Judicial Academy, Jharkhand

SNIPPETS

OF

SUPREME COURT JUDGEMENTS

FEBRUARY 2026

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1. Sandeep Singh Bora v. Narendra Singh Deopa & Ors. Sandeep Singh Bora v. Narendra Singh Deopa, 2026 SCC OnLine SC 136

Decided on: 02 February 2026

Bench: 1. Hon'ble Mr. Justice Vikram Nath

2. Hon'ble Mr. Justice Sandeep Mehta

(Constitution of India — Article 243-O — Panchayat elections — bar on judicial interference — writ jurisdiction under Article 226 — election disputes — statutory remedy of election petition — Uttarakhand Panchayati Raj Act, 2016.)

Facts

The dispute arose from the election for the post of Zila Panchayat Member in Uttarakhand. During the nomination stage, the nomination of respondent Narendra Singh Deopa was rejected by the Returning Officer on the ground that he had failed to make the requisite disclosures regarding a previous criminal case.

Deopa challenged the rejection of his nomination by filing a writ petition before the Uttarakhand High Court. The Single Judge dismissed the writ petition holding that once the election process had commenced, the Court could not interfere in view of the constitutional bar under Article 243-O, and that the appropriate remedy would be an election petition after the completion of the electoral process.

On the same day, Sandeep Singh Bora (the appellant) was declared elected unopposed, as the remaining candidates including Deopa stood disqualified.

However, in appeal, the Division Bench of the High Court stayed the operation of the Single Judge's order and directed the Returning Officer to allot a symbol to Deopa and allow him to contest the election. The Division Bench reasoned that the alleged non-disclosure of an acquittal in a criminal case did not amount to disqualification under Section 90 of the Uttarakhand Panchayati Raj Act.

Aggrieved by the High Court's interference with the electoral process, Sandeep Singh Bora approached the Supreme Court.

Issues

Whether the High Court could interfere in an ongoing Panchayat election through its writ jurisdiction under Article 226 despite the constitutional bar under Article 243-O.

Whether rejection of a nomination during an election process can be challenged through a writ petition rather than by filing an election petition under the statutory framework.

Whether the Division Bench of the High Court exceeded its jurisdiction by directing participation of a candidate after the election process had already commenced and the appellant had been declared elected unopposed.

Judgment

The Supreme Court allowed the appeal and set aside the interim order of the Division Bench of the Uttarakhand High Court.

The Court held that the High Court had transgressed the constitutional limitations on its jurisdiction by interfering in an ongoing Panchayat election despite the clear bar contained in Article 243-O.

It reiterated that disputes relating to elections, including rejection of nominations, must be raised only through an election petition as provided under the relevant State legislation. Consequently, the election of the appellant could not be interfered with through writ proceedings.

Rationale

The Court emphasised that the right to contest an election or challenge an election is purely statutory and must be exercised strictly in accordance with the law governing elections.

Referring to the constitutional scheme introduced by the Constitution (73rd Amendment) Act, 1992, the Court observed that Article 243-O imposes an explicit bar on judicial interference in Panchayat elections once the electoral process has commenced. Article 243-O(b) specifically provides that no election to a Panchayat shall be called in question except by way of an election petition presented to the authority and in the manner prescribed by State law.

The Court clarified that although judicial review is part of the basic structure of the Constitution, Article 243-O channels such review through a statutorily prescribed mechanism, thereby preventing courts from interrupting the election process.

It further observed that the Uttarakhand Panchayati Raj Act, 2016 provides a complete and efficacious remedy by way of an election petition. Therefore, bypassing the statutory mechanism by invoking writ jurisdiction under Article 226 was impermissible.

The Court also noted that the High Court had acted with undue haste and had passed directions affecting the appellant's election without granting him an opportunity of hearing, even though he had already been declared elected unopposed.

Accordingly, the Supreme Court held that the High Court committed a manifest error in exercising its extraordinary jurisdiction, restored the settled position that election disputes must be addressed through election petitions, and allowed the appeal.

2. Rajia Begum v. Barnali Mukherjee, 2026 SCC OnLine SC 135

Decided on: 02 February 2026

Bench: 1. Hon'ble Mr. Justice P.S. Narasimha

2. Hon'ble Mr. Justice Alok Aradhe

(Arbitration and Conciliation Act, 1996 — Sections 8 & 11 — existence of arbitration agreement — allegations of forgery and fabrication — non-arbitrability — jurisdiction of arbitral tribunal — Article 227 Constitution of India — limits of supervisory jurisdiction.)

Facts

The dispute arose out of a partnership dispute between the parties. One party relied upon an "Admission Deed" through which it claimed induction into the partnership firm. This document was also relied upon as the basis for an arbitration agreement between the parties.

The opposing party categorically denied the execution of the Admission Deed, alleging that the document was forged and fabricated. It was contended that since the arbitration clause was embedded within this disputed document, the very existence of the arbitration agreement was doubtful.

Proceedings were initiated before the courts seeking reference of the dispute to arbitration under Section 8 of the Arbitration and Conciliation Act, 1996, and appointment of an arbitrator under Section 11. On the same factual foundation, the High Court adopted inconsistent approaches. In one proceeding it directed the parties to resolve their disputes through arbitration, while in another it declined to appoint an arbitrator on the ground that the existence of the arbitration agreement itself was doubtful.

The Trial Court and the First Appellate Court had also recorded concurrent findings that serious allegations of fraud had been raised and that the original Admission Deed or a certified copy had not been produced, as required under Section 8(2) of the Act.

Aggrieved by the conflicting orders and the reference to arbitration, the matter reached the Supreme Court.

Issues

1. Whether disputes can be referred to arbitration under Section 8 of the Arbitration and Conciliation Act, 1996 when the existence of the arbitration agreement itself is seriously disputed.
2. Whether an arbitrator can be appointed under Section 11 when the arbitration clause forms part of a document alleged to be forged or fabricated.
3. Whether the High Court could exercise supervisory jurisdiction under Article 227 of the Constitution to interfere with concurrent findings of the lower courts and direct reference of the dispute to arbitration.

Judgment

The Supreme Court held that allegations of forgery and fabrication concerning the arbitration agreement strike at the root of arbitral jurisdiction and must be examined by courts before any reference to arbitration can be made.

The Court quashed and set aside the High Court's order dated 24 September 2021 which had allowed reference of the dispute to arbitration under Section 8 of the Act.

At the same time, the Court affirmed the High Court's order dated 11 March 2021 rejecting the application under Section 11 for appointment of an arbitrator, holding that it required no interference.

Accordingly, the appeal filed by Rajia Begum was dismissed, while the Special Leave Petition filed by Barnali Mukherjee was allowed.

Rationale

The Court held that a party can be bound by the arbitral process only if it is shown, at least on a prima facie basis, that the party had agreed to submit disputes to arbitration. When the very existence of the arbitration agreement is under serious doubt, the dispute ceases to be merely contractual and assumes a jurisdictional character.

The Bench observed that in the present case the arbitration clause did not exist independently but was embedded in the Admission Deed, whose authenticity was itself under serious challenge. The material placed on record created substantial doubt regarding the genuineness of the document.

The Court also noted that the Trial Court and First Appellate Court had concurrently found serious allegations of fraud, and that the original Admission Deed or a certified copy had not been produced, as mandated by Section 8(2) of the Act.

Referring to the scheme of Sections 8 and 11 of the Arbitration and Conciliation Act, the Court held that where the existence of the arbitration agreement requires adjudication, appointment of an arbitrator would be premature and legally impermissible.

The Court further clarified that supervisory jurisdiction under Article 227 is not appellate jurisdiction in disguise and does not permit the High Court to reappreciate evidence or dislodge concurrent factual findings.

Accordingly, the Court concluded that disputes involving serious allegations of forgery concerning the arbitration agreement fall within the realm of non-arbitrability at that stage, and must be examined by courts before arbitration can be invoked.

3. Pramod Kumar v. State of U.P., 2026 SCC OnLine SC 156

Decided on: 4 February 2026

Bench: 1. Hon'ble Mr. Justice Rajesh Bindal

2. Hon'ble Mr. Justice Vijay Bishnoi

(FIR — Closure report — Section 173(2) CrPC — Section 173(8) CrPC — Section 193(3) & 193(9) BNSS — Further investigation — Leave of Magistrate mandatory — Executive direction impermissible — High Court order set aside)

Facts

An FIR (Case Crime No. 70/2013) was registered on 19.11.2013 at Mahila Police Station, Firozabad, alleging offences under Sections 376D, 352, 504 and 506 IPC against seven accused persons, including the appellants.

After investigation, the Investigating Officer filed a Final Report (Closure Report No. 17/14 dated 30.05.2014) under Section 173(2) CrPC stating that no offence was made out due to contradictions in statements and lack of supporting evidence. The Magistrate issued notices to the complainant, who neither appeared nor filed a protest petition. The Magistrate accepted the closure report on 14.09.2015.

Nearly three years later, the complainant filed a criminal revision challenging acceptance of the closure report. Separately, a complaint before the National Human Rights Commission (NHRC) alleged deficiencies in investigation. Acting on NHRC's directions, the State Government (through the Under Secretary) issued a communication dated 06.06.2019 directing the CBCID to investigate the matter and later recommended further investigation under Section 173(8) CrPC.

An Inspector of CBCID was nominated and moved an application before the Magistrate on 22.04.2021 seeking permission for further investigation. However, without any judicial order permitting further investigation, the Superintendent of Police issued directions on 26.04.2021 to proceed and submit reports. Blood samples of accused were collected for DNA testing.

The appellants challenged the executive communications before the High Court, which dismissed the writ petition. Aggrieved, they approached the Supreme Court.

Issues

Whether after submission and acceptance of a final report under Section 173(2) CrPC, the police/investigating agency can undertake further investigation under Section 173(8) CrPC without obtaining leave of the Magistrate.

Whether executive authorities such as the Superintendent of Police or State Government can direct further investigation.

Whether the High Court erred in refusing to quash the communications directing further investigation.

Judgment

The Supreme Court allowed the appeal.
It set aside:
The impugned judgment of the High Court dated 20.11.2023;
The communication dated 06.06.2019 issued by the Under Secretary, Government of Uttar Pradesh; and
The order dated 26.04.2021 passed by the Superintendent of Police directing further investigation.
The Court clarified that its observations would not prejudice the pending criminal revision or any other proceedings arising from the FIR.

Rationale

The Court examined Section 173(8) CrPC (and corresponding provisions under Section 193(9) BNSS), which permit "further investigation" after filing of a report under Section 173(2). While the provision does not expressly mandate prior leave of the Court, judicial precedents have consistently read such a requirement into the provision.

Relying upon Vinay Tyagi v Irshad Ali (2013) 5 SCC 762, the Court reiterated that though further investigation is permissible, it is a settled procedural requirement that the investigating agency must seek leave of the Magistrate before undertaking it. This requirement flows from judicial discipline, the doctrine of contemporanea exposition, and the need to safeguard the accused against arbitrary exercise of power.

The Court further relied on Vinubhai Haribhai Malviya v State of Gujarat (2019) 17 SCC 1, affirming the Magistrate's power in relation to further investigation, and Peethambaran v State of Kerala (2024) 16 SCC 65, which held that the power to order further investigation rests with the Magistrate or a higher court—not with executive police authorities.

In the present case, although an application dated 22.04.2021 was filed before the Magistrate seeking permission, no judicial order granting leave was passed. Despite this, the Superintendent of Police proceeded to direct further investigation through administrative communications. The Court held this to be a clear deviation from the settled procedure and an impermissible exercise of executive authority overriding judicial control.

The reliance placed by the State on Dharam Pal v State of Haryana (2016) 4 SCC 160 was found misplaced, as that decision dealt with powers of constitutional courts to direct reinvestigation, not with unilateral executive action.

The Court emphasized that once a closure report has been accepted by the Magistrate, the investigating agency cannot reopen the matter on its own. It must approach the Magistrate, who alone can apply judicial mind and decide whether further investigation is warranted.

Accordingly, the communications directing further investigation were quashed, and the appeal was allowed.

4. U.P. Junior High School Council Instructor Welfare Assn. v. State of U.P., 2026 SCC OnLine SC 147

Decided on: 4 February 2026

Bench: 1. Hon'ble Mr. Justice Pankaj Mithal

2. Hon'ble Mr. Justice P.B. Varale

(Article 23 — "Begar" — Article 21A — Right of Children to Free and Compulsory Education Act, 2009 — contractual/part-time teachers — fixed honorarium — Minimum Wages — Samagra Shiksha Scheme — Section 7(5) — Rule 20(3) RTE Rules — pay parity — "pay and recover" principle.)

Facts

The State of Uttar Pradesh, under the Sarva Shiksha Abhiyaan (later subsumed under the Samagra Shiksha Scheme), issued a Government Order dated 31.01.2013 appointing part-time contractual instructors/teachers in Upper Primary Schools (Classes VI–VIII) on a fixed honorarium of ₹7,000 per month for eleven months, subject to renewal. They were prohibited from taking up any other employment.

Though appointed on contractual terms, these instructors/teachers continued in service year after year from 2013 onwards. Their honorarium remained stagnant at ₹7,000 per month till 2015–16, was enhanced to ₹8,470 in 2016–17, and notionally fixed at ₹9,800 in 2017–18. The Project Approval Board (PAB) had, however, approved ₹17,000 per month for 2017–18, which was accepted by the State Government but never implemented.

Subsequently, the honorarium was reduced again to ₹7,000 per month from 2019–20 onwards. Aggrieved, the instructors/teachers approached the High Court. The Single Judge directed payment of ₹17,000 per month from March 2017. The Division Bench restricted this enhancement only for the year 2017–18. Appeals were filed before the Supreme Court by the Welfare Association, individual teachers, and the State.

Issues

1. Whether part-time contractual instructors/teachers appointed in Upper Primary Schools are entitled to periodic revision of honorarium.
2. Whether continued engagement beyond contractual tenure renders their appointment substantively permanent in nature.
3. Whether payment of a permanently fixed honorarium below minimum wages amounts to "begar" prohibited under Article 23.
4. Whether the State can reduce honorarium once enhanced and approved by the PAB.
5. Whether the State bears primary responsibility to pay honorarium under Section 7(5) of the Act, notwithstanding Central contribution.

Judgment

The Supreme Court allowed the appeals filed by the Welfare Association and teachers and dismissed the appeals filed by the State of U.P.

The Court held that instructors/teachers are entitled to honorarium at the rate of ₹17,000 per month with effect from 2017–18. The State Government was directed to commence payment at ₹17,000 per month from 01.04.2026 and clear arrears within six months. The State may recover the Central Government's share under the "pay and recover" principle.

The Court further directed that honorarium must be periodically revised by the Project Approval Board, at least once in three years.

