ALBA LAW OFFICES

Newsletter | February 2025

INDEX

S. No.	Particulars	Page No.
1.	**The Delhi High Court observes that the name "Tata" is a well-known trade mark** *[Sir Ratan Tata Trust & Anr. v. Dr. Rajat Shrivastava & Ors. (CS(COMM) 104/2025)]*	5
2.	**The Supreme Court holds that the High Court cannot apply the 'split multiplier method' to calculate insurance compensation unless specific reasons recorded** *[Maya Singh & Ors. v. The Oriental Insurance Co. Ltd. & Ors. (SLP(C) No. 30398 of 2019)]*	5
3.	**The Supreme Court interprets 'First Offence' for compounding within the meaning of Section 276CC of the Income Tax, 1961** *[Vinubhai Mohanlal Dobaria v. Chief Commissioner of Income Tax & Anr., (Civil Appeal No. 1977 of 2025)]*	6
4.	**The Supreme Court clarifies burden of proof in disciplinary inquiries** *[Airports Authority of India v. Pradip Kumar Banerjee, (Civil Appeal No. 8414 of 2017)]*	8
5.	**The Supreme Court clarifies conditions for forfeiture of Gratuity** *[Western Coal Fields Ltd. v. Manohar Govinda Fulzele (SLP (C) No.10088 of 2020)]*	9

6.	**The Supreme Court extends protection of Intellectual Properties under the Scheduled Castes and Scheduled Tribes (Prevention of Atrocities) Act, 1989** *[Principal Secretary Government of Maharashtra & Anr. v. Kshipra Kamlesh Uke & Ors. (SLP (Crl.) Diary No. 49832 of 2024)]*	9
7.	**The Madras High Court: Ground of ineligibility of an arbitrator due to unilateral appointment cannot be raised for the first-time during execution proceedings** *[M/s. Sundaram Finance Limited vs. S.M. Thangaraj & Ors. (C.R.P. No. 5197 of 2024)]*	10
8.	**The Jammu and Kashmir High Court addresses the issue of contract renewal based on performance criteria** *[Zaffar Abbas Din vs Nasir Hamid Khan (Arb. P. No. 06 of 2023)]*	11
9.	**The Supreme Court of India: A preliminary inquiry is not mandatory in every case under the Prevention of Corruption Act, 1988 (PC Act)** *[State Of Karnataka v. T.N. Sudhakar Reddy, Criminal Appeal No. 5001 of 2024]*	12
10.	**The Supreme Court upholds limited judicial review in State-Private contracts, emphasizes role of Public-Private Partnerships** *[Racing Promotions Private Limited v. Dr. Harish & Ors., Civil Appeal Nos. 2755-2758 of 2025]*	13
11.	**The Jammu & Kashmir High Court invalidates property mutation excluding legal heir without justification** *[Mohammad Maqbool v. State of J&K & Ors. OWP 584/2018]*	14
12.	**Issuance of legal notice calling for mediation does not fulfill requirements of Section 12A Commercial Courts Act: The Delhi High Court**	14

	[RenewFlex Recycling v. Facilitation Centre Rohini Courts & Ors., [2025:DHC:1020-DB]	
13.	**Borrower not 'consumer' if loan was for profit generation, consumer complaint not maintainable against Bank: The Supreme Court** *[The Chief Manager, Central Bank of India v. Ad Bureau Advertising Pvt. Ltd., (Civil Appeal No. 7438 of 2023)]*	15
14.	**The Supreme Court held mere use of word 'Irrevocable' does not make Power of Attorney irrevocable** *[M.S. Ananthamurthy & Anr. V. J. Manjula Etc. (Civil Appeal Nos. 3266-3267 of 2025)]*	16
15.	**The Supreme Court Upholds landlord's right to eviction for *bona fide* need** *[Kanahaiya Lal Arya v. Md. Ehshan & Ors. (Neutral Citation: 2025 INSC 271)]*	17
16.	**Lucknow consumer court penalizes man with Rs 10 lakhs for false insurance claim against ICICI Lombard*** ** Source: ET Legal World,* Read Here	18

