superior reports 13

Cheque dishonour complainant appeals acquittal as victim without leave 13

Writ petitions against ARCs lie where mortgage is prima facie fraudulent 13

Teacher reprimands lack the mens rea required for abetment of suicide 14

Admitted contractual dues are recoverable by writ despite fund paucity 14

Private compromise cannot quash an FIR involving grave bodily harm 14

Disability complaints must be evaluated for post-enactment harassment 15

— TRIBUNALS

Trust registration cannot be cancelled for related party income diversion 11

Airline cancellation charges are non-taxable liquidated damages for breach 12

Continuous insurance coverage negates initial thirty-day exclusions 15

Supreme Court

1 judgment in this edition

KEEP SWIPING >>>

Contracts & Business Disputes
Arbitration Agreements, Proceedings & Enforcement

SUPREME COURT

An exclusive jurisdiction clause overrides a venue stipulation to fix the arbitral seat

The dispute. Arcis Clean Energy and Parshva Innovation executed a contract vesting exclusive jurisdiction in Goa courts, though another clause designated Delhi for arbitration. Following disputes, the respondent petitioned the Delhi High Court to appoint an arbitrator under Section 11(6). The High Court appointed an arbitrator and left venue selection to the parties, which the appellant challenged for lack of jurisdiction.

The reasoning. Where an agreement names multiple places, an exclusive jurisdiction clause anchors the juridical seat. By implied exclusion, submitting to Goa courts ousted all other jurisdictions, rendering Delhi a mere venue.

For your practice. Arbitration agreements must align venue terms with jurisdiction clauses, as exclusive forum selection determines the competent High Court under Section 11.

The order. The Supreme Court set aside the appointment order for lack of jurisdiction, allowing the appeal. It granted parties liberty to approach the competent court in Goa for arbitral proceedings.

§ Section 11(6), Arbitration and Conciliation Act, 1996

ARCIS CLEAN ENERGY PVT. LTD vs PARSHVA INNOVATION

COURT	DECIDED	CASE NO.	CITATION
Supreme Court of India	12.10.2026	C.A. No.-013663-013663 - 2026	2026 INSC 1109

BENCH
Manoj Misra, Vijay Bishnoi

High Courts

4 judgments in this edition

KEEP SWIPING >>>

Immigration Law
OCI, PIO & Indian Citizenship Applications, Renunciation and Issues

MADRAS HC

A minor child does not lose Indian citizenship upon a parent acquiring foreign nationality

The dispute. An Indian-born minor applied to renew his passport after his father acquired British citizenship by naturalisation while his mother remained an Indian citizen. The Regional Passport Officer refused renewal, asserting that the child lost Indian citizenship upon the father's foreign naturalisation. The minor petitioned the High Court through a writ of mandamus to compel processing of the renewal application.

The reasoning. Section 8(2) terminates a child's citizenship only upon parental renunciation under Section 8(1), not upon naturalisation under Section 9. A child's citizenship by birth cannot be stripped without express statutory authority.

> *In the absence of statutory sanction, the minor cannot be stripped of citizenship merely because his father acquired the citizenship of the United Kingdom in 2021.*
>
> FROM THE JUDGMENT

For your practice. Passport authorities cannot withhold renewals for minors born in India simply because a parent acquired foreign citizenship without formal renunciation.

The order. The High Court set aside the objections and directed the Regional Passport Officer to consider and dispose of the renewal application within three months. No order as to costs was passed.

§ Section 9, Citizenship Act, 1955

Aarush Shanmugam Gurudev vs The Regional Passport Officer

COURT	DECIDED	CASE NO.	BENCH
Madras High Court	13.10.2026	WP(MD).25412/2026	Senthilkumar

Relationships & Family Matters
Shared Household & Right to Residence

DELHI HC

Property transfers during matrimonial disputes cannot defeat a wife's right to residence

The dispute. A co-owner sought possession and mesne profits from his brother's wife occupying a room in a family residential property. He claimed exclusive ownership under their mother's will bequeathing her entire share and an unregistered surrender deed executed by the brother. Both courts below dismissed the suit, prompting the plaintiff to prefer a regular second appeal before the High Court.

The reasoning. Under Muslim law, a bequest exceeding one-third of an estate requires heir consent, while an unregistered surrender passes no title. Under Section 39 of the Transfer of Property Act, transfers cannot defeat a wife's subsisting residence right.

For your practice. Title examinations in Muslim family property must verify heir consent for bequests exceeding one-third and check for protected spousal residence rights.

The order. The High Court dismissed the second appeal with costs, confirming that the plaintiff failed to establish exclusive title and holding the wife entitled to retain occupation of the room.

§ Section 39, Transfer of Property Act, 1882

S.F. v. F.