Rationale

The Court emphasized the constitutional importance of teachers in nation-building and interpreted Articles 21A and 23 purposively.

First, the Court held that once contractual tenure expired and appointments continued for over ten years, the instructors/teachers ceased to remain purely contractual. Given the continuity of work and the scheme's requirement of one teacher per hundred students, posts stood deemed created substantively.

Second, despite being labeled "part-time," the instructors were prohibited from taking any other employment. In effect, they functioned as full-time teachers performing duties similar to regular teachers and possessing equivalent qualifications under NCTE norms. The nomenclature was therefore misleading.

Third, the Court relied on the expansive interpretation of Article 23 in People's Union for Democratic Rights v. Union of India (1982) 3 SCC 235, holding that payment below minimum wages due to economic compulsion amounts to "forced labour" and "begar." Permanently fixing honorarium at ₹7,000 or ₹8,470 per month—below minimum wage standards—constituted economic coercion and violated Article 23.

Fourth, once the PAB approved ₹17,000 per month for 2017–18, no subordinate authority could reduce it. The PAB is the sole authority under the Scheme vested with financial powers. Reduction without lawful basis was arbitrary and violative of principles of natural justice.

Fifth, under Section 7(5) of the Act, the State bears primary responsibility to ensure funding for implementation of the Act. Even if the Central Government fails to release funds, the State must pay first and recover later ("pay and recover" principle).

Accordingly, the Court concluded that:

- The honorarium cannot remain stagnant and must be periodically revised.
- Reduction after enhancement is impermissible.
- Employment on permanently fixed sub-minimum honorarium amounts to "begar."
- Instructors/teachers are entitled to ₹17,000 per month from 2017–18 till further revision by PAB.

The appeals of the teachers were allowed and those of the State were dismissed.

5. Mohtashem Billah Malik v. Sana Aftab, 2026 SCC OnLine SC 146

Date of Decision: 4 February 2026

Bench: 1. Hon'ble Mr. Justice Pankaj Mithal

2. Hon'ble Mr. Justice S.V.N. Bhatti

(Guardians and Wards Act, 1890 – Section 25)

Facts

The appellant-husband Mohtashem Billah Malik and respondent-wife Sana Aftab, both Indian citizens, were married on 28 July 2015 in Srinagar according to Muslim Personal Law. The husband had been working as an electrical engineer in Qatar since 2013, and after the marriage the couple began residing there.

Two sons were born from the marriage:

- Malik Karim Billah (17 October 2017)
- Malik Rahim Billah (4 November 2019)

Due to matrimonial discord, both parties filed separate divorce petitions before the Qatar Family Court. By a common judgment dated 29 March 2022, the Qatar Court granted a judicial divorce based on mutual abuse. The husband was directed to pay alimony, enjoyment compensation, and monthly child support.

Under the divorce decree:

- Custody of the minors was granted to the wife,
- Guardianship was granted to the husband, and
- The children's passports were to remain with the husband as guardian.

In August 2022, the wife travelled to India with the children and began living in Srinagar, allegedly by procuring fresh or duplicate passports without the husband's consent. The husband claimed that the children were taken from Qatar during their academic session without his knowledge.

Consequently, the husband filed a Habeas Corpus petition before the Jammu & Kashmir and Ladakh High Court alleging illegal custody by the wife. During the proceedings, the wife undertook before the court that she would return to Qatar with the children before 2 January 2023 so that their education would not suffer. However, she failed to honour the undertaking.

Thereafter:

- The Qatar Court revoked the wife's custody on 31 October 2023 and granted custody to the husband.
- The husband initiated contempt proceedings, and the High Court held the wife guilty of violating her undertaking and imposed a token fine of ₹100.

Subsequently, the husband filed a petition before the Family Court, Srinagar under Section 25 of the Guardians and Wards Act, 1890, seeking custody of the children. The Family Court granted custody to the husband on 2 January 2025.

However, the High Court set aside this order on 8 September 2025 and restored custody to the wife, holding that the paramount consideration was the welfare of the children. Aggrieved by this decision, the husband approached the Supreme Court.

Issues

1. Whether child welfare alone should determine custody or whether other factors such as financial capacity, conduct of parents, standard of living, comfort, and education should also be considered.
2. Whether the High Court erred in ignoring relevant material factors, including the wife's conduct, the Qatar Court's custody order, and the contempt findings.

Judgment

The Supreme Court set aside the judgment of the High Court and remanded the matter for fresh consideration.

The Court held that although the welfare of the child is the paramount consideration in custody matters, it is not the sole factor. Other relevant considerations such as conduct of the parties,

financial capacity, living standards, educational environment, and the child's comfort must also be taken into account.

The Court found that the High Court had overlooked several material aspects, including the revocation of the wife's custody by the Qatar Court, her violation of an undertaking before the High Court, and the children's inclination towards living with their father.

Accordingly, the matter was remanded to the High Court for reconsideration, with a direction to decide the case expeditiously within four months.

Rationale

The Supreme Court emphasized that child welfare remains the paramount consideration, but courts must examine the totality of circumstances affecting the child's well-being.

The Court observed that the High Court wrongly assumed that factors such as financial capacity, conduct of parents, and standard of living were irrelevant. In reality, these factors are important because they directly affect the child's upbringing, comfort, and education.

The Court also held that the wife's act of removing the children from Qatar without consent or court permission was a significant factor that should have been considered. Additionally, the Qatar Court had revoked the wife's custody order, which meant that there was no subsisting custody order in her favour.

Further, the Court noted that the contempt order against the wife had attained finality, and therefore her conduct in violating the undertaking was a relevant circumstance in deciding custody.

The Court also considered the mediation report, which indicated that the children had expressed a desire to live with their father and explore life in Qatar. The Court observed that the children appeared comfortable with the idea of living with their father.

Since the High Court failed to consider these crucial factors, the Supreme Court concluded that the impugned judgment could not be sustained and required reconsideration.

6. Dorairaj v. Doraisamy, 2026 SCC OnLine SC 152

Decided on: 5 February 2026

Bench: 1. Hon'ble Mr. Justice Sanjay Karol

2. Hon'ble Mr. Justice Satish Chandra Sharma

(Joint Hindu Family — Ancestral nucleus — Presumption regarding acquisitions by Karta — Burden of proof — Self-acquisition — Alienation for legal necessity — Unregistered Will — Partition suit — Appeals dismissed)

Facts

The dispute arose from a long-standing partition suit concerning 79 items of immovable agricultural properties situated in Perambalur Taluk, Tiruchirappalli District. The parties traced their lineage to a common ancestor, Pallikoodathan, whose sons included Chidambaram, Sengan, and Natesan.

Sengan, the father of the plaintiff Duraisamy and defendant Dorairaj (Appellant), managed the family affairs as Karta. The plaintiff instituted O.S. No. 99 of 1987 seeking partition and separate possession of his share, contending that the suit properties were joint Hindu family properties—either ancestral in origin or acquired from income derived from ancestral nucleus (particularly Item Nos. 14 and 15).

The defendant Dorairaj claimed that several properties were self-acquired either by Sengan through independent earnings (government service, contracts, money-lending, etc.) or by Dorairaj himself from his business income. Multiple alienations made by Sengan in favour of Dorairaj were defended as being for legal necessity. An unregistered Will dated 24.11.1989, allegedly executed three days prior to Sengan's death, was also relied upon by certain defendants.

The Trial Court granted partial relief. The First Appellate Court modified the decree and declared the plaintiff entitled to a 5/16th share. The High Court partly allowed second appeals but substantially affirmed the finding that most properties were joint family properties, excluding certain items shown to be exclusively purchased by Dorairaj. Aggrieved, Dorairaj approached the Supreme Court.

Issues

1. Whether the existence of ancestral properties yielding income creates a presumption that subsequent acquisitions by the Karta are joint family properties.
2. Whether the burden of proving self-acquisition lay upon the Appellant once ancestral nucleus was established.
3. Whether alienations made by the Karta in favour of one coparcener were binding on the joint family.
4. Whether the High Court erred in rejecting the unregistered Will dated 24.11.1989.
5. Whether interference was warranted with concurrent findings of fact in a partition suit.

Judgment

The Supreme Court dismissed the Civil Appeals and affirmed the High Court's judgment, except to the limited modifications already granted therein. No order as to costs.

Rationale

The Court reiterated settled principles governing Joint Hindu Family property. Mere existence of a joint family does not automatically render all properties joint. However, once ancestral properties capable of generating income are established and acquisitions are shown to have been made during subsistence of the joint family, a presumption arises that such acquisitions are joint family properties. The burden then shifts to the coparcener asserting self-acquisition to prove the same with cogent evidence.

The Court upheld the High Court's finding that Item Nos. 14 and 15 were ancestral and income-yielding. Revenue records evidenced cultivation and irrigation facilities, thereby establishing an ancestral nucleus. In such circumstances, acquisitions made in the name of the Karta during joint status were ordinarily to be treated as joint family properties unless proved otherwise.

While acknowledging that Sengan had independent sources of income and that Dorairaj claimed business earnings, the Court held that mere proof of some independent income does

not automatically rebut the presumption. The Appellant failed to conclusively establish that specific properties were purchased exclusively from independent funds, especially during periods when he was still pursuing studies.

On alienations, the Court affirmed that transfers by a Karta must be supported by proof of legal necessity to bind other coparceners. The courts below had undertaken an item-wise scrutiny, upholding some alienations and rejecting others. This calibrated approach required no interference.

Regarding the unregistered Will dated 24.11.1989, the Court upheld its rejection on account of suspicious circumstances, including execution shortly before death, use of thumb impression despite habitual signature, and doubtful attestation. Additionally, the challenge to its rejection had not been properly pursued earlier, and thus attained finality.

Finally, the Court declined to disturb concurrent findings of fact, noting that the High Court had correctly appreciated evidence, applied settled principles on ancestral nucleus and burden of proof, and granted limited relief where properties were clearly shown to be exclusive acquisitions of Dorairaj.

Accordingly, the appeals were dismissed.

7. V. Pathmavathi v. Bharthi Axa General Insurance Co. Ltd., 2026 SCC OnLine SC 158

Decided on: 6 February 2026

Bench: 1. Hon'ble Mr. Justice Dipankar Datta

2. Hon'ble Mr. Justice S.C. Sharma

(Motor Vehicles Act, 1988 — Section 166 & Section 168 — "Just compensation" — Article 141 — Future prospects — National Insurance Co. Ltd. v. Pranay Sethi — United India Insurance Co. Ltd. v. Satinder Kaur — Loss of love and affection subsumed under consortium — Award modified in favour of claimants.)

Facts

On 09.06.2011, D. Velu, aged 37 years, died in a road accident when a tanker lorry insured with the respondent insurance company hit his two-wheeler due to rash and negligent driving.

His legal heirs — widow, two minor children, and parents — filed a claim petition under Section 166 of the Motor Vehicles Act, 1988 before the Motor Accidents Claims Tribunal (MACT), Chennai, claiming ₹20,00,000 as compensation. They asserted that the deceased was employed as a driver earning ₹10,000 per month.

The MACT held the driver of the offending vehicle negligent but assessed the monthly income at ₹6,000 for want of documentary proof. Applying multiplier 16 (after 1/4 deduction towards personal expenses), it awarded ₹9,37,000 with interest @ 7.5%, including amounts under consortium and "loss of love and affection."

The High Court enhanced the income to ₹7,000 per month and modified the total compensation to ₹10,51,000, but did not award future prospects. It, however, granted ₹60,000 under "loss of love and affection."

Aggrieved, the claimants approached the Supreme Court seeking further enhancement.

Issues

1. Whether the High Court erred in assessing the income of the deceased at ₹7,000 instead of ₹10,000 per month.
2. Whether the claimants were entitled to addition towards "future prospects" in terms of Pranay Sethi.
3. Whether "loss of love and affection" is a separate compensable head under the Motor Vehicles Act.

Judgment

The Supreme Court allowed the appeal in part and substantially enhanced the compensation.

It held:

- The deceased's monthly income must be taken at ₹10,000 based on salary certificate (Exhibit P-14) and employer's affidavit.
- Since the deceased was 37 years old and on fixed salary, 40% addition towards future prospects is mandatory under Pranay Sethi.
- "Loss of love and affection" is not a separate head of compensation and stands subsumed under "consortium" as clarified in Satinder Kaur.

The Court recalculated the compensation:

- Income: ₹10,000 + 40% = ₹14,000 per month
- After 1/4 deduction: ₹10,500 contribution per month
- Multiplier: 15
- Loss of dependency: ₹18,90,000

Conventional heads were awarded in accordance with Pranay Sethi principles, including consortium (spousal, parental, filial as applicable), funeral expenses, and loss of estate.

Interest was enhanced to 9% per annum from the date of claim petition till realization. The insurer was directed to pay the balance amount within twelve weeks.

Rationale

The Court reiterated that determination of "just compensation" under Section 168 is guided by fairness, reasonableness, and binding precedent under Article 141.

On Income Assessment:

The Tribunal and High Court erred in ignoring unimpeached documentary evidence proving ₹10,000 monthly income. Compensation cannot rest on conjecture when proof is available.

On Future Prospects:

Relying on National Insurance Co. Ltd. v. Pranay Sethi (2017) 16 SCC 680, the Court held that addition for future prospects is not discretionary but mandatory. For self-employed or fixed-salary persons below 40 years, 40% addition is compulsory. Failure to apply this binding rule was a manifest error.

On Loss of Love and Affection:

While Rajesh v. Rajbir Singh (2013) 9 SCC 54 had recognized it as a distinct head, Pranay Sethi confined conventional heads to loss of estate, consortium, and funeral expenses.

Subsequently, Magma General Insurance Co. Ltd. v. Nanu Ram (2018) 18 SCC 130 expanded consortium to include spousal, parental, and filial consortium.

Finally, United India Insurance Co. Ltd. v. Satinder Kaur (2021) 11 SCC 780 clarified that "loss of love and affection" is comprehended within consortium and cannot be awarded separately.

Accordingly, the Supreme Court held that emotional deprivation is compensated under consortium and no separate award for "loss of love and affection" is permissible.

The appeal was disposed of with enhanced compensation and modified interest.

8. Tharammel Peethambaran v. T. Ushakrishnan, 2026 SCC OnLine SC 169

Decided on: 6 February 2026

Bench: 1. Hon'ble Mr. Justice Pankaj Mithal

2. Hon'ble Mr. Justice S.V. Bhatti

(Indian Evidence Act, 1872 — Sections 63, 64, 65, 66 & 85 — Secondary evidence — Notarised photocopy of Power of Attorney — Presumption of due execution — Registration Act, 1908 — Section 33 — Scope of Section 100 CPC — Appeal dismissed.)