○	**The Delhi High Court observes that the name "Tata" is a well-known trade mark** *[Sir Ratan Tata Trust & Anr. v. Dr. Rajat Shrivastava & Ors. (CS(COMM) 104/2025)]* The Delhi High Court recently instructed a journalist to refrain from organizing an award event under the name "Ratan Tata National Icon Award" or using the trademarks "Tata" and "Tata Trusts." Justice Mini Pushkarna issued the directive after Rajat Shrivastava, the founder of Delhi Today Group, agreed to discontinue the use of Ratan Tata's name and not proceed with the event under his identity. The court noted that "Tata" is a well-known trademark and that the late Ratan Tata is a prominent public figure, warranting protection of his name. The court further emphasized that the defendant is not permitted to use the logo or any images associated with Ratan Tata and Tata Trusts. The ruling came in response to a lawsuit filed by Sir Ratan Tata Trust and Tata Sons Pvt Ltd, seeking to prevent the unauthorized use of their registered trademarks. Additionally, they sought for damages exceeding Rs. 2 crorer for alleged harm to their reputation and goodwill.
○	**The Supreme Court of India hold that the High Court cannot apply the 'split multiplier method' to calculate insurance compensation unless specific reasons recorded** *[Maya Singh & Ors. v. The Oriental Insurance Co. Ltd. & Ors. (SLP(C) No. 30398 of 2019)]* The Supreme Court increased the compensation in a motor accident case, overturning the Madhya Pradesh High Court's decision, which had significantly

	reduced the amount without providing a valid justification for applying the 'split method'. The Motor Accident Claims Tribunal had initially granted compensation, but the High Court reduced it, reasoning that the deceased had only two years of service remaining before retirement. Consequently, it applied the 'split method' which considered salary for the remaining service years, projected increments, and the pension that would have been received post-retirement. The Supreme Court observed that the High Court had substantially lowered the compensation by applying a split multiplier to the deceased's income. It ruled that the High Court had failed to consider the established principles set in various landmark judgments. The Bench emphasized that Courts and Tribunals are generally required to follow the 'multiplier method' and any deviation from this standard must be backed by specific reasons, which the High Court had not recorded. The multiplier method is used to reflect the severity of non-economic damages, with higher values indicating more severe injuries. The multiplier uses the total of the claimant's economic damages, such as medical expenses and lost wages, to estimate reasonable compensation for pain and suffering caused due to the loss of dependency. Read Here
○	**The Supreme Court interprets 'First Offence' for compounding within the meaning of Section 276CC of the Income Tax, 1961 (Income Tax Act)** *[Vinubhai Mohanlal Dobaria v. Chief Commissioner of Income Tax & Anr., (Civil Appeal No. 1977 of 2025)]* The dispute in the present case primarily revolves around whether the offense committed by Vinubhai Mohanlal Dobaria ("**Appellant**") qualifies as a "first offense" under the definition provided in the Guidelines for Compounding of Offenses under Direct Tax Laws, 2014 ("**2014 Guidelines**"). The 2014 Guidelines state that offenses occurring before the issuance of a show-cause notice may be compounded. However, the Chief Commissioner ruled that since a show-cause

notice had already been issued for the previous assessment year, the offense related to the subsequent assessment year could not be considered a "first offense."

Section 276CC of the Income Tax Act provides that if a person fails to furnish the return of income as required under the Act, they will be punished with:

1. **Rigorous imprisonment** for a term ranging from six months to seven years, where the tax evaded exceeds twenty-five hundred thousand rupees; or
2. **Rigorous imprisonment** for a term ranging from three months to two years, along with a fine, in any other case.

In the present case, the Appellant had previously delayed filing income tax returns for the assessment year 2011-12. Upon receiving a show-cause notice, the Appellant sought relief for compounding under the Guidelines for Compounding of Offenses, 2008 ("**2008 Guidelines")** and was granted relief. Later, the Appellant received another show-cause notice for the failure to file income tax returns on time for the assessment year 2013-14. The Appellant sought relief for compounding under the 2014 Guidelines, explaining that due to a lack of available funds, he was unable to pay the assessed tax amount on time and that the delay was neither deliberate nor willful.

