July, 2025 | Issue No. 3

JURIS PRIME
LAW SERVICES

INSIGHTS @JPLS

July, 2025 | Issue No. 3

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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.

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 the Financial Year 2025-26, 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 this single quarter. MCA has issued The Companies (Prospectus and Allotment of Securities) Amendment Rules, 2025, IBBI issued circular reducing the number of filing CP-1 forms from nine to five, GST has implemented phase-3 of reporting of HSN codes in Table 12 & 13 of GSTR Form -1/1A, GST also introduced new E-way Bill 2.0 Portal, RBI revised qualifying asset criteria for NBFC - Microfinance Institutions, Telangana State Govt. issued Revision of Working Hours for Employees Working in Commercial Establishments extending working hours from 9 to 10 per day.

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

Core Principles

- Reliable & Effective
- Clarity and Quality
- Client Satisfaction
- Integrity
- Quick Turn-Around-Time

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

PART B: Legal Updates & Our Insights

National Level

Corporate Law Updates & Latest Case Laws

1. Company Law

(a) **Protection for creditors whose claims were not included in CIRP due to deliberate exclusion by the promoter group in the resolution plan.** [In the matter of Empee Distilleries Limited vs. The Superintending Engineer and Ors - W.A(MD)No.1426 of 2022 and C.M.P (MD)No.11524 of 2022]

The Madurai Bench of the Madras High Court ruled that a claim pending before a statutory appellate body is not extinguished upon approval of a resolution plan by the NCLT if it was known but not disclosed during the Corporate Insolvency Resolution Process (CIRP). This decision underscores the duty of the Interim Resolution Professional (IRP) and promoters to ensure full transparency regarding known debts.

(b) **IBC takes precedence over arbitration. Once a resolution plan is approved, any claims not included in the plan are extinguished, including those under arbitration.** [In the matter of Electrosteel Steel Limited v. Ispat Carrier Pvt Ltd - 2025 INSC 525]

The Hon'ble Supreme Court in its judgement has reinforced the legal position that once a resolution plan is approved by an adjudicating authority like NCLT under section 31 of the IBC, it operates with binding finality, and all claims that do not form a part of the plan stand extinguished, and the lifting of the moratorium does not revive the claims. This also includes its claims that are subject to pending legal proceedings.

2. Insolvency and Bankruptcy Code, 2016

a. Circular No. IBBI/CIRP/85/2025[1]

The IBBI has overhauled the CIRP filing framework, reducing the number of filing forms (CP-1) from nine to five, with effect from June 1, 2025, which aids in streamlining compliance. Further, there will be no penalty for delayed filings in the September Quarter to allow time for transition. This circular further introduces

[1] https://ibbi.gov.in/uploads/whatsnew/61b8f4eb234c5836f5078e77198b760b.pdf

a standardized monthly reporting cycle rather than multiple event-based dues throughout the month, reducing the time and effort to submit such applications.

b. **personal insolvency proceedings under the IBC do not halt criminal prosecution for cheque dishonor under Section 138 of the NI Act** [In the matter of Rakesh Bhanot Vs Gurdas Agro - 2025 SCC Online SC 728]

The Supreme Court highlighted the divergent objectives of the two laws under Section 138 of the NI Act, which makes cheque defaults illegal and the IBC, 2016, which seeks to address insolvency through a common procedure. The Court emphasized that under the NI Act, the criminal liability of a defaulted cheque is personal and arises from statutory violations, and not merely from civil debt obligations.

3. *Reserve Bank of India*

(a) Reserve Bank of India (Digital Lending) Directions, 2025[2]

RBI issued Reserve Bank of India (Digital Lending) Directions, 2025, these Directions shall come into force immediately except for para 6, which shall come into effect from November 1, 2025, and para 17, which shall come into effect from June 15, 2025. These Directions shall be applicable to all digital lending activities of i. All Commercial Banks, ii. All Primary (Urban) Co-operative Banks, State Co-operative Banks, Central Co-operative Banks, iii. All Non-Banking Financial Companies (including Housing Finance Companies), and iv. All All-India Financial Institutions.

