SRA-C06 - 3 PROVISIONS

Cancellation of Instruments and Restoration

Specific Relief Act, 1963

Full local statutory text **Finin2min implementation edition** **CA Nikhil Gupta and Kajri Singh**

Finin2min Summary - Chapter in 2 Minutes

Purpose

This unit converts cancellation of instruments and restoration into statutory, transaction, evidence and remedy decisions.

Who is covered

Businesses, contracting parties, partners, buyers, sellers, principals, agents and litigants affected by this chapter.

Main obligations

Read the transaction documents and actual conduct against every statutory limb, exception and connected law.

Key timelines

Record event, breach, refusal, notice, acknowledgment and filing dates; apply the correct Limitation Act article.

Forms and evidence

Use the chapter evidence checklist and State/UT forms where registration or public notice applies.

Top risk

Wrong classification, missing authority, weak evidence, ineffective notice, unverified State process or wrong remedy.

Remedy

Preserve rights, mitigate loss, quantify exposure and confirm forum, arbitration, limitation and interim relief.

Finin2min takeaway

Classify - map law - verify authority - prove performance - quantify consequence - select remedy and forum.

Section-by-section provision map

Provision	Title	Status	Decision theme
s.31	When cancellation may be ordered	operative	corrective and declaratory relief
s.32	What instruments may be partially cancelled	operative	commercial rights and obligations

s.33	Power to require benefit to be restored or compensation to be made when instrument is cancelled or is successfully resisted as being void or voidable. DECLARATORY DECREES	operative	validity and consent

Legal status, amendments and source protocol

Act: Specific Relief Act, 1963; Act 47 of 1963; commencement 1 March 1964.

Source protocol: Complete central provision text is reproduced locally. Retained official India Code PDF extract. Official India Code and Gazette instruments prevail if any discrepancy is identified.

Full statutory text and Finin2min decode

Section 31 - When cancellation may be ordered

Local statutory-text source control: Retained official India Code PDF extract. [Official India Code source]() prevails.

Current statutory text

31. When cancellation may be ordered.—(1) Any person against whom a written instrument is void or voidable, and who has reasonable apprehension that such instrument, if left outstanding may cause him serious injury, may sue to have it adjudged void or voidable; and the court may, in its discretion, so adjudge it and order it to be delivered up and cancelled.
(2) If the instrument has been registered under the Indian Registration Act, 1908 (16 of 1908), the court shall also send a copy of its decree to the officer in whose office the instrument has been so registered; and such officer shall note on the copy of the instrument contained in his books the fact of its cancellation.

Finin2min clause-by-clause decode

Clause	Statutory requirement	Finin2min meaning	Evidence/control
Main rule	31. When cancellation may be ordered.—	Test this main limb within the corrective and declaratory relief framework. Operational focus: 31. when cancellation may be ordered.—.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.
(1)	Any person against whom a written instrument is void or voidable, and who has reasonable apprehension that such instrument, if left outstanding may cause him serious injury, may sue to have it adjudged void or voidable; and the court may, in its discretion, so adjudge it and order it to be delivered up and cancelled.	Test this (1) within the corrective and declaratory relief framework. Operational focus: any person against whom a written instrument is void or voidable, and who has reasonable apprehension that such.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.
(2)	If the instrument has been registered under the Indian Registration Act, 1908 (16 of 1908), the court shall also send a copy of its decree to the officer in whose office the instrument has been so registered; and such	Test this (2) within the corrective and declaratory relief framework. Operational focus: if the instrument has been registered under the indian	Contract/deed, authority, chronology, notices, performance and

	officer shall note on the copy of the instrument contained in his books the fact of its cancellation.	registration act, 1908 (16 of 1908), the court shall.	payment records tied to this limb.

Finin2min implementation explanation

Section 31 is a corrective and declaratory relief provision dealing with when cancellation may be ordered. Identify the actor, trigger, cumulative or alternative conditions, provisos, exceptions and legal consequence before reaching a conclusion.

Implementation control: Identify the instrument or right requiring correction, statutory prerequisites, third-party interests, readiness, equitable conduct, limitation and exact order requested.

Section-level practical application

Transaction test

Apply this provision to the event-date facts and record every satisfied, disputed or inapplicable limb.

Consequence and remedy

Identify how it changes validity, title, authority, liability, payment, rejection, recovery, registration, evidence or relief.

Section 32 - What instruments may be partially cancelled

Local statutory-text source control: Retained official India Code PDF extract. Official India Code source prevails.

Current statutory text

32. What instruments may be partially cancelled.—Where an instrument is evidence of different rights or different obligations, the court may, in a proper case, cancel it in part and allow it to stand for the residue.