The application for compounding the offense for the assessment year 2013-14 was rejected due to the earlier show-cause notice issued for the default in the assessment year 2011-12. In other words, the application was rejected because the offense was not considered a "first offense."

The Appellant argued that the 2014 Guidelines were general guidelines that cannot be interpreted in the nature of law, rather they ought to be construed liberally and in accordance with the factual matrix of each case. The Appellant’s contention was based on the fact the Income Tax Commissioner had rejected the compounding application by calculating the date of offence from the default committed with respect to assessment year 2011-12, for which the Appellant had done the needful.

The Apex Court noted that a plain reading of the 2014 Guidelines indicated that the competent authority is required to exercise discretion based on the specific facts of each case, including the Appellant’s conduct and the severity of the offense. The Court further explained that an offense under Section 276CC is deemed to have been committed on the day immediately following the deadline for filing returns, regardless of when the return was eventually submitted.

The Court concluded that the offense committed by the Appellant under Section 276CC fell clearly within the category of a "first offense" under the 2014 Guidelines. The rejection of the compounding application, without considering the specific facts of the case, was deemed unwarranted. The Court reasoned that the date of commission of the offense under Section 276CC should be considered as the day immediately following the prescribed date for filing the income tax return, not the actual date of submission by the assessee.

Finally, the Court remarked that when an assessee voluntarily discloses the commission of an offense, it cannot be said that the intention behind the delay is tax evasion.

Read Here

○ **The Supreme Court Clarifies Burden of Proof in Disciplinary Inquiries** *[Airports Authority of India v. Pradip Kumar Banerjee, (Civil Appeal No. 8414 of 2017)]*

The Supreme Court clarified that in disciplinary inquiries, the department's burden of proof is limited to demonstrating its case based on the principle of Preponderance of Probabilities.

The case at hand was a civil appeal filed by the Airports Authority of India (AAI), challenging a judgment by the Calcutta High Court. The Division Bench of the High Court had overturned a Single Judge’s order. The Apex Court observed that the Division Bench had erred significantly by applying the criminal trial standard of proof to a disciplinary inquiry. The Court emphasized that, unlike criminal trial, where guilt must be proven "beyond a reasonable doubt", disciplinary proceedings follow a lower standard of proof, based on the balance of probabilities.

Reaffirming established legal principles, the Supreme Court also stated that in disciplinary proceedings, the Disciplinary Authority is not required to address every argument presented by the delinquent officer in response to the proposed penalty.

Read Here

- **The Supreme Court clarifies conditions for forfeiture of Gratuity**

  [Western Coal Fields Ltd. v. Manohar Govinda Fulzele (SLP (C) No.10088 of 2020)]

  The Supreme Court recently clarified the conditions for gratuity forfeiture under the Payment of Gratuity Act, 1972 ("**Gratuity Act**"). The Court held that a criminal conviction is not necessary for gratuity forfeiture. Instead, gratuity may be forfeited if the employee's misconduct itself constitutes an offense involving moral turpitude.

  The Court clarified that the observations made in *Union Bank of India and Ors*. vs. *C.G. Ajay Babu* (2018) that required a criminal conviction for gratuity forfeiture were *obiter dicta*, i.e., a remark in the judgement having no binding value.

  The Court interpreted the term 'offense' in Section 4(6)(b)(ii) of the Gratuity Act by referring to its definition under the General Clauses Act, which states that an 'offense' refers to an act or omission made punishable by law and does not require a conviction.

  The Court concluded that the Gratuity Act permits forfeiture based on the misconduct itself, and that a criminal conviction is not a mandatory requirement.

  The Court further clarified that the disciplinary authority must assess whether the misconduct involves moral turpitude and based on the severity of the act, determine whether to forfeit the full gratuity or only a portion of it.

  In the present case, the Court upheld the forfeiture, noting that the employee's suppression of his actual date of birth constituted offense involving moral turpitude, regardless of any criminal conviction.