Tax & GST updates

a. Reporting of HSN codes in Table 12 & 13 of GSTR Form -1/1A[3]

In continuation of the phase wise implementation, Phase-3 of reporting of HSN codes in table 12 of GSTR-1 & 1A is being implemented from May, 2025 return period. Table 12 of GSTR-1/1A is now bifurcated into two tabs, namely, "B2B Supplies" & "B2C Supplies". Taxpayer need to enter HSN summary details of B2B Supplies and B2C Supplies separately under respective tab. Taxpayers with Aggregate Annual Turn Over (AATO) of up-to 5 cr. are required to mandatorily report 4-digit HSN codes for goods & services and the Taxpayers with AATO of more than 5 cr, are required to mandatorily report 6-digit HSN codes for goods & in Table 13 of GSTR-1/1A, which requires taxpayers to provide details of documents issued, is now mandatory from May,2025 return period.

[2] *https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12848&Mode=0*

[3] https://www.gst.gov.in/newsandupdates/read/597

Taxpayers will no longer be able to leave this table blank and proceed with filing their return. If B2B or B2C supplies are reported in any table of GSTR-1 or GSTR-1A, an error message will appear if Table 13 has not been filled.

b. CBIC issued the circular related to review, revision, and appeals for orders passed by CAA Circular No. 250/07/2025-GST[4]

Central Board of Indirect Taxes and Customs (CBIC) issued the circular specifying the procedure related to review, revision, and appeals for orders passed by Common Adjudicating Authority(CAA). It was clarified that principal commissioner or commissioner of Central Tax shall be reviewing authority u/s 107 and revisional authority u/s 108 of CGST Act, 2017, respectively.

c. Introduction of new E-Way Bill 2.0 portal – GST[5]

NIC launched the new E-Way Bill 2.0 portal (https://ewaybill2.gst.gov.in) on **1st July 2025**, featuring enhanced inter-operable E-Way Bill functionalities. The portal is being introduced to provide enhanced inter-operability between the existing E-Way Bill 1.0 Portal (https://ewaybillgst. gov.in) and the new portal. The new E-Way Bill 2.0 portal has been developed in response to taxpayers demands for continuity in services during exigencies. It enables cross-portal access to critical E-Way Bill functionalities, ensuring seamless operations for taxpayers and transporters. Both ewaybill2 and ewaybillgst portals will operate on a real-time synchronised architecture wherein E-Way Bill data will be mirrored across both systems within seconds, in the event of a technical issue or downtime on the E-Way Bill 1.0 portal, taxpayers may perform all necessary operations (e.g., updating Part-B) on the E-Way Bill 2.0 portal and carry the E-Way Bill slip generated therefrom. This dual-system approach is designed to eliminate dependency on a single portal and ensure business continuity.

[4] https://taxinformation.cbic.gov.in/view-pdf/1003283/ENG/Circulars

[5] https://ewaybill2.gst.gov.in/Others/NotificationsSearch.aspx?id=R

Debt Law Updates

1. SARFAESI Act

(a) priority of secured creditor under Section 26E of SARFAESI ACT prevails over CGST Attachment including statutory dues (*CFM ASSET RECONSTRUCTION PVT. LTD. & ORS. vs. ASSISTANT COMMISSIONER CGST AND C. EX. & ORS.*)

The Calcutta High Court in WPA 3564 of 2025 with WPA 26115 of 2024 dated 02.07.2025, upheld the overriding priority of secured creditors under SARFAESI over government claims under CGST. Despite CGST authorities attaching the property for tax dues, the secured asset must be returned to the ARC, enabling them to enforce their security under the SARFAESI framework. The Court held that although possession was not yet taken under SARFAESI, the secured creditor's right under Section 26E of the SARFAESI Act—a non obstante provision granting priority of secured creditors over other dues, including statutory dues—must prevail. Since the secured creditor had not taken possession, the Court found no procedural infirmity in CGST's interim action of attaching the asset. However, such right is subordinate to the creditor's rights under SARFAESI. The CGST Department's right to recover tax dues remains, but is subject to the secured creditor's priority rights.

(b) NBFC - Review of Qualifying Assets Criteria – Microfinance Institutions[6]

Reserve Bank of India has revised the qualifying asset criteria for Non-Banking Financial Companies - Microfinance Institutions vide RBI/2025-26/44, dt.06.06.2025 and the paragraph 8.1 of the Master Direction - Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022 dated March 14, 2022 is read as follows:-

Paragraph 8.1: The definition of 'qualifying assets' of NBFC-MFIs has been aligned with the definition of 'microfinance loans' given at paragraph 3 above. Qualifying assets of NBFC-MFIs shall constitute a minimum of 60 percent of the total assets (netted off by intangible assets), on an ongoing basis. If an NBFC-MFI fails to maintain the qualifying assets as aforesaid for four consecutive quarters, it shall approach the Reserve Bank with a remediation plan for taking a view in the matter.

