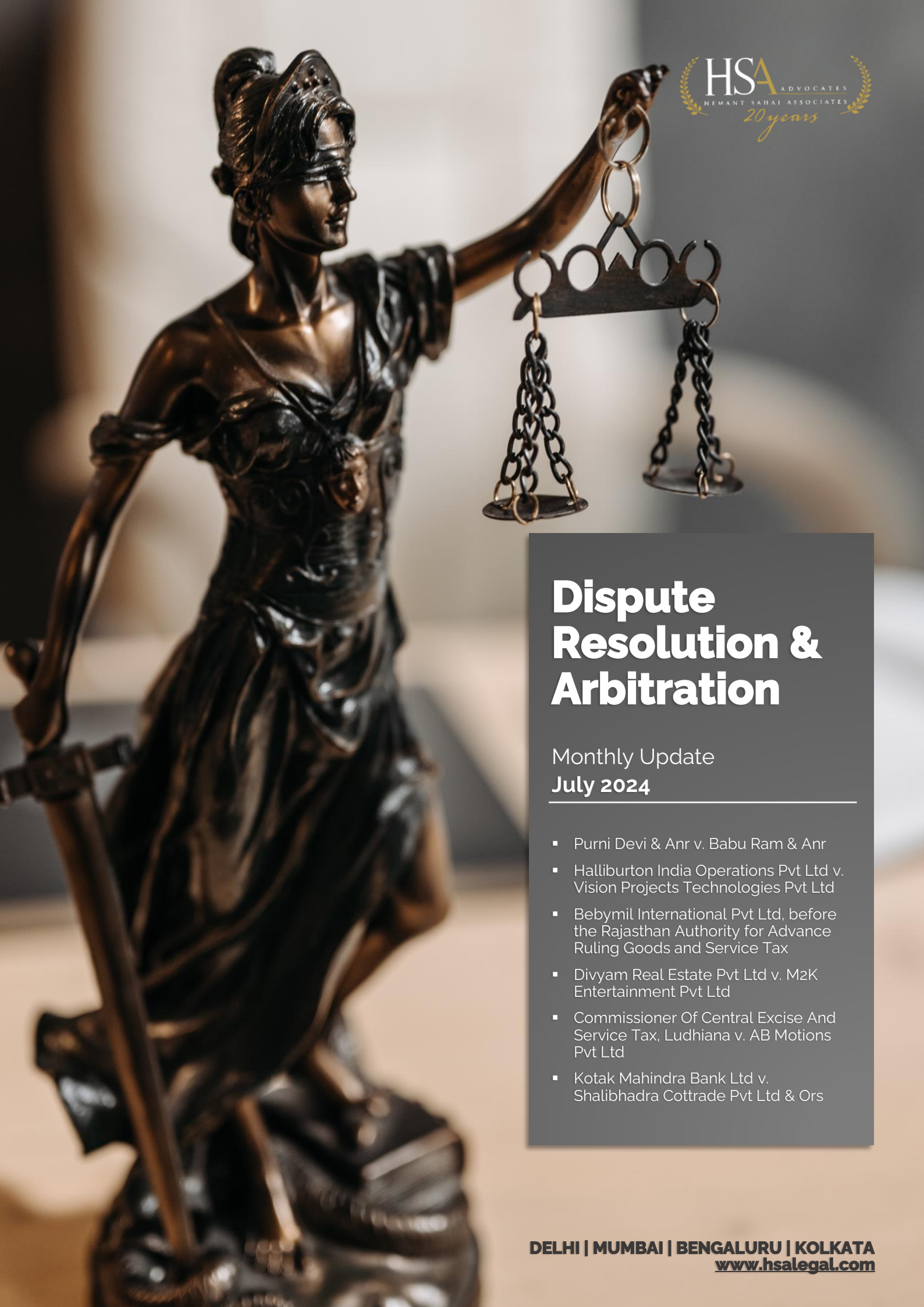

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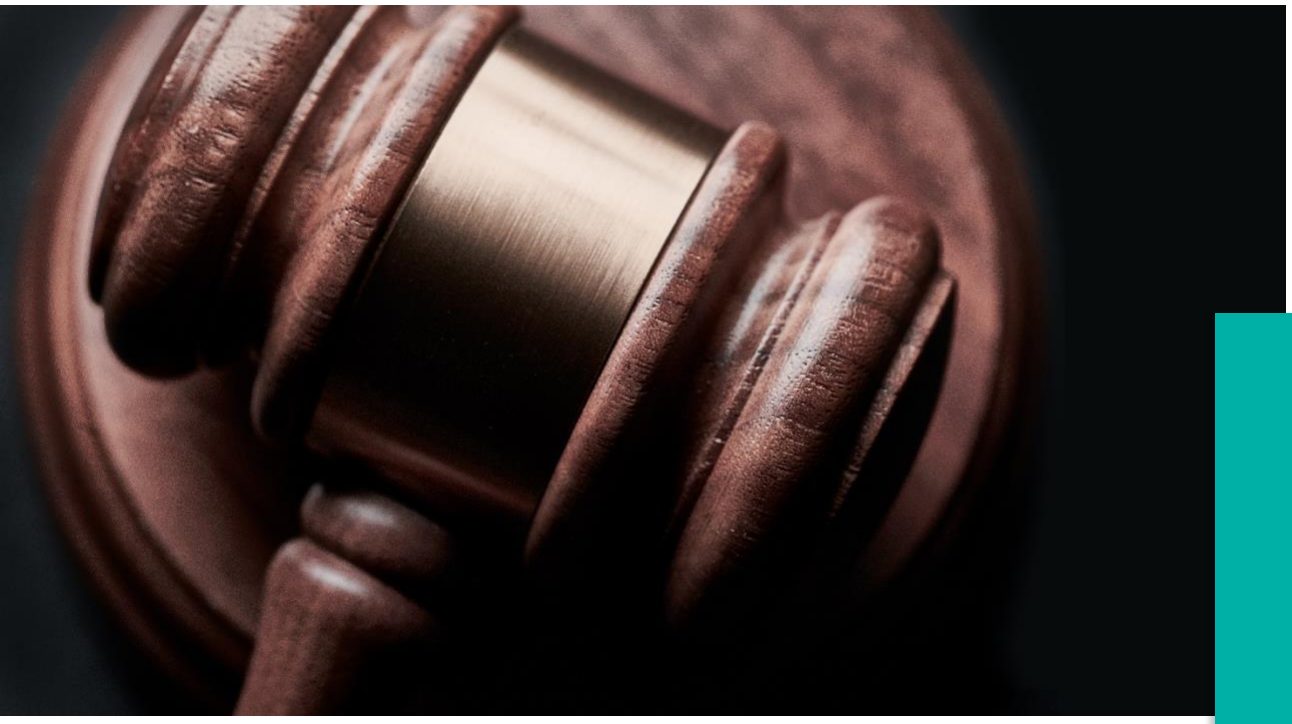

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Purni Devi & Anr v. Babu Ram & Anr

Supreme Court of India | 2024 SCC Online SC 482

Background facts

- The origins of this case trace back to June 1, 1984, when the predecessors in interest of Purni Devi **(Plaintiffs)** filed a suit for possession against Babu Ram & Anr **(Defendants)**.
- On December 10, 1986, the suit was decreed in favor of the Plaintiff, directing the Defendants to deliver vacant and peaceful possession of the property. The said decree was challenged by the Defendants by way of a first appeal, which was later dismissed by the District Judge, Kathua, on February 9, 1990, and their second appeal was also dismissed by the High Court of Jammu and Kashmir (HC) on November 9, 2000, rendering the decree final.
- On December 18, 2000, the Plaintiff's predecessor filed an execution application before the Tehsildar **(Settlement)**, Hiranagar, which was rejected on January 29, 2005, on the grounds of lack of jurisdiction. Subsequently, the Plaintiff filed a fresh execution application before the Munsiff Court, Hiranagar, on October 3, 2005, which was dismissed as barred by limitation under the provisions of the Limitation Act. This decision of dismissal was affirmed by the HC on April 9, 2018 **(Impugned Order).**
- Aggrieved by the Impugned Order, the Plaintiffs filed an appeal before the Supreme Court (**SC**) challenging the order of the Munsiff Court, Hiranagar.