Finin2min clause-by-clause decode

Clause	Statutory requirement	Finin2min meaning	Evidence/control
Main rule	32. What instruments may be partially cancelled.—Where an instrument is evidence of different rights or different obligations, the court may, in a proper case, cancel it in part and allow it to stand for the residue.	Test this main limb within the commercial rights and obligations framework. Operational focus: 32. what instruments may be partially cancelled.—where an instrument is evidence of different rights or different obligations, the.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.

Finin2min implementation explanation

Section 32 is a commercial rights and obligations provision dealing with what instruments may be partially cancelled. Identify the actor, trigger, cumulative or alternative conditions, provisos, exceptions and legal consequence before reaching a conclusion.

Implementation control: Translate the provision into an owner, trigger, approval, evidence, deadline, exception and remedy control, then test connected law and State variation.

Section-level practical application

Transaction test

Apply this provision to the event-date facts and record every satisfied, disputed or inapplicable limb.

Consequence and remedy

Identify how it changes validity, title, authority, liability, payment, rejection, recovery, registration, evidence or relief.

Section 33 - Power to require benefit to be restored or compensation to be made when instrument is cancelled or is successfully resisted as being void or voidable. DECLARATORY DECREES

Local statutory-text source control: Retained official India Code PDF extract. Official India Code source prevails.

Current statutory text

33. Power to require benefit to be restored or compensation to be made when instrument is cancelled or is successfully resisted as being void or voidable.—(1) On adjudging the cancellation of an instrument, the court may require the party to whom such relief is granted, to restore, so far as may be any benefit which he may have received from the other party and to make any compensation to him which justice may require.
(2) Where a defendant successfully resists any suit on the ground—
(a) that the instrument sought to be enforced against him in the suit is voidable, the court may if the defendant has received any benefit under the instrument from the other party, require him to restore, so far as may be, such benefit to that party or to make compensation for it;
(b) that the agreement sought to be enforced against him in the suit is void by reason of his not having been competent to contract under section 11 of the Indian Contract Act, 1872 (9 of 1872), the court may, if the defendant has received any benefit under the agreement from the other party, require him to restore, so far as may be, such benefit to that party, to the extent to which he or his estate has benefited thereby.
CHAPTER VI
DECLARATORY DECREES

Finin2min clause-by-clause decode

Clause	Statutory requirement	Finin2min meaning	Evidence/ control
Main rule	33. Power to require benefit to be restored or compensation to be made when instrument is cancelled or is successfully resisted as being void or voidable.—	Test this main limb within the validity and consent framework. Operational focus: 33. power to require benefit to be restored or compensation to be made when instrument is cancelled or.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.
(1)	On adjudging the cancellation of an instrument, the court may require the party to whom such relief is granted, to restore, so far as may be any benefit which he may have received from the other party and to	Test this (1) within the validity and consent framework. Operational focus: on adjudging the cancellation of an	Contract/deed, authority, chronology, notices, performance and

	make any compensation to him which justice may require.	instrument, the court may require the party to whom such relief is.	payment records tied to this limb.
(2)	Where a defendant successfully resists any suit on the ground—	Test this (2) within the validity and consent framework. Operational focus: where a defendant successfully resists any suit on the ground—.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.
(a)	that the instrument sought to be enforced against him in the suit is voidable, the court may if the defendant has received any benefit under the instrument from the other party, require him to restore, so far as may be, such benefit to that party or to make compensation for it	Test this (a) within the validity and consent framework. Operational focus: that the instrument sought to be enforced against him in the suit is voidable, the court may if.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.
(b)	that the agreement sought to be enforced against him in the suit is void by reason of his not having been competent to contract under section 11 of the Indian Contract Act, 1872 (9 of 1872), the court may, if the defendant has received any benefit under the agreement from the other party, require him to restore, so far as may be, such benefit to that party, to the extent to which he or his estate has benefited thereby. CHAPTER VI DECLARATORY DECREES	Test this (b) within the validity and consent framework. Operational focus: that the agreement sought to be enforced against him in the suit is void by reason of his.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.

Finin2min implementation explanation

Section 33 is a validity and consent provision dealing with power to require benefit to be restored or compensation to be made when instrument is cancelled or is successfully resisted as being void or voidable. declaratory decrees. Identify the actor, trigger, cumulative or alternative conditions, provisos, exceptions and legal consequence before reaching a conclusion.

Implementation control: Preserve negotiations, disclosures and approvals. Test capacity, free consent, lawful object, severability, restitution and ratification as separate questions.

Section-level practical application

Transaction test

Apply this provision to the event-date facts and record every satisfied, disputed or inapplicable limb.

Consequence and remedy

Identify how it changes validity, title, authority, liability, payment, rejection, recovery, registration, evidence or relief.