  Read Here

- **The Supreme Court extends protection of Intellectual Properties under the Scheduled Castes and Scheduled Tribes (Prevention of Atrocities) Act, 1989**

  [Principal Secretary Government of Maharashtra & Anr. v. Kshipra Kamlesh Uke & Ors. (SLP (Crl.) No. 1204 of 2025)]

  The Supreme Court upheld a Bombay High Court judgment affirming that loss of Intellectual Property can be compensated under the Scheduled Castes and Scheduled Tribes (Prevention of Atrocities) Act, 1989 ("**the Act**").

This significant decision arose from a case involving two researchers from the Scheduled Caste community, who alleged that their research, including survey data and equipment, was stolen in a caste-based atrocity.

The Bombay High Court had ruled that the term "property" under the Act should be interpreted broadly, encompassing both tangible and intangible forms of property, including intellectual property like copyrights and designs, which are capable of valuation. The High Court had emphasized that the Act aims to provide comprehensive relief and limiting "property" to physical assets would undermine this purpose.

In dismissing the State of Maharashtra's Special Leave Petition, the Supreme Court agreed with the High Court's interpretation and directed the District Magistrate concerned to reassess the researchers' claims. This reassessment should specifically include their intellectual property loss and determine appropriate compensation. The researchers had argued their irreplaceable data constituted a significant professional loss, while the State contended "property" meant only tangible assets.

Read Here

- **The Madras High Court: Ground of ineligibility of an arbitrator due to unilateral appointment cannot be raised for the first-time during execution proceedings**

[M/s.Sundaram Finance Limited vs. S.M. Thangaraj & Ors. (C.R.P. No. 5197 of 2024)]

The Madras High Court recently addressed an important question regarding the ineligibility of an arbitrator due to unilateral appointment and whether such objections can be raised for the first time during execution proceedings. In a decisive ruling, the Court answered in the negative, emphasizing that objections related to arbitrator ineligibility must be raised during the arbitration process and cannot be introduced for the first time during execution proceedings.

The Court referred to the proviso to Section 12(5) of the Arbitration and Conciliation Act, 1996 ("**the Act**"), which allows parties to waive objections concerning the arbitrator's ineligibility. If no such objection is raised during the arbitration, the Court concluded, it constitutes a waiver of the right to challenge the appointment.

Distinguishing previous cases that involved challenges raised during the arbitration proceedings, the Court cited the judgment in *Kotak Mahindra Bank Limited v. Shalibhadra Cottrade Private Limited* (2019), where it was clarified that the ineligibility of an arbitrator does not automatically void the arbitration proceedings. As a result, ineligibility cannot be raised belatedly during execution proceedings.

Reinforcing the principle that executing courts cannot re-examine the decree, the Court referred to multiple precedents, reiterating that execution must proceed based on the award as it stands, unless it has been set aside through a Section 34 application. It also highlighted the principle of express waiver under Section 12(5) of the Act, which applies even in cases of unilateral appointments.

Furthermore, the Court reiterated that Section 34 of the Act provides the exhaustive grounds for challenging an arbitral award, and once the time to challenge has expired, the award becomes binding. Consequently, the High Court set aside the Executing Court's order.

○ **The Jammu and Kashmir High Court addresses the issue of contract renewal based on performance criteria**

[Zaffar Abbas Din vs Nasir Hamid Khan (Arb. P. No. 06 of 2023)]

The Jammu and Kashmir High Court recently addressed the issue regarding the renewal of contracts based on performance criteria. The Court held that if a contract's renewal is contingent upon meeting specific performance criteria, and those criteria are met, the contract is deemed renewed. Further, the Court clarified that it will not interfere with an arbitrator's interpretation of a contract, provided that the interpretation is reasonable and logical.

In this case, the arbitrator was tasked with interpreting a clause in the agreement that stipulated it would be "compulsorily renewable" if sales remained "satisfactory." Finding no specific definition for "satisfactory," the arbitrator relied on other agreement provisions and concluded that sales of ₹15 lakh or above monthly constituted "satisfactory" performance. The Court deemed this interpretation plausible and refrained from interference. The Court further observed that, in light of the arbitrator's findings, the petitioner's unilateral actions of entering the premises and removing stock without informing the respondent were unjustified, causing both loss and disruption to the business.