Issue at hand?

- Whether the period spent pursuing the execution application before the Tehsildar (Settlement) should be excluded when computing the limitation period for filing the execution application before the appropriate court?

Decision of the Court

- At the outset, the SC noted that the Munsiff Court determined that the period of limitation for filing an execution application was governed by Article 182 of the J&K Limitation Act, 1938, which provides a 3-year limitation period, rather than the 12 year period under Section 48 of the Civil Procedure Code (**CPC**). Thus, the Munsiff Court found the application is time-barred as it was not filed within 3 years from the dismissal of the second appeal.

- The SC then observed the HC, in its Impugned Order, upheld the view of Munsiff Court, stating that the limitation period for the first execution application is governed by Article 182. The HC also rejected the Plaintiff's argument for the exclusion of time spent before the Tehsildar under Section 14 of the Limitation Act.
- The SC analyzed Section 14 of the Limitation Act, which is applicable to the State of Jammu and Kashmir and allows for the exclusion of time spent pursuing a matter in good faith before a wrong forum. The SC then placed reliance upon the case of ***Consolidated Engg. Enterprises v. Principle Secy, Irrigation Department***[1], which established the conditions for application under Section 14: (a) both proceedings are civil proceedings prosecuted by the same party; (b) the prior proceeding was pursued with due diligence and in good faith; (c) the failure of the prior proceeding was due to jurisdictional defects; (d) the earlier and latter proceedings relate to the same matter; and (e) both proceedings were before a court.
- Upon examining the facts of the case, SC found no substantial evidence of bad faith or negligence on the part of the Plaintiff in approaching the Tehsildar. It noted that the Plaintiff had filed the matter diligently and in a *bona fide* manner before the forum it believed to have jurisdiction.
- Therefore, SC held that the period from December 18, 2000, to January 29, 2005, during which the Plaintiff pursued the execution application before the Tehsildar, should be excluded when computing the limitation period.
- The SC then relied upon the case of ***Laxmi Srinivasa R and P Boiled Rice Mill* v. *State of Andhra Pradesh and Anr***[2] which adhered to the directives laid down in ***Consolidated Engg. Enterprises v. Principle Secy, Irrigation Department*** and ***M.P Steel Corporation v. CCE***[3],wherein, it was emphasized that interpretation of Section 14 must be made to further the cause of justice rather than putting an end to the proceedings.
- In view of the above, the SC held that the limitation period was excluded with consideration that the application by Plaintiff's predecessor was filed with genuine and *bona fide* intention and the court is bound to exclude such period while quantifying the total limitation period.

HSA
Viewpoint

Vide this judgment, the SC recognizes that procedural mistakes made with *bona fide* intent should not harm the citizen's fundamental right to justice. By disregarding the time spent in proceedings before an incorrect forum, the court ensures that the priority of pursuing justice remains intact even in the face of procedural difficulties. This judgment emphasizes on the principle that the pursuit of justice must remain unfettered by any procedural rigidity and ensures that justice is not sacrificed at the cost of rigidity, but rather, it is safeguarded and upheld through a balanced and equitable application of the law, especially if the Court finds that the pleadings have been filed diligently and in a *bona fide* manner before the forum it believed to have jurisdiction.

The judgement also establishes a foundational precedent for excluding the limitation period for time spent in an improper forum (in good faith with no *mala fide* intention) while computing the period of limitation in total. Any petition filed with malicious intent, particularly aiming for stretching the limitation period, shall be denied relief in accordance with this judgment. The assessment of the duration to be considered for the calculation of the limitation period, to some extent, depends upon the intention and behavior of the parties.