Practical examples and calculations

Chapter scenario

A live transaction raises issues concerning cancellation of instruments and restoration. Freeze the event date, map each statutory condition, preserve authority and performance evidence, quantify exposure and choose remedy only after limitation and forum review.

Calculation	Method	Evidence
Price / consideration	Reconcile base amount, GST/tax, credits, retention, deductions and payment terms.	Contract, invoice, ledger, tax documents and bank proof.
Loss / compensation	Separate direct loss, consequential loss, avoided cost, mitigation, restitution, interest and stipulated sum.	Loss model, market evidence and mitigation log.
Partner settlement	Reconcile capital, current accounts, loans, drawings, profit share, assets, liabilities and goodwill.	Deed, ledgers, bank records and valuation.
Limitation	Record accrual, breach/refusal, notice, acknowledgment, exclusion and filing date.	Chronology and limitation memorandum.

Practical transaction application

1. Identify the transaction, relationship, parties and event date.
2. Map every provision to the contract/deed and actual conduct.
3. Record conditions satisfied, disputed, waived, excused or prevented.
4. Reconcile authority, delivery/performance, acceptance, payment and notices.
5. Quantify exposure and choose cure, termination, recovery, settlement or litigation strategy.

Authority, consent and execution controls

Authority

- Correct legal entities and counterparties.
- Board, partner, power-of-attorney or delegated authority.
- Ordinary-course and implied-authority limits.
- Third-party knowledge of restrictions.

Consent

- Offer, acceptance and agreed version.
- Capacity, free consent and disclosures.
- Conditions precedent and approvals.
- No unauthorised post-execution alteration.

Execution

- Complete schedules and annexures.
- Witnessing, attestation and e-sign audit trail.
- Counterparts, date and place.
- Original and certified-copy custody.

Stamp duty and registration alerts

Stamp duty is State/UT-specific. Classify the true instrument, place of execution or receipt, consideration and property. Registration is a separate enquiry. Insufficient stamping may require impounding; non-registration may affect property and third-party enforceability.

Instrument	Alert
Commercial agreement	Do not default to a generic article if the substance is indemnity, guarantee, security, transfer, lease or another specifically charged instrument.
Partnership deed/ reconstitution	Check capital contribution, immovable property, retirement/dissolution and Registrar filing separately.
Sale of movable goods	Coordinate contract, invoice, GST/e-invoice, transport and sectoral records.
Property-related relief	Check compulsory registration, title, court fee and decree-registration effects.

Evidence and document-retention checklist

Core file

- Executed contract or instrument
- Title and chain documents
- Readiness and funding evidence
- Performance and tender record
- Notice and cure correspondence
- Expert and valuation material
- Possession and third-party search
- Limitation and relief matrix

Electronic evidence

- Native email/message and metadata.
- Version history and e-sign certificate.
- System logs and acknowledgements.
- Legal hold and defensible export.

Retention

- Executed originals and amendments.
- Authority and entity records.
- Tax, payment and accounting records.
- Claims and litigation records through final disposal.

Forms, registers and operational records

Record/form	Control
No universal Central form	Relief is claimed through pleadings and procedural forms under the CPC, court rules and local filing systems.
Readiness and willingness file	Maintain funds, approvals, tender and performance evidence.
Injunction evidence pack	Preserve threatened act, urgency, balance of convenience and irreparable-harm material.

Performance, delivery and payment controls

Stage	Control	Proof
Obligation matrix	List each reciprocal obligation, owner, due date, dependency and consequence.	Signed matrix tied to contract sections.
Delivery/ performance	Record dispatch, carrier, title/risk point, milestones, inspection and acceptance/rejection.	Delivery documents, certificates and correspondence.
Payment	Reconcile invoice, tax, credit, retention, set-off, due date and bank receipt.	Invoice, e-invoice, ledger and bank proof.
Change/cure	Use authorised variation and cure procedures; avoid informal waiver.	Change order, approval and cure closure.

Breach, loss, mitigation and remedy framework

1. Identify the exact obligation and legally material breach.
2. Confirm causation, remoteness, foreseeability and proof of loss.
3. Record mitigation, avoided cost and substitute performance.
4. Test damages, price, restitution, lien, stoppage, accounts, dissolution, specific performance, injunction, rescission, rectification, cancellation or declaration.
5. Check remedy election, double recovery, caps/exclusions and public policy.

Limitation and forum controls

Control	Analysis
Accrual	Classify cause of action and record breach, refusal, knowledge, demand and continuing-obligation dates.
Limitation	Apply the correct article; test acknowledgment, part-payment, exclusion and disability.
Jurisdiction	Check territorial/pecuniary rules, Commercial Courts threshold, exclusive forum and special court.
Interim relief	Assess preservation, injunction, receiver, security and evidence protection.
Appeal/ enforcement	Map decree/award challenge, execution, interest and cross-border enforcement.

