



**JURIS PRIME**  
LAW SERVICES

A black and white photograph of a desk with a marble top. A black pen lies diagonally across a white notepad. The notepad has the 'JURIS PRIME' logo on it. In the background, a small potted plant is visible.

# INSIGHTS @JPLS

**April, 2025 | Issue No. 2**

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For more information on any of the items discussed herein, please do not hesitate to reach out to us on our contacts and address mentioned on the cover and at the end of this Newsletter.

## About JPLS

### *A Word from Our Founder*



As we step into a new year, I am reminded of the strength and resilience that define Juris Prime Law Services. The first quarter of 2025 has been a period of steady progress, marked by the dedication of our team and the enduring trust of our clients. I am proud of the diligent efforts our team has poured into every case and transaction this quarter. It is this commitment to excellence—whether behind the scenes or in the courtroom—that continues to set us apart.

This year has already brought transformative legal developments in a single quarter. The Companies (Prospectus and Allotment of Securities) Amendment Rules, 2025 now extend compliance timelines for private companies, offering businesses greater flexibility. Concurrently, the IBBI's mandate for eBKray auctions promises to streamline insolvency resolutions, ensuring transparency and efficiency in asset liquidation. Closer to home, Telangana's Bhu Bharathi Act revolutionizes land governance through digitization, prioritizing farmer-centric solutions.

I thank our clients for allowing us to be part of your journey. Your challenges inspire us to innovate, and your trust fuels our resolve. The professionalism and tireless work ethic of our team are the foundation of Juris Prime's success. Together, we are not just navigating the legal landscape but shaping it with integrity.

The year ahead holds great promise, and I look forward to sharing more milestones with you.

**- V.V.S.N. Raju,**  
**Founder & Managing Partner**

*Mr. V.V.S.N. Raju, Founder and Managing Partner of Juris Prime, is an acclaimed lawyer with over 32 years of legal expertise in Banking & Finance, Real Estate, Litigation, Foreign Investments, Debt Recovery, Employment and Corporate Laws.*



## About Us

Established in 2005 by **Mr. V.V.S.N. Raju**, **Juris Prime Law Services** has grown from a modest team of 6 lawyers to a formidable force of **over 25 lawyers** and **4 Partners**. Based in Hyderabad, Telangana, we are a **full-service** law firm renowned for our expertise, dedication, and client-centric approach. Over the years, we have built a reputation for delivering **solution-oriented** advice and handling complex legal matters with precision and efficiency.

## Why Choose Us?

- **Client-Centric Approach:** We prioritize our clients' needs and deliver tailored legal solutions to help them achieve their business goals.
- **Expert Team:** Our team comprises young, diligent, and solution-driven lawyers with a deep understanding of the law.
- **Industry Recognition:** Consistently recognized as a leading law firm in Hyderabad and South India for our expertise in Banking, Finance, Corporate, Technology, Labour, and Real Estate.
- **Time-Bound Solutions:** We pride ourselves on delivering reliable and efficient legal services within stipulated timelines



*Reliable & Effective*



*Clarity and Quality*



*Client Satisfaction*



*Integrity*



*Quick Turn-Around-Time*

## Core Principles

## *Our Accolades*



- **Legal 500 Asia Pacific Guide 2025:**  
Leading Firm & Leading Partner (City Focus Hyderabad)



- **Chambers and Partners Asia-Pacific 2025:**  
**Corporate/Commercial:** Hyderabad



- **Legal Era - India's Ranked Lawyers 2024:**  
Leading Lawyer – Dispute Resolution  
Law firm of the year – Hyderabad (2023-2024)



- **Benchmark Litigation:**  
Notable Firm – Insolvency  
Notable Firm - City Focus - Hyderabad



- **Asian Legal Business 2024:**  
Top 15 Firms in South India

# Legal Updates & Our Insights

## *National Level*

### Corporate Law Updates

#### 1. Company Law

##### (a) *Companies (Prospectus and Allotment of Securities) Amendment Rules, 2025*

The Ministry of Corporate affairs (MCA) has issued the Companies (Prospectus and Allotment of Securities) Amendment Rules, 2025. As per the amendment, it modifies Rule 9B of the Companies (Prospectus and Allotment of Securities) Rules, 2014, providing a compliance extension for certain private companies. Specifically, private companies (excluding Producer companies) that were not classified as small companies as of March 31, 2023, now have until June 30, 2025, to comply with the provisions of the sub-rule. The extension shall not apply to Producer companies and Small companies as on 2023 March 31. The amendment comes into effect upon its publication in the Official Gazette.<sup>1</sup>

##### (b) *SEBI launches industry standards recognition manual to enhance regulatory compliance*

SEBI has introduced the Industry Standards Recognition Manual to guide Industry Standards Fora (ISFs) for better regulatory compliance. The pilot programme started in July 2023, initially targeting listed companies and stockbrokers, later extended to other market participants. This initiative aims to standardize procedures, promote good governance, and simplify compliance within the securities market. SEBI has released the Industry Standards Recognition Manual to guide the formation and functioning of Industry Standards Fora, which helps implement regulatory instructions.<sup>2</sup>

<sup>1</sup><https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=NTE3MjcxODc4&docCategory=Notifications&type=open>.

<sup>2</sup>[https://www.sebi.gov.in/media-and-notifications/press-releases/feb-2025/industry-standards-recognition-manual\\_91864.html](https://www.sebi.gov.in/media-and-notifications/press-releases/feb-2025/industry-standards-recognition-manual_91864.html).



## 2. *Insolvency and Bankruptcy Code, 2016*

- (a) In a significant development in the Insolvency regime the IBBI has come up with *Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Amendment) Regulations, 2025*.

➤ *Handing Over Possession to Homebuyers*

Resolution Professionals (RPs) must now hand over possession of real estate properties to homebuyers if they have fulfilled their contractual obligations, subject to approval by the Committee of Creditors (CoC) with at least 66% votes. This aims to reduce delays in real estate insolvencies.

➤ *Facilitator Appointment and Role*

Where a creditor class exceeds one thousand members, the Committee of Creditors (CoC) may direct the resolution professional to appoint a facilitator for a sub-class. This appointment can only occur after the first CoC meeting, provided around one hundred creditors from the sub-class propose a facilitator and include it in the meeting agenda. The CoC can replace the facilitator if a majority of the sub-class members recommend it.

The facilitator's responsibilities include improving communication between authorized representatives and sub-class creditors, attending CoC meetings as an observer, and keeping creditors informed about the insolvency process. The CoC may assign additional tasks to ensure better representation and transparency.

- (b) *Amendment to the Guidelines for Technical Standards for the Performance of Core Services and other Services under IBBI (Information Utilities) Regulations, 2017*.