Halliburton India Operations Pvt Ltd v. Vision Projects Technologies Pvt Ltd

Bombay High Court | Commercial Appeal (L) No. 17720 of 2024

Background facts

- Halliburton Indian Operations (**Appellant**) had secured a tender from the Oil and Natural Gas Corporation (**ONGC**) and subsequently subcontracted the project to Vision Projects Technologies Pvt Ltd (**Respondent**) vide a sub-contract dated September 18, 2018 (**sub-contract**). The Respondent was to provide services using its Platform Supply Vessel (**PSV**), which required conversion into a Well Stimulation Vessel (**WSV**) with specialized equipment that the Appellant was responsible for installing, maintaining, and removing.
- A subsequent regulatory change restricted Offshore Support Vessels from carrying certain chemicals, unless reassessed and certified under the Offshore Service Vessel Chemical Code, and although an initial exemption was granted, further compliance required the installation of lifeboats by March 31, 2023. When extensions were not granted, the Respondent invoked the Force Majeure clause on April 3, 2023, and the Appellant did the same as per both, the main contract and the sub-contract, which the Respondent rejected.
- Due to the refusal to extend compliance beyond May 31, 2023, the vessel was docked on June 01, 2023, and the Appellant issued a termination notice to the Respondent on August 07, 2023. ONGC rejected the Appellant's force majeure invocation, and the Respondent maintained that the Appellant was liable for charter payments from June 2023 until the equipment was removed.
- Subsequently, in March 2024, the Appellant sought interim reliefs under Section 9 of the Arbitration and Conciliation Act, 1996 (**Act**), seeking permission to remove the equipment owned by the Appellant and restrain the Respondent from cold laying the vessel at any port.
- However, the Single Judge, vide an order dated May 06, 2023 denied granting the aforementioned interim relief, in light of the fact that the termination of the sub-contract was not in accordance with the clauses provided therein. Furthermore, the Single Judge also reasoned that the interim

[1] (2008) 7 SCC 169
[2] 2022 SCC Online SC 1790
[3] (2015) 7 SCC 58

relief sought, if granted, would amount to grant of final relief in favor of the Appellant, which is impermissible in law.

- The Appellant, aggrieved by the said order of the Single Judge, then filed a Commercial Appeal under Section 37 of the Act before the Bombay High Court (**Court**), challenging the denial of interim relief by the Single Judge. Hence, the present appeal.

Issues at hand?

- Whether the Appeal from the order of the Single Judge, under Section 37 of the Arbitration and Conciliation Act, 1996, would be permissible in law?
- Whether the Appellant was entitled to the relief prayed for under Section 9 of the Act.

Decision of the Court

- After hearing the submissions made by the advocates appearing for both the parties and perusing the documentary material on record, the Court noted that considering the scope of interference permissible under Section 37(1)(b) of the Act, the Appellant was not entitled for the interim reliefs sought under Section 9 of the Act.
- The Court noted that the present appeal was an appeal filed against exercise of discretionary jurisdiction under Section 9 of the Act, which as per the decision held in ***Wander Ltd and Anr v. Antox India Pvt Ltd***[4], should not be interfered with by the Appellate Court. Further, the Court opined that, in light of the same, the appellate jurisdiction under Section 37 of the Act is limited to cases where the lower court's order was arbitrary, capricious, perverse, or ignored settled legal principles of law regulating the grant or refusal of interlocutory injunctions.
- Accordingly, the Court found that the Single Judge's denial of the interim relief was not arbitrary or capricious, but rather the Single Judge had carefully considered the facts and circumstances, including the terms of the sub-contract and the nature of the relief sought by the Appellant, before rejecting the same.
- Additionally, the Court also examined the relevant facts and circumstances of the dispute between the parties, before upholding the observations made by the Single Judge while refusing to grant any interim measures as prayed by the Appellant.
- Therefore, the Court dismissed the present appeal and directed the parties to bear their own costs.

HSA
Viewpoint

The Bombay High Court's judgment reinforces the limited scope of appellate jurisdiction under Section 37 of the Arbitration and Conciliation Act, 1996, which can only be utilized in cases where the orders of the lower court are arbitrary, capricious, perverse, or have disregarded the settled legal principles of law. Since the order of the Single Judge was correctly reasoned with due regard given to the facts of the case and the settled principles of law, the Bombay High Court has therefore, rightly dismissed the appeal filed under Section 37 of the Act.