[6] https://rbi.org.in/SCRIPTs/BS_ViewNBFCNotification.aspx

Employment & Labour Law Updates

a. **Employees' Provident Fund Organisation (EPFO) permits one-time payment of past dues through demand drafts.**[7]

EPFO has permitted employers to pay past dues through demand drafts. This notification addresses challenges faced by employers who were previously unable to deposit past dues through the electronic challan-cum-return system. Further, the notification clarifies that where the officer-in-charge is satisfied that the employer's request pertains to a one-time payment of past dues and that the employer intends to continue using internet banking for future remittances, the officer may collect the dues through a demand draft. Additionally, an undertaking is to be obtained from the employer for the purpose of verification of beneficiaries in the event a claim arises.

b. **Excess payments made without misrepresentation or fraud on the employee's part cannot be recovered** [In the matter of Jogeswar Sahoo and Ors. vs. The District Judge, Cuttack and Ors. 2025 SCC ONLINE SC 724]

In this case, employees were granted financial benefits due to an administrative interpretation, which was later found to be erroneous. However, these benefits were extended while the appellants were in service, and the recovery orders were issued subsequent to their retirement, without affording them an opportunity to be heard. Emphasising the principle of fairness and highlighting that the recovery in such cases would result in disproportionate hardship, the SC concluded that retired employees, particularly those in ministerial or non-gazetted posts, should not be burdened with repayments arising from errors committed by the employer. The Supreme Court held that the recovery of excess amounts paid to employees after their retirement is unjustified when such payments were not received through any misrepresentation, fraud, or fault on the part of the employees.

[7] https://www.epfindia.gov.in/site_en/circulars.php

c. **Exclusive jurisdiction clauses in contracts, including employment contracts, are generally enforceable if they meet certain criteria** [in the matter of Rakesh Kumar Varma v. HDFC Bank Limited and HDFC Bank Limited vs. Deepti Bhatia - 2025 INSC 473]

Two former HDFC Bank employees challenged their terminations by filing suits in Patna and Delhi, despite their employment contracts containing an exclusive jurisdiction clause conferring jurisdiction solely on Mumbai courts. HDFC Bank sought dismissal of these suits, citing the clause. The Supreme Court upheld the validity of exclusive jurisdiction clauses in HDFC Bank's employment contracts, ruling that such clauses are enforceable provided the chosen court here, Mumbai, has jurisdiction under the law. The Court clarified that while agreements cannot entirely bar legal remedies, parties may restrict disputes to one among several competent courts. Since the employees' appointment and termination processes occurred in Mumbai, and HDFC Bank's head office is located there, the Court found Mumbai to be a valid forum. It rejected arguments about unequal bargaining power, affirming that employment contracts are not inherently different from others.

Dispute Resolution Updates

a. **Failure to raise jurisdictional issues at the appropriate stage amounts to a waiver** [Gayatri Project Limited vs. Madhya Pradesh Road Development Corporation Limited[8]].

The dispute involved Gayatri Project Ltd. (Gayatri) and Madhya Pradesh Road Development Corporation (MPRDC), where an arbitral award granted compensation to Gayatri. MPRDC later challenged the award, arguing that the matter was governed by the MP Madhyastham Adhikaran Adhiniyam, 1983, and hence the tribunal lacked jurisdiction. This objection, however, had not been raised before the tribunal. The Supreme Court, setting aside the High Court's decision, held that the failure to raise jurisdictional issues at the appropriate stage amounts to a waiver. The Supreme Court ruled that jurisdictional objections to an arbitral award cannot be raised for the first time under Section 34 of the Arbitration and Conciliation Act, 1996, unless the party shows strong and valid reasons for not raising them earlier.

[8] **- 2025 INSC 698**

b. **Arbitral tribunals can implead non-signatories based on their conduct showing intent to be bound by the arbitration agreement** [in the matter of ASF Buildtech Pvt. Ltd. vs. Shapoorji Pallonji & Co. Pvt. Ltd[9]].