This introduces updated requirements for the performance of core services and other related functions. By setting technical standards, the amendment ensures that information utilities maintain robust systems for data storage, verification, and retrieval, thereby facilitating smoother operations within the insolvency framework established by the Board. This update underscores the

regulatory commitment to strengthening the infrastructure supporting insolvency and bankruptcy processes in India.<sup>3</sup>

(c) *IBBI (Grievance and Complaint Handling Procedure) (Amendment) regulations*

IBBI has modified regulation 3(4) of the 2017 grievances Handling regulations. Where previously complaints had to be filed within 30 days, but under the revised rule, the period will now start only after the closure of all proceedings related to the insolvency process before relevant adjudicating authority. This change serves the purpose of ensuring that grievances are addressed only after the conclusion of all legal proceedings under the insolvency and bankruptcy code, 2016.<sup>4</sup>

(d) *Mandatory Use of eBKray Auction Platform for Liquidation Processes*

The Insolvency and Bankruptcy Board of India (IBBI) has mandated that all auctions for the sale of assets under the liquidation process must be conducted exclusively on the eBKray auction platform starting April 1, 2025.<sup>5</sup>

(e) *Disclosure of information relating to carry forward of losses in Information Memorandum (IM)*

The Insolvency and Bankruptcy Board of India (IBBI) had amended Regulation 36 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 ('CIRP Regulations') to mandate the disclosure of carry forward of losses as per the Income Tax Act, 1961, in the Information Memorandum (IM). Further, Insolvency Professionals (IPs) were also advised to ensure comprehensive capture of details related to carry forward losses and the disclosure thereof.<sup>6</sup>

### 3. Reserve Bank of India

(a) *RBI Amends Basel III Investment Norms for AIFIs*

RBI has amended its Reserve Bank of India (Prudential Regulations on Basel III Capital Framework, Exposure Norms, Significant Investments,

<sup>3</sup> <https://ibbi.gov.in/uploads/legalframework/3939aa4c056f58d65274836dbc7abcc2.pdf>.

<sup>4</sup> [https://cdn.ibclaw.online/legalcontent/ibc/Amendments/2025/IBBI+\(Grievance+and+Complaint+Handling+Procedure\)+\(Amendment\)+Regulations%2C+2025+28012025.pdf](https://cdn.ibclaw.online/legalcontent/ibc/Amendments/2025/IBBI+(Grievance+and+Complaint+Handling+Procedure)+(Amendment)+Regulations%2C+2025+28012025.pdf).

<sup>5</sup> <https://ibbi.gov.in/uploads/legalframework/43ec517d68b6edd3015b3edc9a11367b.pdf>.

<sup>6</sup> <https://ibbi.gov.in/uploads/legalframework/6fb7768b385beefa146df2af2ff67a65.pdf>.



Classification, Valuation and Operation of Investment Portfolio Norms and Resource Raising Norms for All India Financial Institutions) Directions, 2023 under the Basel III Capital Framework, specifically concerning investment norms for All India Financial Institutions (AIFIs). As per the revised guidelines, AIFI investments in long-term bonds and debentures (with a minimum residual maturity of three years) issued by non-financial entities will not be included in the 25% ceiling under the Held to Maturity (HTM) category. The amendment applies to financial institutions regulated by RBI, including EXIM Bank, NABARD, NaBFID, NHB, and SIDBI. The changes, issued under Section 45L of the RBI Act, 1934, will take effect from April 1, 2025.<sup>7</sup>

- (b) *Reserve Bank of India (Forward Contracts in Government Securities) Directions, 2025*

The Reserve Bank of India (RBI) released norms for forward contracts in government securities (G-secs) to enable market participants, especially long-term investors, to manage their cash flows and interest rate risk. These directions for forward contracts, or bond forwards, undertaken in the Over-the-Counter (OTC) market in India, will come into force with effect from May 2, 2025, RBI said in a notification. For the purpose of entering into deals, a bond forward refers to a rupee interest rate derivative contract in which one counterparty (buyer) agrees to buy a specific government security (G-sec) from another counterparty (seller). The contract specifies a future date and a price determined at the time of the contract.<sup>8</sup>

## Debt Law Updates

### 1. SARFAESI Act

- (a) Bank is not entitled to seek possession after selling a mortgaged property through symbolic possession (*Canara Bank v. The State of Madhya Pradesh and Ors.*)<sup>9</sup>

The Petitioner issued a notice under Section 13(2) of the SARFAESI Act, 2002, to Respondents No. 4 & 5 and obtained an order dated 10.08.2021 from the ADM, Indore, for possession of the mortgaged property. The Respondents

<sup>7</sup> <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12783&Mode=0>.

<sup>8</sup> <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12784&Mode=0>.

<sup>9</sup> (2025) ibclaw.in 216 HC.

challenged the same in SA No. 110/2019 before the DRT, which is pending before DRAT. While the proceedings were ongoing, the Bank filed a writ petition on 05.09.2023, which was disposed of with a direction to implement the ADM's order. However, the Respondents filed a review vide RP No. 1291/2023 alleging suppression of interim orders by the Bank. The High Court allowed the review on 22.12.2023 and restored the writ petition. Meanwhile, the Bank auctioned the property and submitted the sale certificate and confirmation letter. The present writ petition under Article 226 now seeks enforcement of the ADM's order under Section 14 of the SARFAESI Act, despite the auction and pending legal challenges.

The Hon'ble High Court observed that in the instant matter, the mortgaged property had already been sold through auction, and sale certificates were issued based on symbolic possession. As such, the petitioner Bank is no longer the secured creditor, nor could the property be treated as a secured asset. The auction purchaser holds the ownership of the property and may take any recourse available under the law to get the possession of the property. Accordingly, the Bank is not entitled to seek further assistance from the Respondents to evict the borrowers from the said property.

- (b) Negligence in obtaining title documents at the time of creating mortgage may result in its invalidation (*Asset Reconstruction Company (India) Ltd. v. Punjab National Bank and Anr.*)<sup>10</sup>

A dispute arose over which bank had the valid mortgage over a property used as collateral for loans. The State Bank of India (later assigned to ARCL) granted various credit facilities to the borrower in 2005 based on a lodgment receipt, not the original property documents. Punjab National Bank later granted various credit facilities in 2006 and received the original title deeds, thus creating a valid equitable mortgage. The Debt Recovery Tribunal (DRT) initially ruled in favor of ARCL, but the Debt Recovery Appellate Tribunal (DRAT) had set aside the DRAT order and ruled in favour of PNB as the erstwhile assignor SBI was negligent in not obtaining the original title deeds as a result the mortgage in favour of ARCL was cancelled.

Aggrieved by the DRAT's order the ARCL filed the writ petition. The Court dismissed the same and upheld the DRAT's order and observed that erstwhile assignor SBI was negligent in not obtaining original title deeds while creating the mortgage. The original title deed was deposited with PNB, which created

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<sup>10</sup> (2025) ibclaw.in 377 HC.

a valid and enforceable equitable mortgage. Because of SBI/ARCL's gross negligence, they lost priority under Section 78 of the Transfer of Property Act, 1882. The High Court agreed with DRAT that SBI/ARCL enabled the borrower to create another mortgage due to lack of due diligence. ARCL is still allowed to recover dues from the borrower/guarantors through lawful proceedings.

