IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION

CIVIL APPEAL No. OF 2026
(@ SLP (C) No. 8111 OF 2026)

SHRI BALAJI INDUSTRIAL ENGINEERING LTD. (FORMERLY KNOWN AS BALAJI INDUSTRIAL PRODUCTS LTD.) **... APPELLANT**

VERSUS

STEEL AUTHORITY OF INDIA LTD. - IISCO STEEL PLANT [FORMERLY KNOWN AS IISCO STEEL PLANT) **... RESPONDENT**

O R D E R

Leave granted.

2. This appeal arises from the judgment and order dated 02.02.2026 passed by the Division Bench of the High Court of Calcutta. By the said judgment, the Division Bench, in an appeal under Section 37 of the Arbitration and Conciliation Act, 1996 (1996 Act), set aside the judgment dated 08.08.2023, whereby the petition filed by the respondent under Section 34 of the 1996 Act had been dismissed. The Division Bench remitted the matter to the Commercial Division to be renumbered and heard afresh.

3. The facts giving rise to the filing of this appeal, in brief, are that on 12.01.2005, a tender was issued by the Steel Authority of India Limited (respondent) for the sale of approximately 60,000 metric

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tonnes of Run-of-Mine (Iron Ore) on specified commercial terms. A dispute arose between the parties regarding termination and the alleged breach of contract and the same was referred to Arbitration.

4. The Arbitral Tribunal, by an award dated 19.06.2013, *inter alia*, held that the respondent had wrongfully terminated the Contract and failed to deliver the contracted Iron Ore to the appellant. The Tribunal accordingly directed the respondent to refund the security amount, reimburse the amounts paid, and compensate the appellant for the additional cost incurred in procuring Iron Ore from the market, along with interest.

5. The respondent challenged the Award dated 19.06.2013 in a petition under Section 34 of the 1996 Act before the learned Single Judge of the High Court. During the pendency of the said petition, the Commercial Courts Act, 2015 (2015 Act) came into force w.e.f. 23.10.2015. However, the respondent did not raise any objection regarding the transfer of the petition to the Commercial Division.

6. The learned Single Judge, by an order dated 08.08.2023, *inter alia*, held that the respondent had failed to deliver the contracted Iron Ore despite receiving payment, and that the findings recorded by the Arbitral Tribunal were based on the evidence on record. The learned Single Judge concluded that no grounds for interference under Section

34 of the 1996 Act were made out. Accordingly, the petition was dismissed.

7. The respondent thereafter filed an appeal under Section 37 of the 1996 Act. The Division Bench of the High Court, by the impugned order dated 02.02.2026, held that the petition under Section 34 of the 1996 Act ought to have been transferred to the Commercial Division under Section 15 of the 2015 Act. It was further held that the judgment and order had been passed by a non-Commercial Division. On this ground of lack of jurisdiction, the order dated 08.08.2023 passed by the learned Single Judge was set aside, and the petition was directed to be transmitted to the Commercial Division for renumbering and fresh hearing. The Division Bench clarified that it had not examined the merits of the case and all points raised by the parties are kept open. Accordingly, the appeal was disposed of. It is in this factual background that the present appeal arises for our consideration.

8. Learned senior counsel for the appellant, while inviting the attention of this Court to the cause list, submitted that the learned Single Judge was designated as Commercial Court and, therefore, the order passed by him cannot be treated as one without jurisdiction. It was contended that the distinction between the Commercial Division and the non-

Commercial Division is merely an internal administrative roster allocation and does not affect the inherent jurisdiction of the Court. It was further urged that the non-transfer of the matter under Section 15 of the 2015 Act, constitutes only a procedural or administrative irregularity and cannot render a judgment passed on merits as one without jurisdiction.

9. Learned senior counsel for the respondent, on the other hand, submitted that the learned Single Judge who decided the petition under Section 34 of the 1996 Act lacked jurisdiction, as he had not been assigned the roster by the Chief Justice to deal with such matters. It was contended that the order was without jurisdiction and was, therefore, rightly set aside by the Division Bench. In support of the aforesaid submissions, reliance has been placed on the decisions of this Court[1].

10. We have considered the rival submissions and have perused the record.

11. The legal position concerning allocation of business and authority of the Chief Justice as the master of roster is well-settled. A two-Judge Bench of this Court in ***Garden Reach Shipbuilders and Engineers Ltd.*** (supra), by placing reliance on the earlier decisions of this Court[2]

1 **Neeta Singh & Ors.** v. **State of Uttar Pradesh & Ors.; 2024 SCC OnLine SC 5761; State of Rajasthan** v. **Prakash Chand & Ors.; (1998) 1 SCC 1; Pepsi Foods Ltd. & Anr.** v. **Special Judicial Magistrate & Ors.; (1998) 5 SCC 749; Garden Reach Shipbuilders and Engineers Ltd.** v. **GRSE Ltd. Workmens Union & Ors.**; **2025 SCC OnLine SC 582**

2 **State of Rajasthan** v. **Prakash Chand, (1998) 1 SCC 1** and **Campaign for Judicial Accountability and**

reiterated that any adjudication by a Bench in a matter not assigned to it by the Chief Justice would be without jurisdiction and in nullity. The mandate that a Bench acting outside the roster would lack jurisdiction is a salutary principle, integral to maintaining judicial discipline and institutional coherence. We are in agreement with the view expressed by a two-Judge Bench of this Court in ***Garden Reach Shipbuilders and Engineers Ltd.*** (supra).

