

Arbitration cannot be invoked based on an Unregistered document:

In *Naina Thakkar V. Annapurna Builders*, the Supreme Court of India held that the lease deed between the petitioner and the Respondent-builder for five years was not registered, even though it was required by the Transfer of Property Act to be mandatorily registered, much less stamped adequately as required by the Indian Stamp Act. It was merely written on Rs 100 non-judicial stamp paper. The trial court rightly rejected the plea for invocation of the arbitration clause between the two parties inasmuch as the lease agreement, which formed the basis for the arbitration clause, was not properly registered and stamped. The Supreme Court pointed out that courts and collectors had the right, nay the duty, to impound the documents not adequately stamped. In the alternative, they could afford an opportunity to the parties to make good the deficiency. Failure to make good the deficiency, the apex court said, gave the trial court the right to treat the arbitration agreement itself as non est.