- (c) Non-Banking Financial Company (NBFC), does not qualify as a "financial institution" under Section 2(1)(m)(iv) (*Pyramid Developers v. Union of India and Ors.*)<sup>11</sup>

The petitioner, a registered partnership firm, filed a writ petition under Articles 226 and 227 of the Constitution of India challenging the maintainability of a proceeding initiated under Section 14 of the SARFAESI Act, 2002 by M/s. M.J. Shah Capital Pvt. Ltd. before the Chief Metropolitan Magistrate, Mumbai. The petitioner contended that M.J. Shah Capital Pvt. Ltd., a Non-Banking Financial Company (NBFC), does not qualify as a "financial institution" under Section 2(1)(m)(iv) of the Act, as it does not meet the minimum asset size requirement of ₹100 crores as per the Central Government Notification dated 24th February 2020 (amended on 12th February 2021). The Reserve Bank of India confirmed via affidavit that the NBFC's asset size as of 31st March 2024 was only ₹16.30 crores.

The Court held that since M.J. Shah Capital Pvt. Ltd. did not qualify as a "financial institution" on the date it filed the Section 14 application, it was not a "secured creditor" under the SARFAESI Act. Hence, it lacked the jurisdiction to seek possession of the secured asset through the CMM. The Notification cannot be applied retrospectively, and the Court stated that only the status on the date of filing is relevant. Consequently, the Court issued a **writ of Prohibition**, restraining the Chief Metropolitan Magistrate from proceeding further with Securitization Case No. 598 of 2024.

## 2. Reserve Bank of India

- (a) *Master Directions - Reserve Bank of India (Priority Sector Lending – Targets and Classification) Directions, 2025*

These Directions shall come into effect on April 01, 2025 and shall supersede the earlier Directions on the subject, namely, the Reserve Bank of India

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<sup>11</sup> (2025) ibclaw.in 275 HC.

(Priority Sector Lending – Targets and Classification) Directions, 2020 (updated from time to time). All loans eligible to be categorised as Priority Sector Lending under the erstwhile Master Directions on PSL dated September 04, 2020 (updated from time to time) shall continue to be eligible for such categorisation under these Directions, till maturity.<sup>12</sup>

(b) *Master Direction of RBI (Non-resident Investment in Debt Instruments) Directions, 2025*

The RBI has issued new regulations to regulate non-resident investment in debt instruments in India. The Master Direction has been issued under Sections 10(4) and 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and Section 45W of the Reserve Bank of India Act, 1934 and are without prejudice to permissions/approvals, if any, required under any other law.<sup>13</sup>

(c) *RBI moves to boost credit flow to NBFCs, cuts risk weight on loans*

RBI slashed the risk weights of bank loans to NBFCs by 25 percentage points depending on the ratings. This move is expected to significantly improve credit flow to NBFCs, which in turn will enhance credit availability in the retail segment. The decision, which is applicable in all cases where the existing risk weight as per external rating of NBFCs is below 100 per cent, comes at a time when bank credit to NBFCs has hit a new low, sparking concerns about the sector's ability to lend to retail customers. By reducing the risk weights, the RBI aims to encourage banks to lend more to NBFCs, thereby boosting credit growth in the economy. The move is seen as a positive step towards revitalising the NBFC sector and promoting financial stability. The risk weight on the exposures of Scheduled Commercial Banks (SCBs) to NBFCs was increased by 25 percentage points by the RBI in November 2023.<sup>14</sup>

## Real Estate Law Updates

1. *Right of a senior citizen to claim back their transferred property under the Section 23 of the Maintenance and Welfare of the Parents and Senior Citizens Act, 2007*

Section 23 of the Act states that if the person who received property fails to take care of the giver, the transfer can be cancelled, as if it were obtained by fraud or force. A

<sup>12</sup> <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12799&Mode=0>.

<sup>13</sup> <https://www.rbi.org.in/scripts/NotificationUser.aspx?Id=12765&Mode=0>.

<sup>14</sup> <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12787&Mode=0>.

Gift Deed was executed by the mother in favour of her son of the property which she had purchased. The Deed stated that the son would maintain the mother and the same was registered. Allegedly, the same day a vachan patra/promissory note was executed by the son stating that he will take care of the mother and father till the end of their life and if he does not do so, the mother will be at liberty to take back the Gift Deed. A Two-Judge Bench of the Supreme Court upheld the decision of the Single-Judge Bench of the High Court and the authorities below and cancelled the Gift Deed because the conditions in the gift were not complied with. The Court also ruled that the authorities while exercising jurisdiction under the Section 23 of the Act can order possession to be transferred.<sup>15</sup>

2. ***Land acquired for public purpose can't be returned by private agreement: Supreme Court***

The Supreme Court has said that when the State uses its sovereign power of eminent domain and acquires land for a public purpose, such an exercise cannot be set at naught by the beneficiary, by entering into a private agreement shortly after the acquisition.<sup>16</sup>

3. ***Party Interested In Property Deemed To Know About Sale Deed From Registration Date: Supreme Court Rejects Partition Suit Filed After 45 Years***

The Court noted that the registration of the sale deed constitutes a public notice, and any suit for partition filed after 12 years (Article 65 of Limitation Act, 1963) would be barred by law liable to be rejected under Order 7 Rule 11 of CPC. The Court also observed that there is a constructive notice from the date of registration of the sale deed and that the presumption under Section 3 of the Transfer of Property Act will apply. Applying this principle of law, the Court said that it can be assumed that the plaintiffs had knowledge of the sale deed executed in 1978. Setting aside the High Court's decision, the judgment observed that the plaintiff's failure to file a suit of partition within the limitation period justified the trial court to dismiss the suit as barred by law under Order 7 Rule 11 CPC.<sup>17</sup>

## Employment & Labour Law Updates

1. ***EPFO Simplifies Online Process for Member Profile Updation***

<sup>15</sup> *Urmila Dixit v. Sunil Sharan Dixit*, C.A. No. 10927/2024.

<sup>16</sup> *Delhi Agricultural Marketing Board, through its Chairman v. Bhagwan Devi (Dead), through her Legal Representative*, CA 10757 of 2017.

<sup>17</sup> *Smt. Uma Devi and others v. Sri. Anand Kumar and others*, 2025 INSC 434.

To reflect its commitment for improving member services and for ensuring the accuracy of member data, Employees' Provident Fund Organization (EPFO) has introduced further simplification in the process of updating member profile. Under the revised procedure, the members whose Universal Account Number (UAN) has already been validated through Aadhaar can update their profile like name, date of birth, gender, nationality, father/mother's name, marital status, spouse name, date of joining and date of leaving themselves without the requirement of uploading any document. Only, in certain cases where UAN was obtained prior to October 1, 2017, the update would require certification of employer only.<sup>18</sup>

**2. *Supreme Court Fines Five States & One UT for POSH Act Non-Compliance: A Wake-Up Call***

In Aureliano Fernandes v. State of Goa, SC imposed a penalty of ₹5,000 on five states – Manipur, Jharkhand, Madhya Pradesh, Himachal Pradesh, Telangana, and one union territory Puducherry, for failing to comply with its earlier directives on the POSH Act's enforcement.<sup>19</sup>

## Dispute Resolution Updates

**1. *Existence of Arbitration Agreement Essential for Enforceability of Award: Supreme Court***

The Supreme Court observed that the 'existence' of an arbitration agreement is a necessary condition for an award to be enforceable under the law. This appeal was filed against an order passed by a Division Bench of the Allahabad High Court in a First Appeal.<sup>20</sup>

**2. *Doctrine of Proportionality Applies in Contractual Commercial Disputes***

The Court reiterated that while judicial review in contractual commercial matters must be exercised with restraint, the doctrine of proportionality applies when an error is apparent and relief is warranted. It set aside the forfeiture of a bank guarantee in a tender dispute involving ABCI Infrastructures Pvt. Ltd. and the

<sup>18</sup> <https://pib.gov.in/newsite/PrintRelease.aspx>.

