**LEGAL IMPLICATIONS OF NON-ADHERENCE OF THE COMPLUSORY STIPULATIONS UNDER THE REGISTRATION ACT AND UNDER THE STAMP ACT**

**In Re: Impact of Non-Registration and/or Insufficient Stamping of Documents Requiring Compulsory Registration and Appropriate Stamping.**

**Prelude:**

 Nearly twelve-months ago the Supreme Court of India, speaking through a two-Judge Bench, led by Hon’ble Mr. Justice Rohinton Fali Nariman, delivered a Judgment in a case titled as ***Garware Wall Ropes Ltd. v. Coastal Marine Constructions and Engineering Ltd***.[[1]](#footnote-1), *qua* the effect of an arbitration Clause contained in a contract which required Stamping under the Indian Stamp Act, but either has not been stamped at all or has been insufficiently stamped.

At first blush, the lawyering-minds perceived the Judgment in ***Garware Wall Ropes*** (supra), as a one, which overruled the Law enunciated by a Co-ordinate Bench of the Supreme Court nearly a decade ago in ***SMS Tea Estates Pvt. Ltd. v. Chandmari Tea Company Pvt. Ltd.[[2]](#footnote-2)***

 But, here we would like to remind our dear fellow readers, what Mary Anne Radmacher had once said and we quote:

*“At first glance it may appear too hard. Look again. Always look again.”*

Likewise, in this Article we shall endeavor to de-clutter the apprehensions regarding the true effect of the two co-ordinate Bench decisions in ***Garware Wall Ropes*** (supra) and ***SMS Tea Estates*** (supra).

In this process we shall attempt to answer the following Questions of legal importance:

1. Legal Implication of Non-Registration of a compulsorily Registrable Document.
2. Legal Implication of Non-stamping or insufficiently stamping of Documents.
3. Whether an arbitration agreement contained in an unregistered (but compulsorily registrable) instrument is valid and enforceable?
4. Whether an arbitration agreement in an unregistered instrument, which is not duly stamped, is valid and enforceable?

This Article will be a little different, in the sense that, it requires no adumbration of any factual score and thus, we can directly hop to the pronouncements that hold the field, with regard to the abovementioned questions.

