

[SC] Arbitration in cases involving allegations of fraud and disputes related to immovable property -Arbitrability of disputes except in instances of serious fraud or statutory protections - Limited scope of judicial intervention in arbitration proceedings, reinforcing the autonomy and jurisdiction of Arbitral Tribunals as per the Arbitration and Conciliation Act, 1996. [2023 SCeJ 567 , PLRonline 478605]

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1. Arbitration and [fraud](#) (Para 20):

- A plea of fraud can only oust the [jurisdiction](#) of an arbitrator if it is of a serious nature. The court identifies two critical conditions to determine non-referability to arbitration:

- The fraud plea must permeate the entire [contract](#), including the arbitration [agreement](#), making it void.
- The fraud allegation should be related to the internal affairs of the parties without implications in the public domain.
- If the fraud allegation is strictly inter-partes, it does not constitute serious fraud and does not preclude arbitration. This principle was affirmed in *Rashid Raza v. Sadaf Akhtar*, (2019) 8 SCC 710.

2. Arbitrability of Suits Related to Immovable Property (Para 19):

- A suit for the cancellation of a deed or a declaration of rights arising from it is considered an action in personam, not in rem.
- Actions under the Specific Relief Act are in personam and arbitrable.
- The case *Deccan Paper Mills v. Regency Mahavir Properties*, (2021) 4 SCC 786, is referred to support the arbitrability of such disputes.

3. Jurisdiction and Judicial Interference in Arbitration (Para 16, 17):

- Section 16 of the Arbitration and Conciliation Act, 1996, empowers the Arbitral Tribunal to rule on its own jurisdiction and competence, including the existence and validity of the arbitration clause.
- The 2015 amendment to the Act minimizes judicial interference, with courts primarily ensuring the existence of a valid arbitration agreement.
- Non-arbitrability exceptions, such as statutory protections for certain parties (e.g., consumers), must be considered by the court.
- Apart from these exceptions, judicial scrutiny at the stage of Section 11(6) or Section 8 is highly limited.

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