The case arose when SPCPL impleaded ASF Buildtech and ASF Insignia in arbitration proceedings initiated under a settlement agreement, arguing they formed part of the ASF Group. Despite their objections under Section 16, the tribunal and subsequently the Delhi High Court upheld their inclusion. The Supreme Court held that an arbitral tribunal has the authority to implead non-signatories to an arbitration agreement on its own accord, provided such impleadment is based on established legal doctrines like the group of companies, alter ego, and composite transaction. The Supreme Court affirmed that the arbitral tribunal's jurisdiction extends to non-signatories if legal grounds justify their inclusion and clarified that the absence of notice under Section 21 does not invalidate jurisdiction.

c. **Claims can't be bisected into arbitrable and non-arbitrable at the stage of appointment of an arbitrator.**[10]

The court reiterated the principles of the Arbitration Act, specifically section 11 Part 6A, where it mentions that if a court is looking into an application under subsections (4), (5) or (6), the SC or HC shall not look at whether the matter is arbitrable or not. The Court added that the significance of the use of the expression "not other issues" in the statement of objects and reasons of the 2015 amendment was discussed by a seven-Judge bench in Interplay Between Arbitration Agreements under Arbitration, 1996 & Stamp Act, 1899, In re, (2024) 6 SCC 1, and said that it indicates that the Supreme Court or High Court at the stage of the appointment of an Arbitrator shall 'examine the existence of prima facie arbitration agreement and no other issues'. Further, therein, it was added that the other issues not only pertained to the validity of the arbitration agreement but also included any other issues that are a consequence of unnecessary judicial interference in the arbitration proceedings. The Court viewed that the High Court erred in bisecting the claim of the appellant into two parts, one arbitrable and the other non-arbitrable, when it found an arbitration agreement to be there for the settlement of disputes between the parties. The Court stated that the correct course for the High Court was to leave it open to the party to raise the issue of non-arbitrability of certain claims before the arbitral tribunal, which, if raised, could be considered and decided by it.

[9] **- 2025 SCC ONLINE SC 1016**
[10] https://www.scconline.com/blog/post/2025/05/17/claims-cannot-be-bisected-into-arbitrable-and-non-arbitrable-at-arbitrator-appointment-stage-supreme-court/

d. Can a dispute raised after a full and final settlement be referred to arbitration?[11]

Case Law Arabian Exports (P) Ltd vs. National Insurance Co. Ltd, in appeal filed against the order passed by the Bombay High Court, concerning the issue that whether a dispute raised by an insured after giving a full and final discharge voucher to the insurer can be referred to arbitration, the court observed that the amount offered by the respondent had been accepted by the appellant in full and final settlement of its claim. The acceptance had not been made under protest, nor had it been stated to be without prejudice to the rights and contentions of the appellant. The Court noted that in Nathani Steels Ltd. v Associated Constructions, 1995 Supp (3) SCC 324, the Court held that once parties had reached a settlement in respect of any dispute or difference arising under a contract, and that dispute or difference had been amicably resolved through a final settlement between the parties, then, unless that settlement was set aside in proper proceedings, it would not be open for one of the parties to reject the settlement on the ground of mistake and subsequently invoke the arbitration clause. The Bench clarified that unless the settlement was duly set aside through appropriate legal proceedings, arbitration could not be invoked. However, it was also pointed out that this view was taken in the context of an amicable settlement, one arrived at between the parties in the presence of a third party and formally reduced to writing. Thus, the Court emphasised that the operative term was "amicable settlement" and the high court in its order did not consider the existence of external elements like financial pressure and dismissed it. The doctrine of Kompetenz-Kompetenz was now firmly embedded in Indian arbitration jurisprudence. The Court highlighted that this doctrine was based on the principle that an arbitral tribunal had the competence to rule on its own jurisdiction, including issues concerning the existence or validity of an arbitration agreement.

Regional Level

a. The Telangana Government released the draft Gig & Platform Workers Bill 2025[12]

The Telangana Government has passed the draft bill on April 1st and the bill contains key provisions like mandatory registration of gig workers by aggregators, formations of tripartite board comprising workers, aggregators and government which will help in monitoring the worker welfare, it also includes a provision for the establishing of a welfare fund for the workers which will be done by the tripartite board.

[11] -2025 SCC Online SC 1034

[12] https://labour.telangana.gov.in/content/Downloads/Gig_and_Platform_Workers_Bill_draft_bill_2025.pdf

b. Revision of Working Hours for Employees Working in Commercial Establishments[13]

The Labour Department of the Government of Telangana vide G.O. Ms No. 282 has introduced certain reforms to the Telangana Shops and Establishments Act, 1988, with effect from July 8, 2025, inter alia:

- Extending working hours from 9 to 10 hours per day, subject to a weekly 48-hour limit,
- Mandatory break of not less than 30 minutes, for 6 hours of continuous work, and such work shall not exceed 12 hours on any given day.
- Permitting employees to work more than 48 hours in a week, provided they are paid overtime wages as prescribed under applicable law, subject to a total overtime limit of 144 hours in a calendar quarter.

c. GHMC plans to introduce a Tribunal to deal with the speedy disposal of unauthorised constructions.