**ANALYSIS AND FINDINGS:**

1. Shorn of the details, we shall not delve into the aspects, such as the meaning of Registration, the intent and purpose of making certain documents compulsorily registrable either under the Transfer of Property Act, 1882 (hereinafter TPA) or under the Registration Act, 1908 (hereinafter Registration Act). Accordingly, we shall, for the purposes of this Article, keep the discussion limited to Implications of Non-Registration of Documents, which statutorily require compulsory registration.
2. It is axiomatic that sub-section (1) of Section 17 of the Registration Act*,* specifies what are the documents that are required to be mandatorily registered. An instrument of gift of immovable property, an instrument which purports to create, declare, assign, limit or extinguish, whether in present or in future any right, title or interest in immovable property, the value of which exceeds Rs. 100, any instrument which acknowledges the receipt or payment of consideration on account of the creation, declaration, assignment, limitation or extinction of any right, title or interest, leases of immovable property from year to year or for a term exceeding one year and instruments transferring or assigning any decree or order of court or any award where such decree or order or award operates to create, declare, assign, limit or extinguish any right, title or interest in immovable property, the value of which exceeds Rs. 100.
3. Sub-section (1-A) provides that agreements for sale, to be used to claim protection of Section 53-A of the TPA, 1882 entered into after 24-9-2001, require registration. Sub-section (2) excludes from the operation of clauses (*b*) and (*c*) of sub-section (1) of Section 17, the various transactions described therein under various clauses.
4. Section 5 of the TPA defines “transfer of property” as an act by which a living person conveys property, in present or in future, to one or more other living persons, or to himself and one or more living persons; and “to transfer property” is to perform such an act.
5. The word “transfer” is defined with the reference to the word “convey”. This word in English Law, in its narrower and more usual sense, refers to the transfer of an estate in land, but it is sometimes used in a much wider sense to include any form of assurance inter vivos. The word “conveys” in Section 5 of the Transfer of Property Act is used in the wider sense referred to above. Transferor must have an interest in the property. He cannot sever himself from it and yet convey it. A lease comes within the meaning of the word “transfer” as held in ***Krishna Kumar Khemka* v. *Grindlays Bank Plc*.[[3]](#footnote-3)**
6. Section 54 of the TPA deals with “sale” which is a transfer of ownership in exchange for a price paid or promised or part-paid and part-promised. In the case of tangible immovable property of a value less than one hundred rupees, such transfer may be made either by a registered instrument or by delivery of the property.
7. While referring to Sections 53-A and 54 of the TPA and its decisions in ***Narandas Karsondas* v. *S.A. Kamtaz*[[4]](#footnote-4)** and ***Rambhau Namdeo Gajre* v. *Narayan Bapuji Dhotra[[5]](#footnote-5)***, the Supreme Court further observed that a transfer of immovable property by way of sale can be effected only by a deed of conveyance. In the absence of a deed of conveyance (which must be duly stamped and registered as required by law), no right, title or interest in an immovable property can be transferred. The Court further dealt with the importance of registering documents that record transactions of sale or transfer and the need for all States to take steps to curb malpractice, thereby reducing the circulation of unaccounted wealth (or “black money”) in society.
8. Under Section 17 of the Registration Act the documents, which purport or operate to create, declare, assign, limit or extinguish any right, title or interest of the value of one hundred rupees and upwards, are to be registered. If registration is not done as per the provisions of the Registration Act, title will not pass.
9. Conveyance is a statutory requirement, it cannot be decided that the immovable property could be sold by way of unregistered sale deed, in view of the provisions of the Stamp Act, 1899 and Registration Act and for further claiming rights based on the unregistered document.
10. We may now hasten to scrutinize Section 49(c) of the Registration Act, which stipulates that if a document, of which registration is compulsory under Section 17 of the Registration Act, has not been registered; it cannot be produced as evidence in a court of law.
11. Dear Reader, the co-relation between Section 49 of the Registration Act, and provisions of the Indian Evidence Act, 1872, (hereinafter Evidence Act) that we are about to highlight in this Article, shall, by far be, the most stand outstanding feature of this Article and so to say, shall be its USP (Upper Selling Point).
12. If we are to recollect section 91 and 92 of the evidence act incorporate the rule, which is sometimes called the best evidence rule through excluding oral evidence by documentary evidence. In other words, when a fact is incorporated in a document, the document itself (being the primary evidence) is the best evidence of that fact. Such a fact should, therefore, be proved by the document itself, which forms the primary evidence of the said fact. It is in the sense that the rule enunciated by section 91 of the Evidence Act is the rule of exclusion of oral evidence by documentary evidence, for proving the contents and/or terms of the document except in cases where secondary evidence under section 65 of the evidence act is permitted.
13. On a conjoint reading of section 91 of the evidence act, on the one hand, and section 17 and section 49 (c) of the Registration Act, on the other, it becomes amply clear that where a document requires mandatory registration under Law, and in the eventuality of such a document not having been registered, then Section 49 (c) of the Registration Act shall play an overriding effect over Section 91 of the Evidence Act, as a result of which the document, that is, the primary evidence, shall become inadmissible due to non-adherence of section 17 of the registration act, except what is permitted under proviso to Section 49 of the Registration Act.
14. Similarly secondary evidence, that is, oral evidence or otherwise, for proving the terms and/or contents of such a compulsory registrable document, which, however, has not been registered shall become in-admissible due to the operation of Section 49 (c) of the Registration Act, except what is permitted under proviso to Section 49 of the Registration Act.
15. The aforesaid may be further clarified by the observations of the Supreme Court in ***Bondar Singh* v. *Nihal Singh[[6]](#footnote-6)***: and ***K.B. Saha & Sons (P) Ltd.* v. *Development Consultant Ltd****.[[7]](#footnote-7)*, wherein the Court laid down the following guidelines:

*(i) A document, which is compulsorily registrable, but not registered, cannot be received as evidence of any transaction affecting such property or conferring such power. The phrase “affecting the immovable property” needs to be understood in the light of the provisions of Section 17(b) of the Registration Act, which would mean that any instrument, which creates, declares, assigns, limits or extinguishes a right to immovable property, affects the immovable property.*

*(ii) The restriction imposed under Section 49 of the Registration Act is confined to the use of the document to affect the immovable property and to use the document as evidence of a transaction affecting the immovable property.*

*(iii) If the object in putting the document in evidence does not fall within the two purposes mentioned in (ii) supra, the document cannot be excluded from evidence altogether.*

*(iv) A collateral transaction must be independent of or divisible from a transaction to affect the property i.e. a transaction creating any right, title or interest in the immovable property of the value of rupees hundred and upwards.*

*(v) The phrase “collateral purpose” is with reference to the transaction and not to the relief claimed in the suit.*

*(vi) The proviso to Section 49 of the Registration Act does not speak of collateral purpose but of collateral transaction i.e. one collateral to the transaction affecting immovable property by reason of which registration is necessary, rather than one collateral to the document.*

(*vii) Whether a transaction is collateral or not needs to be decided on the nature, purpose and recitals of the document.*

1. Having culled out the legal propositions, the discussion on this issue shall remain incomplete unless a few illustrations as to what constitutes collateral transaction are not enumerated. They are as under:

(*a*) If a lessor sues his lessee for rent on an unregistered lease which has expired at the date of the suit, he cannot succeed for two reasons, namely, that the lease which is registrable is unregistered and that the period of lease has expired on the date of filing of the suit. However, such a lease deed can be relied upon by the plaintiff in a suit for possession filed after expiry of the lease to prove the nature of the defendant's possession.

(*b*) An unregistered mortgage deed requiring registration may be received as evidence to prove the money debt, provided, the mortgage deed contains a personal covenant by the mortgagor to pay (See *Queen Empress* v. *Rama Tevan* [ILR (1892) 15 Mad 352.] , *P.V.M. Kunhu Moidu* v. *T. Madhavan Menon* [ILR (1909) 32 Mad 410.] and *Vani* v. *Bani* [ILR (1896) 20 Bom 553.] ).

(*c*) In an unregistered agreement dealing with the right to share in certain lands and also to a share in a cash allowance, the party is entitled to sue on the document in respect of movable property (*Hanmant Apparao Deshpande* v. *Ramabai Hanmant Meghashyam* [1919 SCC OnLine Bom 131 : AIR 1919 Bom 38.] ).

(*d*) An unregistered deed of gift requiring registration under Section 17 of the Registration Act is admissible in evidence not to prove the gift, but to explain by reference to it the character of the possession of the person who held the land and who claimed it, not by virtue of deed of gift but by setting up the plea of adverse possession (*Varatha Pillai* v. *Jeevarathnammal* [1918 SCC OnLine PC 50 : ILR (1920) 43 Mad 244.] ).

(*e*) A sale deed of immovable property requiring registration but not registered can be used to show nature of possession (*Radhomal Alumal* v. *K.B. Allah Baksh Khan Haji Muhammad Umar* [1941 SCC OnLine Sind CC 13 : AIR 1942 Sind 27.] , *Bondar Singh* v. *Nihal Singh* [(2003) 4 SCC 161 : AIR 2003 SC 1905.] , *A. Kishore* v. *G. Srinivasulu* [2004 SCC OnLine AP 386 : (2004) 3 ALD 817.] and *R. Suresh Babu* v. *G. Rajalingam* [2016 SCC OnLine Hyd 429 : (2017) 1 AnLT 668.]