Bebymil International Pvt Ltd, before the Rajasthan Authority for Advance Ruling Goods and Service Tax

Advance Ruling No. RAJ/AAR/2024-25/01

Background facts

- Bebymil International Pvt Ltd (**Applicant**) is a company registered under the Companies Act, 2013, having its head office at Jaipur, and specializing in manufacturing infant milk formula, infant cereals, and protein supplements.
- The Applicant's product range includes various food items which are majorly consumed by infants/children. These include various formulations of infant milk, infant cereals, and protein supplements for children and lactating women with infant milk formula being their principal product which they currently manufacture.
- The infant milk formula manufactured by the Applicant was designed to meet various nutritional as well as other requirements by using ingredients such as whole milk powder, whey protein concentrate, soybean fact, lactose, vitamins etc.
- The Applicant sought for an advance ruling regarding the Goods and Service tax **(GST)** classification and applicable tax rates for their principal item i.e. infant milk formula sold under the trade name of "Momylac".

Issue at hand?

- Whether the Applicant's product 'Momylac' is correctly classified under HSN 19011090 and attracts GST at 18% (9% Central Goods and Service Tax **(CGST)** and 9% State Goods and Service Tax **(SGST)**)/ 18% Integrated Goods and Service Tax **(IGST)**) or whether the said product falls under HSN 04021020 and 04022920 and attracts GST at 5% (2.5% CGST and 2.5% SGST/ 5% IGST)?

[4] 1990 (Supp) SCC 727

Decision of the Tribunal

- The Authority held that the First Schedule to The Customs Tariff Act, 1975 **(Act)**, along with the rules of interpretation including section and chapter notes and the general explanatory notes are to be followed for classifying a product under GST.
- Further, the Authority held that the applicable rates under the CGST are notified by Notification No. 1/2017-C.T. **(Rate)**.
- The Authority held that Chapter 19 of the First Schedule to the Act, describes products where milk product is one of the constituents of the final product whereas Chapter 4 of the First Schedule to the Act, deals with milk products only.
- The Authority stated that the Applicant is principally engaged in the manufacturing of infant milk formula which is being used as a substitute to mother's milk to infant. The infant milk formula so manufactured contains cereals, protein supplements etc. Hence, the Authority held that the said product is correctly classified under HSN 19011090 since the product as a whole is not a milk product as it contains other components such as cereals etc.
- Further, the Authority stated that applicable rate of GST for products classified under HSN 19011090 is 18% as per the Rate.
- Hence, in view of the above the Authority held that the Applicant is required to pay GST at 18% (9% CGST and 9% SGST/ 18% IGST) for supply of milk food for babies and milk for babies sold under trade name 'Momylac'.

HSA
Viewpoint

This decision clarifies that while only milk products are to be classified under Chapter 4 of the First Schedule to the Act, all other products where milk products form a part of the final product are to be classified under Chapter 19 of the First Schedule to the Act. The significance of the judgment is that it makes it clear that even infant milk formulas are to be classified under Chapter 19 of the First Schedule to the Act if it consists of contents other than milk products like cereals etc. This judgment removes all ambiguities and makes it clear that infant milk formulas consisting of milk and other ingredients like cereals attract 18% GST.

Divyam Real Estate Pvt Ltd v. M2K Entertainment Pvt Ltd

Delhi High Court I O.M.P. (Comm) 162/2020

Background facts

- Divyam Real Estate Pvt Ltd (**Petitioner**), a real estate company was engaged to construct a mall in Ahmedabad, Gujrat (**Mall**). M2k Entertainment Pvt Ltd (**Respondent**) was to be provided a space in the said Mall for the purpose of running a multiplex on lease basis. The parties entered into a Memorandum of Understanding dated February 20, 2006 (**MoU**) which recorded the aforesaid terms.
- Subsequent to entering into the MoU, it came to the Respondent's knowledge that the Petitioner had breached the terms of the MoU by entering into an Agreement with a third party on March 09, 2006. The aforesaid Agreement had the effect of terminating the Respondent's contractual engagement under the MoU. Aggrieved by the said termination, the Respondent invoked arbitration and thereby filed a claim against the Petitioner for invalid and illegal termination of the MoU.
- The Arbitrator had framed Issue No. 8 during the Arbitral proceedings, questioning the Petitioner's liability to pay INR 6,33,58,800 towards loss of profit. Although, the Arbitrator acknowledged that calculating future loss of profit involved conjecture, INR 20,00,000 was deemed a reasonable amount.
- After conclusion of the Arbitral Proceedings, the Petitioner was directed to pay to the Respondent, by way of an Arbitral Award, a sum of INR 24,54,458.33 along with interest at the rate of 12% per annum. The aforesaid sum comprised of 2 primary components: (i) expenses incurred by the Respondent towards advertisement and exhibition charges and, (ii) INR 20,00,000 towards 'loss of profits' suffered by the Respondent.
- Aggrieved by the Arbitral Award, the Petitioner challenged the same before the Delhi High Court (**Court**), under the provisions of the Arbitration and Conciliation Act, 1996 (**Act**). It is pertinent to note that in the present petition, the Petitioner has only challenged the 'loss of profits' awarded vide the Arbitral Award.