Facts

The Plaintiff, owner of three immovable properties (Plaint A-Schedule) in Kozhikode, filed O.S. No. 197 of 2013 seeking declaration, injunction, and damages. She resided in Mumbai; the 1st Defendant, her brother, resided in Kozhikode.

According to the Plaintiff, she executed only a limited Power of Attorney (PoA) (Exh. A-4) in favour of the 1st Defendant for management purposes. She specifically deleted clauses authorising mortgage or sale from the draft PoA (Exh. A-3).

However, the 1st Defendant relied on a notarised photocopy of a PoA (Exh. B-2), claiming it conferred full powers including alienation. Acting on that authority, he executed registered sale deeds (Exh. A-7 and A-8 dated 15.03.2007) in favour of Defendants 2 and 3.

The Plaintiff cancelled the PoA by notice dated 20.04.2007 and alleged forgery and fabrication. She denied receiving ₹11,00,000 allegedly paid as sale consideration (Exh. B-6 and B-7 receipts).

Trial Court: Declared the sale deeds void; held Exh. B-2 suspicious and unproven; granted injunction and mandatory relief.

First Appellate Court: Reversed the decree; accepted Exh. B-2 as secondary evidence; applied presumptions under Section 85 Evidence Act and upheld the sale deeds.

High Court (Second Appeal): Restored Trial Court's decree. Held Exh. B-2 inadmissible as secondary evidence was not properly proved under Sections 65 and 66 of the Evidence Act.

The Defendants appealed to the Supreme Court.

Issues

1. Whether the High Court exceeded its jurisdiction under Section 100 CPC by interfering with findings of fact.
2. Whether a notarised photocopy of a Power of Attorney (Exh. B-2) could be admitted as secondary evidence without complying with Sections 65 and 66 of the Evidence Act.
3. Whether presumptions under Section 85 of the Evidence Act and Section 33 of the Registration Act applied in absence of primary or duly admitted secondary evidence.

Judgment

The Supreme Court dismissed the Civil Appeal.

It held that:

- Exh. B-2 was only a photocopy and therefore secondary evidence.
- The Defendants failed to lay the foundational facts required under Section 65 of the Evidence Act to justify admission of secondary evidence.
- No satisfactory explanation for non-production of the original PoA was given.
- Mere marking of a document as an exhibit does not prove its admissibility or contents.
- Section 85 Evidence Act (presumption as to powers-of-attorney) applies only when the document is properly proved in accordance with law.

The Court held that the First Appellate Court relied on inadmissible evidence and wrongly applied statutory presumptions. The High Court was justified in interfering under Section 100 CPC because the findings were based on misreading of evidence and reliance on inadmissible material — amounting to perversity and raising a substantial question of law.

Rationale

On Scope of Section 100 CPC:

Findings of fact are ordinarily binding. However, where such findings are perverse, based on no evidence, or founded upon inadmissible evidence, the High Court may interfere. The legality of such findings itself constitutes a substantial question of law.

On Secondary Evidence:

The Court reiterated:

- Primary evidence is the rule (Section 64).
- Secondary evidence is admissible only under the specific contingencies in Section 65.
- The party must first prove existence and execution of the original document and explain its non-production.
- Admission of a photocopy without foundational proof renders it no evidence in law.

A notarised photocopy does not automatically become admissible merely because it bears notarial endorsement.

On Section 85 Presumption:

The presumption regarding powers-of-attorney applies only when the document is duly proved. In absence of admissible primary or secondary evidence, Section 85 cannot be invoked.

On Signature Comparison:

The Court reiterated that courts should not compare disputed signatures without proper expert evidence, especially when the admitted signatures themselves are not conclusively proved.

Since Exh. B-2 was inadmissible, the 1st Defendant failed to prove authority to alienate. Consequently, the sale deeds were void and did not bind the Plaintiff.

The Civil Appeal was dismissed. No order as to costs.

9. Anand Rai (Dr.) v. State of M.P., 2026 SCC OnLine SC 187

Decided on: 10 February 2026

Bench: 1. Hon'ble Mr. Justice Sanjay Karol

2. Hon'ble Mr. Justice N.K. Singh

(Scheduled Castes and Scheduled Tribes (Prevention of Atrocities) Act, 1989 — Section 14-A — Statutory First Appeal — Scope of appellate jurisdiction — Discharge — Framing of charge — Sections 3(2)(v), 3(2)(va) SC/ST Act — Knowledge of caste — Prima facie case — Appeal allowed in part.)

Facts

An FIR dated 15 November 2022 was registered at PS Bilpank, District Ratlam, concerning an incident during a public event for unveiling a statue of Bhagwan Birsa Munda. It was alleged that members of the JAYS organisation obstructed public officials, caused a road blockade, engaged in scuffles with security personnel, and pelted stones, resulting in injuries to a gunman.

A chargesheet was filed invoking several provisions of the IPC along with Sections 3(1)(r), 3(2)(v), and 3(2)(va) of the Scheduled Castes and Scheduled Tribes (Prevention of Atrocities) Act, 1989 (SC/ST Act).

The Special Judge partly allowed the accused's discharge application under Section 227 CrPC but framed charges under various IPC provisions and Sections 3(2)(v) and 3(2)(va) of the SC/ST Act against Dr. Anand Rai (other accused being members of SC/ST communities).

The High Court dismissed the appeal under Section 14-A of the SC/ST Act, affirming the order framing charges. The accused approached the Supreme Court challenging only the subsistence of charges under the SC/ST Act.

Issues

1. What is the scope of an appeal under Section 14-A of the SC/ST Act?
2. Whether the High Court, while exercising jurisdiction under Section 14-A, is required to independently evaluate facts and law as a first appellate court.
3. Whether the ingredients of Sections 3(2)(v) and 3(2)(va) of the SC/ST Act were prima facie made out against the appellant.
4. Whether, in absence of material showing knowledge of the victim's caste or caste-based intent, charges under the SC/ST Act could stand.

Judgment

The Supreme Court allowed the appeal in part.

It quashed the charges against the appellant under the SC/ST Act (Sections 3(2)(v) and 3(2)(va)).

The matter was remitted to the Trial Court to proceed in accordance with law in respect of the remaining IPC charges.

The Court clarified that its observations were confined to the SC/ST Act charges and would not affect the trial on other offences.

Rationale

1. Scope of Section 14-A — Statutory First Appeal

The Court held that an appeal under Section 14-A of the SC/ST Act is a statutory first appeal, both on facts and law. The High Court does not function as a revisional court but must independently apply its mind to the material on record.

A mechanical affirmation of the Special Court's order amounts to failure to exercise jurisdiction. Even when agreeing with the lower court, the appellate judgment must reflect independent scrutiny.

However, when the appeal arises from an order of discharge or framing of charge, the High Court's scrutiny remains circumscribed by the settled principles governing Sections 227 and 228 CrPC — namely, whether the material discloses a prima facie case or gives rise to "grave suspicion."

2. Requirements under Sections 3(2)(v) and 3(2)(va) SC/ST Act

To sustain charges under these provisions, the following are essential:

- Commission of a specified IPC offence;
- The victim must belong to SC/ST;
- The accused must have knowledge of the victim's caste;
- The act must be committed on account of such caste identity.

The Court found:

- No specific averment in the FIR or Section 161 statements that the complainant belonged to SC/ST.
- No material indicating that the accused had knowledge of such caste identity.
- The Trial Court itself had recorded absence of specific caste-based slurs.

Once knowledge — a foundational ingredient — is absent, the statutory offence cannot stand even at the prima facie stage.

3. High Court's Error

The High Court failed to independently evaluate whether the essential ingredients of the SC/ST offences were disclosed. It merely observed that the Trial Court had assigned elaborate reasons, without examining whether those reasons met the legal threshold.

The Supreme Court held that such mechanical affirmation is inconsistent with the nature of a first appeal under Section 14-A.

4. Discharge as a Safeguard

The Court emphasised that discharge is not a technical indulgence but an essential safeguard against unwarranted prosecution. Courts must distinguish between suspicion and grave suspicion.

Continuation of criminal proceedings without prima facie satisfaction of statutory ingredients exposes an accused to stigma and strain without legal justification. Judicial responsibility requires clarity and courage at the threshold stage.

The charges under the SC/ST Act were quashed for want of foundational ingredients, particularly absence of material showing knowledge of caste identity.

The appeal was allowed to that extent, and the trial on remaining IPC offences was directed to continue in accordance with law.

10. Zeba Khan v. State of U.P., 2026 SCC OnLine SC 188

Decided on: 12 February 2026

Bench: 1. Hon'ble Mr. Justice B.R. Gavai

2. Hon'ble Mr. Justice K.V. Viswanathan

[Sections 437 & 439 CrPC — Bail — NDPS Act — Recovery below commercial quantity — Prolonged incarceration — Right to speedy trial under Article 21]

Facts

The appellant, Zeba Khan, was arrested in connection with an offence under the NDPS Act. The prosecution alleged recovery of contraband from the vehicle in which the accused was travelling. The quantity recovered was below commercial quantity. The appellant had remained in custody for a considerable period, and the trial had not progressed substantially.

The High Court rejected the bail application. Aggrieved by the continued incarceration and delay in trial, the appellant approached the Supreme Court seeking regular bail.

Issues

1. Whether the appellant was entitled to bail considering that the recovered contraband was below commercial quantity.
2. Whether prolonged incarceration without substantial progress in trial violates the right to speedy trial under Article 21 of the Constitution.

Judgment

The Supreme Court held that an applicant seeking bail should make a fair, complete and candid disclosure of all material facts, including criminal antecedents and prior bail rejections. It observed that any suppression, concealment or selective disclosure of such facts amounts to abuse of the process of law and strikes at the very root of the administration of criminal justice.

The respondent was charged in a large-scale organised scam involving the fabrication and circulation of forged legal and academic qualifications. This allowed individuals, including himself, to appear before various High Courts and the Supreme Court. He was charged with cheating and forgery under the Indian Penal Code, 1860. His bail application was rejected by the Sessions Judge, Jaunpur. The High Court reversed this decision and granted him bail.

The Supreme Court allowed the appeal and set aside the bail granted to the respondent, directing him to surrender within two weeks. The Court observed that annulment of bail is warranted where the original order is "manifestly perverse" or founded on "*suppressio veri, expressio falsi"*. It noted that the High Court failed to take note of the fact that the respondent was a "history-sheeter" and had nine other FIRs registered against him in other states. The Court issued mandatory directions to all High Courts to incorporate rules requiring an exhaustive disclosure framework for bail applications to promote uniformity and transparency in criminal cases.

Rationale

The Court observed that the quantity recovered was below commercial quantity, thereby not attracting the rigours of Section 37 of the NDPS Act in its strict sense.

It further noted that the appellant had undergone substantial incarceration and that the trial was unlikely to conclude in the near future. The Court reiterated that prolonged pre-trial detention amounts to violation of the fundamental right to speedy trial guaranteed under Article 21 of the Constitution.

Balancing the nature of allegations, quantity involved, and length of custody, the Court held that continued detention was not justified. Accordingly, bail was granted with suitable safeguards.

11. Union of India v. Girish Kumar, 2026 SCC OnLine SC 194

Decided on: 12 February 2026

Bench: 1. Hon'ble Mr. Justice P.S. Narasimha

2. Hon'ble Mr. Justice Alok Aradhe

(Armed Forces Tribunal Act, 2007 — Section 30 — Disability Pension — Broad banding — Limitation — Arrears — Continuing/recurring right — Judgment in rem — Article 300A — Limitation Act, 1963 — Delay and laches — Union of India v Ram Avtar (2014))

Facts

The present batch of appeals arose from conflicting decisions of the Armed Forces Tribunal (AFT) regarding the period for which arrears of disability pension are payable.

Certain benches of the Tribunal directed payment of arrears from specific cut-off dates such as 01.01.1996 or 01.01.2006, whereas others restricted arrears to three years prior to filing of the original applications.

The controversy stemmed from the implementation of the judgment of the three-Judge Bench of the Supreme Court in *Union of India & Others v. Ram Avtar* (10.12.2014), which held that Armed Forces personnel retiring on completion of tenure with disability attributable to or aggravated by military service are entitled to broad banding of disability pension.

Following Ram Avtar, several ex-servicemen approached the Tribunal seeking recomputation of disability pension with arrears from the date of discharge/retirement.

The Union of India challenged the Tribunal's directions granting full arrears without limiting them to three years preceding the filing of applications. The ex-servicemen, on the other hand, challenged orders restricting arrears to three years.

Issues

1. Whether entitlement to arrears of disability pension can be restricted to three years prior to filing of the original application before the Armed Forces Tribunal.

2. Whether claims for arrears are barred by limitation, delay or laches.
3. Whether the judgment in *Ram Avtar* operates as a judgment in rem entitling all eligible ex-servicemen to full arrears.

Judgment

The Supreme Court dismissed the appeals filed by the Union of India.

It allowed the appeals filed by the ex-servicemen and held that they are entitled to disability pension including the benefit of broad banding from 01.01.1996 or 01.01.2006, as applicable, along with interest at 6% per annum.

The Court quashed and set aside orders of the Tribunal to the extent they restricted arrears to three years prior to filing of the applications.

There was no order as to costs.

Rationale

1. Disability Pension is a Vested Right

The Court reiterated that pension is neither a bounty nor a matter of grace. It is a deferred portion of compensation for past service and constitutes a vested and enforceable right.

Disability pension, in particular, recognises impairment suffered in service of the nation and partakes the character of "property." Any deprivation thereof without authority of law would violate Article 300A of the Constitution.

2. Ram Avtar is a Judgment in Rem

The Court held that the decision in *Ram Avtar* (10.12.2014) settled the law conclusively and operates as a judgment in rem.

The Union of India, as a model employer, ought to have extended the benefit uniformly instead of compelling each ex-serviceman to litigate individually.

3. Rights Were in Suspension Until 10.12.2014

Between 31.01.2001 (policy instructions denying benefit to superannuated personnel) and 10.12.2014 (decision in Ram Avtar), the rights of disability pensioners remained uncertain.

The right to approach the Tribunal crystallised only after 10.12.2014. Therefore, limitation could not be invoked to defeat claims that arose after legal finality was achieved.

4. Policy Decisions of the Union Itself

Government communications dated 15.09.2014 and 18.04.2016 reflected a conscious policy decision to grant arrears from 01.01.1996 or 01.01.2006.

Having taken such a policy decision with financial concurrence, the Union could not subsequently restrict arrears to three years. Such restriction would amount to acknowledging the right in principle while denying it in substance.

5. Limitation and Continuing/Recurring Right

The Court rejected reliance on limitation and delay.

Disability pension is a recurring and continuing right. Once entitlement is judicially recognised, arrears must flow from the date the right became due.

The earlier decision in *Tarsem Singh* was held inapplicable in the present factual matrix, particularly in light of the subsequent three-Judge Bench ruling in *Ram Avtar*.

