



IN THE SUPREME COURT OF INDIA

CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NO. 779/2026

(Arising out of SLP (C) No. 11667/2024)

ANKHIM HOLDINGS PVT. LTD. & ANR.

...Appellant(s)

VERSUS

ZAVERI CONSTRUCTION PVT. LTD.

...Respondent(s)

O R D E R

1. Leave granted.

2. This appeal arises from the judgment and order passed by the High Court of Bombay dated 12.04.2024 in Commercial Arbitration Petition (L) No. 30650/2023 by which the petition filed by the appellants herein before the High Court under Section 15(2) of the Arbitration and Conciliation Act, 1996 (for short, "the Act, 1996") came to be disposed of by substituting the earlier Arbitrator appointed by the High Court, however, with a rider that the arbitral proceedings that took place on seven particular dates, i.e., from 17.03.2022 to 25.08.2022 could be said to be a nullity as those proceedings were undertaken at the time when the respondent company was under a moratorium as envisaged under

Section 14 of the IBC, 2016.

3. The short facts giving rise to this appeal may be summarized as under:-

(i) The appellants and respondent (now under liquidation) entered into a partnership firm named "M/s Anmol Alliance" to develop and construct an SRA project of Andheri Shiv Shakti CHS Limited admeasuring 4514 square metres along with 203 tenements standing thereon situated at CTS No. 195(pt) and 825(pt), Ambivali Village at Indira Nagar, Jay Prakash Road, Andheri (West), Mumbai.

(ii) It appears that disputes cropped up between the appellants and the respondent. In such circumstances, the appellants preferred an application under Section 9 of the Act, 1996, i.e., Commercial Arbitration Petition No.347/2019 against the respondent. Pursuant to the filing of Section 9 petition, an interim arrangement was worked out and based on the same, the parties proceeded with the project.

(iii) On 09.07.2019, the Bombay High Court passed an order in Commercial Arbitration Petition No.347/2019 referred to above accepting the minutes of order recording them as consent terms between the parties.

(iv) The High Court proceeded to appoint Hon'ble Mr. Justice J.N. Patel (former Chief Justice of the Calcutta High Court) to act as the Arbitrator to arbitrate the

disputes and differences between the parties.

(v) It appears from the materials on record that on 26.09.2019, the NCLT Mumbai passed an order in Company Petition (I.B.) No.411/2019 admitting the respondent to CIRP and imposing a moratorium under Section 14 of the IBC.

(vi) On 03.11.2020, the appellants filed I.A. No.(L) 6167/2020 under Section 9 of the Act, 1996, before the High Court whereby they sought to restrain the RP of the respondent from obstructing the sale of certain flats and further sought permission to sell those flats in the light of the consent terms recorded in the order dated 09.07.2019 referred to above. The RP filed its written submissions to oppose the reliefs which were prayed for in I.A.(L) 6167/2020 referred to above.

(vii) On 14.10.2021, the appellants preferred one another Section 9 petition, i.e., I.A. No.(L) 24302/2021 seeking permission to execute the agreement for sale with respect to flat numbers 1001, 1302 and 704, respectively.

(viii) On 15.03.2022, the High Court passed an order in I.A. No.(L) 24302/2021 and I.A. No.(L) 6167/2020 respectively referred to above recording a finding that the Interim Resolution Professional had become *functus officio* and no order for liquidation was passed by the NCLT.

(ix) The High Court proceeded to dispose of the Section 9

petitions while granting liberty to the appellants herein to move the applications under Section 17 of the Act, 1996, before the Arbitrator.

(x) In pursuance of the order dated 15.03.2022 referred to above, the appellants herein preferred Section 17 applications on 17.03.2022 before the Arbitrator. The Arbitrator proceeded to pass an order, scheduling the hearing for Section 17 applications.

(xi) On 25.03.2022, the respondent preferred an application under Section 16 of the Act, 1996, seeking to challenge the jurisdiction of the Arbitral Tribunal on the ground of the moratorium under Section 14 of the IBC.

(xii) By order dated 29.03.2022, the Arbitral Tribunal rejected the Section 16 application referred to above, filed by the IRP of the respondent, seeking stay of the arbitration proceedings in light of the moratorium imposed under Section 14 of the IBC.

