

Arbitration and Conciliation Act, 1996 – Section 11(6) – When a lease deed or any other instrument is relied upon as containing the arbitration agreement, the Court is required to consider at the outset, whether the document is properly stamped or not – Even when an objection in that behalf is not raised, it is the duty of the Court to consider the issue – If the Court comes to the conclusion, that the instrument is not properly stamped, it should be impounded and dealt with, in the manner specified in Section 38 of the Stamp Act, 1899 – Court cannot act upon such a document or the arbitration clause therein – However, if the deficit duty and penalty is paid in the manner set out in Section 35 or Section 40 of the Stamp Act, 1899, the document can be acted upon or admitted in evidence – Lease deed containing the arbitration clause which was required to be duly stamped, was not sufficiently stamped and though the Registrar (Judicial) had directed the respondents to pay deficit stamp duty and penalty of Rs. 1,01,56,388/- the respondents failed to do so, the High Court has erred in relying on the said lease deed – Order appointing arbitrator – Set aside.

Stamp Act S. 35, 38, 40

[**2020 Scej 0098, 2020 PLRonline 0900**](#)

[**DHARMARATNAKARA RAI BAHADUR ARCOT NARAINSWAMY MUDALIAR CHATTRAM V. M/S BHASKAR RAJU & BROTHERS , 2020 Scej 0098, 2020 PLRonline 0900**](#)