The State Government has decided to set up a municipal tribunal for the speedy disposal of cases due to the surge of unauthorised constructions within the city. This comes after there have been more than 2.5 lakh writ petitions claiming an illegal building of structures within the city. As per Telangana Municipal Building Tribunal Rules, 2017, a provision was made in the Greater Hyderabad Municipal Corporation Act, 1955, for the constitution of the judicial system. The tribunal will consist of 8 members, including judicial members and technical experts.

[13] https://goir.telangana.gov.in/pdfshow.aspx

PART- C : FEATURED ARTICLES

THE HON'BLE SUPREME COURT REAFFIRMS A STRICT LIMITATION FRAMEWORK UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016.

[In the matter of *Tata Steel Limited vs. Raj Kumar Banerjee*[14]]

By Srikanth Rathi (Senior Associate, Litigation Practice)

The Hon'ble Supreme Court of India, in its landmark judgment in *Tata Steel Ltd. v. Raj Kumar Banerjee* in *(Civil Appeal No. 408 of 2023),* has once again underscored the strict and non-negotiable timeline prescribed for Appellate remedies under the Insolvency and Bankruptcy Code, 2016 ("IBC"). The Court decisively held that National Company Law Appellate Tribunal (NCLAT) cannot condone delays beyond the statutorily permissible period of 45 days for filing appeals under Section 61(2) of the Code.

BACKGROUND

The case arose out of the resolution process of *Rohit Ferro-Tech Ltd.*, wherein *Tata Steel Ltd.* was the successful resolution applicant. The resolution plan was approved by the NCLT, Kolkata on 07.04.2022. Mr. Raj Kumar Banerjee, an erstwhile minority shareholder of the Corporate Debtor, sought to challenge the resolution plan approval by filing an Appeal before the NCLAT under Section 61 IBC.

The appeal was filed on 23.05.2022 (e-filing) and physically filed on 24.05.2022, beyond the 45-day statutory limit (30 days + 15 days condonable delay). However, the NCLAT condoned the delay citing Section 4 of the Limitation Act, holding that the limitation period expired on a holiday and thus extended to the next working day.

Tata Steel challenged this order before the Hon'ble Supreme Court.

THE ISSUES BEFORE THE HON'BLE SUPREME COURT

1. Whether the appeal was filed within the prescribed 45-day limit under Section 61(2) IBC.
2. Whether NCLAT has jurisdiction to condone delay beyond this prescribed period.

[14] https://api.sci.gov.in/supremecourt/2023/2444/2444_2023_13_23_59861_Order_05-Mar-2025.pdf

SUPREME COURT'S OBSERVATIONS

The Hon'ble Supreme Court set aside the NCLAT's order, holding that:

- The period of limitation started on 07.04.2022, i.e., the date when NCLT pronounced the order approving the resolution plan, and not from any later disclosure to stock exchanges or the shareholder's personal knowledge.
- Section 4 of the Limitation Act, which extends the time when the last day falls on a court holiday, is only applicable to the "*prescribed period*" of 30 days, not to the additional 15-day condonable period under the IBC.
- Saturday i.e., 07.05.2022 was a working day for the Registry, and therefore, Section 4 of the Limitation Act could not be invoked. Consequently, the appeal, filed on 24.05.2022, was barred by limitation, as it exceeded both the 30-day period and the additional 15-day grace period allowed under Section 61(2) IBC.

REINFORCEMENT OF PRECEDENTS

The Hon'ble Supreme Court reiterated its previous decisions in:

- *V. Nagarajan v. SKS Ispat* (2022) 2 SCC 244
- *Kalpraj Dharamshi v. Kotak Investment Advisors* (2021) 10 SCC 401
- *Safire Technologies v. RPFC*
- *National Spot Exchange Ltd. v. Anil Kohli*

These judgments emphasize that Section 61(2) IBC prescribes a mandatory and non-extendable timeline for appeals—totalling a maximum of 45 days from the date of the NCLT's order.

APPLICABILITY OF LIMITATION ACT: A CLARIFICATION

While Section 238A of the IBC makes the Limitation Act applicable ***"as far as may be,"*** the Supreme Court clarified that the benefit of Section 4 (i.e., court holiday extension) applies only to the initial 30-day period. Once that period and the statutory 15-day condonable window expire, no further delay can be condoned—even for a single day.