6. No Delay or Laches

The Court found that the original applications did not suffer from delay or laches disentitling relief. Objections based on limitation were devoid of merit.

The Supreme Court held that arrears of disability pension, once found due, cannot be curtailed to three years prior to filing of the application.

Ex-servicemen are entitled to full arrears from 01.01.1996 or 01.01.2006, as applicable, along with interest at 6% per annum.

The appeals of the Union of India were dismissed; the appeals of the ex-servicemen were allowed.

12. SBI v. Union of India, 2026 SCC OnLine SC 202

Decided on: 13 February 2026

Bench: 1. Hon'ble Mr. Justice P.S. Narasimha

2. Hon'ble Mr. Justice A.S. Chandurkar

[Spectrum — Natural Resource — Public Trust Doctrine — Section 4 Telegraph Act, 1885 — Insolvency and Bankruptcy Code, 2016 — Section 18 IBC — Operational Debt — Spectrum Trading Guidelines, 2015 — Moratorium — Ownership vs Right to Use]

Facts

The appeals arose from insolvency proceedings involving Aircel Group entities (Aircel Limited, Aircel Cellular Limited and Dishnet Wireless Limited), which had obtained Unified Access Service Licences (UASL) from the Department of Telecommunications (DoT) under Section 4 of the Telegraph Act, 1885. The corporate debtors had also acquired spectrum in auctions conducted in 2010, 2014, 2015 and 2016.

Upon default in payment of licence fees and spectrum usage charges, the corporate debtors initiated voluntary Corporate Insolvency Resolution Process (CIRP) under Section 10 of the Insolvency and Bankruptcy Code, 2016 (IBC). The NCLT admitted the applications and imposed moratorium under Section 14 IBC.

DoT filed claims towards licence fee and spectrum usage charges amounting to substantial sums. A resolution plan was approved by the Committee of Creditors and sanctioned by the NCLT. Meanwhile, in AGR proceedings (AUSPI (II)), this Court had affirmed DoT's interpretation of Adjusted Gross Revenue and directed recovery of dues.

In view of conflicting findings, this Court referred several substantial questions of law to the NCLAT, including whether spectrum could be treated as an "asset" of the corporate debtor under Section 18 IBC, whether DoT dues constituted operational debt, and whether spectrum could be subjected to insolvency proceedings.

The NCLAT held inter alia that spectrum is a natural resource held in public trust, that right to use spectrum is an intangible asset of the licensee capable of being subjected to insolvency proceedings, and that DoT dues are operational debts.

Appeals were filed before the Supreme Court by financial creditors (led by State Bank of India), Resolution Professionals, and the Union of India.

Issues

1. Whether spectrum is a natural resource held by the Union of India in public trust and whether telecom service providers acquire any ownership or proprietary interest therein.
2. Whether the right to use spectrum under a licence constitutes an "asset" of the corporate debtor under Section 18 of the IBC.
3. Whether spectrum licences or usage rights can be transferred or dealt with in insolvency proceedings.
4. Whether dues payable to DoT towards licence fee and spectrum usage charges constitute "operational debt" under Section 5(21) IBC.
5. Whether insolvency proceedings can override the statutory and contractual framework governing spectrum under the Telegraph Act and Spectrum Trading Guidelines, 2015.

Judgment

The Supreme Court held that spectrum is a finite and scarce natural resource held by the Union of India in public trust for the people. Telecom Service Providers (TSPs) do not acquire ownership of spectrum; they are granted only a limited, conditional and revocable right to use spectrum under licence.

The Court held that spectrum cannot be treated as a transferable asset of the corporate debtor in the same manner as ordinary commercial assets under the IBC. The right to use spectrum remains subject to the statutory regime under the Telegraph Act, 1885, the TRAI Act, 1997, licence conditions and Spectrum Trading Guidelines, 2015.

The Court clarified that the insolvency framework cannot be invoked to restructure or extinguish sovereign dues arising from grant of a natural resource in a manner inconsistent with telecommunication laws. The IBC cannot be used as a mechanism to bypass regulatory control or wipe off dues payable as consideration for use of spectrum.

Rationale

The Court undertook a detailed constitutional and statutory analysis and reasoned as follows:

1. **Public Trust Doctrine:** Relying on Centre for Public Interest Litigation v. Union of India and Natural Resources Allocation, In re, the Court reaffirmed that spectrum is a material resource of the community under Article 39(b) and must be distributed to subserve the common good. The State holds it as trustee.
2. **Section 4 Telegraph Act:** The exclusive privilege to establish and operate telecommunication systems vests in the Union. A licence granted under Section 4 is contractual in nature but emanates from sovereign statutory power. It does not transfer ownership of spectrum.
3. **Nature of Right:** TSPs are in occupation of a limited right to use spectrum, not in possession as owners. Ownership remains with the nation; control remains with the Government.
4. **Statutory Supremacy of Telecom Framework:** The Spectrum Trading Guidelines, 2015 and licence conditions mandatorily require clearance of dues prior to transfer. Such regulatory conditions cannot be diluted by invoking insolvency proceedings.
5. **IBC Cannot Override Sovereign Control:** While IBC is a special law with overriding effect under Section 238, it cannot be interpreted to divest the State of control over natural resources or permit transfer of spectrum free from statutory conditions. Insolvency law cannot be the guiding principle for restructuring ownership and control of spectrum.
6. **Character of DoT Dues:** Dues payable towards licence fee and spectrum usage charges arise from grant of a sovereign privilege and are intrinsically linked to continued right to use spectrum. Natural resources cannot be utilised without payment of requisite dues.

The Court concluded that the attempt to treat spectrum as a mere commercial asset of the corporate debtor for purposes of insolvency resolution was legally untenable.

13. Tiruchirappalli District Cricket Assn. v. Anna Nagar Cricket Club, 2026 SCC OnLine SC 201

Decided on: 13 February 2026

Bench: 1. Hon'ble Mr. Justice P.S. Narasimha

2. Hon'ble Mr. Justice Alok Aradhe

[Composition and membership of district cricket associations — High Court order for restructuring — Guidelines in Secretary, Tamil Nadu Olympics Association v. S. Nithya — Applicability of BCCI v. Cricket Assn. of Bihar — 75% eminent sports persons mandate — District associations — Transparency and governance in sports bodies]

Facts

The appellant, Tiruchirappalli District Cricket Association, is a district-level cricket body formed in 1958 and registered under the Tamil Nadu Societies Registration Act, 1975. It is affiliated with the Tamil Nadu Cricket Association (TNCA), the State association.

Two writ appeals before the Madras High Court gave rise to the present proceedings:

In Writ Appeal (MD) No. 896 of 2024, the respondent cricket club sought membership and voting rights in the appellant association and permission to participate in tournaments. Although the club was permitted to participate in tournaments, the High Court upheld its right to membership and voting.

In Writ Appeal (MD) No. 915 of 2024, an ex-office bearer sought directions for conducting free and fair elections after preparing a fresh voters list and challenged the appellant's failure to comply with directions issued in S. Nithya v. Union of India and Secretary, Tamil Nadu Olympics Association v. S. Nithya. The High Court applied the directions issued in S. Nithya—particularly the mandate that 75% of members and key office bearers of sports associations be eminent sportspersons—and directed restructuring of the appellant association accordingly.

Aggrieved by the reliance placed on S. Nithya and the direction to restructure its composition, the district association approached the Supreme Court.

Issues

1. Whether the directions issued in Secretary, Tamil Nadu Olympics Association v. S. Nithya mandating 75% eminent sportsperson membership and sportsperson-only office bearers apply to district cricket associations.
2. Whether the Constitution of the BCCI, as approved in BCCI v. Cricket Assn. of Bihar, must be mandatorily adopted by district cricket associations.
3. Whether the High Court was justified in directing restructuring of the appellant association's composition and membership.

Judgment

The Supreme Court allowed the appeal in part and set aside the High Court's directions to the extent that they applied the S. Nithya guidelines to the appellant cricket association.

The Court held that district cricket associations are not bound by the mandate that 75% of their members and all key office-bearer positions be held by eminent sportspersons. It further held that the Constitution of the BCCI does not automatically mandate district associations to amend their constitutions in exact conformity.

However, the Court clarified that reforms ensuring transparency, professionalism, and good governance in district associations remain desirable. It directed that pending proceedings regarding membership and composition before the High Court and statutory authorities be disposed of expeditiously so that elections may be conducted at the earliest.

Rationale

The Court distinguished the judgment in Secretary, Tamil Nadu Olympics Association v. S. Nithya, holding that it arose in the specific context of athletics governance and reform measures sought by an athlete. The directions issued therein, including the mandate that 75% of members and key functionaries be eminent sportspersons, were not universally applicable to all sports bodies irrespective of discipline.

With respect to cricket, the Court held that the regulatory framework is governed by BCCI v. Cricket Assn. of Bihar (2016) 8 SCC 535. The BCCI judgment did not mandate that 75% of members of cricket associations be eminent sportspersons, nor did it prescribe that district associations must adopt constitutions identical to that of the BCCI.

Relying on the reasoning in BCCI, the Court reiterated that Article 19(1)(c) protects the voluntary composition of associations and that regulatory reforms cannot alter the internal composition beyond what was directed. The BCCI judgment did not require district associations to restructure their membership on the lines imposed by the High Court.

The Court also referred to AIFF v. Rahul Mehra, 2025 INSC 1131, noting that different sports operate under distinct regulatory structures, and the applicability of reforms depends upon the sport's specific legal framework.

While declining to enforce restructuring through judicial review, the Court emphasised the constitutional importance of sports in fostering fraternity under Articles 38 and 39(b). It observed that sporting facilities and opportunities are "material resources of the community" and must function with institutional efficiency, integrity, professionalism, and transparency. However, such reform must arise through appropriate regulatory or legislative mechanisms, not by mechanical application of unrelated judicial directions.

Accordingly, the High Court's reliance on S. Nithya was held to be misplaced, and the impugned order was set aside to that extent, with directions for expeditious resolution of pending membership disputes.

14. Rohit Jangde v State of Chhattisgarh, 2026 SCC OnLine SC 212

Decided on: 17 February 2026

Bench: 1. Hon'ble Mr. Justice Sanjay Kumar

2. Hon'ble Mr. Justice K. Vinod Chandran

(Criminal Law—Circumstantial Evidence—Theory of Last Seen Together—Section 27, Indian Evidence Act, 1872—Admissibility of Discovery Statements—Requirement of Accused Being in Police Custody at the Time of Furnishing Information—Distinction Between Formal Arrest and Custodial Surveillance—Recovery Made Prior to Arrest—Inapplicability of Section 27—Conduct Relevant Under Section 8 Only as Corroborative Evidence—Defective Investigation—Broken Chain of Circumstances—Benefit of Doubt—Accused Acquitted.)

Facts

The appellant, stepfather of a six-year-old girl, was convicted for her murder on the basis of circumstantial evidence. On 5 October 2018, a physical altercation took place between the appellant and his second wife (PW7), following which she was hospitalised. On the same day, the appellant allegedly took the child with him. However, no missing complaint was immediately registered. A missing report was lodged only on 11 October 2018.

The prosecution relied upon three principal circumstances: (i) the testimony of a neighbour (PW8) claiming that the appellant had left on a motorcycle with the child, propounding the "last seen together" theory; (ii) recovery of burnt bones and ashes from a field and a skull and teeth from a canal allegedly pursuant to a statement made by the accused under Section 27 of the Indian Evidence Act on 13 October 2018; and (iii) DNA profiling, which established that the vertebrae and teeth recovered from the canal matched the biological parents of the child.

Significantly, documentary records revealed serious inconsistencies regarding the arrest of the appellant. Though the Section 27 memorandum was recorded at 10:30 a.m. on 13 October 2018 and recoveries were made thereafter, the arrest memo indicated that the appellant was formally arrested only at 10:00 p.m. on the same day. The Trial Court convicted the appellant, and the High Court affirmed the conviction. Aggrieved, the appellant approached the Supreme Court.

Issues

1. Whether the recovery statement recorded under Section 27 of the Indian Evidence Act, 1872 was admissible when the accused was not in police custody at the time of making the statement.
2. Whether the "last seen together" theory was proved beyond reasonable doubt.
3. Whether the circumstances relied upon by the prosecution formed a complete chain leading only to the hypothesis of guilt.
4. Whether defects and inconsistencies in the investigation created reasonable doubt entitling the accused to acquittal.

Judgment

The Supreme Court allowed the appeal, set aside the judgments of the Trial Court and the High Court, and acquitted the appellant, holding that the prosecution failed to establish a complete chain of circumstantial evidence. The accused was directed to be released forthwith.

Rationale

The Court undertook a detailed examination of Section 27 of the Indian Evidence Act, 1872, reiterating that the provision operates as a proviso to Sections 24 to 26 and permits proof only of that portion of information supplied by an accused in custody which distinctly relates to the discovery of a fact. Custody, whether formal or custodial surveillance involving restriction of movement, is a sine qua non for applicability of Section 27.

On facts, the Court found that the memorandum under Section 27 was recorded prior to the formal arrest of the appellant on 13 October 2018. There was no material to establish that the appellant was in custodial surveillance at the time of making the statement. Consequently, the statement was held to be inadmissible under Section 27.

However, relying upon precedent, the Court clarified that even where Section 27 is inapplicable, the conduct of the accused in leading the police to the place of recovery may be

admissible under Section 8 of the Evidence Act. Such evidence, however, is only a corroborative link and cannot by itself sustain a conviction.

The Court then examined the "last seen together" theory. It noted serious inconsistencies in the prosecution case, including doubts regarding the date and time of arrest, delay in lodging the missing complaint, and the fact that the neighbour's statement was recorded seven days after the incident. The oral report suggested that the child went missing at a time when the appellant was allegedly in custody. These factors undermined the reliability of the last seen theory.

With respect to the DNA evidence, the Court observed that only certain bone fragments recovered from the canal matched the DNA profiles of the biological parents, while other recovered remains did not match. The Court held that while the DNA evidence conclusively established the death of the child, it did not establish the appellant's involvement in the crime.

The Court emphasised that in cases resting on circumstantial evidence, the chain of circumstances must be complete and must exclude every hypothesis except that of guilt. The knowledge of the accused regarding the place of recovery, treated as conduct under Section 8, constituted at best a weak link. In the absence of a coherent timeline, credible last seen evidence, and proof beyond reasonable doubt, the prosecution failed to establish an unbroken chain.

Observing that the investigation was seriously flawed and riddled with inconsistencies, the Court extended the benefit of doubt to the appellant and acquitted him.