Issue at hand?

- Whether the award of INR 20,00,000 in favor of the Respondent by way of 'loss of profits', was tenable, considering the same was made based on conclusions drawn by the Arbitrator in disregard of evidence on record?

Decision of the Court

- At the outset, the Court found that the Arbitrator's reasoning and discussion were sparse and cryptic. In this regard, the Court observed that Arbitrator had acknowledged that the Respondent's claims of loss of profit, calculated from June 20, 2006 to December 20, 2008, was

speculative. Despite this acknowledgment, the Arbitrator awarded INR 20 lakhs as a 'reasonable loss of profit' without providing a substantive basis for this figure.

- The Court further noted that Arbitrator had disregarded key pieces of evidence on record while arriving at the award, and the reasoning used by the Arbitrator to arrive at the amount was based on speculation rather than the evidence on record.
- Additionally, the Court referred to the findings in the case of ***I-Pay Clearing Services Pvt Ltd v. ICICI Bank Ltd***[5] wherein the Supreme Court had held that if there are no findings on the contentious issues in an Arbitral Award or if any findings are recorded ignoring the material evidence on record, the same are acceptable grounds for setting aside the Arbitral Award itself.
- Accordingly, the Court reiterated that an arbitral award must be based on a thorough evaluation of the evidence and must provide clear findings on all contentious issues. In this case, the award for loss of profit was deemed perverse because it lacked a clear evidentiary basis and did not adequately address the speculative nature of the claimed losses.
- In light of the aforesaid, the Court held that the sum of INR 20,00,000, awarded to the Respondent towards the 'loss of profit' as the Arbitral Award, was based on no evidence of record and without any proper reasoning given for the same by the Arbitrator. Accordingly, the Court allowed the present petition, and set aside the Arbitral Award.

HSA
Viewpoint

This judgment given by the Delhi High Court underscores the importance of procedural fairness and detailed reasoning in arbitral decisions. The decision to set aside the award in this case reaffirms that arbitral conclusions must be firmly grounded in the evidence presented, the law governing the same and must address all contentious issues raised in the arbitration with clarity.

Commissioner Of Central Excise And Service Tax, Ludhiana v. AB Motions Pvt Ltd

Supreme Court of India | Civil Appeal Diary No(s). 12044/2020

Background facts

- AB Motions Pvt Ltd **(Respondent)** had entered into revenue-sharing agreements with various distributors/sub-distributors for exhibiting films/movies at their multiplex. The Commissioner of Central Excise and Service Tax Ludhiana **(Appellant)** contended that the Respondent was providing 'Business Support Services' as defined under Section 65(105)(zzzq) of the Finance Act, 1994, by way of exhibition of movies in their multiplexes.
- The Appellant alleged that the Respondent did not reflect the earnings from these services in their statutory returns and did not pay the corresponding service tax. Consequently, an order dated March 8, 2016, confirmed a demand under Section 73(1) of the Finance Act amounting to INR 3,72,02,750/- along with interest and penalties.
- The Respondent appealed to the Customs, Excise, and Service Tax Appellate Tribunal **(CESTAT)** which ruled in favor of the Respondent, noting that the revenue from the multiplexes was properly reflected in their accounts, and the relationship between the multiplex owners and distributors did not constitute a taxable service. The CESTAT relied on the precedent set in ***PVS Multiplex India Pvt Ltd v. CCE & ST, Meerut-I***[6], concluding that there was no service element in the revenue-sharing arrangement.
- Thereafter, the Appellant opposed the same, contending it was a taxable service and appealed to the Supreme Court.

