



ARBITRATION AND CONCILIATION

Supreme Court Upholds Exclusive Jurisdiction of Section 34 for Legal Heirs Challenging Arbitral Awards: A Critical Analysis of V.K. John v. S. Mukanchand Bothra and HUF (Died) Represented by LRs and Ors.

AUTHOR Supriya Bhosale, Rahul Sundaram

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The interface between constitutional remedies and statutory arbitration mechanisms has long been a subject of intense judicial scrutiny in Indian jurisprudence. The Supreme Court of India, in its recent pronouncement dated April 20, 2026, has once again reaffirmed the self-contained and exhaustive nature of the Arbitration and Conciliation Act, 1996, by holding that legal representatives of deceased parties to arbitration proceedings cannot bypass the statutory remedy under Section 34 of the Act in favour of constitutional remedies under Article 227 of the Constitution. This landmark ruling in *V.K. John v. S. Mukanchand Bothra and HUF (Died) Represented by LRs and Ors.*, Civil Appeal No. 4624 of 2026, decided by a Bench comprising Justice Sanjay Karol and Justice Vipul M. Pancholi, carries profound implications for the continuity of arbitral proceedings, the rights of successors-in-interest, and the limited scope of judicial intervention in arbitration matters.

The factual matrix giving rise to this appeal traces back to April 20, 2007, when a Deed of Agreement for Sale was executed between Mr. Appu John, the alleged paternal uncle of the appellant, and Respondent No. 1, S. Mukanchand Bothra. Tragically, Mr. Appu John passed away shortly thereafter on July 28, 2007, creating a vacuum regarding the proper representation of his estate in subsequent legal proceedings. In 2011, Respondent No. 1 initiated arbitration proceedings against Respondent No. 2, A. Philip, alleging breach of the agreement. The appellant, V.K. John, has consistently maintained that A. Philip was falsely projected as the legal representative of the deceased Appu John, thereby vitiating the entire arbitral process. On February 21, 2011, the Sole Arbitrator passed an award in favour of Respondent No. 1, directing Respondent No. 2 to execute the sale deed in accordance with the agreement. Consequently, an Execution Petition was filed in August 2011 to enforce this award. The appellant claims that he remained completely unaware of these proceedings until August 2012, at which juncture he sought to intervene by getting himself impleaded in the execution petition. It is noteworthy that the appellant had, as early as 1994, initiated a separate partition suit concerning his grandmother's properties, in which he was ultimately granted a preliminary decree for a one-third share in 2018, thereby establishing his proprietary interest in the estate.

The appellant, aggrieved by the 2011 Arbitral Award, approached the Madras High Court by filing a Civil Revision Petition under Article 227 of the Constitution of India. By its order dated February 3, 2023, the High Court dismissed the petition, holding that since the appellant claimed to be the legal representative of the deceased Mr. Appu John, his appropriate statutory remedy lay exclusively in challenging the award under Section 34 of the Arbitration and Conciliation Act, 1996. The High Court reasoned that bypassing the statutory remedy to invoke constitutional jurisdiction under Article 227 was impermissible, particularly when a specific legislative framework existed to address the grievance. This dismissal formed the subject matter of the present civil appeal before the Supreme Court.

The core issue that fell for determination before the apex court was of significant jurisprudential importance: whether the appropriate remedy available to legal heirs who are aggrieved by an arbitral award is a petition under Section 34 of the Arbitration and Conciliation Act, 1996, or whether such legal heirs retain the alternative recourse of filing a petition under Article 227 of the Constitution or Section 115 of the Code of Civil Procedure. This question implicated fundamental principles regarding the completeness of the Arbitration Act, the rights of non-parties to arbitration proceedings, and the permissible extent of constitutional courts' supervisory jurisdiction over arbitral awards.

The appellant advanced his case on the foundational premise that he was never made a party to the arbitration proceedings and was consequently denied the opportunity of being heard, which he contended vitiated the award on account of natural justice. Since he was a non-party to the arbitration agreement and the proceedings, he argued that he could not invoke Section 34 of the Arbitration Act to challenge the award, as that provision is traditionally understood to be available only to parties to the arbitration. Therefore, he submitted that filing a revision petition under Article 227 of the Constitution was his only available recourse to seek redressal against an award that directly affected his proprietary rights. Respondent No. 3, appearing before the Court, countered this submission by asserting that since the appellant explicitly claimed to be the sole surviving legal heir of the deceased party, Appu John, his remedy strictly and exclusively lay under Section 34 of the Arbitration Act. The Court also benefited from the assistance of amici curiae, who argued that there was no binding arbitration agreement inter se the parties and that the award ought not to be executable against successors-in-interest. However, the Supreme Court, in its wisdom, chose to answer the core legal question without delving into the specific merits of the underlying agreement, thereby rendering a decision of broader precedential value.