<sup>19</sup> Aureliano Fernandes v. State of Goa (2024) 1 SCC 632.

<sup>20</sup> State of Uttar Pradesh and Another v. R.K. Pandey & Another, Civil Appeal no. 10212 of 2014.



Border Roads Organisation (BRO), highlighting the need for pragmatic decision-making in such cases.<sup>21</sup>

### 3. *Disciplinary Proceedings Can't Be Initiated Against Quasi-Judicial Officer Merely on Ground of Passing Wrong Order: Supreme Court*

In 1997, as Tehsildar, the Appellant passed a quasi-judicial order under Section 57(2) of the MP Land Revenue Code, 1959, settling land in favour of some private parties after due process (notice, panchayat resolution, patwari report). The order attained finality as it was never challenged. However, a show-cause notice was issued to him in 2009 and a charge sheet was issued in 2011, alleging an illegal settlement causing loss to the State. Challenging the charge sheet, the Appellant approached the MP High Court seeking protection under the Judges Protection Act, 1985 for quasi-judicial acts. Also, he contended that the charge sheet does not mention any allegations of extraneous influence or corruption warranting the initiation of disciplinary proceedings after an inordinate delay of 14 years. Given the aforesaid, the Court allowed the appeal and set aside the impugned order restoring the order passed by the Single Bench.<sup>22</sup>

## Other Legal Updates

### 1. *DPDP Rules 2025*

The Union Ministry of Electronics and Information Technology (MeitY), took the procedural next step of releasing draft DPDP rules for public comment. Citizens and industry stakeholders have until February 18, 2025, to share their thoughts on the draft rules. Then, the government will review feedback and make any necessary modifications before officially passing the DPDP into law.<sup>23</sup>

<sup>21</sup> *M/S ABCI Infrastructures Private Limited v. Union of India & Others*, Special Leave Petition (Civil) No. 25394 of 2023.

<sup>22</sup> *Amresh Srivastava v. The State of Madhya Pradesh* Civil Appeal No. 10590 of 2024.

<sup>23</sup> <https://www.meity.gov.in/writereaddata/files/Notice-%20Draft%20Digital%20Personal%20Data%20Protection%20Rules%2C2025.pdf>.

## *Regional Level*

### **1. *Civil courts are best suited to deal with land disputes: Telangana High Court***

Telangana High Court stated that the matter should be addressed by a competent civil court, a bench of the Telangana High Court has dismissed a writ appeal filed by Aedla Sudhakar Reddy, a resident of Amberpet in Hyderabad, challenging a dismissal order by a single judge over his claim to seven acres of land in Bagh Amberpet.<sup>24</sup>

### **2. *Telangana Regularisation of Unapproved and Illegal Layout Rules, 2020***

The Telangana Government has amended the Telangana Regularisation of Unapproved and Illegal Layout Rules, 2020, to expedite the regularisation process and facilitate ease of compliance.<sup>25</sup>

### **3. *Telangana RERA Rules, 2017***

In exercise of the power conferred by Section 84 of the Real Estate (Regulation & Development) Act, 2016 provisions for amend the Rule 1(2) and 2(1)(j) and Rule 23 as Rule 23(1) and also to insert a new Rule 23 (2) of the Telangana Real Estate (Regulation & Development) Rule, 2017 to align with the Provisions of the Real Estate (Regulation & Development) Act, 2016. The Government of Telangana make the few amendments to the Telangana Real Estate (Regulation and Development) Rules, 2017. The Rule 1(2) of Telangana Real Estate (Regulation & Development) Rules, 2017 shall be substituted with "These Rules are applicable to all Real Estate Projects for which the completion certificate has not been issued as on the date of coming into force as stipulated in sub-section (1) of section 3 of the Real Estate (Regulation & Development) Act, 2016 by the Competent Authorities viz., UDAs/DTCP/Municipal Corporations/Municipalities/Nagar Panchayats / TGIIC.<sup>26</sup>

<sup>24</sup> *Aedla Sudhakar Reddy vs The State Of Telangana on 7 January, 2025 (WP No.32087 of 2024).*

<sup>25</sup> *G.O.Ms. No.28, MA&UD(Plg.III) Dept., dated February 20, 2025.*

<sup>26</sup> *G.O.Ms.No.202, MA&UD(M1) Dept., dated July 31, 2017.*

## Featured Articles

### Update On Our Previous Article On Bhu Bharathi Act, 2025

As discussed in the article published in our previous edition (1<sup>st</sup> Edition, January 2025) titled '*The Evolution of Land Records: From Dharani to Bhu Bharathi*', authored by Aparajita H Mannava (Associate, Real Estate and Corporate Practice), the Telangana Bhu Bharati (Record of Rights in Land) Act, 2025 of the Telangana Legislature, received the assent of the Governor and said assent was first published on the 4th January, 2025 in the Telangana Gazette for general information.<sup>27</sup>

The Telangana government has operationalized the Bhu Bharati Act, 2024 through the Bhu Bharathi Rules, 2025 (notified via G.O. Ms. No. 39 dated April 14, 2025), introducing granular procedural frameworks to enhance transparency and efficiency. A key innovation is the rectification process for Record of Rights (RoR), allowing landowners to correct entries or claim missing rights through online applications within one year of the Act's commencement. The rules mandate strict timelines—60 days for authorities to resolve disputes—and require documentary evidence such as affidavits, Pattadar Passbooks, or registered deeds. For marginalized groups, the rules institutionalize free legal aid via Mandal/District Legal Services Authorities, ensuring access to justice for Scheduled Castes, Tribes, women, and persons with disabilities. Additionally, the Bhudhaar system is formalized: Temporary Bhudhaar Cards are issued pending survey validation, while Permanent Bhudhaar requires geo-referencing via licensed surveyors, linking land parcels to unique IDs for fraud prevention.

The rules also streamline registration and mutation by digitizing workflows. Agricultural land transfers now require online slot bookings, submission of digitized transfer deeds, and integration of survey maps. Fees are standardized (e.g., ₹2,500 per acre for mutation), with penalties for procedural delays, such as rescheduling slots. For disputes, appeals must be filed within 30–60 days, and revisions by the Commissioner ensure oversight. The Bhu Bharati Portal is central to these reforms, hosting real-time updates, certified copies of RoR, and village accounts synchronized annually. Environmental safeguards are embedded, requiring declarations for land-use changes in ecologically sensitive zones. These rules amplify the Act's vision, prioritizing user-friendliness for farmers, reducing bureaucratic delays, and fortifying Telangana's land governance as a model of equity and technological integration.