Issues at hand?

- Whether the revenue sharing agreements between the exhibitor and distributor for showcasing films/movies can be classified as 'Business Support Services' and thereby be taxable under the Finance Act, 1994.

Decision of the Court

- The Supreme Court placed reliance on an order passed by a co-ordinate bench in ***Commissioner of Service Tax v. Inox Leisure Ltd***[7] in which the Supreme Court had set aside the demand for service tax under 'Business Support Services,' stating that a revenue sharing arrangement does not necessarily imply the provision of services unless a clear service provider-service recipient relationship is established.
- The Supreme Court further noted the importance of establishing a clear service provider and service recipient relationship to classify an activity as a 'service' for the purposes of taxation. It was held that the appellant is not liable to pay service tax for the screening of films and the payments made to distributors in their multiplex.

HSA
Viewpoint

This ruling by the Supreme Court reaffirms that revenue-sharing agreements in the context of film exhibition do not attract service tax under the 'Business Support Services' category. The judgment aligns with prior decisions, providing consistency in taxation policies related to film exhibitions in multiplexes. The decision underscores the importance of distinguishing between a revenue-sharing arrangement and a service provision, thereby offering clarity and legal certainty for entities engaged in similar business models.

[5] (2009) 3 SCC 121
[6] Appeal No. ST/70563/2016-CU [DB]
[7] C.A. No. 1335 of 2022

- The Court further held that the Appellant had correctly showed the amounts paid to distributors under the head "film software expenses", and the disclosure of the gross amount received from the sale of tickets or exhibition of films in their profit and loss account.
- Thus, the Supreme Court disposed the appeal, and reaffirmed the CESTAT's decision, thereby stating that revenue-sharing agreements in film exhibitions are not subject to service tax.

Kotak Mahindra Bank Ltd v. Shalibhadra Cottrade Pvt Ltd & Ors

Calcutta High Court | Execution Case No. 193 of 2019

Background facts

- Kotak Mahindra Bank Ltd **(Petitioner)** filed an application under Section 36 of the Arbitration and Conciliation Act, 1996 **(Act)** for enforcing an ex-parte award.
- Shalibhadra Cottrade Pvt Ltd and certain other respondents **(Respondents)** challenged the maintainability of the application on the ground that the Arbitrator was unilaterally appointed by the Petitioner.
- The Respondents argued that the unilateral appointment of the Arbitrator vitiates the inherent jurisdiction of the Arbitrator who was *de jure* ineligible in terms of Section 12(5) read with Seventh Schedule of the Act, to pass any award.
- In view of the same the Respondents contended that the award passed by the Arbitrator itself is null and void *ab initio*.
- The Respondents finally submitted that even without challenging the award under Section 34 of the Act, the in executability of an award can be used as a defense in a proceeding for enforcement of the award.
- On the contrary, the Petitioner argued that Section 36 of the Act creates legal fiction regarding enforcement of an award in terms of the Code of Civil Procedure.
- The Petitioners submitted that Section 47 of the Code of Civil Procedure is not applicable as Section 34 of the Act itself prescribes grounds for challenging an arbitral award.

Issues at hand?

- Whether a unilateral appointment of an Arbitrator, without any further allegation of bias under Section 12(5), read with the Seventh Schedule of the Act renders the Arbitrator ineligible?
- Whether ineligibility under Section 12(5) of the Act or otherwise renders an arbitral proceeding and the consequential award *void ab initio*?
- What is the scope of applicability of the Code of Civil Procedure, in particular Section 47, in an enforcement proceeding under Section 36 of the Act?
- Whether ineligibility of the Arbitrator can be set up as a ground of in executability of an award in a proceeding under Section 36 of the Act?

