

Weekly Judiciary Digest

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Current & Conceptual Weekly

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1. Supreme Court Dismisses Review Petition on Electoral Bond Scheme

Case: Khem Singh Bhati v. Union of India (2025)

Court: Supreme Court of India

Summary: The Supreme Court of India dismissed a review petition challenging its earlier constitution bench judgment that had declared the Electoral Bond Scheme unconstitutional. This landmark reaffirmation underscores the judiciary's commitment to democratic accountability and transparency in electoral processes. The original judgment held that the scheme violated the voters' right to information, which is protected under Article 19(1)(a) of the Constitution. By allowing unlimited and anonymous donations to political parties, the scheme undermined democratic transparency and impeded public scrutiny over financial influences in elections.

The Court reiterated that the anonymity inherent in the Electoral Bond Scheme eroded the foundational principle of informed choice, a crucial element of free and fair elections. It noted that when citizens are unaware of who is funding political parties, they are deprived of the ability to assess potential biases, conflicts of interest, or quid pro quo arrangements between donors and political actors. Therefore, the scheme's structure failed the constitutional test of reasonableness

under **Article 19(2)**, which permits restrictions on free speech only in the interest of transparency, not secrecy.

2. Supreme Court Upholds Constitutionality of Sedition Law

Case: *SG Vombatkere v. Union of India (2025)*

Court: Supreme Court of India

Summary: A five-judge Constitution Bench of the Supreme Court upheld the **constitutional validity of Section 124A of the Indian Penal Code**, which criminalizes **sedition**, while simultaneously reiterating the need for its **strict and narrow interpretation**. This ruling is of paramount significance for judiciary aspirants, as it reinforces the balance between **state sovereignty and individual freedom of expression** under **Article 19(1)(a)** of the Constitution.

The Court ruled that Section 124A does not, per se, violate the Constitution, but its application must be **limited to acts that have a direct and proximate nexus to incitement of violence or the creation of public disorder**. In doing so, the Court invoked the landmark precedent of ***Kedar Nath Singh v. State of Bihar* (1962)**, which saved the sedition law from being struck down by reading it down to exclude mere criticism of the government unless such criticism results in public disorder or incitement to violence.

This judgment is a critical reminder that **freedom of speech is not absolute** and can be restricted under **Article 19(2)** on grounds including public order and the security of the state. However, the Court emphasized that these restrictions must be narrowly tailored and not misused to **stifle democratic dissent, political opposition, or journalistic expression**. The judiciary reaffirmed that disagreement with government policy or even harsh criticism does not amount to sedition unless it incites violence or disrupts public peace.

3. Allahabad High Court Validates Muslim Women's Right to Khula

Case: *Smt. Hasina Bano v. Mohammad Ehsan (2025)*

Court: Allahabad High Court

Summary: In a significant development reinforcing gender justice within the framework of personal laws, the **Allahabad High Court on March 30, 2025**, reaffirmed that a **Muslim woman possesses the unilateral right to seek divorce through Khula** without requiring the husband's consent, provided due process and fairness are observed. This judgment, delivered in ***Smt. Hasina Bano v. Mohammad Ehsan***, serves as a pivotal precedent for understanding the interaction between **Muslim personal law and constitutional** principles, particularly in the context of **women's autonomy and equality** in matrimonial matters.

The Court emphasized that **Khula** is a recognized and legitimate form of divorce under Islamic jurisprudence, initiated by the wife, and is distinct from **Talaq**, which is initiated by the husband. Khula involves the wife expressing her desire to end the marriage by returning her **Mehr (dower)**

or another form of consideration agreed upon, as a condition for dissolution. The Court clarified that while mutual agreement is preferable, **consent of the husband is not mandatory** if the woman has sound reasons and follows the process as laid down by law and religious principles.

