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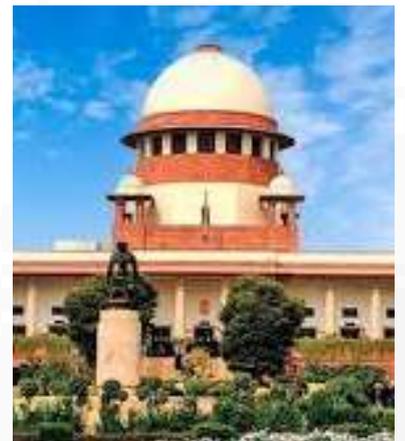
MARCH 2026

Post-Award Purchaser Cannot Stall Decree Execution

R. SAVITHRI NAIDU V. M/S THE COTTON CORPORATION OF INDIA LIMITED AND ANR.

The Supreme Court reaffirmed that a purchaser who acquires property from a judgment-debtor during the pendency of proceedings cannot resist execution of a decree. The Court held that a post-award transferee is bound by the doctrine of lis pendens under Section 52 of the Transfer of Property Act, 1882. Such a purchaser has no independent locus to object to enforcement, even in execution of a money decree, especially where the transfer appears collusive and intended to defeat the decree-holder's rights.

The dispute arose from a 1998 cotton supply agreement between The Cotton Corporation of India Limited and M/s Lakshmi Ganesh Textiles Limited. Following non-payment, arbitration proceedings were initiated in 1999, culminating in an award dated June 11, 2001, directing payment of over ₹26 lakh with interest. A Section 34 challenge failed in 2013. During the pendency of execution proceedings, the judgment-debtor sold a property in 2015 to the appellant, the mother of its Managing Director. When the executing court ordered attachment in 2021, she objected under Order XXI Rule 58 CPC, claiming bona fide ownership. Both the executing court and the High Court rejected her claim, and the Supreme Court upheld those findings, noting the absence of proof of lack of notice and indicating the transaction was designed to frustrate the award.



The ruling strengthens the enforceability of arbitral awards and money decrees by preventing judgment-debtors from shielding assets through transfers to related parties. It clarifies that lis pendens and Order XXI Rule 102 CPC apply broadly and are not confined to property-specific decrees. The decision sends a clear message that pendente lite transfers, particularly those appearing collusive, will not be permitted to derail execution proceedings or delay realisation of decretal amounts.

No Automatic Arbitrator Substitution on Mandate Expiry

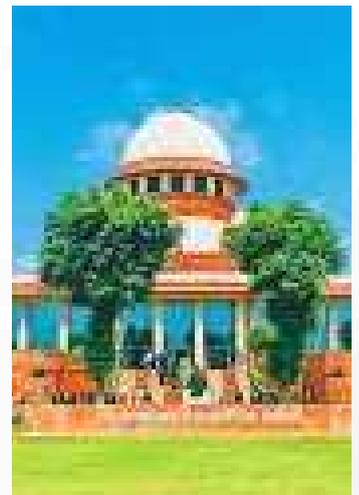
VIVA HIGHWAYS LTD V. MADHYA PRADESH ROAD DEVELOPMENT CORPORATION LTD & ANR.

The Supreme Court clarified that termination of an arbitral tribunal's mandate under Section 29A(4) of the Arbitration and Conciliation Act, 1996 does not automatically entail substitution of the arbitrator. Interpreting Section 29A(6), the Court held that substitution is not a mandatory consequence of mandate expiry and would arise only where the circumstances so warrant.

Setting aside the Madhya Pradesh High Court's decision, the Court observed that substitution must be assessed on a case-specific basis, particularly with reference to whether the delay in the arbitral proceedings is attributable to the arbitrator.