Decision of the Court

- At the outset, the Court referred to the judgement in the case of ***Bharat Broadband Network Ltd v. United Telecoms Ltd***[8], and held that the proposition laid down in the said judgement does not have direct relevance on the issue in the present case.
- The Court relied on the judgement in the case of ***Perkins Eastman Architects DPC and Anr v. HSCC (India) Ltd***[9] and held that the said judgement provides unilateral appointment as a criterion of ineligibility in addition to the criteria of ineligibility stipulated under Section 12(5) of the Act.
- The Court further relied on the judgement in the case of ***TRF Limited v. Energo Engineering Projects Ltd***[10] whereby it was held that once an Arbitrator becomes ineligible by operation of law, he cannot nominate another person as an Arbitrator.
- In view of the above the Court held that unilateral appointment of an Arbitrator, without any further allegation of bias renders the Arbitrator ineligible.
- The Court held that proviso of Section 12(5) of the Act, provides an option to the parties to waive the ineligibility criteria provided under Section 12(5) of the Act by an express agreement in writing after the dispute has arisen between the parties. In view of the same, the Court held that ineligibility is not an absolute bar that would invalidate the entire proceeding from the outset.

[8] (2019) 5 SCC 755
[9] (2020) 20 SCC 760
[10] (2017) 8 SCC 377

- Further, the Court held that though unilateral appointment creates an ineligibility, the same is not of such a high stature as to tantamount to an implicit and inherent lack of jurisdiction rendering the entire proceedings and the consequential award a nullity altogether.
- Hence, the Court held that an ineligibility by unilateral appointment by one of the parties, which comes within the broader connotation of Section 12(5) of the Act, does not render an arbitral proceeding and the consequential award *void ab initio*.
- The Court stated that Sub-section (1) and (2) of Section 36 of the Act connects the enforcement of an arbitral award with Section 34 of the Act. Further, the Court stated that Section 5 of the Act provides that notwithstanding anything contained in any other law for the time being in force, no judicial authority shall intervene except where so provided in the Part I of the Act. Additionally, it was stated that the said provision must be read in conjunction with Section 19(1) of the Act which provides that Arbitral Tribunal shall not be bound by Code of Civil Procedure.
- In view of the above, the Court held that the Code of Civil Procedure would be applicable to Arbitration insofar as provided in the Act and not otherwise.
- The Court held that Section 47 of the Code of Civil Procedure cannot be read into Section 36 of the Act for the simple reason that it would open a channel for resisting the enforcement on grounds which are already provided for under Section 34(2)(b)(i) of the Act.
- Hence, the Court held that the provisions of Order XXI of the Code of Civil Procedure and its allied provisions are applicable to an enforcement proceeding under Section 36 of the Act only to the limited extent insofar as the modes and modalities of enforcement are concerned.
- The Court relied on the judgement in the case of ***Krishna Kumar Mundhra v. Narendra Kumar Anchalia***[11] whereby it was held that Section 34 of the Act prescribes the grounds when an award can be challenged and after the question is decided, the award becomes final in terms of Section 35 of the Act. However, if no application under Section 34 of the Act is made then it will be held that after the expiration of the period of limitation, the award becomes enforceable in terms of Section 36 of the Act.
- Further, the Court relied on the judgement in the case of ***Hindustan Zinc Ltd. v. National Research Development Corporation***[12] whereby it was held that an arbitral award can be held to be null only as per Section 34 of the Act and not in proceeding under Section 36 of the Act.
- Thus, in view of the judgements, the Court held that ineligibility of the Arbitrator cannot be used as a ground of in executability of an award in a proceeding under Section 36 of the Act.
- Hence, in view of the above, the Court held that the present proceedings under Section 36 of the Act is maintainable.

HSA
Viewpoint

This decision clarifies that an Arbitrator is deemed to be ineligible if he is unilaterally appointed even if there is no allegation of bias under Section 12(5), read with the Seventh Schedule of the Act. The significance of the judgment is that it makes it clear that even if there is ineligibility of an Arbitrator due to unilateral appointment, the same does not render an arbitral proceeding and the consequential award *void ab initio*. The Judgement reinforces that Section 47 of the Code of Civil Procedure cannot be read into Section 36 of the Act and the provisions of Code of Civil Procedure are only applicable to a limited extent with regards to application under Section 36 of the Act. The judgment further removes all ambiguities and makes it clear that ineligibility of the Arbitrator cannot be used as a ground of in executability of an arbitral award in a proceeding under Section 36 of the Act.

[11] 2003 SCC OnLine Cal 381
[12] 2023 SCC OnLine Del 330

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