This ruling aligns with the Supreme Court's earlier progressive observations in *Shamim Ara v. State of U.P.* (2002), which held that mere pronouncement of talaq without reason or reconciliation efforts is invalid. In the current case, the High Court built upon this foundation by extending judicial protection to women seeking dissolution of marriage on grounds such as **mental cruelty, lack of marital harmony, or personal liberty**, reinforcing the **constitutional values enshrined in Articles 14, 15, and 21**.

4. Bombay High Court Grants Bail in POCSO Case Involving Consensual Relationship

Case: *Imran Shaikh v. State of Maharashtra* (2025)

Court: Bombay High Court

Summary: The **Bombay High Court**, in *Imran Shaikh v. State of Maharashtra*, granted **bail to a 25-year-old man** who was booked under the **Protection of Children from Sexual Offences (POCSO) Act** for being in a **consensual romantic relationship with a 17-year-old girl**. The Court acknowledged the complex realities of adolescent relationships and made a clear distinction between **consensual intimacy and exploitative conduct**, emphasizing that the legislative intent behind the POCSO Act was to protect children from abuse—not to criminalize consensual relationships that lack coercion or manipulation.

This judgment offers critical insights into the **interpretative approach of courts towards statutory law**, especially in cases where **strict liability provisions** like those in the POCSO Act intersect with **social and developmental contexts**. The Act defines a "child" as anyone below 18 years and criminalizes all sexual acts involving minors, regardless of consent. However, the Court invoked the **principle of purposive interpretation**, asserting that a rigid application of the law in such cases could lead to **miscarriage of justice** by criminalizing consensual relationships, particularly among close-in-age individuals.

This decision reflects a growing judicial trend of interpreting child protection laws in a manner that **upholds the spirit of the law while avoiding unjust outcomes**. The Court also highlighted the importance of judicial discretion in **bail matters under special statutes** like POCSO, noting that while the statute prescribes stringent bail conditions, courts must consider the facts holistically—including the **age proximity, absence of coercion, and voluntary nature** of the relationship.

Legally, this case underscores the importance of the **"Romeo and Juliet clause"**—a concept gaining recognition in comparative jurisdictions, which calls for **leniency or exemption in cases involving consensual acts between adolescents close in age**. Though Indian law does not yet formally recognize such a clause, the reasoning in this judgment aligns with its underlying philosophy.

5. Supreme Court Directs Halt on Tree Felling in Telangana's Kancha Gachibowli Forest

Case: *Environmental Protection Society v. State of Telangana (2025)*

Court: Supreme Court of India

Summary: The **Supreme Court of India**, in a case titled *Environmental Protection Society v. State of Telangana*, issued a significant order directing an **immediate halt to all tree-felling activities in the Kancha Gachibowli forest area**, located near Hyderabad. This interim measure was passed in response to a public interest litigation (PIL) that raised concerns over rampant deforestation in the ecologically sensitive zone, allegedly for real estate and infrastructural development. The Court's directive aims to **prevent further environmental degradation**, reinforcing its role as the **guardian of environmental justice** under the Indian constitutional framework.

This case is a critical illustration of the **Supreme Court's environmental jurisprudence**, particularly under **Article 21**, which guarantees the **right to life** and has been judicially interpreted to include the **right to a clean and healthy environment**. The Court, through this order, once again invoked the **precautionary principle** and the **public trust doctrine**, both of which form foundational elements of Indian environmental law. The precautionary principle allows authorities to take preventive action in the face of environmental harm even in the absence of complete scientific certainty, while the public trust doctrine imposes a duty on the state to protect natural resources for public use and enjoyment.

The judgment draws continuity from landmark cases like *T.N. Godavarman Thirumulpad v. Union of India* and *M.C. Mehta v. Union of India*, where the Supreme Court emphasized the need for sustainable development and stringent oversight of forest clearances. By suspending all tree-felling until further environmental assessments are made, the Court signaled that **development cannot override ecological preservation**, especially in areas critical to biodiversity and climate resilience.