1. It is the general proposition of law in view of the provisions of Section 49 provides that any document, which is required to be registered, if not registered, shall not affect any immovable property comprised therein nor such document shall be received as evidence of any transaction affecting such property.
2. Proviso to Section 49 of the Registration Act, however, stipulates that an unregistered document affecting immovable property and required by Registration Act or the TPA to be registered may be received as evidence to the contract in a suit for specific performance or as evidence of any collateral transaction which does not itself require mandatory registration.
3. By virtue of proviso, therefore, an unregistered sale deed of an immovable property of the value of Rs. 100 and more could be admitted in evidence as evidence of a contract in a suit for specific performance of the contract. Such an unregistered sale deed can also be admitted in evidence as an evidence of any collateral transaction, which does not itself require mandatory registration. When an unregistered sale deed is tendered in evidence, not as evidence of a completed sale, but as proof of an oral agreement of sale, the deed can be received in evidence making an endorsement that it is received only as evidence of an oral agreement of sale under the proviso to Section 49 of the Registration Act.
4. In view of the foregoing discussion the first Question framed in the beginning of this Article is sufficiently answered and it is now, appropriate to move ahead to answer the other Questions. Continuing the discussion, it is due to the operation of proviso to section 49 of the registration act that an arbitration clause contained in a document mandatorily registrable, which has, in actuality, not been registered, can be looked into and can thus, be acted upon.
5. As far as the Second Question, which we intend to answer in this Article, pertaining to the Legal Implication of Non-stamping or insufficiently stamping of Documents, it is appropriate to refer to Section 35 of the Indian Stamp Act, 1889. The provision reads as under:

“**35. Instruments not duly stamped inadmissible in evidence, etc.—**No instrument chargeable with duty shall be admitted in evidence for any purpose by any person having by law or consent of parties authority to receive evidence, or shall be acted upon, registered or authenticated by any such person or by any public officer, unless such instrument is duly stamped: Provided that—

[(a)](https://indiankanoon.org/doc/63388095/) any such instrument [shall], be admitted in evidence on payment of the duty with which the same is chargeable, or, in the case of an instrument insufficiently stamped, of the amount required to make up such duty, together with a penalty of five rupees, or, when ten times the amount of the proper duty or deficient portion thereof exceeds five rupees, of a sum equal to ten times such duty or portion;

[(b)](https://indiankanoon.org/doc/22705602/) where any person from whom a stamped receipt could have been demanded, has given an unstamped receipt and such receipt, if stamped, would be admissible in evidence against him, then such receipt shall be admitted in evidence against him, then such receipt shall be admitted in evidence against him on payment of a penalty of one rupee by the person tendering it;

[(c)](https://indiankanoon.org/doc/73235011/) where a contract or agreement of any kind is effected by correspondence consisting of two or more letters and any one of the letters bears the proper stamp, the contract or agreement shall be deemed to be duly stamped;

[(d)](https://indiankanoon.org/doc/163797964/) nothing herein contained shall prevent the admission of any instrument in evidence in any proceeding in a Criminal Court, other than a proceeding under Chapter XII or Chapter XXXVI of the Code of Criminal Procedure, 1898 (5 of 1898);

[(e)](https://indiankanoon.org/doc/143277136/) nothing herein contained shall prevent the admission of any instrument in any Court when such instrument has been executed by or on behalf of 66 [the 67 [Government]] or where it bears the certificate of the Collector as provided by section 32 or any other provision of this Act.