(xiii) On 29.03.2022, by a separate order, the Arbitral Tribunal proceeded to pass an order in I.A. No.(L) 24302/2021, permitting the appellants herein to execute agreements for sale in respect of flat numbers 1001, 1302 and 704 respectively.

(xiv) On 20.04.2022, the Arbitral Tribunal passed an order in I.A. No.(L) 6167/2020, permitting the appellants to sell the flat numbers 907 and 908 respectively.

(xv) In pursuance of the orders dated 29.03.2022 and

20.04.2022 respectively, the appellants between July, 2022 and February, 2023 entered into agreements for sale with third parties for the flat numbers 907, 908, 1001, 1302 and 704 respectively. While we were recording the facts as aforesaid, the learned counsel appearing for the appellants brought to our notice that these flats referred to above have not been sold.

4. On 26.08.2022, the NCLT proceeded to pass an order in I.A. No.2278/2020 initiating liquidation proceedings against the respondent.

5. On 24.04.2023, the respondent through the Liquidator filed a Statement of Defence. On 24.04.2023, the Arbitral Tribunal passed an order directing the Liquidator to seek clarification from the High Court in respect of the continuation of the Arbitration proceedings.

6. On 25.08.2023, the High Court passed an order dismissing I.A. No.(L) 14336/2023 filed by the Liquidator seeking a declaration that the disputes between the parties were non-arbitrable.

7. On 11.10.2023, the Arbitral Tribunal passed an order terminating the arbitration proceedings.

8. On 01.11.2023, the appellants herein filed Commercial Arbitration Petition No.30650/2023 before the High Court seeking appointment of substitute Arbitrator and for extension of time for passing arbitral award.

9. The High Court by its impugned judgment and order appointed Hon'ble Mr. Justice R.M. Savant (Retired Judge of the Bombay High Court) as sole arbitrator to adjudicate the disputes and differences between the appellants and the respondent. However, the High Court proceeded to observe the all proceedings undertaken by the Arbitral Tribunal between 26.09.2019 and 26.08.2022 respectively being hit by the moratorium could be said to be a nullity.

10. The relevant observations of the High Court read thus:-

*"14] The submission of Ms. Singhania, by relying upon Section 12 prescribing timeline for completion of IRP and her submission that the CIRP shall be completed within the period of 180 days and since there is no extension sought by the RP, it has come to end, do not deserve any consideration in light of the proviso to sub section (4) of Section 14. The effect of proviso is crystal clear, that the order of moratorium shall have effect till completion of CIRP, but during the CIRP period, if the adjudicating authority approves the resolution plan under sub section (1) of Section 31, or if it passes the order of liquidation under Section 33, the moratorium shall ceased to have effect, either from the date of such approval or liquidation order, as the case may be.*

*The order passed by the NCLT on 26.08.2022 clearly indicates that since resolution plan could not be approved, and CoC resolved to liquidate the company, the Liquidator is appointed under Section 34 and a fresh moratorium is declared to have commenced under Section 33 (5).*

*15] In the wake of aforesaid situation, which emerges from the facts placed before me, the moratorium imposed under Section 14 by order dated 26.09.2019, continued to be in operation till 26.08.2022, when it is declared to cease to have its effect and the company is put into fresh moratorium under Section 33(5) of the IBC, by the NCLT.*

After this date, the ongoing arbitration proceedings which were in abeyance can continue, but all those which are held between 26.09.2019 and 26.08.2022, are hit by the moratorium, and this remains the position, despite this Court on 15.03.2022 permitting its revival, as it was misled to believe that on 15.03.2022, the IP has become functus officio. It is in fact only on 26.08.2022, the Tribunal appointed the Liquidator and directed him to proceed with the process of liquidation in the manner laid down in Chapter 3 of Part II of the IBC, 2016, when the Interim Application filed by the RP for liquidation of the Corporate Debtor was allowed.

16] It is for the aforesaid reason, the proceedings held by the Arbitral Tribunal on the 7 dates i.e. from 17.03.2022 to 25.08.2022, are liable to be declared as nullity, but needless to state that the proceedings can be revived before the substituted arbitrator, as now there is no embargo in continuing the arbitration proceedings and by conferring the liberty upon the parties to revive its application and by permitting the arbitral tribunal to pass appropriate orders thereupon including application filed under Section 17 by the Petitioner, I deem it appropriate to substitute the Arbitrator who has terminated the proceedings."