12. We may advert to the facts of the case in hand. The cause list annexed with the Special Leave Petition clearly indicates that the learned Single Judge who decided the petition under Section 34 of the 1996 Act, was designated as a Commercial Court.

13. It is also pertinent to take note of Section 15 of the 2015 Act which contemplates transfer of pending cases to the Commercial Division. Sub-section (5) thereof, expressly provides that where such transfer has not taken place, the Commercial Appellate Division may, upon application of any party, withdraw and transfer the matter. Section 15 (5) reads as under:

> "In the event that such suit or application is not transferred in the manner specified in sub-section (1), sub-section (2) or sub-section (3), the Commercial Appellate Division of the High Court may, on the application of any of the parties to the suit, withdraw such suit or application from the court before which it is pending and transfer the same for trial or disposal to

> the Commercial Division or Commercial Court, as the case may be, having territorial jurisdiction over such suit, and such order of transfer shall be final and binding."

Thus, Section 15(5) of the 2015 Act requires parties also to seek transfer.

14. In the instant case, admittedly, the respondent did not file any such application before the learned Single Judge dealing with the petition under Section 34 of the 1996 Act. The respondent participated in the proceeding without demur and invited a decision on merits.

15. Thus, in the facts of the case, it can safely be concluded that the learned Single Judge was designated as Commercial Court and the judgment rendered by him cannot be treated either as a nullity or one passed without jurisdiction.

16. The Division Bench, therefore, was not justified in setting aside the judgment of the learned Single Judge solely on the ground of lack of jurisdiction, without examining the merits of the case.

17. For the foregoing reasons, the impugned judgment and order dated 02.02.2026 passed by the Division Bench of the High Court is quashed and set aside. The matter is remitted to the Commercial Appellate Division of the High Court, which shall hear and decide the appeal under Section 37 of the 1996 Act afresh on merits. All contentions of the parties are kept open.

18. Accordingly, the appeal is allowed. There shall be no order as to costs.

.....J.
[PAMIDIGHANTAM SRI NARASIMHA]

.....J.
[ALOK ARADHE]

NEW DELHI;
APRIL 22, 2026.

ITEM NO.2 COURT NO.6 SECTION XVI

S U P R E M E C O U R T O F I N D I A
RECORD OF PROCEEDINGS

Petition(s) for Special Leave to Appeal (C) No(s). 8111/2026

[Arising out of impugned final judgment and order dated 02-02-2026 in APO No. 65/2024 passed by the High Court at Calcutta]

SHRI BALAJI INDUSTRIAL ENGINEERING Ltd.
(FORMERLY KNOWN AS BALAJI INDUSTRIAL PRODUCTS Ltd.) **Petitioner(s)**

VERSUS

STEEL AUTHORITY OF INDIA LIMITED
- IISCO STEEL PLANT (FORMERLY KNOWN AS IISCO STEEL PLANT) **Respondent(s)**

FOR ADMISSION

IA No. 63972/2026 - PERMISSION TO FILE ADDITIONAL DOCUMENTS/FACTS/ ANNEXURES

Date : 22-04-2026 This matter was called on for hearing today.

CORAM : HON'BLE MR. JUSTICE PAMIDIGHANTAM SRI NARASIMHA
HON'BLE MR. JUSTICE ALOK ARADHE

For Petitioner(s) : Ms. Rekha Palli, Sr. Adv.
Mr. Lakshay Saini, Adv.
Ms. Akanksha Mehra, AOR
Mr. Tanay Agarwal, Adv.
Ms. Darshana Sett, Adv.
Ms. Mili Tomar, Adv.
Mr. Abhiraj Choudhary, Adv.

For Respondent(s) : Mr. Rupesh Kumar, Sr. Adv.
Ms. Pankhuri Shrivastava, Adv.
Ms. Neelam Sharma, AOR
Mr. Alekshendra Sharma, Adv.
Mr. Deepankar Kumar, Adv.
Mr. Mukul, Adv.

UPON hearing the counsel the Court made the following

O R D E R

1. Leave granted.

2. The appeal is allowed in terms of the signed order.

3. Pending interlocutory application(s), if any, is/are disposed of.

(JAYANT KUMAR ARORA)
ASTT. REGISTRAR-cum-PS

(NIDHI WASON)
ASSISTANT REGISTRAR

(Signed order is placed on the file)