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<sup>27</sup> <https://tsja.gov.in/assets/pdf/1-of-2025.pdf>

## The Fragile Illusion of Privacy

### *Lessons from the Apple Data Breach and Remedial Steps that can be taken by India in light of the new Data Privacy Act*

*By K. Sidharth Reddy (Associate, Corporate Practice)*

#### 1. INTRODUCTION

In an era where personal data is a currency as valuable as gold the Government has taken commendable steps towards protecting this aforesaid new age currency by enacting The Digital Personal Data Protection Act, 2023 and associated rules (“**DPDPA**”)<sup>28</sup> with the aim to protect personal data, deter data aggregators from collecting more data than what is required and to ensure such breaches do not take place in India. The step taken by the Government to enact DPDPA is particularly relevant in light of the recent Apple Inc. (“**Apple**”) privacy breach that arose due to Apple’s voice assistant namely “*Siri*”<sup>29</sup> serves as yet another wake-up call. Apple, a company that has long prided itself on its commitment to security and user privacy, now finds itself at the center of controversy. The breach not only exposes vulnerabilities in even the most fortified digital ecosystems but also raises critical questions about how much control users truly have over their data especially with respect to voice assistants like Siri, as it continuously monitors conversations, potentially collecting sensitive personal data without explicit user consent. This undermines users’ right to control their own information, exposing them to unauthorized data access and surveillance risks.

This incident underscores the evolving nature of cybersecurity threats, the limits of corporate safeguards, and the urgent need for stronger regulatory frameworks. As we dissect the implications, one thing remains clear—data privacy is no longer a given; it’s a battle that must be fought continuously.

#### 2. IMPLICATIONS

The recent breach of personal data by Apple’s Siri has raised concerns among users about the actual level of protection offered by technology companies, despite their claims of prioritizing data privacy. This incident is particularly alarming given Apple’s reputation as a leading advocate for user privacy in the smartphone industry. Furthermore, the settlement arrived at by Apple in the class action lawsuit<sup>30</sup> which prima facie amounts to a \$95 million settlement but upon perusal of the finer details

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<sup>29</sup> <https://www.forbes.com/sites/moinroberts-islam/2025/01/03/siri-privacy-breach-apple-to-pay-95m-settlement-amid-spying-claims/>

<sup>30</sup> *Lopez et Al. v. Apple, 19-cv-04577-JSW (N.D. Cal.)*

it can be discerned that individuals are entitled to receive a paltry compensation of \$20 only upon satisfaction of the following conditions (“**Relevant Conditions**”):

- (i) If the individual claiming the compensation has owned a Siri-enabled Apple device (such as an iPhone, iPad, Apple Watch, Mac, HomePod, or AirPods) in the United States between September 17, 2014, and December 31, 2024; and
- (ii) If the individual has experienced any unintentional Siri recordings during private or confidential conversations.

An analysis of the Relevant Conditions highlights the limited nature of the compensation being awarded to the affected users highlights the value given to data privacy of the users and citizens as the paltry compensation can be further disputed by analysing whether a conversation can be deemed as “*private*” or “*confidential*”.

However, data privacy should be of paramount importance to any company processing personal data as provided for under the California Consumer Privacy Act, 2018 (“**CCPA**”) and the California Privacy Rights Act, 2020 (“**CPRA**”)<sup>31</sup> which is the applicable law for Apple as the company is incorporated in California. The CCPA and CPRA (collectively referred to as “**California Privacy Laws**”) are akin to the European Union’s General Data Protection Regulation (“**GDPR**”)<sup>32</sup>. However, unlike the interpretation of GDPR by the European Courts which levies stringent deterrent penalties on any entity that breaches privacy of any individual in Europe, the American Courts did not interpret the penal provisions of the California Privacy Laws in a similar manner despite the similarities of provisions with GDPR and established precedents for levying exemplary damages. In this instant class action lawsuit against Apple, the American district courts elected to pass an award for damages which is more of a slap on the wrist despite a grave breach of privacy and utilizing personal data in an unauthorized manner.

Despite the heightened awareness of data privacy in developed countries, citizens' personal data continues to be exposed to severe breaches, often with inadequate compensation. Thus, it is even more crucial for Indian legislators to deter such actions, given the insufficient awareness of data protection within Indian society. Hence, the onus falls on the Government to safeguard the valuable data of the world’s largest digital population which the DPDPA has been enacted for by the Government of India.

In light of the above, we will be analysing the relevant provisions of DPDPA that companies need to adhere by to ensure that they are not affected by penalties and we will also analyse how the Indian legislators can modify the DPDPA to further protect data privacy in our country.

<sup>31</sup> *Cal. Civ. Code §§ 1798.100–1798.199.100*

<sup>32</sup> *General Data Protection Regulations, (EU) 2016/679.*

### 3. ANALYSIS

Relevant provisions of DPDA:

Section	Provision	Key Details
Section 2 (i)	<b>Definition of Data Fiduciary</b>	Means any person who alone or in conjunction with other persons determines the purpose and means of processing of personal data.
Section 2 (j)	<b>Definition of Data Principal</b>	Means the individual to whom the personal data relates.
Section 3	<b>Applicability &amp; Scope</b>	Applies to processing of digital personal data in India and outside India if any entity outside India is offering goods/services to Indian individuals.
Section 4	<b>Grounds for processing of data</b>	Data must be processed only for lawful purposes, fairly, and in a transparent manner only after receiving fair and unambiguous consent from the data principal.
Section 5	<b>Notice</b>	Data collection should be limited to what is necessary for the intended purpose as specified in the notice provided for obtaining consent of said data from any individual.
Section 6	<b>Consent</b>	<p>The consent for collecting data should be free, specific, informed, unconditional and unambiguous with a clear affirmative action, and shall signify an agreement to the processing of her personal data for the specified purpose and be limited to such personal data as is necessary for such specified purpose.</p> <p>Such consent shall be withdrawable in an easy manner and once such consent is withdrawn then the data processing should cease in a reasonable time period.</p>
Section 8	<b>General obligations of Data Fiduciary</b>	Data fiduciaries must implement reasonable security safeguards to prevent breaches and they only shall be solely liable for damages if any provision of DPDPA is breached during the collection of personal data.
Section 10	<b>Additional Obligations of Significant Data Fiduciaries</b>	The Government may notify any data fiduciary to be a significant data fiduciary basis certain parameters including but not limited to (i) volume and sensitivity of personal data being processed, (ii) risk to the data principal and democracy, (iii) security of the state and similar



		<p>reasons that could affect the integrity of the state and the data principals whose data is being collected.</p> <p>Upon any data fiduciary receiving such classification such entity is burdened with more compliances including but not limited to appointing a data protection officer, carrying out audits and other stipulations as provided in the DPDPA.</p>
<b>Section 11</b>	<b>Right to Access information about personal Data</b>	Data principals have the right to access their personal data and obtain details on processing.
<b>Section 12</b>	<b>Right to Correction and Erasure</b>	Individuals can request correction, updating, completion, or deletion of their personal data.
<b>Section 13</b>	<b>Right to Grievance Redressal</b>	Data principals can file complaints with data fiduciaries if their rights are violated and such redressal process should be simple in nature.
<b>Section 18</b>	<b>Data Protection Board (DPB)</b>	A regulatory authority to handle complaints, ensure compliance, and impose penalties of the data principal as constituted under the DPDPA.
<b>Section 33</b>	<b>Penalties</b>	The DPDPA provides for penalties for breach of any provision up to a maximum of 250 Crore rupees which are to be credited to the Consolidated Fund of India.