11. In such circumstances referred to above, the appellants are here before this Court with the present appeal.

#### SUBMISSIONS ON BEHALF OF THE APPELLANTS :-

12. Mr. Ashim Sood, the learned counsel appearing for the appellants would submit that the High Court in exercise of its jurisdiction under Section 15(2) of the Act, 1996, could not have declared the proceedings undertaken by the Arbitral Tribunal between 17.03.2022 and 25.08.2022 as a nullity on the ground that those proceedings were undertaken while the

respondent was under a moratorium under Section 14 of the IBC. He would submit that all that was required was to substitute the Arbitrator.

13. He would further submit that the jurisdiction of the High Court under Section 15(2) of the Act, 1996, is circumscribed compared to the jurisdiction that may be exercised under Section 11 of the Act, 1996.

14. Mr. Sood invited our attention to the language employed under sub-section (2) of Section 15 of the Act, 1996. He laid much emphasis on the expression *"a substitute arbitrator shall be appointed according to the rules that were applicable to the appointment of the arbitrator being replaced"*.

15. By relying on the expression referred to above, Mr. Sood would submit that the powers of the Court under Section 15(2) of the Act must be defined with reference to the Court's powers under Section 11 of the Act, 1996.

16. To fortify the aforesaid submission, he placed reliance on the decision of this Court in the case of *Yashwith Constructions Pvt. Ltd. v. Simplex Concrete Piles India Ltd. & Anr.* reported in (2006) 6 SCC 204.

17. Thereafter, Mr. Sood invited our attention to sub-section (4) of Section 15 of the Act, 1996. Relying on the same, he would submit that the plain reading of the provision itself makes it clear that any order or ruling of the Arbitral Tribunal prior to the replacement of an Arbitrator under Section 15 would not be rendered invalid, solely because of

some change in the composition of the Arbitral Tribunal, unless otherwise agreed between the parties.

18. Mr. Sood submitted that if what has been held by the High Court is to be given effect, it will have its own implications in so far as all those flats which have already stood transferred to the third parties.

19. In the last, Mr. Sood submitted that the High Court in exercise of its jurisdiction under the Act, 1966, could not have nullified orders which it had otherwise no jurisdiction to consider. In this context, the learned counsel relied on the decision of this Court in *Official Trustee v. Sachindra Nath Chatterjee*, reported in 1968 SCC Online SC 103.

20. In such circumstances referred to above, the learned counsel prayed that there being merit in the appeal, the same may be allowed appropriately.

**SUBMISSIONS ON BEHALF OF THE SBI :-**

21. Mr. Tushar Mehta, the learned Solicitor General assisted by the learned counsel, Mr. Sanjay Kapur appeared for the State Bank of India. According to Mr. Mehta, the flats referred to above were mortgaged with the Bank. In such circumstances, Mr. Mehta would submit that the interest of the Bank be protected.

22. At this stage, Mr. Sood, on instructions from his client, made a statement that the flats which have been referred to above were never mortgaged with the State Bank at any point of

time. There was no charge of the Bank over those flats.

**SUBMISSIONS ON BEHALF OF THE OFFICIAL LIQUIDATOR :-**

23. We also heard Mr. Santosh Kumar, the learned counsel appearing for the Liquidator. According to the learned counsel for the Liquidator, no error, not to speak of any error of law could be said to have been committed by the High Court in passing the impugned order.

24. He would submit that the High Court is justified in taking the view that all the proceedings/transactions which took place between 17.03.2022 and 25.08.2022, i.e., during the moratorium period could be said to be a nullity.

25. He seeks to rely upon the provisions of Section 14(4) of the IBC including the *proviso* to sub-section (1) of Section 23 of the IBC.

**ANALYSIS :-**

26. Having heard the learned counsel appearing for the parties and having gone through the materials on record, the only question that falls for our consideration is whether the High Court was justified in saying that the proceedings held by the Arbitral Tribunal on the seven relevant dates, i.e., from 17.03.2022 to 25.08.2022 were liable to be declared as nullity on the premise that those proceedings were undertaken during the period of moratorium under Section 14 of the IBC.