Reaffirming its stance, the Court reiterated that it will not interfere with a reasonable and logical interpretation by the arbitrator unless it violates public policy or is patently illegal.

Read Here

- **The Supreme Court of India: A preliminary inquiry is not mandatory in every case under the Prevention of Corruption Act, 1988 (PC Act)**

[State of Karnataka v. T.N. Sudhakar Reddy, Criminal Appeal No. 5001 of 2024]

The Supreme Court recently addressed the procedural requirements for the registration of an FIR under the PC Act.

This case originated from a source information report submitted by a Police Inspector. Upon reviewing the report, the Superintendent of Police issued an order directing the Deputy Superintendent of Police to register a case under Section 13(1)(b) read with Section 13(2) and Section 12 of the PC Act, resulting in the registration of an FIR on the same day. Challenging the FIR, the respondent filed a petition before the High Court, seeking to have the FIR and related proceedings quashed. The High Court ruled in favor of the respondent and quashed the FIR, prompting the State to file the present appeal before the Supreme Court.

The Supreme Court observed that under Section 154 of the Criminal Procedure Code, 1973 (CrPC) (Section 173 of the Bharatiya Nagarik Suraksha Sanhita, 2023), an officer in-charge is authorized to document any information indicating a cognizable offense, either personally or under their directive. The Supreme Court further referenced Section 17 of the PC Act which talks of the persons authorized to investigate an offence under the PC Act.

By harmoniously interpreting the provisions of both the PC Act and the CrPC, the Court clarified that the Superintendent of Police has the authority to order the registration of an FIR upon receiving information about the commission of a cognizable offense under the PC Act. Therefore, the Supreme Court ruled that if a superior officer determines that a prima facie case reveals a cognizable offense, a preliminary inquiry may be bypassed under PC Act.

Read Here

○ **The Supreme Court upholds limited judicial review in State-Private contracts, emphasizes role of Public-Private Partnerships**

[Racing Promotions Private Limited v. Dr. Harish & Ors., Civil Appeal Nos. 2755-2758 of 2025]

In a recent ruling, the Supreme Court rules that judicial review in contracts between the State and private entities is limited, particularly regarding financial terms and scope of work. The case involved Racing Promotions Private Limited (RPPL), which entered into a Memorandum of Understanding (MoU) with the Sports Development Authority of Tamil Nadu (SDAT) to organize the Formula 4 championship, with SDAT required to contribute a fixed amount towards licensing fees, operational costs, and infrastructure improvements. This led to several Public Interest Litigation petitions before the Madras High Court, questioning the lack of transparency in the use of public funds.

While the Madras High Court refrained from interfering with the government's policy to promote motor racing, it issued directives requiring RPPL to reimburse Rs 42 crores spent from public funds. The State was also instructed to ensure RPPL or any future organizer deposits Rs 15 crores in advance for future events. Additionally, the Court directed the State to take responsibility for organizing such events in the future, in collaboration with private entities to ensure fairness and transparency in the use of public resources. These directives were challenged by RPPL before the Supreme Court.

The Supreme Court emphasized that the State's involvement in such events is typically limited to facilitation, with private entities assuming primary responsibility. It ruled that judicial intervention in contractual matters is restricted, as agreed terms between the parties should be respected. The Court also rejected the idea that the State should bear full responsibility for organizing such events, noting that public-private partnerships optimize resources and expertise, aligning with global best practices.

Read Here

- **The Jammu & Kashmir High Court invalidates property mutation excluding legal heir without justification**

  [Mohammad Maqbool v. State of J&K & Ors. OWP 584/2018]

  The Jammu and Kashmir High Court recently ruled that a property mutation excluding a legal heir without valid justification is legally invalid. The case arose when the petitioner sought to transfer ownership of his deceased father's property solely to himself, excluding his sister, the respondent. Both parties were legal heirs under Muslim Personal Law. However, the mutation record only reflected the petitioner as the owner of the property, without any explanation for exclusion of the respondent.