Upon a brief analysis of the relevant provisions set out above it can be noticed that the DPDPA has incorporated the basic tenants of GDPR and California Privacy Laws including exemplary damages for breach and misuse of personal data, thus it is important for companies who intend to collect data to take comprehensive steps to be in compliance with DPDPA including but not limited to taking the following steps:

- (i) Preparation of a consent notice and privacy policies in line with provisions of DPDPA;
- (ii) Ensuring technological measures are implemented to track the consent being provided along with scope of the consent being provided thus ensuring the data being collected does not exceed the scope of consent being provided; and
- (iii) Should be aware of the sensitivity of personal data being collected and implement technological measures to safeguard personal data for avoiding any breach of the same which in turn could lead to the companies attracting exemplary penalties.

While the above actions can be taken by companies who fall under the definition of data fiduciaries, the Central Government could take further steps towards improving the protection afforded to the citizens of India by amending provisions of DPDPA as outlined in the recommendations below.

#### 4. **RECOMMENDATIONS**

Pursuant to the above analysis, the following actions are recommendable to be taken by the Central Government for further protecting the citizens of India:

- (i) *Data collection tax*: To ensure companies adhere to a fundamental tenet of the DPDPA—limiting the collection of personal data—it is essential to enforce appropriate consequences. A viable approach is to introduce a data collection tax, wherein data fiduciaries are taxed based on the volume of data they collect. This would incentivize them to restrict data collection strictly to what is necessary for their business purposes.
- (ii) *Prescribing relevant technological measures to protect personal data from any breach*: While the DPDPA mandates the implementation of technological measures to protect personal data, it lacks quantifiable guidelines for micro, small, and medium-sized enterprises (MSMEs) to understand the necessary measures for compliance. To address this, the Central Government could establish a committee of technological experts to develop clear guidelines, ensuring that all data fiduciaries can effectively adhere to the DPDPA's provisions.
- (iii) *Utilization of the penalties being levied in a transparent manner*: Section 34 of the DPDPA mandates that penalties imposed under Section 33 be credited to the Consolidated Fund of India. It is crucial to ensure that these funds are used for the welfare of data principals, including compensation for privacy breaches and their consequences. Therefore, the Government should establish guidelines ensuring transparency in the utilization of these funds, specifically towards enhancing the protection of privacy and personal data.

#### 5. **CONCLUSION**

The Apple Siri privacy breach is a stark reminder that even the most privacy-conscious tech companies are not impervious to data vulnerabilities. While regulatory frameworks like the CCPA, CPRA, and GDPR establish strong data protection standards, inconsistent enforcement raises concerns about corporate accountability. India's Digital Personal Data Protection Act, 2023 marks a significant step in India toward strengthening data privacy, ensuring that companies are held accountable and user data is safeguarded.

However, for the DPDPA to be truly effective, it must go beyond mere compliance mandates. Stronger enforcement mechanisms, transparent utilization of penalties, and well-defined technological safeguards are essential to prevent data misuse and protect user privacy. As the digital landscape continues to evolve, both regulators and corporations must remain proactive in upholding

data protection as a fundamental right as recognized by the Indian judiciary<sup>33</sup>—because in today's world, personal data is not just information, it is power.

## Not Readily Realizable Assets (NRRAs) in the liquidation process under the Insolvency and Bankruptcy Code, 2016

*By Srikanth Rathi (Senior Associate, Litigation Practice)*

### 1. INTRODUCTION

The Insolvency and Bankruptcy Code, 2016 (IBC) was enacted to consolidate and amend the laws relating to reorganization and insolvency resolution of corporate persons, partnership firms, and individuals. A critical aspect of this resolution process is the identification and distribution of the corporate debtor's assets. While many assets can be liquidated with relative ease, certain assets pose unique challenges due to legal, geographical, or valuation uncertainties. These are categorized as "**Not Readily Realizable Assets**" (NRRAs) under the Code.

### 2. DEFINITION AND LEGAL BASIS

The term "**Not Readily Realizable Asset**" is defined under **Regulation 2(1)(nA)** of the **Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016** as:

*"Not readily realisable asset" means any asset included in the liquidation estate which could not be sold through available options and includes contingent or disputed assets and assets underlying proceedings for preferential, undervalued, extortionate credit and fraudulent transactions referred to in sections 43 to 51 and section 66 of the Code.*

In essence, these are assets:

- (i) That **cannot be immediately sold** or liquidated.
- (ii) That may be subject to **litigation, valuation disputes, or regulatory complications**.
- (iii) That may relate to **avoidance transactions**, such as preferential or fraudulent transfers.

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<sup>33</sup> *K.S. Puttaswamy (Retd.) v. Union of India* (2017) 10 SCC 1

### 3. EXAMPLES OF NOT READILY REALIZABLE ASSETS

- (i) Litigation Claims – Assets tied up in court proceedings.
- (ii) Contingent Assets – Assets whose realization depends on future events (e.g., insurance claims).
- (iii) Avoidance Transaction Recoveries – Assets recoverable through successful prosecution under Sections 43 to 66.
- (iv) Disputed Debts or Receivables – Debts where counterclaims or disputes exist.
- (v) Remote or Illiquid Properties – Assets located in inaccessible areas or lacking market demand.

### 4. TREATMENT OF NRRAS IN LIQUIDATION

As per the provisions of Insolvency and Bankruptcy Code, 2016 and allied regulations:

- (i) Realization Process
  - The liquidator may attempt to **monetize NRRAs** through various methods – auction, private sale, or third-party recovery mechanisms.
  - If these attempts fail or the asset is subject to significant uncertainty, it may be classified as an NRRRA.
- (ii) Distribution under Regulation 42
  - NRRAs are **not part of the immediate distribution** to stakeholders.
  - However, stakeholders may be given the **option to acquire interest in the NRRRA**, often through **assignment**.
- (iii) Assignment of NRRAs (Regulation 37A of IBBI (Liquidation Process) Regulations, 2016)

In 2022, the IBBI introduced **Regulation 37A**, which allows:

*The liquidator may assign or transfer a not readily realisable asset through a transparent process in consultation with the stakeholders' consultation committee (SCC), for a consideration that the committee deems fair.*

This opens up the possibility for:

- **Investors or creditors** to take over litigation or other asset realization.
- The liquidator to avoid lengthy legal processes by transferring rights to a willing party.

## 5. **BENEFITS OF RECOGNIZING NRRAS**

- (i) **Efficient Liquidation:** Allows the liquidator to focus on realizable assets while still providing a framework to deal with complex ones.
- (ii) **Stakeholder Engagement:** Creditors can take an active role in pursuing value from NRRAs.
- (iii) **Transparency and Fairness:** The process ensures assets aren't undervalued or ignored.

## 6. **CHALLENGES AND CONCERNS**

- (i) **Valuation Issues:** Difficult to price uncertain or contingent assets.
- (ii) **Litigation Risks:** Transferees may be reluctant to take on legal burdens.
- (iii) **Process Delays:** Even assigning these assets can be time-consuming.