The Supreme Court's analysis was grounded in a comprehensive examination of the statutory framework and a catena of judicial precedents that have shaped the contours of arbitration law in India. The Court placed significant reliance upon Section 34 of the Arbitration and Conciliation Act, 1996, which mandates that recourse against an arbitral award may be made "only" by an application for setting aside the award. The emphatic use of the word "only" was interpreted by the Court as a clear legislative

intent to establish Section 34 as the sole and exclusive remedy for challenging arbitral awards, thereby insulating the arbitral process from parallel or collateral challenges through other procedural mechanisms. The Court also examined Section 2(1)(g) of the Act, which defines “legal representative,” Section 35, which declares that an arbitral award is binding on the parties and “persons claiming under them,” and Section 40, which ensures that an arbitration agreement is not discharged by the death of a party and remains enforceable by or against the legal representatives of the deceased. Reading these provisions harmoniously, the Court discerned a clear legislative design favouring the continuity of arbitral proceedings despite the death of a party, with legal representatives automatically stepping into the shoes of the deceased.

The Court’s reasoning was further fortified by reference to several landmark judgments that have consistently affirmed the completeness of the Arbitration Act as a self-contained code. In *Bhaven Construction (2021)*, the Supreme Court had authoritatively established that the Arbitration Act constitutes a complete code and that judicial interference under Articles 226 and 227 of the Constitution must be exercised only in cases of “exceptional rarity.” This principle was reinforced by the decisions in *Ravi Prakash Goel (2008/2017)* and *Rahul Verma (2025)*, both of which reaffirmed the doctrinal position that upon the death of a party to an arbitration agreement, the legal heirs step into the shoes of the deceased, and the arbitration agreement remains enforceable by or against such legal representatives. The Court in the present case drew upon this consistent thread of jurisprudence to highlight that the legislative scheme does not contemplate a vacuum in representation upon the death of a party but rather ensures seamless continuity through the mechanism of legal representation.

The Supreme Court’s analytical framework rested upon three interconnected pillars that collectively supported its conclusion. First, the Court emphasized that the Arbitration Act aims to be a self-contained, complete code, and the word “only” in Section 34(1) indicates that judicial interference outside of this established procedure should be extremely rare and confined to exceptional circumstances not present in the instant case. Second, by reading Sections 2(1)(g), 35, and 40 together, the Court observed that the legislative scheme favours the continuity of arbitral proceedings even if a party dies during the pendency of the arbitration or after the award is passed, with legal representatives automatically inheriting both the rights and obligations of the deceased party. Third, and most significantly, the Court articulated a principle of symmetry of rights and liabilities, observing that if an arbitral award can be legally enforced against a legal representative under the Act, the right to challenge that award under the Act must also naturally flow to them. The Court reasoned that denying a legal representative the right to challenge an award under Section 34 would defeat the very object of the Arbitration Act by creating an unfair and untenable paradox where a legal heir is compelled to fulfil an award but is simultaneously deprived of any statutory remedy to contest its validity.

In its final disposition, the Supreme Court dismissed the civil appeal and upheld the decision of the Madras High Court. The Court categorically ruled that the appropriate relief for a legal representative seeking to challenge an arbitral award is strictly under Section 34 of the Arbitration and Conciliation Act, 1996, and not under Article 227 of the Constitution or Section 115 of the Code of Civil Procedure. However, demonstrating judicial sensitivity to the appellant’s predicament, the Court granted him liberty to exercise his remedies by filing a petition under the Arbitration Act. In a significant procedural direction, the Court held that the limitation period for filing this petition would commence from the date of the Supreme Court judgment, namely April 20, 2026, thereby ensuring that the appellant was not prejudiced by the time consumed in pursuing the constitutionally impermissible remedy before the High Court and the subsequent appeal before the apex court.

The judgment in *V.K. John* represents a significant milestone in the evolution of Indian arbitration jurisprudence, reinforcing the principle that the Arbitration and Conciliation Act, 1996, constitutes a comprehensive and exhaustive code that leaves little room for collateral constitutional challenges. By holding that legal representatives step into the shoes of deceased parties for purposes of both enforcement and challenge of arbitral awards, the Supreme Court has ensured symmetry in the arbitral process and prevented the creation of remediless situations. The ruling serves as a salutary reminder to litigants and practitioners alike that the path of Article 227 is not a substitute for statutory remedies under the Arbitration Act, and that the integrity of the arbitral process depends upon adherence to the carefully calibrated statutory framework established by Parliament. The Court’s direction regarding the fresh limitation period also demonstrates a balanced approach, preserving the appellant’s substantive rights while maintaining the procedural rigour necessary for the orderly conduct of arbitration proceedings in India.

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