  The Court found that the mutation violated both Muslim Personal Law and Standing Order 23-A, which governs property mutation procedures. It emphasized that there was no evidence to suggest that the respondent had voluntarily relinquished her inheritance rights, nor did any customary law apply in this instance. Consequently, the mutation was deemed legally invalid.

  The High Court annulled the contested mutation and directed the revenue officer to reconsider the matter in accordance with the legal provisions. The Court dismissed the petitioner's appeal, affirming that the exclusion of the respondent was without lawful basis.

  Read here

- **Issuance of legal notice calling for mediation does not fulfill requirements of Section 12A Commercial Courts Act: The Delhi High Court**

  [RenewFlex Recycling v. Facilitation Centre Rohini Courts & Ors., [2025:DHC:1020-DB]

The Delhi High Court recently ruled that sending a legal notice through a lawyer requesting mediation does not fulfil the perquisites set under Section 12A of the Commercial Courts Act, 2015 (“Act”). Section 12A of the Act requires that before filing a commercial lawsuit, the petitioner must first attempt mediation through an official mediation authority under the Legal Services Authorities Act, 1987.

In this case, the petitioner had sent a legal notice to the respondent requesting mediation, but the respondent did not respond. When the petitioner later filed a commercial suit, the Registry rejected it, stating that the correct procedure as required by Section 12A of the Act had not been followed.

Under Section 12A of the Act, a petitioner must obtain a certificate or non-starter report from an authorized mediation authority, confirming that mediation was attempted but no agreement was reached. The Court explained that merely sending a legal notice does not satisfy the legal requirements for mediation under the Act.

The petition was dismissed, with the Court clarifying that the mediation process must adhere to the steps outlined in the legal provisions, and that merely sending a legal notice does not fulfil the requirements of Section 12A of the Act.

Read here

- **Borrower not 'consumer' if loan was for profit generation, consumer complaint not maintainable against Bank: The Supreme Court**

[The Chief Manager, Central Bank of India v. Ad Bureau Advertising Pvt. Ltd., Civil Appeal No. 7438 of 2023]

In a significant ruling, the Supreme Court held that a borrower is not considered a "consumer" under the Consumer Protection Act, 1986, if the loan was taken for a profit-generating purpose. This decision was pivotal in determining that a complaint filed by a borrower against a bank was not maintainable under the Act, as the transaction in question was deemed commercial rather than consumer-related.

The appellant, bank in the instant case, had advanced a loan to the respondent, a company involved in the post-production of a film. The loan became irregular, leading to a settlement agreement between the parties. However, the respondent filed a complaint, alleging that the bank had wrongly marked it as a defaulter with the Credit Information Bureau of India, causing reputational and business damage.

The Court ruled that the primary intention behind the loan was profit generation, making the transaction a business-to-business one. Therefore, the respondent did not qualify as a "consumer" under the Act. The Court specifically relied on earlier judgments to reinforce its decision. Reliance was placed on the case of Shrikant G. Mantri vs. Punjab National Bank (2022), the Supreme Court had ruled that a stockbroker availing an overdraft facility for business purposes was not a "consumer" under the Consumer Protection Act. Similarly, in National Insurance Company Limited v. Harsolia Motors & Ors. (2023), the Court held that the dominant intention behind a transaction—whether for profit generation—must be considered to determine if it was commercial in nature. These precedents helped shape the current ruling.

The Court also clarified that this ruling pertained solely to the maintainability of the consumer complaint, not the merits of the dispute. Consequently, the appeal was dismissed.

Read here

- **The Supreme Court held mere use of word 'Irrevocable' does not make Power of Attorney irrevocable**

  [M.S. Ananthamurthy & Anr. V. J. Manjula Etc., (Civil Appeal Nos. 3266-3267 of 2025)]

  In a recent judgment, the Supreme Court clarified that the mere inclusion of the word "irrevocable" in a Power of Attorney (POA) does not automatically render it irrevocable. The Court emphasized that the nature of a POA is determined by its subject matter, not just its label. Whether a POA is termed "general" or "special," it is the powers granted and the subject matter that define its nature.

  The case involved a property transaction dispute wherein the original owner of the property executed an "irrevocable" general POA in favor of an agent (Appellant No.