6. Supreme Court Limits EPA's Authority Over Water Pollution Permits

Case: *City and County of San Francisco v. Environmental Protection Agency (2025)*

Court: U.S. Supreme Court

Summary: The **U.S. Supreme Court**, in a closely divided **5-4 decision**, ruled that the **Environmental Protection Agency (EPA)** had **exceeded its statutory authority** under the **Clean Water Act (CWA)** by imposing **vague and undefined water quality standards** on the city of **San Francisco's wastewater discharges**. The case, *City and County of San Francisco v. EPA*, arose from a legal challenge by local authorities who argued that the EPA's permit requirements lacked clarity and failed to provide specific thresholds or compliance guidelines for pollutants, thereby making enforcement arbitrary and unpredictable.

The Court held that while the Clean Water Act grants the EPA regulatory power over water pollution through **National Pollutant Discharge Elimination System (NPDES) permits**, such

authority must be exercised within **defined statutory boundaries**. The majority opinion emphasized that **federal agencies cannot impose “ambiguous standards” or create de facto laws through vague rulemaking**, which violates the principle of **non-delegation of legislative power**. The judgment reflects the Court’s insistence on **administrative accountability** and the need for **precise, enforceable legal standards**, especially in the context of environmental regulation that significantly affects local governance and public infrastructure.

This decision is an important study in the **separation of powers, statutory interpretation**, and the **limits of delegated legislation**. It underscores the legal principle that **executive agencies must operate strictly within the framework laid down by the legislature**, and cannot introduce substantive obligations without clear legislative backing. The judgment also highlights the **Chevron deference doctrine**, a key principle in U.S. administrative law, which allows courts to defer to reasonable agency interpretations of ambiguous statutes. However, in this case, the majority curtailed the scope of deference, reinforcing that **ambiguity in statutory language does not grant agencies unchecked power**.

7. U.S. Supreme Court Declines to Block State Climate Lawsuits Against Oil Companies

Case: State of California v. Exxon Mobil Corp. (2025)

Court: U.S. Supreme Court

Summary: The **U.S. Supreme Court declined to entertain a petition** filed by **19 Republican-led states** seeking to block ongoing **climate change lawsuits** initiated by several **Democratic-led states**, including **California and New Jersey**, against **major oil companies** such as ExxonMobil, Chevron, and Shell. The lawsuits accuse these corporations of **knowingly misleading the public** and policymakers about the environmental harm caused by fossil fuel emissions, particularly in the context of **climate change** and its long-term impacts.

By refusing to hear the challenge, the Supreme Court allowed these state-level lawsuits to proceed in lower courts, effectively affirming the right of states to **pursue legal action under consumer protection, public nuisance, and tort laws**. This decision carries deep legal and environmental implications, as it supports the **principle of federalism**, wherein **individual states retain the autonomy to regulate and seek redress for environmental and public health harms** within their jurisdictions, even when those harms stem from global phenomena like climate change.

The legal strategy employed by states in these lawsuits often involves **public nuisance claims**, asserting that fossil fuel companies contributed substantially to climate-related damages like rising sea levels, wildfires, and extreme weather events, while concealing evidence of these effects. By allowing such suits to proceed, the U.S. judicial system has opened the door for **climate accountability litigation**, potentially resulting in **massive damages, injunctions, or forced corporate transparency**.

The Supreme Court’s refusal to intervene also signals judicial restraint and respect for **state sovereignty**, particularly in environmental governance—a theme that resonates strongly with Indian constitutional values as well. In the Indian context, the doctrine of cooperative federalism

and the growing body of **green jurisprudence** under **Articles 21 and 48A** provide similar avenues for environmental litigation and enforcement at both central and state levels.