The High Court had relied on *Mohan Lal Fatehpuria v. Bharat Textiles*, treating termination of mandate as necessarily leading to substitution. The Supreme Court clarified that in *Mohan Lal Fatehpuria*, substitution was directed in light of the arbitrator's failure to conduct proceedings for a prolonged period, effectively stalling the arbitration. That observation was grounded in the facts of that case and did not lay down an inflexible rule. The Court also relied on *C. Velusamy v. K. Indhera*, which had already clarified that substitution is not an automatic consequence of expiry of mandate.

The ruling reinforces that courts, when dealing with applications under Section 29A, must determine whether continuation of the existing tribunal is appropriate or whether substitution is warranted in the facts of the case. The judgment thus avoids a mechanical approach to substitution and preserves continuity in arbitral proceedings unless there is material indicating failure or delay attributable to the arbitrator.



High Courts Cannot Invalidate Arbitral Proceedings While Substituting an Arbitrator

ANKHIM HOLDINGS PVT. LTD. & ANR. V. ZAVERI CONSTRUCTION PVT. LTD.

The Supreme Court held that a High Court, while exercising powers under Section 15(2) of the Arbitration and Conciliation Act, 1996, cannot go beyond appointing a substitute arbitrator and declare prior arbitral proceedings a nullity. The Bench of Justice J. B. Pardiwala and Justice K. V. Viswanathan ruled that such interference defeats the principle of minimal judicial intervention embedded in the Act. While upholding the appointment of a substitute arbitrator, the Court set aside the Bombay High Court's decision invalidating earlier proceedings.

The dispute arose out of a partnership formed for an SRA project, which went into arbitration in 2019. The Bombay High Court had appointed former Chief Justice J.N. Patel as sole arbitrator by consent. Meanwhile, the respondent company entered insolvency proceedings before the National Company Law Tribunal, triggering a moratorium under the Insolvency and Bankruptcy Code. Arbitration resumed in 2022 after the Interim Resolution Professional ceased to hold office, and interim orders were passed. Later, upon liquidation and a fresh moratorium, the arbitration was terminated in 2023. When the appellants sought substitution, the High Court not only appointed a new arbitrator but also declared proceedings conducted during the moratorium period as void. The Supreme Court found this approach legally impermissible.



The ruling reinforces that courts acting under Section 15(2) are limited to substitution and cannot assume appellate or supervisory powers not conferred by statute. Questions relating to validity of proceedings or interim orders must be challenged through the specific remedies provided under the Act. The judgment strengthens party autonomy and preserves the integrity and continuity of arbitral proceedings by preventing unwarranted judicial overreach.

Seven Years' Unauthorised Absence Amounts to Abandonment of Service

SUCHITRA MOHAPATRA V. STATE OF ODISHA & ORS.

The Orissa High Court upheld the disengagement of a female school teacher who remained absent from duty without authorisation for over seven years. The Division Bench comprising Justice Dixit Krishna Shripad and Justice Chittaranjan Dash declined to interfere with the removal order, holding that prolonged unauthorised absence amounts to abandonment of service. The Court stressed the vital role of teachers in shaping young minds and observed that such neglect of duty cannot be condoned lightly by constitutional courts.

The appellant had been appointed as a Sikhya Sahayak in 2011 at an Upper Primary School in Gajapati district but remained absent from 20 June 2013. After she failed to resume duty for nearly seven years, the Collector-cum-Chief Executive Officer, Zilla Parishad, Gajapati, issued a disengagement order in October 2020. Her representation seeking reconsideration was rejected. A Single Bench dismissed her writ petition, following which she filed an intra-court appeal with a delay of 592 days. Although this delay itself was a sufficient ground to reject the appeal, the Division Bench examined the matter on merits and found no justification for her prolonged absence.



