# Legal Case Summary

Case Title: Dani Wooltex Corporation vs Sheil Properties Private Limited

Citation: 2024 INSC 433, Civil Appeal No. 6462 of 2024

Date of Judgment: 16 May 2024

Bench: Justice Abhay S. Oka, Justice Pankaj Mithal

Author of Judgment: Justice Abhay S. Oka

## Parties Involved

Appellants: Dani Wooltex Corporation & Others

Respondents: Sheil Properties Pvt. Ltd. & Another

## Background / Facts of the Case

Dani Wooltex Corporation had disputes with Sheil Properties and Marico Industries regarding a property development agreement. Arbitration was initiated in 2011 after settlement discussions in suits filed by the parties. Two separate arbitral proceedings were initiated: one by Sheil and another by Marico. Marico’s arbitration concluded in 2017, while Sheil’s was delayed. Dani Wooltex later sought dismissal of Sheil’s arbitration claim on grounds of abandonment under Section 32(2)(c) of the Arbitration Act.

## Legal Issues Raised

1. Whether the arbitral tribunal rightly terminated the arbitration proceedings under Section 32(2)(c).

2. Whether Sheil Properties had abandoned its claim by inaction.

## Judgment / Decision

The Supreme Court upheld the Bombay High Court's decision setting aside the termination. It held that mere delay or failure to request hearing dates is insufficient to establish abandonment. It emphasized that arbitrators have a duty to fix hearings. Abandonment, if inferred, must be based on compelling evidence. Since Sheil was present throughout Marico’s arbitration and expressed intent to pursue its own, no valid reason existed for termination.

## Final Order

• Appeal dismissed.

• Arbitration proceedings to continue with substituted arbitrator.

• No costs imposed.

## Case Timeline

• 11 Aug 1993: Development Agreement executed

• 13 Oct 2011: Arbitrator appointed in Marico's suit

• 17 Nov 2011: Arbitrator appointed in Sheil’s suit

• 6 May 2017: Award in Marico's arbitration

• 12 Aug 2020: Sheil confirmed it intended to pursue claim

• 1 Dec 2020: Arbitration terminated under Section 32(2)(c)

• 13 Jan 2023: Bombay HC restored arbitration

• 16 May 2024: Supreme Court upheld HC decision

## Relevant Legal Principles & Precedents

• Arbitration and Conciliation Act, 1996 – Sections 14, 25 & 32

• Abandonment must be express or implied with compelling evidence

• Arbitrator must proactively manage proceedings

• Cases cited: Lalitkumar Sanghavi, Godrej & Boyce, NRP Projects

## Key Takeaways

- Arbitrators must manage cases proactively; parties' silence doesn't absolve their duty.

- Abandonment requires strong, explicit or implicit evidence—not mere inaction.

- Section 32(2)(c) should not be invoked casually; it risks undermining arbitration.