8. Opposition Challenges Waqf Amendment Bill in Supreme Court

Event: Legal Challenge to Waqf Amendment Bill

Date: April 4, 2025

Summary: On April 4, 2025, opposition parties formally declared their intention to **challenge the constitutionality of the Waqf Amendment Bill, 2025**, in the **Supreme Court of India**, contending that it **infringes upon fundamental rights** and disrupts the established legal framework governing **Muslim religious endowments (auqaf)**. The newly passed legislation has become a flashpoint for **nationwide protests**, particularly among minority communities, legal scholars, and religious institutions, who allege that the Bill seeks to **centralize control over Waqf properties and dilute the autonomy** of State Waqf Boards.

At the core of the controversy is the allegation that the amendments **violate Articles 25 and 26** of the Constitution, which guarantee freedom of religion and the **right to manage religious affairs and properties**. Critics argue that by vesting increased powers in the central Waqf Council and reducing the decision-making authority of state boards and local communities, the Bill contravenes the principles of **federalism** and **religious self-governance**. Furthermore, it is alleged that the new provisions curtail legal remedies available to aggrieved parties by limiting the scope for judicial review and appeal in matters related to Waqf property disputes.

Practically, the outcome of this challenge could have **wide-ranging effects on the governance of over six lakh Waqf properties** across India. It may set new judicial standards for **what constitutes permissible regulation of religious institutions**, and how far the state can go in restructuring religious property regimes without violating constitutional protections.

9. Students Protest Against Waqf Amendment Bill at Jamia Millia Islamia

Event: Student Demonstrations at Jamia Millia Islamia

Date: April 4, 2025

Summary: On April 4, 2025, students at **Jamia Millia Islamia** in New Delhi staged widespread protests against the recently enacted **Waqf Amendment Bill, 2025**, characterizing the legislation as **"unconstitutional" and "communal"**. The protests, led by student unions and supported by sections of the academic community, were a response to perceived attempts by the central government to curtail **Muslim community rights** over religious endowments. The campus witnessed heightened security measures as tensions escalated, highlighting the growing unrest surrounding the bill's legal and social implications.

The protests centered on concerns that the **amendment undermines the autonomy of State Waqf Boards** and places **disproportionate control in the hands of the central government**, thereby infringing upon the rights of religious minorities guaranteed under **Articles 25 and 26 of**

the Constitution. Students argued that the legislation compromises the ability of the Muslim community to manage its own religious and charitable institutions, potentially violating the **constitutional promise of religious freedom and institutional independence.**

From a legal perspective, the protests reflect broader anxieties about **state interference in religious affairs**, which judiciary aspirants must understand through the lens of **constitutional law, minority rights, and federalism.** The situation brings into focus the **justiciability of legislative actions** that appear to disproportionately affect specific communities. It also raises pertinent questions about the **scope of reasonable restrictions under Article 25(2)** and whether regulatory measures that diminish self-governance of religious institutions can pass the test of constitutionality.

The **right to protest**, protected under **Article 19(1)(a) and 19(1)(b)** of the Constitution, is also a crucial aspect of this incident. The state's response in deploying additional security forces must be evaluated against the **doctrine of proportionality**, which ensures that restrictions on civil liberties are not excessive or arbitrary. These events highlight the **dynamic tension between state power and individual rights**, and how educational institutions often become key battlegrounds for constitutional expression and dissent.

Prelims Q&A

1. Under the Limitation Act, 1963, a suit for possession of immovable property based on title (ownership) is to be filed within:

- a. 3 years
- b. 6 years
- c. 12 years
- d. 30 years

Answer: c. 12 years

Explanation: As per **Article 65 of the Schedule to the Limitation Act, 1963**, the period of limitation for a suit for possession of immovable property based on title is **12 years** from the date **when the possession of the defendant becomes adverse to the plaintiff.** The limitation period applies only when adverse possession is pleaded.