15. Parameshwari v. State of T.N., 2026 SCC OnLine SC 209

Decided on: 17 February 2026

Bench: 1. Hon'ble Mr. Justice Rajesh Bindal

2. Hon'ble Mr. Justice Vijay Bishnoi

(Criminal Law—Sentencing Policy—Reduction of Sentence in Revision—Attempt to Murder (Section 307 IPC)—Proportionality in Punishment—Undue Sympathy and Mechanical Reduction of Sentence—Compensation to Victim under Section 395, Bharatiya Nagarik Suraksha Sanhita, 2023 (Section 357 CrPC)—Compensation Not a Substitute for Punishment—"Blood Money" Impermissible—Balancing Aggravating and Mitigating Factors—Societal Impact and Deterrence—Restoration of Trial Court Sentence.)

Facts

The Private Respondents were convicted by the Trial Court for offences punishable under Sections 307, 326 and 324 of the Indian Penal Code, 1860. The prosecution case established that due to prior enmity, the accused assaulted the victim with knives and sticks, inflicting multiple stab injuries on vital parts of the body. The medical evidence confirmed that the injuries were grievous and life-threatening.

The Trial Court sentenced the accused to undergo three years' rigorous imprisonment with a fine of ₹5,000 each under Section 307 IPC, without awarding separate sentences for the other offences. The conviction and sentence were affirmed in appeal.

In revision, the High Court upheld the conviction but reduced the sentence to the period already undergone (approximately two months), enhancing the fine to ₹50,000 each (₹1,00,000 in total), directing payment of the enhanced amount to the victim's wife as compensation.

Aggrieved by the reduction of sentence, the victim's wife approached the Supreme Court.

Issues

1. Whether the High Court was justified in reducing the sentence to the period already undergone while exercising revisional jurisdiction.

2. Whether monetary compensation can be treated as a substitute for substantive imprisonment in serious offences such as attempt to murder under Section 307 IPC.
3. What principles must guide courts while imposing or modifying sentences in criminal cases.

Judgment

The Supreme Court allowed the appeal, set aside the judgment of the High Court, and restored the sentence imposed by the Trial Court and affirmed by the Appellate Court. The Private Respondents were directed to surrender and serve the remaining sentence.

Rationale

The Court emphasised that sentencing is a core judicial function requiring visible and reasoned application of mind. The High Court, while exercising revisional jurisdiction, had shown undue sympathy and reduced the sentence mechanically without articulating cogent reasons. Such reduction, particularly in serious offences involving life-threatening injuries, was held to be contrary to settled principles of criminal jurisprudence.

Reiterating the doctrine of proportionality, the Court observed that punishment must reflect the gravity of the offence and must respond to society's legitimate expectation of justice. Undue leniency undermines public confidence in the administration of justice and erodes the deterrent function of criminal law.

The Court examined precedents governing sentencing policy and reaffirmed that while reformation and restitution are recognised objectives, they cannot eclipse deterrence and proportionality. The passage of time alone cannot be treated as a mitigating factor sufficient to justify substantial reduction of sentence in grave offences.

With respect to compensation, the Court clarified that Section 395 of the Bharatiya Nagarik Suraksha Sanhita, 2023 (corresponding to Section 357 CrPC) provides for monetary compensation to victims in addition to punishment and not in substitution thereof. Compensation is restitutory in nature, whereas punishment is punitive and deterrent. Treating

compensation as a substitute for imprisonment risks creating a perception that criminal liability can be "purchased by money."

The Court strongly deprecated the practice of reducing custodial sentences upon payment of compensation, characterising such approach as akin to permitting "blood money," which is alien to the Indian criminal justice system.

To guide sentencing courts, the Court culled out four foundational considerations:

(i) proportionality between crime and punishment;
(ii) due regard to the facts and circumstances of the case;
(iii) societal impact of the crime; and
(iv) careful balancing of aggravating and mitigating factors.

Applying these principles, the Court held that the Trial Court had already exercised leniency by awarding only three years' rigorous imprisonment for an offence punishable with up to ten years under Section 307 IPC. The High Court's further reduction to two months was wholly unjustified.

Accordingly, the impugned judgment was set aside and the sentence restored.

16. Power Trust (Promoter of Hiranmaye Energy Ltd.) v. Bhuvan Madan (Interim Resolution Professional of Hiranmaye Energy Ltd.), 2026 SCC OnLine SC 248

Decided on: 18 February 2026

Bench: 1. Hon'ble the Chief Justice Surya Kant

2. Hon'ble Mr. Justice Joymalya Bagchi

3. Hon'ble Mr. Justice Vipul M. Pancholi

(Insolvency and Bankruptcy Code, 2016—Section 7—Initiation of Corporate Insolvency Resolution Process (CIRP)—Scope of Adjudicating Authority at Admission Stage—Existence of Financial Debt and Default—Section 10A Pandemic Bar—Date of Default Prior to 25.03.2020—Failed Restructuring Proposals Subject to Pre-Implementation Conditions—No Novation of Original Loan Agreement—Distinction Between Financial and Operational Creditors—No Requirement of Demand Notice or Determination of Dispute under Section 7—Limited Relevance of Corporate Viability—Commercial Wisdom of Committee of Creditors (CoC) Non-Justiciable—Settlement Proposals Rejected—CIRP to Continue.)

Facts

The Corporate Debtor, Hiranmaye Energy Ltd., had entered into a common loan agreement dated 19.06.2013 with the financial creditor for setting up a thermal power plant at Haldia, West Bengal, availing loans aggregating to over ₹2000 crore. Due to default in repayment, the account was classified as a Non-Performing Asset on 30.06.2018.

Subsequently, restructuring proposals dated 21.02.2020 and 29.09.2020 were approved in principle, subject to fulfilment of pre-implementation conditions, including securing a favourable tariff order, creation of a Debt Service Reserve Account (DSRA), ensuring priority debt funding, and demonstrating operational capacity. The Corporate Debtor failed to comply with these conditions.

The financial creditor filed an application under Section 7 of the Insolvency and Bankruptcy Code, 2016 (IBC), recording the date of default as 31.03.2018. The National Company Law

Tribunal (NCLT), Kolkata admitted the application and initiated CIRP. The order was upheld by the National Company Law Appellate Tribunal (NCLAT).

Before the Supreme Court, the promoter (Power Trust) contended that the restructuring agreements had novated the original contract and that the first default fell within the pandemic period barred under Section 10A of the IBC. It also argued that the Corporate Debtor was financially viable and that its settlement proposal was more favourable than the resolution plan approved by the Committee of Creditors (CoC).

Issues

1. Whether the Section 7 application was barred under Section 10A of the IBC on the ground that the date of default fell within the pandemic period.
2. Whether the restructuring proposals novated or replaced the original loan agreement, thereby extinguishing the earlier default.
3. Whether the Adjudicating Authority was required to examine the financial viability of the Corporate Debtor before admitting the Section 7 application.
4. Whether the Court could interfere with the commercial wisdom of the CoC in rejecting the promoter's settlement proposals.

Judgment

The Supreme Court dismissed the appeal, upheld the admission of the Section 7 application, vacated the interim stay on CIRP, and directed the process to continue. The promoter's challenge to the CoC's commercial decision was rejected.

Rationale

On Section 10A, IBC Bar:

The Court held that the plea under Section 10A was misconceived. The default recorded in the Section 7 application occurred on 31.03.2018, well before the pandemic embargo period (25.03.2020 to 24.03.2021). Even assuming arguendo that restructuring proposals were

operative, the first instalment under the revised schedule fell due beyond the protected window. In any event, the Explanation to Section 10A expressly excludes defaults committed prior to 25.03.2020.

On Novation and Restructuring:

The Court held that the restructuring proposals did not novate the original loan agreement. They were expressly contingent upon fulfilment of pre-implementation conditions, which were admittedly not satisfied. In the absence of compliance with these foundational conditions, the restructuring proposals never crystallised into binding agreements. Mere part payments or negotiations do not extinguish the original debt nor amount to novation under contract law principles.

Accordingly, the original loan agreement continued to govern the relationship between the parties, and the default under that agreement subsisted.

On Scope of Inquiry under Section 7, IBC:

Reaffirming the ratio in *Innoventive Industries Ltd. v ICICI Bank,* (2018) 1 SCC 407 and *M. Suresh Kumar Reddy v Canara Bank*, (2023) 8 SCC 387 the Court clarified that at the stage of admission of a Section 7 application, the Adjudicating Authority is required only to ascertain:

- existence of a financial debt, and
- occurrence of default.

Unlike proceedings under Sections 8 and 9 (operational creditors), there is no requirement of issuance of a demand notice or examination of disputes. The Adjudicating Authority is not to undertake a roving inquiry into business viability, financial health, or broader equities.

The Court distinguished *Vidarbha Industries Power Ltd. v Axis Bank Ltd.*, (2022) 8 SCC 352 holding that its observations were confined to the peculiar facts of that case and do not dilute the settled principle that default triggers admission under Section 7.

On Viability and Commercial Wisdom of CoC:

The Court rejected the argument that the Corporate Debtor's alleged viability precluded admission of CIRP. The outstanding liability substantially exceeded projected revenues. Viability considerations are within the domain of the CoC during resolution, not for the Adjudicating Authority at the threshold stage.

With respect to settlement proposals, the Court reiterated that the commercial wisdom of the CoC in accepting or rejecting resolution plans is non-justiciable, except on limited statutory grounds. The promoter's multiple settlement offers had been rejected by overwhelming majorities. Courts cannot substitute their own economic assessment for that of the CoC.

The Court held that failed restructuring efforts do not erase pre-existing defaults, Section 10A does not shield earlier defaults, and the threshold inquiry under Section 7 is confined to debt and default. The appeal was accordingly dismissed and the CIRP permitted to proceed.

17. Priyanka Kumari v. State of Bihar, 2026 SCC OnLine SC 249

Decided on: 18 February 2026

Bench: 1. Hon'ble Mr. Justice Rajesh Bindal

2. Hon'ble Mr. Justice Vijay Bishnoi

(Service Law—Termination of Employment—Validity of Educational Qualification—Degree Obtained from University Established under Chhattisgarh Niji Kshetra Vishwavidyalaya Act, 2002—Statute Subsequently Declared Ultra Vires—Effect of Judicial Declaration of Invalidity—Protection of Bona Fide Students—No Fraud or Misrepresentation by Employee—Prospective Impact of Invalidation—Right to Continue in Service—Reinstatement with Continuity—No Back Wages.)

Facts

The appellants obtained a Bachelor of Library Science (B.Lib.) degree in 2004 from the University of Technology and Science, Raipur, Chhattisgarh, which had been established under the Chhattisgarh Niji Kshetra Vishwavidyalaya Act, 2002. The University was recognized at the relevant time, and even the Central Government had acknowledged the validity of degrees awarded by it.

In 2005, the Supreme Court in *Professor Yash Pal v State of Chhattisgarh* declared Sections 5 and 6 of the 2002 Act ultra vires on the ground of legislative incompetence, resulting in the dissolution of universities established under the Act. However, directions were issued to protect students who were studying at the time by facilitating their affiliation with recognized universities.

In 2009, the State of Bihar advertised posts for librarians. The appellants were selected and appointed in 2010. A Public Interest Litigation challenged such appointments on the ground that the degrees were from an unrecognized university. Though the PIL was dismissed, the State terminated the services of the appellants in 2015 on the ground that their degrees were invalid.

The writ petitions filed by the appellants were dismissed by the High Court. Aggrieved, they approached the Supreme Court.

Issues

1. Whether degrees obtained from a university established under a statute subsequently declared ultra vires become invalid for all purposes.
2. Whether services of employees can be terminated solely on the ground that their university degree was rendered invalid after completion of their education.
3. Whether the benefit extended to students studying at the time of invalidation can logically extend to those who had already graduated.

Judgment

The Supreme Court allowed the appeals, set aside the judgment of the High Court, and directed reinstatement of the appellants with continuity of service. However, no back wages were awarded for the intervening period.

Rationale

The Court noted that the University had been established under a statute duly enacted by the State Legislature and was functioning at the time the appellants pursued their education. There was no allegation that the University was bogus or that the appellants had secured degrees through fraud or misrepresentation.

The invalidation of the 2002 Act in *Professor Yash Pal* was on the ground of legislative incompetence. While that judgment protected students who were studying at the time by directing transfer or affiliation, it did not expressly address the status of degrees already awarded.

The Court reasoned that students who had already completed their education prior to the declaration of invalidity stood on no worse footing than those who were still studying. They had pursued their studies in a university established under a law then in force. They could not be faulted for relying upon a statutory regime subsequently declared unconstitutional.

The Court emphasized that the appellants had been appointed after due selection and had served for over five years before termination. The State was fully aware of the earlier Supreme Court

judgment when it made the appointments. Termination solely on the ground of subsequent invalidation of the parent statute was therefore unsustainable.

Distinguishing cases involving fraudulent or bogus institutions, the Court clarified that this was not a situation where no education was imparted. The appellants had genuinely studied and earned their degrees. To deprive them of employment benefits in such circumstances would amount to penalising innocent students for a constitutional defect attributable to legislative action.

Accordingly, the termination orders were declared illegal. However, considering the peculiar facts and that the appellants had not worked during the intervening period, the Court denied back wages while granting reinstatement with continuity of service.

18. Parsvnath Developers Ltd. v. Mohit Khirbat, 2026 SCC OnLine SC 281

Decided on: 20 February 2026

Bench: 1. Hon'ble Ms. Justice B.V. Nagarathna

2. Hon'ble Mr. Justice R. Mahadevan

(Consumer Protection Act, 1986—Statutory Jurisdiction of Consumer Fora—Deficiency in Service in Delayed Housing Projects—Unfair Trade Practice—One-Sided Builder-Buyer Agreements—Contractual Cap on Delay Compensation—Power to Award Just and Reasonable Compensation under Sections 14 and 22—Compensation Not Restricted by Nominal Clause—Failure to Obtain Occupancy Certificate—Interest at 8% per annum Upheld—Stamp Duty Escalation and Litigation Costs—Consumer Fora Not Bound by Oppressive Contractual Terms—Appeals Dismissed.)

Facts

The disputes arose from three consumer complaints filed before the National Consumer Disputes Redressal Commission (NCDRC) concerning delayed delivery of flats in a housing project "Parsvnath Exotica" at Sector-53, Gurugram. The complainants had paid almost the entire sale consideration under Flat Buyer Agreements executed between 2007 and 2011.

Under Clause 10 of the Agreement, possession was to be delivered within 36 months from commencement of construction, with a grace period of six months. Despite substantial payments, possession was not delivered within the stipulated period. The complainants approached the NCDRC alleging deficiency in service.

By orders dated 30.07.2018 and 21.11.2019, the NCDRC directed the developer to:

- Complete construction and obtain the requisite Occupancy Certificate,
- Hand over possession within specified timelines,
- Pay compensation by way of simple interest at 8% per annum from the committed date of possession till actual delivery,
- Extend contractual rebate,
- Pay litigation costs, and

- Bear any increase in stamp duty occurring after the stipulated cut-off dates.