27. We must look into the provisions of Section 15 of the Act, 1996. Section 15 reads thus:-

*"15. Termination of mandate and substitution of arbitrator.-(1) In addition to the circumstances referred to in section 13 or section 14, the mandate of an arbitrator shall terminate-*

*(a) where he withdraws from office for any reason; or*

*(b) by or pursuant to agreement of the parties.*

*(2) Where the mandate of an arbitrator terminates, a substitute arbitrator shall be appointed according to the rules that were applicable to the appointment of the arbitrator being replaced.*

*(3) Unless otherwise agreed by the parties, where an arbitrator is replaced under sub-section (2), any hearings previously held may be repeated at the discretion of the arbitral tribunal.*

*(4) Unless otherwise agreed by the parties, an order or ruling of the arbitral tribunal made prior to the replacement of an arbitrator under this section shall not be invalid solely because there has been a change in the composition of the arbitral tribunal."*

28. A bare perusal of Section 15 referred to above indicates that Section 15(2) is not a standalone provision and should be read with Section 15(3) and Section 15(4) respectively.

29. Section 15(2) states that when mandate of an arbitrator is terminated under Section 14, a substitute arbitrator has to be appointed. It further states that such an appointment must be made according to the rules that were made applicable to the appointment of the arbitrator being replaced.

30. Further, Section 15(3) provides the course of action after the arbitrator has been replaced under sub-section (2).

The essential ingredients of the provision are thus:-

- i. Any hearing previously held may be repeated;
- ii. The repetition of the hearing is at the discretion of the arbitral tribunal;
- iii. However, such repetition of the hearing is subject to the agreement between the parties;

If the parties agree for repetition of hearing, the term "may" transforms into "shall". Whereas, if the parties agree for non-repetition of hearing, the term "may" transforms into "shall not". In case the parties fail to arrive at a conclusion, the arbitral tribunal would decide whether the hearing already conducted before his substitution would be repeated.

31. With a view to dispel any doubt and lend clarity, we deem it appropriate to state that the parties can come to an agreement on the question of re-hearing either prior to the stage of substitution being reached or after the arbitrator has been substituted.

32. At this stage, we must look into the dictum as laid by this Court in *Yashwith Constructions Pvt. Ltd. (supra)*. In the said case, this Court held that under Section 15(2) of the Act, 1996, the appointment of the substitute Arbitrator must be in accordance with the original agreement or provision applicable to the appointment of the Arbitrator at the initial stage.

33. We quote the relevant observations made by this Court in *Yashwith Constructions Pvt. Ltd. (supra)*:-

"4. In our view, the learned Chief Justice and the Division Bench have rightly understood the scope of Section 15 of the Act. When the arbitrator originally appointed in terms of the arbitration agreement withdrew for health reasons, the Managing Director, as authorised originally by the arbitration agreement, promptly appointed a substitute arbitrator. It is true that in the arbitration agreement there is no specific provision authorising the Managing Director to appoint a substitute arbitrator if the original appointment terminates or if the originally appointed arbitrator withdraws from the arbitration. But, this so-called omission in the arbitration agreement is made up by the specific provision contained in Section 15(2) of the Act. The withdrawal of an arbitrator from the office for any reason is within the purview of Section 15(1)(a) of the Act. Obviously, therefore, Section 15(2) would be attracted and a substitute arbitrator has to be appointed according to the rules that are applicable for the appointment of the arbitrator to be replaced. Therefore, what Section 15(2) contemplates is an appointment of the substituted arbitrator or the replacing of the arbitrator by another according to the rules that were applicable to the appointment of the original arbitrator who was being replaced. The term "rules" in Section 15(2) obviously referred to the provision for appointment contained in the arbitration agreement or any rules of any institution under which the disputes were referred to arbitration. There was no failure on the part of the party concerned as per the arbitration agreement, to fulfil his obligation in terms of Section 11 of the Act so as to attract the jurisdiction of the Chief Justice under Section 11(6) of the Act for appointing a substitute arbitrator. Obviously, Section 11(6) of the Act has application only when a party or the person concerned had failed to act in terms of the arbitration agreement. When Section 15(2) says that a substitute arbitrator can be appointed according to the rules that were applicable for the appointment of the arbitrator originally, it is not confined to an appointment under any statutory rule or rule framed under the Act or under the scheme. It only means that the appointment of the substitute arbitrator must be done according to the original agreement or provision applicable to the appointment of the arbitrator at the initial stage. We are not in a position to agree with the contrary view taken by

some of the High Courts."

(Emphasis supplied)

34. Since the appointment in the case at hand was made in terms of the Act, 1996, the original provision applicable to the appointment of the arbitrator would be Section 11 of the Act, 1996.

