

JUDGEMENTOPEDIA

(Learning Judgements For A Living)

- Does a Civil Court have jurisdiction to issue an injunction against an arbitral proceeding on the grounds of non-existence of Arbitration Agreement after the Arbitration proceedings has started?
- Whether the penalty imposed on co-operative societies for not filing audit reports within the time limit specified in Section 44AB of the I.T. Act is justified
- Is disclosing the Justice K. Hema Committee Report legal, and can the petitioner challenge it?
- Arbitration requires clear agreement, not implied clauses
- Supreme Court quashes defamation case against media over auction reports



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Does a Civil Court have jurisdiction to issue an injunction against an arbitral proceeding on the grounds of non-existence of Arbitration Agreement after the Arbitration proceedings has started?

CONTEXT: A suit was filed seeking a declaration that no arbitration clause exists, arguing that the arbitral proceedings are without jurisdiction. The Bombay High Court upheld the Civil Court's decision to vacate an interim injunction, referencing Section 5 and Section 16 of the Arbitration and Conciliation Act, 1996, which empower the Arbitral Tribunal to rule on its own jurisdiction.

- The Special Leave Applications against the Bombay High Court's order are dismissed.
- The Supreme Court held that the Civil Court does not have jurisdiction to entertain a challenge to the existence or validity of an arbitration agreement, as Section 16 of the Arbitration and Conciliation Act, 1996, empowers the Arbitral Tribunal to rule on its own jurisdiction.
- The party can raise objections regarding jurisdiction and the existence of an arbitration agreement before the arbitral tribunal, and such decisions can be challenged under Section 34 of the Act.

KVAERNER CEMENTATION INDIA VS. BAJRANGLAL AGARWAL [(2012) 5 SCC 214]

SECTION 5, 16, 34 OF THE ARBITRATION AND CONCILIATION ACT, 1996

Whether the penalty imposed on co-operative societies for not filing audit reports within the time limit specified in Section 44AB of the I.T. Act is justified

CONTEXT: Several co-operative societies in Kerala were penalized for not submitting audit reports within the timeframe mandated by Section 44AB of the I.T. Act. These societies argued that the delay was due to mandatory audits under the Kerala Co-operative Societies Act and Rules. The Income Tax Officer (ITO), First Appellate Authority, and Appellate Tribunal upheld the penalties.

- The High Court of Kerala overturned the decision of the Appellate Tribunal, ruling in favor of the co-operative societies (assessees).
- The court held that the penalties imposed under Section 271B of the I.T. Act were not justified because the assessees demonstrated reasonable cause for the delay.
- The questions of law raised were answered in favor of the assessees and against the Revenue.

CHAVAKKAD
SERVICE COOPERATIVE BANK
LTD. & ORS. V.
INCOME TAX OFFICER
[2024 SCC ONLINE
KER 6873]

SECTION 44AB, 271B, 273B OF THE INCOME TAX ACT, 2000

SECTIONS 63 AND 64
OF THE KERALA COOPERATIVE
SOCIETIES ACT READ
WITH SECTION 64B
OF THE KERALA COOPERATIVE
SOCIETIES RULES

Is disclosing the Justice K. Hema Committee Report legal, and can the petitioner challenge it?

context: A writ petition was filed challenging an order by the State Information Commission to disclose information from the Justice K. Hema Committee Report, which investigated issues of gender discrimination in the Malayalam film industry. The petitioner argued against the disclosure, citing concerns about privacy, potential misuse of the information, and previous rejection of similar applications.

The writ petition was dismissed.

The court upheld the State Information Commission's order to provide the information and attested copies of relevant pages from the Justice K. Hema Committee Report, except for portions

Committee Report, except for portions exempt from disclosure under the Right to Information Act, 2005.

SAJIMON PARAYIL

VS. STATE OF

KERALA & ORS.

[W.P. (C)

NO.26497/2023]

SECTION 6(1), 8(1), 8(2) OF RIGHT TO INFORMATION ACT, 2005

SECTION 44(3),
DIGITAL PERSONAL
DATA PROTECTION
ACT, 2023

Arbitration requires clear agreement, not implied clauses

CONTEXT: The dispute arised from an e-tender published by Eastern Coalfields Limited (ECL) for hiring heavy earth moving machinery. Dhansar Engineering Company Private Limited emerged as the successful bidder. Later, a letter of acceptance and a work order were issued, which ended up in a dispute leading ECL to foreclose the work. Dhansar sought arbitration based on a circular issued by Coal India Limited (CIL), the parent company of ECL, which mandated arbitration for disputes with private contractors. The initial application for the appointment of an arbitrator was dismissed, leading to the present review application.

1 The review application was dismissed.

The Calcutta High Court stated that while there was an apparent error in the initial order regarding the applicable clause of the circular, the circular itself does not automatically incorporate an arbitration clause into the contract without a specific reference and mutual agreement between the parties.

DHANSAR ENGINEERING COMPANY PRIVATE LIMITED VS. EASTERN COALFIELDS LIMITED [OD-7 RVWO/38/2023] **SECTION 7 OF THE ARBITRATION AND** CONCILIATION ACT, 1996. **ORDER 47 RULE 1 OF** THE CODE OF CIVIL **PROCEDURE 1908**

Supreme Court quashes defamation case against media over auction reports

CONTEXT: This appeal arose from a private complaint filed by Bid and Hammer Auctioneers Private Limited against Bennett Coleman and Co. Ltd. and its directors, editors, and journalists, alleging defamation through news articles that had questioned the authenticity of paintings auctioned by the complainant. The High Court had dismissed the petition against the appellants but had quashed it for Bennett Coleman and Co. Ltd. The articles had been published in various newspapers, and the complaint had alleged that they contained defamatory content. The appellants had challenged the initiation of criminal proceedings against them.

- The Supreme Court allowed the appeals and quashed the High Court's order, as well as the summoning orders and the criminal complaint against the appellants.
- The Court found that the Magistrate had not conducted the mandatory inquiry under Section 202 Cr. P.C. before issuing summons to the accused, who had resided outside the court's jurisdiction.
- Additionally, the Court noted that a decade had passed since the auction, with no evidence of actual damage or loss caused by the articles.

JAIDEEP BOSE V. BID

AND HAMMER

AUCTIONEERS

PRIVATE LIMITED

[2025 SCC ONLINE

SC 348]

SECTION 499 AND 500 OF THE INDIAN PENAL CODE, 1860

SECTION 200, 202 OF THE CRIMINAL PROCEDURE CODE, 1973

THE PRESS AND REGISTRATION OF BOOKS ACT, 1867