

IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NOS.2139-2140 OF 2024
(Arising out of S.L.P.(Civil) Nos.26063-26064 of 2023)

SHAKEEL PASHA & ORS. ... APPELLANT(S)

VS.

M/S CITY MAX HOTELS INDIA PVT LTD. ... RESPONDENT(S)

O R D E R

Leave granted.

Heard the learned senior counsel appearing for the parties.

The issue of inadequacy of the stamp duty payable on an Award made by the Arbitral Tribunal under the Arbitration and Conciliation Act, 1996 was raised by the appellants in execution of the Award. Obviously, the appellants, who are the judgment-debtors, raised this objection which delayed the execution.

Now, there is no dispute between the parties that the stamp duty payable on the Award will be in terms of the Article 11 of the Schedule to the Karnataka Stamp Act, 1957 (for short "the Karnataka Stamp Act"). To that extent, clause (iii) of paragraph 26 of the operative part of the impugned order is modified, as clause 11(b) was brought on the Schedule by a subsequent amendment with effect from 1st March, 2014 and the Award was made before the said date.

In this case, the Executing Court, in purported exercise of powers under Sections 33 and 34 of the Karnataka Stamp Act, directed penalty to be paid on account of non-payment of stamp duty on the Arbitral Award. The observations made in the impugned judgment will have to be understood in the context in which the same have been made. Under the Karnataka Stamp Act, there is no power conferred on the Courts to direct payment of penalty and it is the power of the appropriate authorities under the Karnataka Stamp Act to impose penalty.

In terms of the modification made of clause (iii) of paragraph 26 of the operative part of the impugned judgment and the clarification made above, the appeals are allowed in part on the above terms.

Now, the execution will proceed.

.....J.
(ABHAY S.OKA)

.....J.
(UJJAL BHUYAN)

NEW DELHI;
February 12, 2024.

S U P R E M E C O U R T O F I N D I A
R E C O R D O F P R O C E E D I N G S

Petition(s) for Special Leave to Appeal (C) No(s).26063-26064/2023

(Arising out of impugned final judgment and order dated 28-07-2023 in WP Nos.8352/2022 and 12935/2022 passed by the High Court of Karnataka at Bengaluru)

SHAKEEL PASHA & ORS.

Petitioner(s)

VERSUS

M/S CITY MAX HOTELS INDIA PVT LTD.

Respondent(s)

(FOR ADMISSION)

Date : 12-02-2024 These petitions were called on for hearing today.

CORAM :

HON'BLE MR. JUSTICE ABHAY S. OKA
HON'BLE MR. JUSTICE UJJAL BHUYAN

For Petitioner(s)

Mr. Amar Dave, Sr. Adv.
Mr. Mahesh Agarwal, Adv.
Mr. Rishi Agrawala,, Adv.
Mr. Ankur Saigal, Adv.
Mr. Victor Das, Adv.
Ms. Deepshika Mishra, Adv.
Mr. E. C. Agrawala, AOR

For Respondent(s)

Mr. Sajan Poovayya, Sr. Adv.
Mr. Mrinal Shankar, Adv.
Mr. Dharma Tej Koneru, Adv.
Mr. Ankit Parhar, Adv.
Ms. Shloka Narayanan, Adv.
Mr. Abhishek Kumar, Adv.
Ms. Raksha Agarwal, Adv.
Mr. Sujoy Chatterjee, AOR

UPON hearing the counsel the Court made the following
O R D E R

Leave granted.

The appeals are allowed in part in terms of the signed order.

Pending application, if any, also stands disposed of.

(ANITA MALHOTRA)
AR-CUM-PS

(AVGV RAMU)
COURT MASTER

(Signed order is placed on the file.)