35. The position of law as regards Section 11 is well settled. It affords the Court with a very limited scope essentially requiring the Court only to make *prima facie* finding that an arbitration agreement exists.

36. The High Court could be said to have travelled beyond its vested jurisdiction including by subsuming jurisdictions expressly made unavailable to it including Section 37 of the Act, 1996.

37. Having regard to the plain language of sub-section (2) and sub-section (4) of Section 15 respectively referred to above, we are in agreement with the submission of Mr. Sood, the learned counsel appearing for the appellants that the High Court exceeded in its jurisdiction while taking the view that the proceedings held by the Arbitral Tribunal between 17.03.2022 and 25.08.2022 are a nullity because of the operation of moratorium.

38. In *Interplay Between Arbitration Agreements under Arbitration and Conciliation Act, 1996 & Stamp Act, 1899*, In re, (2024) 6 SCC 1, a five-Judge Bench of this Court held that:-

"92. The Arbitration Act is a self-contained code inter alia with respect to matters dealing with appointment of arbitrators, commencement of arbitration, making of an award and challenges to the arbitral award, as well as execution of such awards. [ Pasl Wind Solutions (P) Ltd. v. GE Power Conversion (India) (P) Ltd., (2021) 7 SCC 1 : (2021) 3 SCC (Civ) 702; Kandla Export Corpn. v. OCI Corpn., (2018) 14 SCC 715 : (2018) 4 SCC (Civ) 664]. When a self-contained code sets out a procedure, the applicability of a general legal procedure would be impliedly excluded. [Subal Paul v. Malina Paul, (2003) 10 SCC 361]. Being a self-contained and exhaustive code on arbitration law, the Arbitration Act carries the imperative that what is permissible under the law ought to be performed only in the manner indicated, and not otherwise. Accordingly, matters governed by the Arbitration Act such as the arbitration agreement, appointment of arbitrators and competence of the Arbitral Tribunal to rule on its jurisdiction have to be assessed in the manner specified under the law. The corollary is that it is not permissible to do what is not mentioned under the Arbitration Act. Therefore, provisions of other statutes cannot interfere with the working of the Arbitration Act, unless specified otherwise."

(Emphasis supplied)

39. We may refer to the decision in *Hindustan Construction Co. Ltd. v. Bihar Rajya Pul Nirman Nigam Ltd.*, reported in 2025 SCC OnLine SC 2578, wherein while dealing with an application seeking review of appointment of arbitrator made after extending the mandate of the arbitrator twice, the High Court directed the arbitrator not to continue the arbitral proceedings. This was in view of the fact that the arbitrator was appointed as a President of the State Consumer Dispute Redressal Commission. The Court held that when an arbitrator is unable to act owing to recusal, the proper course would be to invoke Section 15(2) and appoint a substitute arbitrator to

continue from the existing stage of the proceedings. The observations of the Court succinctly capture that substitution preserves continuity, and prior proceedings remain valid unless either party objects. The observations read thus:-

*"16. Once the High Court had accepted the existence of a valid arbitration agreement and appointed an arbitrator, its later interference on the same question of the validity of Clause 25 amounted, in substance, to an appeal disguised as supervisory review. If the arbitrator had become unable to act owing to recusal or disqualification, the proper course was to invoke Section 15(2) and appoint a substitute arbitrator to continue from the existing stage of the proceedings.*

*17. Sections 15(1) and 15(2) clearly provide that an arbitrator's mandate terminates upon withdrawal or by agreement of the parties, and that a substitute arbitrator must be appointed following the same procedure as the original appointment. The judgments in Yashwith Constructions (P) Ltd. v. Simplex Concrete Piles (India) Ltd.<sup>36</sup>, ACC Ltd. v. Global Cements Ltd.<sup>37</sup>, and Union of India v. Pradeep Vinod Construction Company<sup>38</sup>, reaffirm that such substitution preserves continuity, and prior proceedings remain valid unless either party objects. In light of the same, the High Court's decision to suspend the arbitration altogether, instead of ordering substitution, was contrary to settled law. The exercise of jurisdiction therefore calls for correction under Article 136 of the Constitution. Accordingly, the impugned judgment and order of the High Court is set aside."*

(Emphasis supplied)

40. The aforesaid dictum of law makes it clear that where the Act, 1996, provides procedures for assailing orders, or prohibits such orders of a Tribunal from being assailed, then no alternate procedure can be adopted by a court whose jurisdiction derives from a provision of the Act, 1996, itself. Section 37 of the Act, 1996, provides for appeals

against orders under Section 17 of the Act, 1996, and also against orders accepting pleas under Section 16 of the Act, 1996, though orders rejecting Section 16 applications are not subject to judicial interference under the Act, 1996.