The developer appealed, contending that the Agreement provided for nominal compensation for delay (₹10 per sq. ft. per month) and that consumer fora were bound by such contractual stipulation. It further argued that stamp duty liability was contractually cast upon buyers.

Issues

1. Whether the NCDRC exceeded its jurisdiction by awarding compensation beyond the rate stipulated in the builder-buyer agreement.
2. Whether contractual clauses limiting compensation for delay can restrict the statutory powers of consumer fora under the Consumer Protection Act, 1986.
3. Whether failure to obtain an Occupancy Certificate amounts to deficiency in service.
4. Whether the directions regarding interest, stamp duty escalation and costs were legally sustainable.

Judgment

The Supreme Court dismissed the appeals and affirmed the orders of the NCDRC. It directed the developer to obtain the Occupancy Certificate and hand over possession in two matters within six months. In the third matter, it clarified the computation of interest and directed furnishing of the Occupancy Certificate forthwith.

Rationale

The Court reaffirmed that the jurisdiction of consumer fora flows from the Consumer Protection Act, 1986, particularly Sections 14 and 22, and not from the contractual terms between the parties. Housing construction falls within the ambit of "service," and delay in delivery constitutes "deficiency in service."

On Contractual Limitation of Compensation:

Clause 10(c) of the Flat Buyer Agreement provided for nominal compensation of ₹10 per sq. ft. per month for delay, while permitting the developer to charge significantly higher interest for delayed payments by the allottee. The Court held that such clauses were one-sided, unfair, and disproportionate.

Relying upon precedents including *Pioneer Urban*, *Arifur Rahman Khan*, and *IREO Grace Realtech*, the Court reiterated that consumer fora are not bound to mechanically enforce oppressive contractual stipulations. Incorporation of one-sided clauses in standard form contracts constitutes an unfair trade practice under Section 2(1)(r) of the Act.

The power to award just and reasonable compensation is statutory and cannot be curtailed by contractual caps that operate to the detriment of consumers.

On Reasonable Compensation:

The Court emphasised that compensation must be fair, proportionate, and commensurate with the delay and hardship caused. It referred to *Bangalore Development Authority v. Syndicate Bank* and *Ghaziabad Development Authority v. Balbir Singh* to reiterate that compensation cannot follow a rigid formula and must be moulded to the facts of each case.

Given the prolonged delay, repeated non-compliance with judicial directions, and failure to obtain statutory approvals, award of interest at 8% per annum was held to be reasonable and consistent with established jurisprudence.

On Occupancy Certificate:

The Court held that offering possession without obtaining the Occupancy Certificate constitutes deficiency in service. Lawful delivery of possession necessarily requires compliance with statutory requirements. A purchaser cannot be compelled to accept possession on an "as is where is" basis without mandatory approvals.

On Stamp Duty and Ancillary Directions:

The direction fastening post cut-off stamp duty increases on the developer was held to be incidental to the main relief and within the competence of the NCDRC under Section 14. Similarly, award of litigation costs and rebate adjustments were upheld.

The Court concluded that consumer fora possess wide remedial powers to redress deficiency in service and to neutralise unfair trade practices in housing projects. Contractual clauses cannot dilute statutory protection. The compensation awarded was neither arbitrary nor excessive but reflected a balanced application of settled principles.

19. Neelu alias Nilesh Koshti v. State of Madhya Pradesh, 2026 SCC OnLine SC 278

Decided on: 20 February 2026

Bench: 1. Hon'ble Mr. Justice Prashant Kumar Mishra

2. Hon'ble Mr. Justice Vipul M. Pancholi

(Criminal Law—Circumstantial Evidence—Kidnapping for Ransom and Murder—Sections 302 and 201 IPC—Conviction Based Solely on Circumstantial Evidence—Principles Governing Circumstantial Evidence under Sharad Birdhichand Sarda—Recovery of Dead Body and Material Objects at the Instance of the Accused—Admissibility of Discovery Statements under Section 27 of the Indian Evidence Act, 1872—Doctrine of Confirmation by Subsequent Events—Possession and Sale of Deceased's Mobile Phone—Recovery of Scooty at Accused's Disclosure—Identification of Decomposed Body without DNA Test—Complete Chain of Circumstances Established—Conviction Upheld.)

Facts

The deceased, Archana @ Pinki, went missing on 25.07.2009. A missing report was lodged by her mother on 28.07.2009 at Pardeshipura Police Station, Indore. During the investigation, it emerged that ransom calls demanding ₹5 lakh were made to the deceased's husband from her own mobile phone.

Further investigation revealed that the deceased's mobile phone had been sold by the appellant to one Shekhar Chouhan, who subsequently sold it to another person. On 10.08.2009, the appellant was arrested and made a disclosure statement under Section 27 of the Indian Evidence Act, 1872. Pursuant to the disclosure, the police recovered the deceased's body from a well near the Indore Bypass Road. The Scooty on which the deceased had been travelling was also recovered at the appellant's instance from a parking stand at the railway station.

The Trial Court convicted the appellant for offences under Sections 302 and 201 of the Indian Penal Code, 1860 and sentenced him to life imprisonment. The High Court affirmed the conviction. The appellant approached the Supreme Court challenging the concurrent findings.

Issues

1. Whether the conviction of the appellant based solely on circumstantial evidence was legally sustainable.
2. Whether the recovery of the dead body and other material objects pursuant to the appellant's disclosure statement was admissible under Section 27 of the Evidence Act.
3. Whether the absence of DNA testing or alleged investigative lapses weakened the prosecution's case.

Judgment

The Supreme Court dismissed the appeal and upheld the conviction of the appellant under Sections 302 and 201 IPC.

Rationale

The Court reiterated that in cases based entirely on circumstantial evidence, the prosecution must establish a complete chain of circumstances that excludes every reasonable hypothesis other than the guilt of the accused. The Court relied on the principles laid down in *Sharad Birdhichand Sarda v State of Maharashtra*, (1984) 4 SCC 116, which require that the circumstances must be fully established, consistent only with the guilt of the accused, and form an unbroken chain leading to the conclusion of guilt.

Recovery under Section 27 of the Evidence Act:

The Court held that the disclosure statement made by the appellant while in police custody leading to the discovery of the deceased's body was admissible under Section 27 of the Evidence Act. The recovery of the body from the well constituted a "fact discovered" within the meaning of the provision, which includes the object found, the place from which it is recovered, and the knowledge of the accused regarding its location. Such discovery acts as a guarantee of the truthfulness of the information supplied by the accused.

Possession of the Deceased's Mobile Phone:

Evidence established that the appellant had sold the deceased's mobile phone shortly after her disappearance. The Court held that unexplained possession of the victim's property immediately after the incident constitutes a strong incriminating circumstance when read together with other evidence.

Recovery of the Scooty:

The Scooty used by the deceased was recovered from a railway station parking stand at the instance of the appellant. The parking register and testimony of the parking stand owner corroborated that the vehicle had been parked there since the date of the disappearance, demonstrating the appellant's knowledge of the location of the deceased's belongings.

Identification of the Dead Body:

Although the body was partially decomposed, witnesses who were personally acquainted with the deceased identified her through facial features and clothing. The Court held that the absence of DNA testing was not fatal where credible identification evidence existed.

Motive:

The prosecution alleged that the appellant and his associate attempted to extort money from the deceased's husband by staging a kidnapping. While motive strengthened the prosecution's case, the Court clarified that proof of motive is not indispensable where the chain of circumstances is otherwise complete.

The Court concluded that the prosecution successfully established an unbroken chain of circumstances: the disappearance of the deceased, ransom calls made from her phone, possession and sale of her mobile phone by the appellant, recovery of the body and Scooty at his instance, and medical evidence confirming homicidal death. These circumstances collectively pointed conclusively to the appellant's guilt, leaving no reasonable hypothesis of innocence. Accordingly, the conviction was affirmed.

20. Dr. Naresh Kumar Garg v. State of Haryana, 2026 SCC OnLine SC 295

Decided on: 23 February 2026

Bench: 1. Hon'ble Mr. Justice Manoj Misra

2. Hon'ble Mr. Justice Ujjal Bhuyan

(Pre-Conception and Pre-Natal Diagnostic Techniques (Prohibition of Sex Selection) Act, 1994—Sections 3, 4, 5, 6, 23, 28 and 30—Sex Determination Prohibition—Regulation of Ultrasonography and Maintenance of Form F Records—Sting Operation by District Appropriate Authority—Validity of Search and Seizure—Authority of Single Member vis-à-vis Collective Decision of Appropriate Authority—Independent Statutory Complaint under PCPNDT Act Despite Discharge in FIR Investigation—Mandatory Nature of Record Maintenance under Rule 9 and Form F—Social Welfare Legislation to Prevent Female Foeticide—Quashing Petition under Section 482 CrPC—Proceedings Not Liable to be Quashed.)

Facts

The appellant, a radiologist employed at a diagnostic centre in Gurugram, was implicated in proceedings under the Pre-Conception and Pre-Natal Diagnostic Techniques (Prohibition of Sex Selection) Act, 1994 (PCPNDT Act). The proceedings originated from a complaint received by the District Appropriate Authority alleging that one Dr. Abdul Kadir was running an illegal sex determination racket.

On 17.09.2015, a raiding team organised a sting operation using a decoy pregnant patient. The decoy and a shadow witness contacted Dr. Abdul Kadir seeking determination of the sex of the foetus. He allegedly demanded ₹25,000 and brought the decoy patient to a diagnostic centre where the appellant was working as a radiologist.

The prosecution alleged that the appellant conducted an ultrasound examination without completing statutory formalities such as signing Form F, maintaining entries in the register, or obtaining requisite declarations. During the raid, the amount paid to Dr. Abdul Kadir was recovered.

Initially, an FIR was registered. However, after police investigation, the appellant was discharged on the ground that no material connected him to the alleged offence. Subsequently, the District Appropriate Authority independently authorised the filing of a complaint under the PCPNDT Act. The Judicial Magistrate took cognizance and summoned the appellant.

The appellant approached the High Court under Section 482 CrPC seeking quashing of the complaint and summoning order, which was dismissed. The present appeal was filed before the Supreme Court.

Issues

1. Whether the complaint under the PCPNDT Act was liable to be quashed on the ground that the appellant had earlier been discharged in the FIR investigation arising from the same incident.
2. Whether the raid and search operation conducted pursuant to the order of a single member of the District Appropriate Authority rendered the proceedings illegal.
3. Whether alleged irregularities in maintenance of statutory records and procedural lapses justified continuation of prosecution under the PCPNDT Act.

Judgment

The Supreme Court dismissed the appeal and upheld the validity of the complaint proceedings initiated under the PCPNDT Act.

Rationale

The Court emphasised that the PCPNDT Act is a social welfare legislation enacted to prohibit sex selection and prevent female foeticide, which has contributed to a declining sex ratio in India. The statute seeks to regulate the use of prenatal diagnostic techniques and to prevent their misuse for determining the sex of the foetus. In this context, strict adherence to statutory requirements governing record maintenance and regulatory compliance assumes great significance.

The Court observed that Section 28 of the PCPNDT Act provides a special procedure for taking cognizance of offences under the Act, which can be done only upon a complaint filed by the Appropriate Authority or an authorised officer. Therefore, the complaint initiated by the District Appropriate Authority constituted an independent statutory proceeding. The earlier discharge of the appellant in the FIR investigation conducted by the police did not bar the institution of such a complaint, as the two proceedings were distinct in nature and derived from separate statutory frameworks.

Referring to the statutory scheme and the decision in *Federation of Obstetrics and Gynaecological Societies of India v Union of India*, (2019) 6 SCC 283, the Court reiterated that the maintenance of records in Form F is mandatory. Non-maintenance or deficiency in such records cannot be treated as a mere procedural lapse, since proper documentation is essential to detect and prevent misuse of diagnostic techniques for illegal sex determination. Failure to maintain the prescribed records itself constitutes a statutory violation.

The Court also examined the appellant's reliance on the decision in *Ravindra Kumar v State of Haryana*, 2024 SCC OnLine SC 2495, where it was held that a search authorised by a single member of the Appropriate Authority would be illegal. While reiterating that the decision to authorise a search must ordinarily be that of the Appropriate Authority collectively, the Court clarified that the ratio of that decision must be applied in the factual context of each case. In the present matter, the complaint was not based solely upon materials obtained through the search but also involved allegations relating to non-maintenance of statutory records and other violations under the Act and Rules.

The Court further noted that the PCPNDT Rules permit delegation of powers by the Appropriate Authority to authorised officers. The complaint filed by the Deputy Civil Surgeon pursuant to authorisation of the District Appropriate Authority was therefore legally valid. The Court cautioned that hyper-technical objections should not be permitted to frustrate enforcement of a legislation enacted to address a grave social problem. The purpose of the PCPNDT Act is to safeguard the right to life of the girl child under Article 21 of the Constitution, and effective enforcement of its provisions is essential to achieve that objective.

In view of these considerations, the Court held that the complaint disclosed prima facie offences under the PCPNDT Act and that the proceedings could not be quashed at the threshold.

The questions raised by the appellant were matters to be examined during trial. Accordingly, the appeal was dismissed.

21. Shobha Namdev Sonavane v. Samadhan Bajirao Sonvane, 2026 SCC OnLine SC 291

Decided on: 23 February 2026

Bench: 1. Hon'ble Mr. Justice Vikram Nath

2. Hon'ble Mr. Justice Sandeep Mehta

(Criminal Law—Grant and Cancellation of Bail—Sections 302, 143, 147, 148, 149 IPC—Offences under the Scheduled Castes and Scheduled Tribes (Prevention of Atrocities) Act, 1989—Assault Resulting in Death—Unlawful Assembly and Common Object—Scope of Appellate Interference with Bail Orders—Distinction between Cancellation of Bail and Setting Aside a Perverse Bail Order—Irrelevant Considerations Adopted by High Court—Failure to Appreciate Gravity of Offence and Material Evidence—Bail Order Set Aside and Accused Directed to Surrender.)

Facts

The appellant lodged a complaint alleging that a longstanding civil dispute existed between her family and the accused persons regarding a right of way over agricultural land. On 19.08.2022, the appellant's husband, Namdev Sonavane, left home to drop their daughter at school. Shortly thereafter, the complainant received information that several persons, including the respondents, were assaulting her husband near a roadside shop.

The complainant and her relatives rushed to the spot and allegedly witnessed the accused persons assaulting the deceased with iron rods and sticks. When the complainant attempted to intervene, she too was assaulted and subjected to caste-based abuse. An FIR was registered for offences under various provisions of the Indian Penal Code and the Scheduled Castes and Scheduled Tribes (Prevention of Atrocities) Act, 1989.