	1), along with an unregistered agreement to sell. The agent then subsequently sold the property to his son (Appellant No. 2). However, after the original owner's death, the owner's heirs sold the property to one of the current respondents, who later transferred it to a third party. This third party subsequently gifted the property to Respondent No. 1. Respondent No. 1 filed a suit for a permanent injunction against Appellant No. 2, to prevent interference with the property's possession. The High Court upheld the injunction, and the appellants appealed the decision. The Supreme Court explained that the relationship between the POA's executant (the original owner) and the holder (the agent) is one of principal and agent. It also clarified that the mere use of the word "irrevocable" does not make the POA irrevocable unless it is coupled with an interest in the property, in line with Section 202 of the Indian Contract Act. The Court referred to *Timblo Irmaos Ltd. v. Jorge Anibal Matos Sequeira (1977),* where it was held that the terms in a POA must be understood in the full context of the document. The Court dismissed the appeal, ruling that the POA did not confer an interest in the property to the agent, and as such, it remained revocable. Additionally, it clarified that an agreement to sell does not, by itself, transfer ownership of the property. Read here
○	**The Supreme Court upholds landlord's right to eviction for *bona fide* need** *[Kanahaiya Lal Arya v. Md. Ehshan & Ors. (Neutral Citation: 2025 INSC 271)]* The Supreme Court recently ruled in favor of a landlord in an eviction suit, asserting that a landlord is the best judge of which of his properties should be vacated to meet his *bona fide* needs. The case involved a landlord seeking to evict his tenants from a property to establish an ultrasound machine for his two unemployed sons. The landlord filed the eviction suit on the grounds of rent default, refusal to vacate, and the *bona fide* need to use the property for his sons' business. He provided evidence of his ability to purchase the ultrasound machine and demonstrated that the property was ideally located next to a medical clinic and pathology centre. While

the trial court ruled in favor of the landlord, the first appellate court and the High Court reversed the decision, prompting the landlord to appeal to the Supreme Court.

The Court emphasized that once the landlord decided to vacate the property to meet his *bona fide* need, it is not for the tenant to decide which property should be vacated. The Court also clarified that the landlord had sufficiently demonstrated both the financial ability to set up the business and the necessity of the premises for his sons, who were unemployed and required the business opportunity.

Additionally, the Supreme Court addressed a compromise deed of 2008 between the parties, which allowed the tenants to continue occupying three rooms after the landlord had carried out the reconstruction work. However, the Court observed that their deed did not contain a clause preventing the landlord from initiating eviction proceedings in the future if the tenants defaulted on rent or ceased using the property for its intended purpose. The Court ruled that the compromise deed did not bar the landlord's right to seek eviction.

The Supreme Court ultimately allowed the landlord's appeal, set aside the lower court judgments, and decreed the eviction suit in his favor.
Read here

- **Lucknow consumer court penalizes man with Rs 10 lakhs for false insurance claim against ICICI Lombard**

  ** Source: ET Legal World,* Read Here

  The State Consumer Commission in Lucknow has dismissed a fraudulent insurance claim filed against ICICI Lombard and imposed a fine of ₹10,00,000 on the complainant.

  The case pertained to a claim for the alleged theft of a Mercedes-Benz, with a compensation demand of ₹29 lakhs. However, ICICI Lombard had previously denied the claim, citing gross negligence, as the vehicle had been left unattended. Further investigations revealed major discrepancies, including that the car had been purchased for only ₹3,70,000 from its previous owner. The Commission also noted

	suspicious financial transactions and inconsistencies in the ownership of multiple luxury vehicles, which did not align with the complainant's declared income. The court identified a pattern of suspected fraudulent activity, where vehicles were insured at exaggerated values and later reported as stolen or damaged. Consequently, it ordered an investigation and recommended criminal proceedings against the complainant. ** Disclaimer: the primary source for this piece could not be located and has been taken from a credible news source.*

CONTACT

ALBA LAW OFFICES

3D, Girdhar Apartment 28, Firozshah Road New Delhi – 110001
| Tel: +91-11-3545 4252 |

Email: delhi@albalawoffices.com | Web: www.albalawoffices.com