2. As per the Indian Contract Act, 1872, the communication of an acceptance is complete:

- a. When it comes to the knowledge of the offeror
- b. When it is put in the course of transmission by the acceptor

- c. When it is actually received by the offeror
- d. When the letter of acceptance is written by the acceptor

Answer: b. When it is put in the course of transmission by the acceptor

Explanation: **Section 4 of the Indian Contract Act, 1872** lays down the rule for communication of **acceptance.** For the acceptor, communication is complete **when it is put into transmission** (i.e., when the letter is posted). For the offeror, it is complete **when it comes to his knowledge.**

3. Which of the following is not a condition for the grant of a declaratory decree under Section 34 of the Specific Relief Act, 1963?

- a. The plaintiff must be entitled to any legal character or right to property
- b. There must be a cloud on the plaintiff's title
- c. The plaintiff must prove special damage

- d. The defendant must be denying or interested in denying the plaintiff's right

Answer: c. The plaintiff must prove special damage

Explanation: Under **Section 34 of the Specific Relief Act**, a declaratory decree may be granted when a person is entitled to any legal character or any right to property, and the defendant is denying or is interested in denying such right. There is **no requirement to prove special damage**, which is more relevant in tort actions like defamation or negligence.

4. A matter is said to be *res judicata* when:
- It has been appealed against
 - It is sub judice in a different court
 - It has already been heard and finally decided by a competent court
 - It has been withdrawn before adjudication

Answer: c. It has already been heard and finally decided by a competent court

Explanation: **Section 11 of the Code of Civil Procedure, 1908** enshrines the principle of **res judicata**, which bars the re-litigation of matters that have been directly and substantially in issue and **finally decided** between the same parties by a **court of competent jurisdiction**. This doctrine aims to avoid multiplicity of litigation and promote finality in judicial decisions.

5. Under Section 53A of the Transfer of Property Act, 1882, the doctrine of part performance is available as a:
- Sword
 - Shield
 - Statutory title
 - Title deed

Answer: b. Shield

Explanation: The **Doctrine of Part Performance** under **Section 53A** allows a transferee who has taken possession and performed or is willing to perform his part of the contract to **defend his possession** even

if the transaction is unregistered or incomplete. However, it does **not create title**. It acts as a **shield, not a sword** – it can be used only **as a defense**, not to initiate a claim.

6. Under the Hindu Marriage Act, 1955, which of the following is not a ground for divorce under Section 13?
- Cruelty
 - Conversion to another religion
 - Adultery
 - Failure to pay maintenance

Answer: d. Failure to pay maintenance

Explanation: **Section 13** of the Hindu Marriage Act, 1955 provides grounds for divorce such as **adultery, cruelty, desertion, conversion, mental disorder**, etc. However, **failure to pay maintenance** is not per se a ground for divorce. It may be a factor contributing to cruelty, but it is not independently listed as a ground.

7. Under Muslim Law, dower (mehr) is:
- A gift by the husband to the wife at his discretion
 - A voluntary charity
 - An essential condition of a valid Muslim marriage
 - Not enforceable in courts

Answer: c. An essential condition of a valid Muslim marriage

Explanation: Under **Muslim Law**, **dower or mehr** is a **mandatory obligation** imposed on the husband as consideration for the marriage. It is not a gratuitous payment. The marriage is valid even if dower is not specified, but the **wife has the right to claim prompt or deferred dower**, and it is enforceable in courts.

8. Under the Hindu Minority and Guardianship Act, 1956, who is the natural guardian of a minor boy and unmarried girl?
- Mother
 - Maternal grandfather
 - Father

d. Elder brother

Answer: c. Father

Explanation: According to **Section 6(a)** of the Hindu Minority and Guardianship Act, 1956, the **father** is the **natural guardian** of a minor **boy or unmarried girl**, and **after him**, the mother. However, custody of a minor child below the age of 5 years ordinarily lies with the mother.

9. Under the Hindu Succession Act, 1956, which of the following is not a Class I heir?

- a. Son
- b. Daughter
- c. Brother
- d. Widow

Answer: c. Brother

Explanation: As per the **Schedule to the Hindu Succession Act, 1956**, **Class I heirs** include **son, daughter, widow, mother, son of predeceased son**, etc. **Brother** is a **Class**

II heir, and only inherits in the absence of Class I heirs.