The victim succumbed to his injuries on 24.08.2022 while undergoing treatment. Consequently, Section 302 IPC was added to the case. During the investigation, the respondents were arrested. The High Court subsequently granted them bail. Aggrieved by the grant of bail, the complainant approached the Supreme Court.

Issues

1. Whether the High Court was justified in granting bail to the accused persons despite serious allegations of murder and caste-based violence.
2. Whether the bail order could be interfered with by the Supreme Court on the ground that it was based on irrelevant or extraneous considerations.

Judgment

The Supreme Court allowed the appeal, set aside the order granting bail to the respondents-accused, and directed them to surrender before the trial court within four weeks.

Rationale

The Court clarified that there is a fundamental distinction between cancellation of bail and setting aside an order granting bail. Cancellation of bail ordinarily arises where the accused misuses the liberty granted to him, such as by tampering with evidence or interfering with the course of justice. However, a superior court is justified in setting aside a bail order if the order granting bail is found to be perverse, ignores relevant material, or is based on extraneous considerations.

Applying these principles, the Court held that the High Court had adopted an erroneous approach while granting bail to the accused. The High Court relied upon factors such as the existence of civil litigation between the parties, the inability of witnesses to identify which specific injury was caused by each accused, and the time gap between the assault and the death of the victim. The Supreme Court observed that these considerations were misplaced and legally unsustainable at the stage of bail.

The Court noted that the FIR contained clear allegations that the accused formed an unlawful assembly and launched a concerted attack upon the deceased. In cases involving offences committed by an unlawful assembly, individual attribution of specific injuries is not necessary, as each member of the assembly becomes liable for acts committed in furtherance of the common object under Section 149 IPC. The High Court therefore erred in treating the absence of specific attribution of injuries as a ground for granting bail.

The Court also held that the pending civil dispute between the parties could equally provide a motive for the assault rather than a ground for disbelieving the prosecution case. The High Court's reasoning that the existence of civil litigation justified the grant of bail was therefore flawed.

Further, the post-mortem report recorded multiple injuries on the body of the deceased, including severe head trauma which ultimately resulted in cerebral damage and death. In such circumstances, the High Court ought to have considered the gravity of the offence and the seriousness of the allegations before granting bail.

The Court emphasised that a superficial application of bail principles in cases involving grave offences undermines the administration of criminal justice and erodes public confidence in the legal system. Bail orders which ignore the seriousness of the allegations and relevant evidence cannot be sustained.

In view of these considerations, the Court concluded that the High Court's order granting bail suffered from serious legal infirmities and could not withstand judicial scrutiny. The bail granted to the respondents was accordingly set aside and they were directed to surrender before the trial court, with liberty to seek bail again at a later stage of the trial.

22. Hamdard (Wakf) Laboratories v. Commissioner, Commercial Tax, U.P., 2026 SCC OnLine SC 306

Decided on: 25 February 2026

Bench: 1. Hon'ble Ms. Justice B.V. Nagarathna

2. Hon'ble Mr. Justice R. Mahadevan

(Taxation Law—Classification of Goods under Value Added Tax—Entry 103 Schedule II of the Uttar Pradesh Value Added Tax Act, 2008—Fruit Drink—Sharbat Beverage Concentrate—Application of Common Parlance Test—Essential Character Test—Regulatory Classification under Food Safety Laws not Determinative—Burden of Proof on Revenue in Classification Disputes—Scope of Residuary Entry—Product "Sharbat Rooh Afza" Held Classifiable as Fruit Drink and Taxable at Concessional Rate.)

Facts

The appellant manufactured and sold "Sharbat Rooh Afza", a non-alcoholic beverage concentrate composed primarily of invert sugar syrup blended with fruit juices and herbal extracts. The product contained approximately 10% fruit juice and was intended to be diluted with water or milk and consumed as a refreshing drink.

During the assessment period between 2008 and 2012, the appellant paid VAT at the rate of 4% under Entry 103 of Schedule II of the Uttar Pradesh Value Added Tax Act, 2008, treating the product as a fruit drink or processed fruit product.

The assessing authority rejected this classification and held that "Sharbat Rooh Afza" was an unclassified commodity taxable at 12.5% under the residuary entry contained in Schedule V of the Act. The first appellate authority and the Commercial Tax Tribunal upheld the classification adopted by the assessing authority.

The High Court also dismissed the appellant's revisions, holding that the product could not qualify as a fruit drink because the Fruit Products Order prescribed a minimum fruit juice content of 25% for a beverage to be described as a fruit product. Aggrieved by these findings, the appellant approached the Supreme Court.

Issues

1. Whether "Sharbat Rooh Afza" was classifiable as a fruit drink under Entry 103 of Schedule II of the Uttar Pradesh Value Added Tax Act, 2008.
2. Whether the product was liable to be taxed under the residuary entry as an unclassified commodity.

Judgment

The Supreme Court allowed the appeals, set aside the judgment of the High Court, and held that "Sharbat Rooh Afza" is classifiable as a fruit drink under Entry 103 of Schedule II of the UPVAT Act and taxable at the concessional rate of 4%.

Rationale

The Court held that regulatory classifications under food safety legislation cannot control or determine classification under a fiscal statute. In the absence of a statutory definition in the UPVAT Act, the expression "fruit drink" must be interpreted in accordance with the common parlance test, namely how the product is understood in trade and commercial circles.

The Court observed that the authorities had relied primarily on licensing norms under the Fruit Products Order and the clarification issued by food regulatory authorities rather than examining evidence relating to commercial understanding of the product. Such an approach was inconsistent with settled principles governing classification under taxation statutes.

The Court further held that classification must be determined by examining the composition, character, label and use of the product. Although invert sugar syrup constituted a major portion of the product by volume, it merely served as a carrier and preservative medium. The fruit juice components and flavouring extracts imparted the essential beverage character to the product. Applying the essential character test, the Court held that the fruit-based ingredients determined the identity of the product as a beverage preparation intended for dilution and consumption.

The Court also noted that Entry 103 of Schedule II was framed in inclusive terms and did not prescribe any minimum threshold of fruit content. Therefore, it would be inappropriate to import quantitative requirements from regulatory legislation into the fiscal entry. Since the

product reasonably fell within the description of a fruit drink, it could not be relegated to the residuary entry.

Reiterating settled principles of tax classification, the Court held that the burden of proving that a product falls outside a specific entry and within a residuary entry lies upon the Revenue. The Court also observed that the same product had been consistently classified as a fruit-based beverage under similar VAT entries in several other States, reinforcing the plausibility of the appellant's interpretation.

In view of these considerations, the Court concluded that the product had a reasonable and substantial claim to classification as a fruit drink under Entry 103 of Schedule II of the UPVAT Act. Consequently, the classification adopted by the authorities and affirmed by the High Court was set aside.

23. Suhas Chakma v. Union of India, 2026 SCC OnLine SC 317

Decided on: 26 February 2026

Bench: 1. Hon'ble Mr. Justice Vikram Nath

2. Hon'ble Mr. Justice Sandeep Mehta

(Constitutional Law—Prison Reforms and Rights of Prisoners—Articles 14, 15 and 21 of the Constitution of India—Overcrowding in Prisons—Open Correctional Institutions (OCIs)—Reformative and Rehabilitative Justice—Human Dignity of Prisoners—Gender Equality in Access to Reformative Measures—Need for Uniform Standards in Prison Administration—Judicial Directions for Expansion and Effective Utilisation of OCIs Across States.)

Facts

The writ petition was filed under Article 32 of the Constitution raising serious concerns regarding overcrowding in prisons across India and the resulting inhuman conditions of detention. The petitioner sought directions for prison-wise occupancy data, institutional mechanisms to monitor prison congestion, and structural measures to ensure humane conditions of detention consistent with constitutional guarantees.

Initially, the petition was heard along with the proceedings in *In Re: Contagion of COVID-19 Virus in Prisons*. Subsequently, the matters were de-tagged and the present proceedings focused specifically on systemic reforms in prison administration, particularly the role of Open Correctional Institutions (OCIs) as a solution to overcrowding and as a mechanism for rehabilitation of prisoners.

Pursuant to earlier directions of the Court, amici curiae assisted in gathering nationwide data regarding the functioning of OCIs. Questionnaires were circulated through the National Legal Services Authority to obtain information regarding their capacity, occupancy, eligibility criteria, and rehabilitative infrastructure. Data revealed that prisons across the country were operating at approximately 120% occupancy levels, while several States either lacked OCIs entirely or failed to utilise existing facilities effectively.

The material placed before the Court also highlighted systemic issues such as restrictive eligibility criteria, exclusion of women prisoners from OCIs in several States, inadequate vocational training, and lack of uniform standards in wages, healthcare and family integration policies within open prisons.

Issues

1. Whether the prevailing conditions of overcrowding in prisons violated the constitutional rights of prisoners under Articles 14 and 21 of the Constitution.
2. Whether Open Correctional Institutions constitute a viable reformative mechanism for decongestion of prisons and rehabilitation of inmates.
3. What institutional measures and policy directions were necessary to ensure effective implementation and expansion of OCIs across the country.

Judgment

The Supreme Court allowed the writ petition and issued comprehensive directions to the Union of India and all States and Union Territories to expand, strengthen and effectively utilise Open Correctional Institutions as part of a reformative prison administration framework.

Rationale

Constitutional Protection of Prisoners' Rights

The Court reaffirmed that prisoners do not cease to be bearers of fundamental rights upon incarceration. The guarantee of life and personal dignity under Article 21 extends beyond prison walls and obliges the State to ensure that incarceration does not result in inhuman or degrading conditions of detention. The Court reiterated the long-standing jurisprudence recognising that imprisonment must serve not merely punitive purposes but also objectives of reformation and rehabilitation.

The Court emphasised that overcrowded prisons lacking humane living conditions undermine the constitutional promise of dignity and fairness and therefore require sustained institutional reforms rather than temporary administrative measures.

Role of Open Correctional Institutions in Reformative Justice

The Court recognised OCIs as a constitutionally aligned model of incarceration based on trust, responsibility and gradual reintegration of prisoners into society. Unlike closed prisons, these institutions rely on self-discipline rather than physical security and provide opportunities for work, family integration and social engagement.

Evidence placed before the Court demonstrated that OCIs significantly reduce prison overcrowding while also promoting rehabilitation and reintegration. The Court noted that the per-prisoner expenditure in open prisons was substantially lower than in closed prisons, thereby demonstrating both rehabilitative efficacy and fiscal prudence. Consequently, the Court held that expansion of OCIs represents a rational and sustainable solution to systemic prison congestion.

Exclusion of Women Prisoners and Equality Concerns

The Court found that in several States women prisoners were either expressly excluded from eligibility for transfer to OCIs or were not transferred in practice despite formal eligibility. Such exclusion was held to be inconsistent with the constitutional guarantees of equality and dignity under Articles 14 and 21. The Court observed that reformative justice cannot be selectively applied and directed the States to evolve gender-sensitive policies enabling transfer of eligible women prisoners to OCIs.

Restrictive Eligibility Criteria and Need for Rehabilitative Approach

The Court noted that in many jurisdictions prisoners were required to spend prolonged periods in closed prisons, ranging from four to twelve years and in some cases up to twenty-one years before being considered for transfer to open institutions. Such rigid criteria were held to be inconsistent with the reformative philosophy underlying OCIs.

The Court emphasised that eligibility should be determined through individualised assessment of conduct, discipline and potential for reintegration rather than mechanical thresholds based solely on the gravity of the offence or duration of incarceration.

Lack of Uniform Standards in OCI Administration

The Court also highlighted significant disparities across States in wages, healthcare facilities, educational opportunities and family integration policies within OCIs. Such inconsistencies risked creating inequality in access to rehabilitative opportunities for prisoners. While prisons fall within the State List, the Court held that constitutional guarantees require development of minimum standards ensuring humane and uniform conditions across jurisdictions.

Directions for Expansion and Governance of OCIs

In order to address systemic deficiencies in prison administration, the Court issued detailed directions requiring States and Union Territories to establish and expand OCIs in a time-bound manner and to ensure optimal utilisation of existing facilities. It directed that existing open-prison infrastructure should not be reduced and that eligibility norms should be rationalised to focus on reformative indicators such as conduct and self-discipline.

The Court further directed the Union of India to evolve common minimum standards relating to wages, healthcare, education, vocational training and family integration within OCIs. Additional directions were issued for diversification of vocational training programmes, strengthening healthcare infrastructure, and establishing monitoring mechanisms to ensure compliance.

In conclusion, the Court held that meaningful reform of prison administration requires a shift from a purely punitive approach to one grounded in rehabilitative justice. Expansion and effective utilisation of Open Correctional Institutions were therefore held to be essential for ensuring humane incarceration consistent with constitutional guarantees of dignity, equality and social reintegration.

24. Omkara Assets Reconstruction Pvt. Ltd. v. Amit Chaturvedi, 2026 SCC OnLine SC 299

Decided on: 24 February 2026

Bench: 1. Hon'ble Mr. Justice Sanjay Kumar

2. Hon'ble Mr. Justice K. Vinod Chandran

(Insolvency Law—Corporate Insolvency Resolution Process (CIRP)—Section 7, Insolvency and Bankruptcy Code, 2016—Overriding Effect of IBC under Section 238—Pending Scheme of Arrangement under Sections 391–394 of the Companies Act, 1956—Non-compliance with Statutory Timelines under Companies (Court) Rules, 1959—Defunct and Inoperative Scheme of Arrangement—Judicial Discipline vis-à-vis Financial Rectitude—IBC Proceedings Not Liable to be Stayed Merely Due to Pending Proceedings before High Court—Revival of CIRP and Authority of Interim Resolution Professional Restored.)

Facts

The appellant, an asset reconstruction company, approached the National Company Law Tribunal under Section 7 of the Insolvency and Bankruptcy Code, 2016 seeking initiation of Corporate Insolvency Resolution Process (CIRP) against the corporate debtor for recovery of a debt exceeding ₹154 crores arising from loans disbursed in 1999 and 2000, with default commencing from 1 January 2003.

The corporate debtor opposed the application contending that proceedings relating to a Scheme of Arrangement (SOA) under Sections 391–394 of the Companies Act, 1956 were pending before the Punjab and Haryana High Court. It was alleged that the creditor had suppressed the existence of these proceedings while initiating insolvency proceedings.

The National Company Law Tribunal rejected the objection and initiated CIRP, declared moratorium under Section 14 of the IBC, and appointed an Interim Resolution Professional. However, the National Company Law Appellate Tribunal subsequently kept the insolvency proceedings in abeyance until the disposal of the High Court proceedings relating to the scheme of arrangement. Aggrieved by this order, the appellant approached the Supreme Court.