1. Thus, it is crystal clear that, unless an instrument which is chargeable with stamp duty has duly stamped, it shall not be admitted in evidence for any purpose and the way to make such an instrument qualified for being admitted into evidence is to make payment of the entire or the insufficient stamp duty, as the case may be, along with the requisite penalty, in terms of the various sub-clauses of the Section 35 of the Stamp Act. The second question, which this article aims to address, is answered accordingly.
2. As regards to the third question, which is concerning the impact upon an arbitration clause contained in an instrument which required mandatory registration under the Registration Act, but has not been registered. For addressing this question, we shall profit from the decision of the Supreme Court in ***SMS Tea Estates*** (supra), wherein the Supreme Court observed thus:

***“12.****When a contract contains an arbitration agreement, it is a collateral term relating to the resolution of disputes, unrelated to the performance of the contract. It is as if two contracts—one in regard to the substantive terms of the main contract and the other relating to resolution of disputes—had been rolled into one, for purposes of convenience. An arbitration clause is therefore an agreement independent of the other terms of the contract or the instrument. Resultantly, even if the contract or its performance is terminated or comes to an end on account of repudiation, frustration or breach of contract, the arbitration agreement would survive for the purpose of resolution of disputes arising under or in connection with the contract.*

***13*.** *Similarly, when an instrument or deed of transfer (or a document affecting immovable property) contains an arbitration agreement, it is a collateral term relating to resolution of disputes, unrelated to the transfer or transaction affecting the immovable property. It is as if two documents—one affecting the immovable property requiring registration and the other relating to resolution of disputes which is not compulsorily registerable—are rolled into a single instrument. Therefore, even if a deed of transfer of immovable property is challenged as not valid or enforceable, the arbitration agreement would remain unaffected for the purpose of resolution of disputes arising with reference to the deed of transfer.*

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***16****. An arbitration agreement does not require registration under the Registration Act. Even if it is found as one of the clauses in a contract or instrument, it is an independent agreement to refer the disputes to arbitration, which is independent of the main contract or instrument. Therefore having regard to the proviso to Section 49 of the Registration Act read with Section 16(1)(a) of the Act, an arbitration agreement in an unregistered but compulsorily registerable document can be acted upon and enforced for the purpose of dispute resolution by arbitration.*

1. Therefore, the pronouncement of the Supreme Court in ***SMS Tea Estates*** (supra) has left no room for doubt that an arbitration agreement in an unregistered but compulsorily registrable document can be acted upon and enforced for the purpose of dispute resolution by arbitration. The third question posed in this Article has been answered accordingly.
2. Now moving ahead to the fourth and the last area of concern, that is, what shall be the legal fate of an arbitration agreement contained in an instrument, which not only required compulsory registration but was also required proper stamping, and in fact has neither been registered nor has bee duly stamped.
3. Some may argue, that the answer to this question was not answered by the Supreme Court in the decade old judgment in ***SMS Tea Estates*** (supra) and was only addressed subsequently by the Supreme Court in ***Garware Wall Ropes*** (supra). This, we are afraid, is not the correct appreciation of the decision of the Supreme Court ***SMS Tea Estates*** (supra), as the said issue was duly addressed and answered by the Supreme Court in ***SMS Tea Estates*** (supra). Here it shall be fruitful refer to the following observations of the Supreme Court in ***SMS Tea Estates*** (supra):

*“17. What if an arbitration agreement is contained in an unregistered (but compulsorily registerable) instrument which is not duly stamped? To find an answer, it may be necessary to refer to the provisions of the Stamp Act, 1899 (“the Stamp Act”, for short). Section 33 of the Stamp Act relates to examination and impounding of instruments….*

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*22. We may therefore sum up the procedure to be adopted where the arbitration clause is contained in a document which is not registered (but compulsorily registerable) and which is not duly stamped:*

*22.1. The court should, before admitting any document into evidence or acting upon such document, examine whether the instrument/document is duly stamped and whether it is an instrument which is compulsorily registerable.*

*22.2. If the document is found to be not duly stamped, Section 35 of the Stamp Act bars the said document being acted upon. Consequently, even the arbitration clause therein cannot be acted upon. The court should then proceed to impound the document under Section 33 of the Stamp Act and follow the procedure under Sections 35 and 38 of the Stamp Act.*