10. As per the Muslim Women (Protection of Rights on Marriage) Act, 2019, pronouncement of triple talaq (talaq-e-biddat) is:

- a. Valid if made in written form
- b. Void and illegal
- c. Valid only if pronounced in the presence of witnesses
- d. Valid with judicial approval

Answer: b. Void and illegal

Explanation: The **Muslim Women (Protection of Rights on Marriage) Act, 2019**, declared the practice of **instant triple talaq (talaq-e-biddat) void and illegal**, and also made it a punishable offence with imprisonment up to **three years**. The law was enacted following the Supreme Court's decision in **Shayara Bano v. Union of India** (2017), which held the practice unconstitutional.

Mains Q&A

Question:

Critically evaluate the revisional jurisdiction of High Court under Sec 25B(8) of Delhi Rent Control Act, 1958.

Marks: 10

Model Answer:

Section 25B(8) of the **Delhi Rent Control Act, 1958** (DRCA) deals with the **revisional jurisdiction of the High Court** in relation to orders passed by the Rent Controller in **summary proceedings** for eviction under Section 14(1)(e), i.e., on the ground of **bona fide requirement** of the landlord. It confers a **limited supervisory jurisdiction**, distinct from appellate power, and is to be exercised **sparingly and cautiously**.

Statutory Framework and Interpretation

Section 25B was inserted to **expedite eviction proceedings** initiated by landlords for personal use. Sub-section (8) stipulates:

“No appeal or second appeal shall lie from an order of the Controller under this section, but the High Court may, for the purpose of satisfying itself that an order made by the Controller

under this section is according to law, call for the records of the case and pass such order in respect thereto as it thinks fit."

The provision **excludes appeal** and instead **vests the High Court with revisional powers** akin to Section 115 of the Code of Civil Procedure (CPC), though not identically worded. The scope of this jurisdiction is **narrow**, confined to **legal errors, jurisdictional defects, or gross perversity**, and not factual reappraisal.

Judicial Interpretation and Case Law

The Supreme Court and Delhi High Court have consistently delineated the contours of this jurisdiction.

- In ***Vinod Kumar Chowdhry v. Narain Devi Taneja*** (1980 INSC 1), the Supreme Court held that revisional powers under Section 25B(8) cannot be equated with appellate powers. The High Court cannot reassess evidence to substitute its own conclusion for that of the Rent Controller.
- In ***Abdul Razak v. Mangal Rai***, 1989 Supp (2) SCC 562, the Court emphasized that revisional power must be exercised only where there is a manifest error of law or procedure that results in miscarriage of justice.
- In ***R.K. Bhatnagar v. Sushila Bhargava***, 1986 SCC OnLine Del 36, the Delhi High Court clarified that **interference is warranted only where the findings are perverse or based on no evidence**, reiterating that **bona fide requirement is primarily a factual issue**, and reappraisal is impermissible.

More recently, in ***Sarwan Dass Bange v. Ram Prakash***, (2010) 4 SCC 392, the Apex Court reaffirmed that **High Courts cannot act as fact-finding authorities** in revisional jurisdiction and must confine themselves to verifying the legality and procedural propriety of the order.

Critical Evaluation

While Section 25B(8) serves to **ensure expeditious disposal** of eviction claims by preventing dilatory appellate processes, it also **preserves judicial oversight** to prevent arbitrariness or legal miscarriage. However, this duality has led to **confusion in its application**, especially when High Courts exceed revisional limits under the guise of doing "complete justice."

The **absence of a structured appellate remedy** may at times leave tenants without recourse in genuinely erroneous cases, raising **constitutional concerns under Article 14**. Nonetheless, the **public policy objective** of ensuring landlords' housing rights has been consistently upheld by the courts.