## 7. **JUDICIAL PRECEDENTS AND CASE LAWS**

Indian courts and tribunals have increasingly acknowledged the importance of treating such assets distinctly. Some key rulings and findings are as under:-

- In *Inquest Fintech Pvt. Ltd. Vs. Ms. Maya Gupta Liquidator*<sup>34</sup>, it was held by NCLT, Delhi Bench that an RP or a Liquidator cannot assign debt/NRRAs under Sections 43, 45, 50, and 66 of IBC 2016 before the adjudication of Avoidance/PUFE proceedings i.e., before the Debt/Demand is determined or crystallized by the Adjudicating

<sup>34</sup> (2023) ibclaw.in 488 NCLT.

Authority. It was further held that once the demand is crystallized or determined, in other words, when the avoidance/PUFE proceedings are concluded, the debt can be assigned by following the due procedure prescribed under the law.

- Contrary to above, on different set of facts, the Ld. NCLT, Chennai Bench in the matter of *Sherisha Technologies Pvt. Ltd. v. Shri S A Prem Kumar and Ors.*<sup>35</sup>, has placing reliance on the Judgment of Hon'ble NCLAT in the matter of *Kapil Wadhawan Vs. Piramal Capital & Housing Finance Ltd. Ors.*<sup>36</sup>, wherein it has been held that the Successful Resolution Applicant can be allowed to prosecute the avoidance application, has proceeded to held that:

*The same analogy as in Kapil Wadbawan's case (supra) shall be applicable with regard to the prosecution by the Successful Auction Purchaser in liquidation estate when the asset of the corporate debtor has been sold as a going concern and acquisition plan submitted by Successful Auction Purchaser has been approved by the Adjudicating Authority. Hence, the substitution of the successful bidder of NRRA in the avoidance application can be allowed to give effect to provisions of the Code.*

- In *Avil Menezes Liquidator of Parekh Aluminex Ltd.*<sup>37</sup>, Ld. NCLT, Mumbai Bench while dealing with the assets assigned under NRRA at a price significantly lower than that of the reserved price quoted at the time of issuance of 3<sup>rd</sup> auction notice, has held that:

*The Liquidation Process Regulations provide for certain checks and balances on the private sale in Schedule 1 thereto, which includes, inter alia, the preparation of a strategy to approach interested buyers for assets to be sold by private sale, liaising with potential buyers or their agents, completion of sale in accordance with the terms of sale, etc. The private sale has to be conducted in a manner so as to maximise the realisations from the sale of assets.*

## 8. CONCLUSION

The concept of **Not Readily Realizable Assets** under IBC is a pragmatic acknowledgment of the complex asset landscape in corporate insolvency. By creating a separate treatment process, the Code ensures that all assets—no matter how complicated—are given a fair opportunity for realization, thereby maximizing value for creditors. The inclusion of mechanisms like assignment under Regulation 37A of the IBBI (Liquidation Process) Regulations, 2016 further enriches the liquidator's toolkit, making India's insolvency regime more robust and nuanced.

<sup>35</sup> (2025) ibclaw.in 50 NCLT.

<sup>36</sup> (2023) ibclaw.in 320 NCLAT.

<sup>37</sup> (2025) ibclaw.in 307 NCLT.



## SLEEPING ON RIGHTS: REGISTRATION OF TRANSACTION BEING A CONSTRUCTIVE NOTICE

(A note on the matter of *Smt. Uma Devi vs. Sri. Anand Kumar*)

By Aparajita H Mannava (Associate, Real Estate and Corporate Practice)

### 1. INTRODUCTION

Under **Order VII Rule 11** of the Code of Civil Procedure, 1908 (CPC), courts may **summarily reject** a plaint that does not substantiate a cause of action, is barred by any law, or is barred by limitation. This power serves to **curb frivolous or hopeless litigation**, ensuring judicial time is not wasted on matters that are clearly untenable from the pleadings alone. Suits pertaining to transfers in an immoveable property frequently involve complex questions of limitation and procedural thresholds. The question as to how to determine the limitation period for transactions in such a case, *i.e.*, whether it begins from the actual knowledge, or with the registration of the transaction, is reemphasized in the Supreme Court's decision in *Uma Devi vs. Anand Kumar*<sup>38</sup> in the context of a 55-year-old family partition dispute.

### 2. BACKGROUND OF THE DISPUTE

The dispute centres on an ancestral property in Pattangere Village, Bengaluru South Taluk, originally owned by Boranna. An oral family partition among his four sons occurred in **1968**, reflected in subsequent revenue records. In 2023, grandchildren of one son (Shivanna) filed a partition suit, claiming their legitimate share had been denied. Suits concerning immovable property must allege the date of cause of action and any exemptions from limitation under Order VII Rule 3 of Civil Procedural Code (CPC). At first instance, the Trial Court allowed the defendants' application of Order VII Rule 11 of CPC, holding the plaint disclosed no cause of action and was barred by limitation. The High Court reversed, finding triable issues and remanding for trial. On appeal, the Supreme Court restored the Trial Court's order, concluding that when a plaint is hopelessly barred or cleverly drafted to create an illusion of cause of action, it must be rejected at the threshold.

### 3. REASONING OF SUPREME COURT

Order VII Rule 11 CPC enumerates specific grounds for rejection:

- (i) No cause of action disclosed;
- (ii) Undervalued relief not corrected;

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<sup>38</sup> 2025 INSC 434.

- (iii) Insufficiently stamped plaint not remedied;
- (iv) Barred by limitation.

Further, under Section 49 of the Registration Act, 1908, provides that registration of a registrable document gives notice to the world that such a document has been executed.

A key issue was when the plaintiffs knew or ought to have known of the 1978 registered sale deeds. The Supreme Court held that registering a conveyance deed offers notice to the entire world, barring challenges absent fraud or minority. Because the plaintiffs did not plead when they first became aware, their suit—filed 45 years after the deeds was *prima facie* barred.

Here, the 1968 oral partition was acted upon in revenue records, and sale deeds by other family members were executed in 1978. The plaintiffs neither challenged these deeds nor specified when they acquired knowledge. A suit filed after such an inordinate delay, with no explanation of knowledge, is hopelessly barred by the limitation law. Consequently, the Supreme Court held there was no merit to remanding for trial.

The court relied on the following precedents:

- (a) In *Madanuri Sri Rama Chandra Murthy v. Syed Jalal* (2017), the Court reiterated that an Order VII Rule 11 dismissal is proper if, even accepting all plaint averments, the suit is barred or lacks cause of action;
- (b) *Dahiben v. Arvindbhai Bhanusali* (2020) stressed that sham litigation must be terminated early to save judicial resources; and
- (c) *Shri Mukund Bhavan Trust* (2024) confirmed that when registration and possession raise a presumption of notice, suits delayed beyond the limitation period warrant summary dismissal.

#### 4. OUR ANALYSIS

The Supreme Court has emphasised this principle even in its past judgements. For instance, in *Suraj Lamp & Industries Private Limited v. State of Haryana and another*<sup>39</sup>, the court elaborated the importance of registration of documents pertaining to transactions of immoveable properties, wherein it said that registration provides public notice, thereby providing safety and security and preventing frauds and forgeries. In *R.K. Mohd. Ubaidullah v. Hajee C. Abdul Wahab*<sup>40</sup>, the court spoke of registration of such a document being a constructive notice.