41. Following the dictum as laid in *Interplay* (supra), it would be impermissible for a court acting under Section 15(2) to adopt a procedure whereby it exercises jurisdiction barred to it by the Act, 1996 as has occurred in the present case: (i) the High Court has set aside an order rejecting an application under Section 16 - which the Act, 1996, does not countenance in any provision; (ii) the High Court has set aside Section 17 orders but not in a proceeding under Section 37; and (iii) the High Court has set aside further procedural orders, which again is not a power vested in any court exercising jurisdiction under the Act, 1996.

42. We also find merit in the submission of Mr. Sood that the High Court is not empowered to nullify orders which it had no jurisdiction to consider. In this context, we may refer to and rely upon the decision of this Court in *Official Trustee* (supra). The relevant observations read thus:-

"15. From the above discussion it is clear that before a Court can be held to have jurisdiction to decide a particular matter it must not only have jurisdiction to try the suit brought but must also have the authority to pass the orders sought for. It is not sufficient that it has some jurisdiction in relation to the subject-matter of the suit. Its jurisdiction must include the power to hear and decide the questions at issue, the authority to hear and decide the particular controversy that has arisen between the parties..."

X                      X                      X                      X

*17.[...]The jurisdiction conferred on the court under Section 34 is a limited jurisdiction. Under that provision, the court has not been conferred with overall jurisdiction in matters arising under a Trust deed. The statute has prescribed what the court can do and inferentially what it cannot do. From the fact that the court has been conferred power to grant only certain reliefs it follows as a matter of law that the court has been prohibited from granting any other relief....*

X                      X                      X                      X

*29. From whatever angle we may examine the validity of the order made by Ramfry, J., it appears clear to us, that the said order was outside the jurisdiction of the learned judge. It was not merely a wrong order, or an illegal order, it was an order which he had no competence to make. It is not merely an order that he should not have passed but it is an order that he could not have passed and therefore a void order."*

(Emphasis supplied)

43. There is no doubt that the High Court assumed and exercised power which has clearly not been conferred by the Act, 1996, more particularly, wherein the statute itself envisages minimal judicial intervention.

44. We are of the view that the proper and legal course for the High Court acting under Section 15(2) of the Act, 1996, should have been to appoint a substitute arbitrator to continue from the existing stage of the proceedings. The impugned part of the judgment rendered by the High Court could be said to have resulted in a situation where the arbitration proceedings would have to be restarted *de novo* and the same would have a direct impact on the sale of flats made pursuant

to the Section 17 orders of the Tribunal. This could be both inequitable and inefficient. This Court has time and again said that the object of speedy resolution of disputes by arbitration would best be subserved by a substitute arbitrator continuing at the point at which the earlier arbitrator has left off. [See: *Hindustan Construction Co. Ltd. v. Bihar Rajya Pul Nirman Nigam Ltd.*, 2005 SCC OnLine SC 2578; *Shailesh Dhairyawan v. Mohan Balkrishna Lulla*, (2016) 3 SCC 619]

45. For all the foregoing reasons, we are of the view that the part of the impugned order by which the High Court declared the proceedings undertaken between 17.03.2022 and 25.08.2022 as a nullity deserves to be interfered with.

46. In the result, this appeal succeeds in part. The impugned order to the extent it says that the proceedings held by the Arbitral Tribunal on the seven dates, i.e., from 17.03.2022 to 25.08.2022, are a nullity is hereby set aside.

47. Considering the long lapse of time and also the fact that third party rights have been created (home buyers rights have come into play) we, in exercise of our jurisdiction under Article 142 of the Constitution of India declare these transactions to be lawfully valid.

48. The impugned judgment and order of the High Court stands modified to the aforesaid extent.

49. The appeal stands disposed of accordingly.

50. Pending application(s), if any, also stand disposed of.

..... J.  
(J.B. PARDIWALA)

..... J.  
(K.V. VISWANATHAN)

NEW DELHI;  
FEBRUARY 04, 2026.