Moreover, the **summary nature** of proceedings under Section 25B, combined with the finality of the Controller's findings on fact, means that **judicial discipline** is crucial in preventing the revisional jurisdiction from being used as a **disguised appeal**.

Conclusion

The revisional jurisdiction of the High Court under Section 25B(8) of the DRCA is **circumscribed, supervisory, and legalistic in nature**. It is designed to check **errors of jurisdiction or law**, not to reopen findings of fact. Courts have generally exercised this power with restraint, upholding the **legislative intent of expeditious landlord relief**, while maintaining judicial fairness.

10. Clear Concepts

Key Concept in Partnership Law: Doctrine of Mutual Agency

Legal Foundation under Section 4 – Definition of Partnership

Section 4 of the Indian Partnership Act, 1932 defines partnership as:

"The relation between persons who have agreed to share the profits of a business carried on by all or any of them acting for all."

This definition embeds **three essential elements**:

1. Agreement between persons.
2. Sharing of profits of a business.
3. The business must be carried on by all or any acting for all, which is the doctrine of mutual agency.

Of these, the third element—**mutual agency**—is **determinative**. Even if the first two elements exist, **absence of mutual agency negates the existence of a partnership**.

Understanding Mutual Agency

The doctrine of mutual agency means:

- Every partner is an **agent** of the firm and of the other partners in the conduct of the business.
- Every partner is also a **principal**, bound by the acts of other partners if done in the **usual course of the firm's business**.

This is expressly stated under:

- **Section 18**: Partner as agent of the firm.
- **Section 19(1)**: Acts of partners done in the usual course of business bind the firm.
- **Section 25**: Every partner is jointly and severally liable for all acts of the firm.

Thus, the partnership relationship is fundamentally based on mutual trust, agency, and joint responsibility.

Key Judicial Precedents

1. Cox v. Hickman (1860) 8 HLC 268

Held: Mere sharing of profits is not enough to constitute a partnership. The true test is whether **one person is acting as an agent for another**. This case established the "**mutual agency test**", replacing the earlier "**profit-sharing test**".

2. Mollow, March & Co. v. The Court of Wards (1872) LR 4 PC 419

Facts: A person who received a share of profits as remuneration for services rendered.
Held: The person was **not a partner** as he had **no authority to act on behalf of others**. This reinforced the principle that agency is the real test of partnership.

3. Krishna Aiyar v. Shankara Sah (AIR 1921 PC 91)

Held: The court found that the parties acted for each other in the business, and thus a **partnership existed**. The case affirmed that **conduct and real intention**, not labels, determine mutual agency.

4. Chheda Housing Development v. Bibijan Shaikh Farid (2007) 3 Mah LJ 402

Held: Even if parties contribute capital and share profits, **absence of mutual agency** disqualifies the existence of a partnership. The Bombay High Court emphasized that **control and authority to bind others is central**.

Application in Practice and Judicial Determinations

The doctrine of mutual agency is frequently applied in:

- **Disputes over existence of partnership:** Especially when one party denies being a partner despite contributing capital or receiving profits.
- **Tortious liability:** One partner's negligence or fraud in the course of business can bind the firm and other partners.
- **Taxation matters:** Income tax authorities examine mutual agency to ascertain whether a business is a registered partnership.
- **Winding up and dissolution:** Determining the extent of liability and authority in dissolution cases depends on whether mutual agency existed during the firm's operation.

Conclusion

The **doctrine of mutual agency** is the **lifeblood of partnership law**. It ensures that each partner not only shares profits and losses but is also **empowered to act on behalf of the firm**, binding both the firm and fellow partners. Courts have consistently reiterated that **absence of mutual agency means absence of partnership**, making it the **defining legal test**.

Understanding this doctrine allows judiciary aspirants to navigate not just partnership disputes but also allied areas of **contract, tort, and company law**, where questions of **representation and liability** frequently arise.