*Uma Devi vs. Anand Kumar* underscores the strict gatekeeping role of courts under Order VII Rule 11 CPC. It establishes that:

<sup>39</sup> (2011) 11 S.C.R. 848

<sup>40</sup> (2000) 6 SCC 402

- (i) Registered documents create constructive notice;
- (ii) Plaintiffs must plead knowledge dates to invoke limitation exceptions;
- (iii) Courts will not indulge in lengthy trials when the plaint itself shows hopeless delay.

This decision is a cautionary precedent for partition litigants: sleeping on rights for decades will likely lead to a threshold dismissal. It reaffirms the judiciary's commitment to efficient case management and preventing abuse of civil procedure.

## Rights of a Purchaser Under an Unregistered Agreement of Sale in India

*By Aparajita H Mannava (Associate, Real Estate and Corporate Practice)*

*Despite the legal requirement to register an Agreements to sell (“ATS(s)”), it is often seen in practice that ATSs are left unregistered for various reasons, including but not limited to (a) avoiding stamp and registration charges, (b) being unaware of the requirement to register ATSs or the significance thereof. Nonetheless, can such an unregistered ATS still confer some rights to the purchaser akin to contractual obligations?*

### 1. WHY REGISTER AN ATS?

As per section 53A of the Transfer of Property Act, 1882 (“TOPA”), where transfer has not been completed in the manner prescribed by law under an instrument, and the transferee has performed or is willing to perform his part of the contract, then the transferor is debarred from enforcing against the transferee any right in respect of the immoveable property of which the transferee has taken or continued in possession, other than a right expressly provided by the terms of the contract.

In turn, contracts referred to in section 53A of TOPA are required to be registered under the Registration Act, 1908 (“**Registration Act**”)<sup>41</sup>. Supreme Court has upheld this principle<sup>42</sup>, and as such, unregistered ATSs do not validly transfer the intended rights or title pertaining to the property. However, having paid the agreed consideration to the vendor, purchaser is at the risk of not being able to exercise his rights under effectively.

### 2. ADMISSIBILITY OF AN UNREGISTERED ATS AS EVIDENCE

<sup>41</sup> Section 17 (1A) of the Registration Act.

<sup>42</sup> As held by the Supreme Court in *Shakeel Ahmed v. Syed Akhlaq Hussain* [2023 SCC OnLine SC 1526].

As per the Indian Stamp Act, 1899 (“**Stamp Act**”)<sup>43</sup>, instruments not duly stamped cannot be admitted in evidence until proper stamp duty and penalties are paid. Although an unregistered ATS is inadmissible in evidence under the Stamp Act<sup>44</sup>, it is not void<sup>45</sup>. Penalties for insufficient stamp duty can be up to ten times the duty payable on the consideration or market value whichever is higher. Documents requiring both stamp duty and registration must meet these requirements to be admissible as evidence. An instrument, when certified by endorsement that proper duty and penalty have been levied and paid under the Stamp Act<sup>46</sup>, such ATS is capable of being acted upon as if duly stamped<sup>47</sup>.

### 3. **SPECIFIC RELIEF**

Registration Act<sup>48</sup> provides that while a document that requires to be registered cannot be received in evidence unless it is registered, an unregistered document affecting the transfer of immovable property and required to be registered may be received as evidence of a contract in a suit for specific performance under the Specific Relief Act, 1877 or 1963 or as evidence of any collateral transaction not required to be effected by a registered instrument<sup>49</sup>.

Further, the Supreme Court has held that once ATS is executed and the payment/receipt of advance sale consideration was admitted by the vendor, nothing further was necessary to prove by purchaser<sup>50</sup>.

The Supreme Court has held that<sup>51, 52, 53</sup>:

- (a) Subsistence of the contract is an essential precondition;  
 (*Note: This is also provided under the Contract Act*<sup>54</sup>, wherein:

<sup>43</sup> Sections 33 and 35 of the Stamp Act.

<sup>44</sup> Section 35 of the Stamp Act.

<sup>45</sup> As held by the Supreme Court in *Jupudi Kesava Rao v. Pulavarthi Venkata Subbarao and others* [1971 AIR 1070].

<sup>46</sup> Sections 35, 40 or 41 of the Stamp Act.

<sup>47</sup> This principle has been upheld by (a) the High Court of (United) Andhra Pradesh in *Linkwell Electronics Limited v. AP Electronics Development Corporation Limited* [1997(3) ALD 336], and (b) by the Supreme Court in *RE: Interplay Between Arbitration Agreements Under The Arbitration and Conciliation Act 1996 and The Indian Stamp Act 1899, in Curative Petition (C) No. 44 of 2023 in Review Petition (C) No. 704 of 2021 in Civil Appeal No. 1599 of 2020, and with Arbitration Petition No. 25 of 2023*.

<sup>48</sup> Section 49 of the Registration Act.

<sup>49</sup> As also held by the Supreme Court of India on April 10, 2023 in *R. Hemalatha v. Kashthuri* [(2023) 10 SCC 725].

<sup>50</sup> *P. Ramasubbamma v. V. Vijayalakshmi* [(2022) 7 SCC 384].

<sup>51</sup> As held by the Supreme Court on August 10, 2023 in *Alagammal and others. v. Ganesan and another* [2024 SCC Online SC 30].

<sup>52</sup> As held by the Supreme Court in *I.S. Sikandar (deceased) (represented by legal representatives). & others v. K. Subramani & others* [AIR ONLINE 2013 SC 32].

<sup>53</sup> As also held by the Supreme Court of India in *Sabbir (deceased) (through legal representatives) v. Anjuman (since deceased) (through legal representatives)* [2023 SCC Online SC 1292].

<sup>54</sup> Section 55 of the Contract Act.

- i. *In contracts where time is of essence, and a party has failed to perform its obligations in the stipulated timeline, the contract, or such portion thereof, becomes voidable at the opinion of the promisee; and*
- ii. *Vendors are responsible to notify the Purchaser their intent, if any, to discontinue the ATS,*

*Subject to the limitation period prescribed under the Limitation Act<sup>55</sup>, which mandates that a suit for specific performance must be filed within three years from the date fixed for performance or from the time when the performance is refused.)*

- (b) Relief of specific performance cannot be granted in case of failure to comply with the stipulated timelines of the contract, and termination of the said contract.
- (c) Readiness and willingness to perform plaintiff's part of the essential terms of the agreement is essential<sup>56</sup>,
- (d) When ATS is terminated for non-performance on part of the purchaser, they are no longer a *bona fide* purchaser.

#### 4. **CONCLUSION**

An unregistered ATS cannot legally transfer any property, and cannot be enforced to the fullest extent. However, the Purchaser can sue the vendor for specific performance, and is entitled to a refund of the monies paid to the vendor. Purchaser must, however, (a) be mindful of the limitation period, and (b) must demonstrate willingness and ability to pay and perform his obligations in a timely manner.

<sup>55</sup> Article 54 of the Schedule of the Limitation Act.

<sup>56</sup> As also provided under (a) section 16 of the Specific Relief Act, 1963 and (b) section 53A of TOPA



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