*22.3. If the document is found to be duly stamped, or if the deficit stamp duty and penalty is paid, either before the court or before the Collector (as contemplated in Section 35 or 40 Section of the Stamp Act), and the defect with reference to deficit stamp is cured, the court may treat the document as duly stamped.*

*22.4. Once the document is found to be duly stamped, the court shall proceed to consider whether the document is compulsorily registerable. If the document is found to be not compulsorily registerable, the court can act upon the arbitration agreement, without any impediment.*

*22.5. If the document is not registered, but is compulsorily registerable, having regard to Section 16(1)(a) of the Act, the court can delink the arbitration agreement from the main document, as an agreement independent of the other terms of the document, even if the document itself cannot in any way affect the property or cannot be received as evidence of any transaction affecting such property. The only exception is where the respondent in the application demonstrates that the arbitration agreement is also void and unenforceable, as pointed out in para 15 above. If the respondent raises any objection that the arbitration agreement was invalid, the court will consider the said objection before proceeding to appoint an arbitrator.*

*22.6. Where the document is compulsorily registerable, but is not registered, but the arbitration agreement is valid and separable, what is required to be borne in mind is that the arbitrator appointed in such a matter cannot rely upon the unregistered instrument except for two purposes, that is (a) as evidence of contract in a claim for specific performance, and (b) as evidence of any collateral transaction which does not require registration.*

1. Thus, as is manifest in terms of the aforesaid decision that the Courts are obligated to examine, before admitting an instrument into evidence or acting upon such document, examine whether the instrument/document is duly stamped and whether it is an instrument which is compulsorily registerable.
2. In case the instrument is mandatorily regsitrable but has not been registered and contains an arbitration clause, then as stated earlier, the arbitration clause contained in an unregistered but compulsorily registerable instrument can be acted upon and enforced for the purpose of dispute resolution by arbitration.
3. Whereas, if the court finds that the instrument containing an arbitration clause, required stamping, is either not stamp at all or is deficiently stamped, then such an instrument is hit by section 35 of the Stamp Act, consequently non of the stipulations contained in such a improperly stamped instrument can be acted upon, including the arbitration clause.
4. Further, the Court in such a situation is obligated to adopt the procedure enshrined in other provisions of the Stamp Act and thus, is required to impound such an improperly stamped instrument under Section 33 of the Stamp Act and follow the procedure under Sections 35 and 38 of the Stamp Act.
5. Subsequently in the eventuality where such instrument is duly stamped or if the deficit stamp duty and penalty is paid, either before the court or before the Collector (as contemplated in Section 35 or 40 Section of the Stamp Act), and the defect with reference to deficit stamp is cured, the court may treat the document as duly stamped.
6. Thus, once the instrument is duly stamped, which though is compulsorily registrable then the court irrespective of the fact that such an instrument has not yet been registered, proceed to act upon the arbitration agreement, without any impediment. The fourth Question posed in the Article has been answered accordingly.
7. At this juncture, it needs to highlighted and underscored that the recent decision of the Supreme Court in ***Garware Wall Ropes*** (supra) in no way, whatsoever, changes or remotely modifies the law laid by it in ***SMS Tea Estates*** (supra).
8. Then it remains to be seen that what was it, contained in ***Garware Wall Ropes*** (supra), which differentiates it from the decision in ***SMS Tea Estates*** (supra).
9. At present, it is necessary to carefully dissect the ruling in ***Garware Wall Ropes*** (supra). Upon scanning the anatomy of the said judgment, it is easily decipherable that the Court there was, primarily dealing with effect of the newly inserted provisions in the Arbitration and Conciliation Act, 1996, which were in the form of Section 11 (13) and Section 11 (6-A) introduced by Amendment Act 3 of 2016.
10. Be it stated, that an argument was advanced before the Court on behalf of the Respondent therein, to bifurcate the arbitration clause contained in an agreement or conveyance, which required proper stamping, so as to give such an arbitration clause an independent existence. Rejecting, such a contention the court observed thus:

*“A close look at Section 11(6-A) would show that when the Supreme Court or the High Court considers an application under Sections 11(4) to 11(6), and comes across an arbitration clause in an agreement or conveyance which is unstamped, it is enjoined by the provisions of the Stamp Act to first impound the agreement or conveyance and see that stamp duty and penalty (if any) is paid before the agreement, as a whole, can be acted upon. It is important to remember that the Stamp Act applies to the agreement or conveyance as a whole. Therefore, it is not possible to bifurcate the arbitration clause contained in such agreement or conveyance so as to give it an independent existence, as has been contended for by the respondent."*

1. Thereafter, the Court ruled that the introduction of Section 11(6-A) does not, in any manner, deal with or get over the basis of the judgment in ***SMS Tea Estates***(supra) and the said decision continues to apply even after the amendment of Section 11(6-A).
2. Another proponent, relying upon Section 11 (13) of the Arbitration Act, was advanced before the Court on behalf of the Respondent in that case stating that the stipulation contained in the said provision which requires the court to dispose of applications under Section 11 for appointment of an arbitrator within a period of 60 days from the date of service of notice on the opposite party, shall be breached if an improperly stamped instrument is to be impounded at the stage of a Section 11(6) application, in terms of the judgment in ***SMS Tea Estates***(supra), as payment of stamp duty and penalty, if any, would require adjudication by the stamp authorities, which would take far more than the 60-day period that is laid down by Section 11(13).
3. The Court thereupon, made use of its judicial creativity and applied the rule of harmonious construction between the provisions of the general statute, that is, the Stamp Act and provisions of the Arbitration and conciliation Act, 1996 so as to sub-serve both. The observation of the Court in this regard are following:

*“37. One reasonable way of harmonising the provisions contained in Sections 33 and 34 of the Maharashtra Stamp Act, which is a general statute insofar as it relates to safeguarding revenue, and Section 11(13) of the 1996 Act, which applies specifically to speedy resolution of disputes by appointment of an arbitrator expeditiously, is by declaring that while proceeding with the Section 11 application, the High Court must impound the instrument which has not borne stamp duty and hand it over to the authority under the Maharashtra Stamp Act, who will then decide issues qua payment of stamp duty and penalty (if any) as expeditiously as possible, and preferably within a period of 45 days from the date on which the authority receives the instrument. As soon as stamp duty and penalty (if any) are paid on the instrument, any of the parties can bring the instrument to the notice of the High Court, which will then proceed to expeditiously hear and dispose of the Section 11 application. This will also ensure that once a Section 11 application is allowed and an arbitrator is appointed, the arbitrator can then proceed to decide the dispute within the time-frame provided by Section 29-A of the 1996 Act.*

1. As is evincible, while keeping the ruling in ***SMS Tea Estates***(supra) intact, the Court devised an ingenious way to simultaneously, comply to the statutory requirement of Section 11 (13) of the Arbitration Act, 1996 which is aimed at speedy resolution of arbitrable disputes, while at same time the court remained alive to the for safeguarding the revenue of the ex-chequer as mandated under the general statute in the form of Stamp Act.
2. I hope the readers of this Article would, now be in a much better position, to comment and remark on the nature of inquiry undertaken and results achieved by the Supreme Court in its two easily differentiable, yet similar decisions, namely, ***SMS Tea Estates*** (supra) and ***Garware Wall Ropes*** (supra).
1. (2019) 9 SCC 209 [↑](#footnote-ref-1)
2. (2011) 14 SCC 66 [↑](#footnote-ref-2)
3. (1990) 3 SCC 669 [↑](#footnote-ref-3)
4. (1977) 3 SCC 247 [↑](#footnote-ref-4)
5. (2004) 8 SCC 614 [↑](#footnote-ref-5)
6. (2003) 4 SCC 161 [↑](#footnote-ref-6)
7. (2008) 8 SCC 564 [↑](#footnote-ref-7)