Arbitration and mediation interface

- Validate agreement, signatories, scope, seat, rules and appointment mechanism.
- Separate substantive rights from forum selection and identify non-arbitrable issues.
- Check interim measures, consolidation, joinder and multi-contract issues.
- Preserve limitation during negotiation or mediation.
- Record settlement authority, confidentiality, tax, stamp and enforceability.

Company, partnership, GST and tax overlays

Overlay	Questions
Companies Act	Authority, objects, approvals, related-party, loan/guarantee/security and disclosure requirements.
Partnership/LLP	Deed/LLP authority, current constitution and public records.
GST	Supply, time/place/value, invoice/e-invoice, ITC, credit note, advance, damages and settlement treatment.
Income tax/TDS	Withholding, partner remuneration/interest, capital/revenue, bad debt, settlement and transfer consequences.
IBC/FEMA/ consumer	Moratorium and avoidance, cross-border payment/governing law, consumer and e-commerce protection.

Binding and foundational judicial principles

Authority	Principle	Verification
K. Narendra v. Riviera Apartments	Specific performance requires equitable and statutory assessment of the contract, conduct and circumstances.	Verify official judgment and later treatment.
N.P. Thirugnanam v. Dr. R. Jagan Mohan Rao	Readiness and willingness must be proved continuously where the statute requires it.	Verify official judgment and later treatment.
Man Kaur v. Hartar Singh Sangha	Personal knowledge, pleading and proof of readiness and willingness cannot be replaced mechanically by an attorney.	Verify official judgment and later treatment.
Dalpat Kumar v. Prahlad Singh	Temporary injunction analysis generally examines prima facie case, balance of convenience and irreparable injury.	Verify official judgment and later treatment.

Central and State/UT variation alerts

> Court fees, pecuniary jurisdiction, special-court notifications, local civil rules and infrastructure designations require location-specific verification.

Use the State/UT variation register in the data folder for the live source checklist.

Chapter-specific decision flowchart

SRA-C06 · Finin2min decision path

Classify transaction → Map ss. 31–33 → Verify authority & evidence → Test exceptions / State overlay → Quantify exposure → Notice, remedy & forum

Void or voidable instruments, partial cancellation and restoration. Verify the current official source before professional reliance.

Finin2min Q&A

What decision does SRA-C06 help a business make?

It determines how cancellation of instruments and restoration should be classified, documented, performed and enforced under sections 31-33 of the Specific Relief Act, 1963.

Which provision should be read first in SRA-C06?

Begin with section 31 (When cancellation may be ordered) and then read the connected definitions, exceptions and remedy provisions in sequence.

What is the principal implementation risk in SRA-C06?

Applying a commercial label without proving the statutory conditions for cancellation of instruments and restoration, or acting without authority, notice, performance and payment evidence.

Which execution checks are specific to SRA-C06?

Confirm the correct entities, signatory authority, consent, complete annexures, stamp and registration treatment, digital audit trail and approvals relevant to cancellation of instruments and restoration.

How should evidence be indexed for SRA-C06?

Link every section in the chapter with the contract or deed, authority, chronology, notices, performance, delivery, payment, loss and remedy evidence supporting it.

What calculation should be retained for SRA-C06?

Retain the relevant price, tax, interest, partner-account, loss, mitigation, restitution or relief working with sources and assumptions, not only the final number.

How does limitation affect SRA-C06?

Classify the precise cause of action associated with cancellation of instruments and restoration, record accrual, refusal, notice, acknowledgment and exclusion dates, and apply the correct Limitation Act article.

Can arbitration resolve every dispute arising under SRA-C06?

Arbitration may govern the forum, but it does not validate illegality, remove mandatory rules or make a non-arbitrable subject arbitrable. Check scope, seat and interim relief.

Which tax and entity overlays should be checked for SRA-C06?

Check Companies Act authority and related-party controls, partnership constitution, GST supply and invoice consequences, withholding, accounting and insolvency effects.

What is the final professional sign-off for SRA-C06?

Confirm the current statutory source, section conclusions, State variation, authority, calculation, limitation, remedy, forum and complete evidence trail.

Why is section 33 important to SRA-C06?

Section 33 (Power to require benefit to be restored or compensation to be made when instrument is cancelled or is successfully resisted as being void or voidable. DECLARATORY DECREES) completes the chapter control and must be tested independently.

Official sources and verification status

- Specific Relief Act, 1963 - India Code
- Official Gazette and applicable State/UT Gazette, Registrar and court portals.
- Review date: 2026-07-18.