COURT	DECIDED	CASE NO.	CITATION	BENCH
Delhi High Court	13.10.2026	RSA-316/2015	2026:DHC:9079	Neena Bansal Krishna

Government & Public Body Interactions

CALCUTTA HC

Banks can claim cumulative tax deductions for doubtful debts under statutory provisos

The dispute. For assessment year 2004-05, Indian Bank claimed a bad debt deduction under Section 36(1)(viia)(a) of the Income-tax Act. The lender additionally claimed Rs 96.65 crore under the first proviso for assets classified by the Reserve Bank of India as doubtful or loss. The tax tribunal disallowed the additional claim as mutually exclusive to the main provision, prompting the bank's statutory appeal.

The reasoning. The phrase "at its option" grants a choice to the assessee that is not exhausted by claiming the primary deduction. Banks may claim cumulative deductions for doubtful assets under the proviso, subject only to statutory percentage ceilings.

> *Such an interpretation is not permissible where the statutory language expressly vests a choice in the assessee.*
>
> FROM THE JUDGMENT

For your practice. Banks can claim cumulative tax deductions across both the main clause and its proviso for RBI-classified doubtful assets without exhausting statutory benefits.

The order. The High Court allowed the appeal and set aside the tribunal's disallowance of the Rs 96.65 crore deduction. The assessing officer was directed to allow the claim upon verifying RBI asset classifications and statutory ceilings.

§ Section 36(1)(viia)(a), Income Tax Act, 1961

Indian Bank vs Commissioner of Income Tax -II, Kolkata

COURT	DECIDED	CASE NO.	BENCH
Calcutta High Court	13.10.2026	ITA/8/2018	Rajarshi Bharadwaj, Sudip Deb

Property & Asset Disputes
Ancestral Property & HUF Partition

BOMBAY HC

Exclusion from joint family property bars partition only once communicated to the co-owner

The dispute. The widow and sons of a deceased co-parcener filed a suit claiming a one-half share in joint family ancestral properties. The surviving brother resisted partition, disputing the widow's marriage and asserting sole ownership by survivorship while pleading the claim was time-barred. After the appellate court reversed the trial court's dismissal and decreed partition, the brother's legal representatives filed a second appeal.

The reasoning. Limitation under Article 110 runs only when an overt exclusion is made known to the claimant, not from mere absence of possession. Cohabitation, progeny, and acknowledgement in a will establish marriage, defeating sole survivorship.

For your practice. Parties raising a limitation defence under Article 110 must prove positive communication of ouster rather than mere separate residence or exclusive possession.

The order. The High Court dismissed the second appeal with costs and confirmed the plaintiffs' entitlement to a one-half share, directing partition of agricultural land by the Collector and houses by a Court Commissioner.

§ **Article 110, Limitation Act, 1963**

NARAYAN GANPATI SASTE (DECEASED)BY LRS. & ors. vs BANUBAI BABURAO SASTE (DECEASED) BY LRS

COURT	DECIDED	CASE NO.	CITATION	BENCH
Bombay High Court	13.10.2026	SA/598/1999	2026:BHC-AS:41130	Sandeep V. Marne

Tribunals

2 judgments in this edition

KEEP SWIPING →

Government & Public Body Interactions

ITAT

Related party benefit violations cannot trigger cancellation of charitable trust registration

The dispute. Yashaswi Academy for Skills, a Section 8 entity holding charitable registration under Section 12AB, faced a tax survey. The revenue alleged that income was diverted to directors through personal expenses and loans during periods prior to April 2022. The Principal Commissioner cancelled its registration under Section 12AB(4), which the assessee challenged before the appellate tribunal.

The reasoning. Section 13(1)(c) breaches are not specified violations under Section 12AB(4) to justify registration cancellation. Furthermore, the statutory regime operates prospectively from April 2022 and cannot penalise past conduct.

For your practice. Counsel can resist registration cancellation by confining Section 13(1)(c) issues to assessment proceedings and defeating retrospective invocation of Section 12AB(4).

The order. The Tribunal allowed the appeal, quashed the cancellation order dated 29 September 2025, and directed restoration of the academy's registration under Section 12AA and Section 12AB.

§ Section 12AB, Income Tax Act, 1961

Yashaswi Academy For Skills,Pune vs Pcit (Central), Pune

COURT	DECIDED	CASE NO.
Income Tax Appellate Tribunal	13.10.2026	ITA Nos.2447 & 2448/PUN/2026

BENCH

R. K. Panda, Astha Chandra

Government & Public Body Interactions

CESTAT

Airline cancellation charges constitute liquidated damages rather than a taxable service

The dispute. Lufthansa German Airlines collected cancellation and no-show fees from passengers, paying service tax on carriage under applicable abatements. The revenue treated these breach penalties as a taxable service of tolerating an act, demanding over Rs 5 crore without abatement. The adjudicating authority confirmed the tax demand with penalties, prompting the airline to appeal before the appellate tribunal.