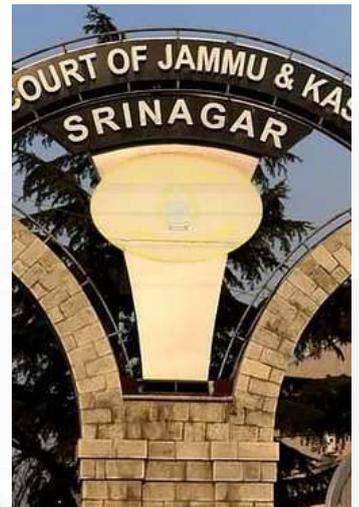
Relying on precedents such as *G.T. Lad v. Chemical & Fibres of India Ltd.*, *State of Punjab v. Dr P.L. Singla*, and *Government of India v. George Philip*, the Court held that abandonment of service results in automatic cessation of employment. The formal removal order merely records that fact; it does not create it. The ruling reinforces that in the field of education, prolonged unauthorised absence is viewed seriously and will not attract judicial sympathy.

Employee Cannot Seek Retrospective Parity After Accepting Promotion to a Different Cadre

ABDUL SALAM DAR V. HIGH COURT OF J&K AND OTHERS

The Jammu and Kashmir High Court held that an employee who voluntarily accepts promotion to a different cadre without challenging the promotion of his juniors in another cadre cannot later seek retrospective parity or re-designation. The Division Bench of Justice Sanjeev Kumar and Justice Sanjay Parihar ruled that once an employee accepts a promotional post without protest, he cannot subsequently attempt to alter his cadre merely because future promotional prospects appear limited.

The petitioner, a Reader in the High Court, had earlier been promoted from Section Officer in 1997. Though he possessed a graduation degree, respondents senior to him did not; their educational qualifications were relaxed by the competent authority under the J&K High Court Staff (Conditions of Service) Rules, 1968, and they were promoted as Assistant Registrars. The petitioner accepted his promotion as Reader, a post carrying pay equivalent to Assistant Registrar-II, without objection. Years later, after realising limited avenues for further advancement in the Reader cadre, he sought retrospective re-designation as Assistant Registrar from 1997 along with seniority benefits. His representations were rejected, leading to the writ petition.



The Court found that the seniority list had been properly finalised and that the petitioner never challenged the promotions of respondents at the relevant time. It was observed that relaxation of educational qualifications for seniors was within the powers of the competent authority. Having opted for and accepted promotion as Reader, the petitioner could not later demand a change of cadre to secure better career prospects. Dismissing the writ petition, the Bench reinforced the principle that service choices, once made and accepted, cannot be revisited for retrospective advantage.

Belagavi Court Summons US AI Firm Anthropic in Trademark Dispute with Karnataka Company

ANTHROPIC SOFTWARES V. ANTHROPIC PBC

A commercial court in Belagavi has issued fresh summons to US-based AI company Anthropic PBC in a trademark dispute filed by Karnataka-based Anthropic Softwares Private Limited. The order was passed by Principal District and Sessions Judge Manjunath Nayak after no representative of the US firm appeared despite earlier summons. The court has now directed that summons be served at the company's newly opened Bengaluru office.

The dispute centres on the use of the mark "Anthropic." The Indian company claims it has been operating under the name since 2017 and has built goodwill in the Indian market. It alleges that the prominence of the US company in online searches and AI-based platforms has led to confusion among users, who may believe the two entities are connected. The plaintiff has sought a temporary injunction to restrain the American firm from using the mark or any deceptively similar name in a manner that suggests association.



Earlier, on 17 January 2026, the court allowed the suit to proceed without mandatory pre-institution mediation, considering the plea for urgent interim relief. However, it declined to grant an ex parte injunction, noting there was no clear evidence at that stage that the US company had commenced operations in India under the disputed mark. With reports indicating the opening of a Bengaluru office, the court has now moved forward by issuing fresh summons to ensure the matter proceeds.