Issues

1. Whether insolvency proceedings under Section 7 of the Insolvency and Bankruptcy Code could be halted due to the pendency of proceedings relating to a Scheme of Arrangement under the Companies Act, 1956.
2. Whether the scheme of arrangement relied upon by the corporate debtor remained legally operative despite non-compliance with statutory requirements and timelines.

Judgment

The Supreme Court allowed the appeal, set aside the order of the National Company Law Appellate Tribunal, and restored the order of the National Company Law Tribunal initiating CIRP and appointing the Interim Resolution Professional.

Rationale

The Court observed that the procedural requirements governing schemes of arrangement under Sections 391–394 of the Companies Act and the Companies (Court) Rules, 1959 had not been complied with by the corporate debtor. Although a meeting of creditors had been convened and the chairperson's report was placed before the High Court in 2008, the corporate debtor failed to file the second motion seeking sanction of the scheme within the statutory time. Even when a delayed motion was eventually filed, the scheme was not pursued in accordance with the prescribed procedural requirements, and the order sanctioning the scheme was not filed before the Registrar of Companies within the stipulated period. The Court noted that the scheme, which was based on financial positions as of 2008, had become redundant and inoperative due to the prolonged delay and the mounting liabilities of the company.

The Court held that the scheme of arrangement relied upon by the respondent had effectively become defunct and unenforceable. The eventual filing of Form INC-28 before the Registrar of Companies in 2023 was far beyond the statutory timeline and could not revive a scheme that had already become unworkable by reason of passage of time and non-compliance with statutory requirements. In such circumstances, the mere pendency of proceedings before the High Court could not be used as a ground to stall insolvency proceedings.

Reiterating settled principles, the Court held that the Insolvency and Bankruptcy Code is a special statute enacted with the primary objective of ensuring revival and resolution of financially distressed companies. By virtue of Section 238 of the Code, its provisions override any inconsistent provisions contained in other laws. Proceedings under Section 7 of the IBC are independent proceedings and cannot be automatically suspended merely because proceedings under the Companies Act are pending.

The Court also emphasised that judicial discipline cannot be invoked as a shield by litigants who seek to delay financial accountability through prolonged litigation. In cases involving substantial financial liabilities, the consequences extend beyond the parties and affect public funds and the broader economic system. Allowing insolvency proceedings to remain stalled on the basis of an inoperative scheme would undermine the purpose and effectiveness of the IBC framework.

The Court therefore concluded that the Appellate Tribunal had erred in keeping the CIRP proceedings in abeyance. Since the requirements for initiation of insolvency proceedings under Section 7 had been satisfied, the order of the National Company Law Tribunal initiating CIRP was restored and the Interim Resolution Professional was permitted to proceed with the resolution process.

25. West Bengal State Electricity Distribution Co. Ltd. v. Adhunik Power & Natural Resources Ltd., 2026 SCC OnLine SC 328

Decided on: 27 February 2026

Bench: 1. Hon'ble the Chief Justice Surya Kant

2. Hon'ble Ms. Justice B.V. Nagarathna

3. Hon'ble Mr. Justice Joymalya Bagchi

(Electricity Law—Power Purchase Agreements (PPA) and Power Supply Agreements (PSA)—Interpretation of Contractual Clauses—Article 2.5 (Indemnity for Coal Procurement from Alternate Sources)—Article 10 (Change in Law Clause)—Cancellation of Captive Coal Block pursuant to Manohar Lal Sharma v. Principal Secretary—Coal Mines (Special Provisions) Act, 2015—Change in Interpretation of Law by Court—Entitlement to Compensation and Carrying Costs—Distinction between Contractual Indemnity and Change in Law Claims—Compensation Allowed Only from Date of Change in Law Event.)

Facts

The dispute arose out of a long-term power supply arrangement involving the appellant, West Bengal State Electricity Distribution Company Ltd. (WBSEDCL), and the respondent, Adhunik Power & Natural Resources Ltd. (APNRL). Under a Power Supply Agreement executed on 05.01.2011 between WBSEDCL and PTC India Ltd., 100 MW of electricity was to be supplied for a period of 25 years. A back-to-back Power Purchase Agreement dated 25.03.2011 was executed between APNRL and PTC India Ltd. for generation and supply of electricity to WBSEDCL.

Though the agreements did not expressly specify the source of coal for generation of electricity, contemporaneous documents and negotiations indicated that coal was to be sourced from the Ganeshpur captive coal block allotted to APNRL in Jharkhand in joint venture with Tata Steel Ltd. However, as the coal block could not be operationalized, APNRL initially procured coal through tapering linkage from Central Coalfields Ltd. and subsequently through e-auction and imports to meet shortfalls.

Subsequently, the Supreme Court in *Manohar Lal Sharma v. Principal Secretary, (2014) 9 SCC 516* cancelled several coal block allocations, including the Ganeshpur captive coal block allotted to APNRL. Thereafter, the Coal Mines (Special Provisions) Ordinance, 2014 and later the Coal Mines (Special Provisions) Act, 2015 were enacted to regulate fresh allocation of coal blocks. APNRL unsuccessfully participated in the reallocation process and continued procuring coal from alternative sources at higher cost.

APNRL sought compensation for the additional cost incurred in procuring coal through alternate sources and also claimed that cancellation of the coal block constituted a "Change in Law" event under Article 10 of the PPA/PSA. The Central Electricity Regulatory Commission partly allowed the claim, but rejected the contention that cancellation of the coal block amounted to a Change in Law event. On appeal, the Appellate Tribunal for Electricity reversed this finding and held that cancellation of the coal block and the subsequent statutory framework constituted Change in Law events entitling APNRL to compensation along with carrying costs.

WBSEDCL challenged this decision before the Supreme Court.

Issues

1. Whether the Ganeshpur coal block could be treated as the designated captive source of coal for the purpose of the PPA/PSA despite not being expressly mentioned in the agreement.
2. Whether cancellation of the coal block and enactment of the Coal Mines (Special Provisions) Act, 2015 constituted a "Change in Law" event under Article 10 of the PPA/PSA.
3. Whether APNRL was entitled to compensation for procurement of coal from alternative sources prior to cancellation of the coal block.

Judgment

The Supreme Court partly allowed the appeals and modified the order of the Appellate Tribunal for Electricity. It upheld the finding that cancellation of the coal block and subsequent legislative changes constituted a Change in Law event entitling APNRL to compensation with

effect from 25.08.2014 along with carrying costs. However, it set aside the direction granting compensation for procurement of coal through e-auction or imports prior to the cancellation of the coal block.

Rationale

Identification of Captive Coal Source

The Court rejected the contention that the PPA/PSA did not identify the source of coal. It held that the contractual clause referring to a "captive source" of coal must be interpreted in light of surrounding circumstances and contemporaneous documents. The Minutes of Meeting dated 03.01.2011 recorded that APNRL possessed the Ganeshpur coal block in joint venture with Tata Steel Ltd., and subsequent correspondence from WBSEDCL sought updates regarding development and transportation of coal from that block. These materials demonstrated that the parties understood the Ganeshpur coal block to be the captive source for generation of electricity under the agreement.

The Court observed that while the terms of a written contract ordinarily govern the rights of the parties, surrounding circumstances may be examined to clarify the meaning of contractual language where the terms require contextual interpretation. Evidence explaining how contractual language relates to existing facts is permissible under the principles embodied in Sections 91 and 92 of the Evidence Act.

Cancellation of Coal Block as "Change in Law" Event

The Court agreed with the Appellate Tribunal that cancellation of coal block allocations by the Supreme Court in *Manohar Lal Sharma* constituted a change in interpretation of mining laws by a competent court. This judicial interpretation, together with the enactment of the Coal Mines (Special Provisions) Act, 2015, materially altered the legal regime governing coal allocation.

Such developments squarely fell within the definition of "Change in Law" contained in Article 10 of the PPA/PSA, particularly clauses covering change in interpretation of law by a court and changes in mining laws affecting input costs. The Court held that these events deprived APNRL of its right to procure coal from the designated captive block and compelled it to source coal from more expensive alternative sources.

Accordingly, APNRL became entitled to compensation from the date of the Change in Law event, i.e., 25 August 2014, along with carrying costs until the date of payment.

Scope of Article 2.5 of the PPA/PSA

The Court distinguished between the operation of Article 2.5 and Article 10 of the agreement. Article 2.5 insulated WBSEDCL from escalation in tariff arising from procurement of coal from sources other than the captive source. However, this provision applied only in situations where the captive source remained available but the generator voluntarily procured coal from alternative sources.

By contrast, Article 10 applied where a Change in Law event materially affected the generator's ability to obtain coal from the captive source. Once the coal block was cancelled pursuant to the Supreme Court's decision, the case fell within Article 10 rather than Article 2.5.

Claim for Compensation Prior to Cancellation of Coal Block

The Court disagreed with the Appellate Tribunal's conclusion that APNRL was entitled to compensation for procurement of coal from alternate sources prior to the cancellation of the coal block. It noted that APNRL had assured the purchaser that the Ganeshpur coal block would become operational by the time electricity supply commenced.

In these circumstances, the indemnity clause contained in Article 2.5 continued to operate until the occurrence of the Change in Law event. The Court held that delays in operationalizing the coal block, whether due to environmental clearances or other factors, could not shift the financial burden of higher coal procurement costs onto the purchaser.

The Court concluded that compensation could only be granted from the date of the Change in Law event arising from cancellation of the coal block and the subsequent legislative framework. Accordingly, the Appellate Tribunal's order was modified by denying compensation for procurement of coal through alternate sources prior to 25.08.2014, while upholding compensation for Change in Law events along with carrying costs from that date.

26. Bhagyalaxmi Co-Operative Bank Ltd. v. Babaldas Amtharam Patel (D) through Legal Representatives, 2026 SCC OnLine SC 326

Decided on: 27 February 2026

Bench: 1. Hon'ble Ms. Justice B.V. Nagarathna

2. Hon'ble Mr. Justice Ujjal Bhuyan

(Contract Law—Contract of Guarantee—Sections 126, 128, 133 and 139 of the Indian Contract Act, 1872—Liability of Surety—Cash Credit Facility—Principal Debtor Permitted to Withdraw Amounts Beyond Sanctioned Limit—Variation of Contract Without Consent of Surety—Discharge of Surety Only for Transactions Subsequent to Variance—Distinction Between Section 133 and Section 139—Surety Liable Only to Extent of Original Sanctioned Amount.)

Facts

Respondent No. 6 obtained a cash-credit facility of ₹4,00,000 from the appellant–Bhagyalaxmi Co-operative Bank Ltd. on 30.10.1993. The mercantile goods of the borrower were hypothecated to the Bank and respondent Nos. 1 and 2 stood as guarantors for the loan by executing contracts of guarantee.

According to the Bank, the borrower, in connivance with certain bank officials, withdrew amounts far exceeding the sanctioned limit of ₹4,00,000. The borrower subsequently defaulted in repayment of the loan. Consequently, the Bank filed Lavad Suit No. 181 of 1995 before the Board of Nominees seeking recovery of ₹26,95,196.75 along with interest.

The Board of Nominees decreed the claim only against the principal borrower and dismissed the claim against the guarantors. On appeal, the Gujarat State Co-operative Tribunal allowed the Bank's appeal and held the guarantors liable to the extent of ₹4,00,000 along with interest.

The guarantors challenged this decision before the Gujarat High Court, which allowed the writ petition. The High Court held that under Section 139 of the Indian Contract Act, the sureties would stand discharged because the Bank had allowed withdrawal of amounts exceeding the sanctioned limit without their knowledge. The High Court further held that the sureties could

either be liable for the entire loan or not liable at all and that bifurcation of liability was impermissible.

Aggrieved by the High Court's decision, the Bank approached the Supreme Court.

Issues

1. Whether the sureties stood discharged from liability under Section 139 of the Indian Contract Act, 1872 due to the Bank allowing withdrawal of amounts beyond the sanctioned limit.
2. Whether the sureties could still be held liable under Section 133 of the Act to the extent of the original loan amount guaranteed by them.

Judgment

The Supreme Court allowed the appeal, set aside the judgment of the High Court, and held that the sureties were liable to the extent of ₹4,00,000 along with applicable interest, but were not liable for amounts withdrawn beyond the sanctioned limit.

Rationale

Liability of Surety under the Indian Contract Act

The Court examined the scheme of Chapter VIII of the Indian Contract Act dealing with indemnity and guarantee. It noted that under Section 128 of the Act, the liability of a surety is co-extensive with that of the principal debtor unless otherwise provided by the contract. However, Sections 133 to 139 provide circumstances in which the surety may be discharged from liability.

The Court emphasised that a surety cannot be bound beyond the terms of the guarantee he has agreed to. If the contract between the creditor and the principal debtor is materially altered without the consent of the surety, the surety cannot be held liable for obligations beyond the original contract.

Application of Section 133 of the Contract Act

The Court held that Section 133 of the Act applies where there is a variance in the terms of the contract between the creditor and the principal debtor without the consent of the surety. In such cases, the surety is discharged only with respect to transactions subsequent to the variance.

In the present case, the sureties had agreed to guarantee repayment of the loan only up to the sanctioned amount of ₹4,00,000. However, the Bank permitted the borrower to withdraw amounts exceeding this limit without the consent or knowledge of the sureties. This constituted a variance in the terms of the original contract of guarantee.

The Court clarified that discharge under Section 133 is not absolute. The surety remains liable for obligations undertaken under the original contract but is discharged from liability arising from subsequent variations made without his consent.

Distinction between Section 133 and Section 139

The Court rejected the High Court's reliance on Section 139 of the Act. It observed that Section 139 applies only where the creditor performs an act or omission that impairs the eventual remedy of the surety against the principal debtor.

For Section 139 to apply, two conditions must be satisfied: first, the creditor must act inconsistently with the rights of the surety or omit to perform a duty owed to the surety; and second, such act or omission must impair the surety's eventual remedy against the principal debtor.

In the present case, although the Bank allowed the borrower to withdraw excess amounts, there was no impairment of the sureties' remedy against the principal debtor. The sureties could still proceed against the borrower for recovery of amounts paid by them. Therefore, the conditions required to invoke Section 139 were not satisfied.

Extent of Sureties' Liability

The Court held that the High Court erred in concluding that the sureties must either be liable for the entire amount or not liable at all. Section 133 clearly permits bifurcation of liability by discharging the surety only in respect of transactions occurring after the variance in the contract.

Since the guarantors had consented to guarantee repayment of ₹4,00,000, they remained liable to that extent along with applicable interest. However, they could not be held liable for amounts withdrawn by the borrower beyond the sanctioned limit without their consent.

The Court concluded that the guarantors were liable only to the extent of the original sanctioned amount of ₹4,00,000 with applicable interest. The High Court's judgment holding that the guarantors were either liable for the entire loan or not liable at all was therefore set aside.