The reasoning. Cancellation fees represent liquidated damages for contractual breach, not consideration for a service. Section 66E(e) applies only where an agreement's purpose is to tolerate an act, not where charges redress default.

For your practice. Assessees can resist tax demands on cancellation fees by establishing that breach penalties represent compensatory damages rather than agreements to tolerate default.

The order. The Tribunal allowed the appeals, setting aside service tax demands totaling Rs 5,07,87,202 and associated penalties. It ordered refund of all amounts paid under protest with applicable interest.

§ Section 66E, Finance Act, 1994

Lufthansa German Airlines vs Additional Director General ...

COURT
Customs Excise and Service Tax Appellate Tribunal

DECIDED
13.10.2026

CASE NO.
SERVICE TAX APPEAL NO. 50004 OF 2020 & SERVICE TAX APPEAL NO. 50849 OF 2025

BENCH
Rachna Gupta, P.V. Subba Rao

Also decided today

§ Section 175, Bharatiya Nagarik Suraksha Sanhita, 2023 — ALLAHABAD HC

FIR directions against public servants require superior officer reports and official versions

Section 175(4) BNSS mandates procedural safeguards before courts order investigations into official acts of public servants. Directing an FIR without obtaining a superior officer's report and considering the officer's version constitutes manifest illegality.

CRIMINAL APPEAL No. - 9326 of 2026 · 13.10.2026

§ Section 138, Negotiable Instruments Act, 1881 — GUJARAT HC

Cheque dishonour complainants appeal acquittals as victims without requiring special leave

A complainant in cheque dishonour proceedings is a victim with an unconditional right to appeal under the proviso to Section 372 CrPC. Consequently, an appeal seeking special leave under Section 378(4) before the High Court is not maintainable.

R/CR.A/649/2021 · 2026:GUJHC:64325 · 12.10.2026

§ Section 34, Securitisation and Reconstruction of Financial Assets and Enforcement of ... — DELHI HC

Prima facie fraud in creating security interest permits writ petitions against ARCs

Statutory remedies under the SARFAESI Act yield when the creation of the security interest is challenged for fraud. Because an assignee acquires no better title than the lender, prima facie forensic proof of forgery warrants writ protection.

W.P.(C)-7203/2026 · 2026:DHC:9120 · 13.10.2026

Also decided, continued

§ Section 107, Bharatiya Nyaya Sanhita, 2023 — ORISSA HC

Disciplinary reprimands by teachers lack the mens rea required for abetment of suicide

Routine warnings and disciplinary reprimands administered by educators lack the mens rea required for abetment of suicide without positive instigation.

CRLREV/1028/2025 · 2025:OHC:5 · 12.10.2026

§ Article 226 of the Constitution of India — ALLAHABAD HC

Writ petitions lie for admitted contractual dues despite pleas of financial constraints

The rule requiring exhaustion of alternative remedies is discretionary and does not bar writ jurisdiction where liability is undisputed. Financial constraints or paucity of funds cannot relieve a state instrumentality of its settled legal obligations.

WRIT - C No. - 28222 of 2022 · 13.10.2026

§ Section 482, Code of Criminal Procedure, 1973 — DELHI HC

Private compromise cannot justify quashing an FIR where grave bodily injuries are inflicted

Inherent powers to quash an FIR must be exercised sparingly and cannot be invoked for offences involving grave bodily harm. A private compromise between parties is irrelevant where severe injuries like skull fractures were inflicted with iron rods.

CRL.M.C.-7772/2026 · 2026:DHC:9098 · 13.10.2026

Also decided, continued

§ Section 92, Rights of Persons with Disabilities Act, 2016 DELHI HC

Disability harassment complaints must be evaluated holistically including post-enactment acts

Complaints under disability legislation must be evaluated holistically when allegations demonstrate a continuing course of conduct extending past statutory enactment.

CRL.REV.P.-17/2026 · 2026:DHC:9084 · 13.10.2026

§ Clause 4.2 of the Mediclaim Policy SCDRC

Continuous insurance coverage bars insurers from invoking initial thirty-day exclusions

Insurers seeking repudiation under an exclusionary clause bear the strict burden of establishing the exclusion through cogent medical evidence rather than administrative opinions.

SC/7/A/244/2011 · 12.10.2026

By mandating a preliminary inquiry by a senior police officer and a hearing for the accused public servant before a magistrate can order an investigation under Section 175(4) BNSS, has Parliament successfully curbed vindictive litigation against public officials, or has it erected an institutional barrier that impedes citizens from holding errant authorities accountable?

15 judgments **1** Supreme Court **11** High Courts **3** Tribunals

Every judgment here, analysed in full.

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

cassie.in/newsletter