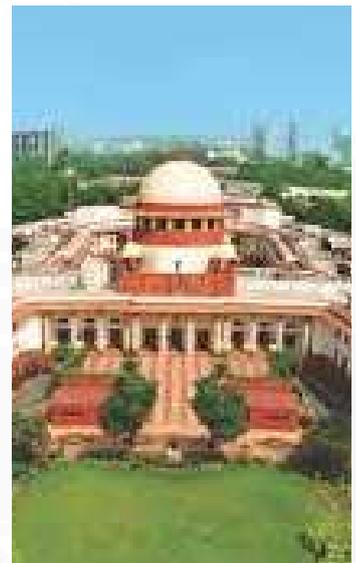
Supreme Court Revives Contempt Proceedings in 'HERO' Trademark Dispute

HERO CYCLES LTD & ANR. V. HERO ECOTECH LTD & ORS

The Supreme Court restored breach-of-injunction proceedings in the long-running "HERO" trademark dispute. The Court set aside the September 3, 2025 judgment of the Patna High Court, which had quashed a 2019 trial court order initiating contempt proceedings. The Court directed that the application under Order XXXIX Rule 2A CPC be restored and adjudicated in accordance with law.

The dispute stems from a 2014 suit filed by Hero Cycles Limited alleging violation of a family settlement governing use of the "HERO" trademark by Hero Ecotech Limited. An ad interim injunction restraining use of the mark in relation to bicycles and parts was granted in September 2014 and confirmed in March 2015. The Supreme Court had restored this injunction in 2016 after High Court interference. Alleging disobedience of the injunction, Hero Cycles moved the trial court, which in September 2019 ordered that contempt proceedings be initiated and evidence be led. The High Court later quashed that order, citing procedural lapses under Order XXXIX Rule 2A CPC.

The Supreme Court clarified that the trial court's role is to properly adjudicate the application under Order XXXIX Rule 2A, which provides for attachment of property or civil imprisonment in cases of injunction breach. It emphasised that if an inquiry is undertaken, both parties must be given a fair opportunity to present evidence. By restoring the proceedings, the Court ensured that allegations of injunction violation are examined on merits rather than dismissed on technical grounds.



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- Awarded as the “Full Service Law Firm of the Year” by Achromic Point
- Awarded the Best Corporate Recovery Firm of the Year.
- Awarded the Best Law Firm of the Year – Due Diligence.
- Recognised as the Best Law Firm of the Year.
- Awarded the Best Insolvency Law Firm of the Year.
- Recognised as the Best Lawyer of the Year - Deepak Sabharwal
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- Recognised as the Best Litigation Firm of the Year.
- Conferred with the Best Excellence Award for Foreign International Legal Relations.

OUR OFFICES

HEAD OFFICE

B1/E-9 First Floor,
Mohan Co-operative
Industrial Estate
New Delhi - 110044
+91-11-47519294
delhi@sabharwalindia.com

DELHI HIGH COURT

DELHI COURT CHAMBER 347,
Lawyers' Chambers,
Delhi High Court
New Delhi - 110003
delhi@sabharwalindia.com

JANGPURA

42-B, Jangpura B,
New Delhi - 11001D-106,
Jangpura Extension,
New Delhi - 110014
delhi@sabharwalindia.com

MUMBAI OFFICE

43 Hanuman Building,
2nd Floor, 308,
Perin Nariman, Street Fort,
Mumbai-400001,
+91-22-66106525-26
mumbai@sabharwalindia.com

BANGALORE OFFICE

Unit No. 1, 2nd Floor, No. 11,
Jeevan Buildings(New Block)
Kumara Park,
East Bangalore - 560001
+91-080-41138502
bangalore@sabharwalindia.com

KOLKATA OFFICE

22 Lake Place,
2ndFloor,
Kolkata -700029.
+91-033-40625165
kolkata@sabharwalindia.com

CHENNAI OFFICE

No.157/323,
3 RD floor, Lingi Chetty Street,
(Near Punjab National Bank)
Chennai - 600001
chennai@sabharwalindia.com

HYDERABAD OFFICE

401, H.No.3-6-181-B-1, SALVA
RESIDENCY, Hyderguda, St No. 17,
Himayath Nagar,
Hyderabad - 500029
hyderabad@sabharwalindia.com

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