PRACTICAL IMPLICATIONS

This judgment brings much-needed clarity in relation to the calculation of period for limitation for preferring an Appeal before Ld. NCLAT:

- It closes the door on creative interpretations or equitable relief where the statutory period has lapsed.
- Litigants cannot claim ignorance or belated awareness of NCLT orders if they are not party to the proceedings.
- Courts and Tribunals are bound by the timelines, and cannot act beyond the mandate of the statute, even in seemingly sympathetic cases.

CONCLUSION

The *Tata Steel* decision reinforces the IBC's design as a time-bound and creditor-driven resolution framework. The judgment sends a clear message—discipline, diligence, and statutory timelines are paramount. Appeals must be filed within the outer limit of 45 days, failing which the doors to justice will remain closed, regardless of the cause.

JUDICIAL RESTRAINT AND AWARD MODIFICATION: ANALYSIS OF THE SUPREME COURT'S RULING IN GAYATRI BALASAMY

[In the matter of *Gayatri Balasamy v. ISG Novasoft Technologies Limited*[15]]

By V L Meghana Gattupalli, Associate, Litigation Practice and Ambadkar Shreerang

1. The Supreme Court of India's recent 4:1 Constitution Bench Judgment in Gayatri Balasamy v. ISG Novasoft Technologies Ltd (2025 INSC 605) marks a watershed moment in Indian arbitration jurisprudence. This landmark Constitution Bench ruling addresses the long-standing controversy over courts' powers to modify arbitral awards under the Arbitration and Conciliation Act, 1996, setting clear boundaries for judicial intervention in dispute resolution while reaffirming India's commitment to arbitration-friendly practices.

2. Commercial arbitration forms the backbone of modern corporate dispute resolution, with the efficacy of arbitral proceedings largely dependent on judicial restraint and limited court intervention. This five-judge Constitution Bench ruling addresses fundamental questions about the scope of judicial powers under Sections 34 and 37 of the Arbitration and Conciliation Act, 1996, particularly focusing on whether courts possess inherent authority to modify arbitral awards rather than merely setting them aside entirely. The case arose from a contractual employment dispute involving a claim of wrongful termination and damages, where the arbitral award granted relief that was later challenged under Section 34.

[15] https://api.sci.gov.in/supremecourt/2021/20788/20788_2021_1_1501_61506_Judgement_30-Apr-2025.pdf

3. The court noted that "the present controversy arose because the Arbitration and Conciliation Act, 1996, does not expressly empower courts to modify or vary an arbitral award," creating uncertainty in commercial arbitration practice and necessitating authoritative clarification from a larger bench. Before this ruling, several High Courts had taken conflicting views—some allowing limited modification, others strictly adhering to the "set aside or nothing" interpretation.

4. Chief Justice Khanna's majority opinion, supported by Justices B.R. Gavai, Sanjay Kumar, and Augustine George Masih, established a nuanced framework for limited judicial modification powers. The court held that while Section 34 primarily empowers courts to set aside awards, a narrow and exceptional power to modify exists in four specific situations: (i) severable illegality in part of the award; (ii) patent clerical or computational errors; (iii) post-award interest corrections; and (iv) in rare cases, under Article 142 to do complete justice. This framework aims to strike a balance between non-intervention and corrective oversight, ensuring that flawed awards do not go uncorrected.

5. The majority of the bench clarified that the power to set aside awards inherently includes the authority to set aside portions rather than entire awards, where the invalid sections are separable from valid portions. The court emphasised that "partial setting aside is only appropriate when the 'valid' and 'invalid' portions of the award are distinct and can stand independently, both legally and practically."

6. The majority of the bench affirmed that the Supreme Court could invoke powers under Article 142 of the Constitution of India to modify arbitral awards wherever necessary for dispute finality, though emphasising such powers must be exercised "sparingly and with great caution." This constitutional authority provides ultimate recourse for exceptional circumstances while maintaining respect for arbitral processes.

7. In a compelling dissent, Justice K.V. Viswanathan's advocated for a stricter interpretation of statutory provisions, arguing that the courts under Section 34 "do not have the power to modify the arbitral award." His dissent emphasised that "modification and severance are two different concepts" and that modification powers are not subsumed within setting-aside powers as they represent "qualitatively different powers." This stance reflects the concerns about judicial overreach and emphasises that arbitration's effectiveness depends on strict

adherence to statutory limitations. His dissent provides valuable perspective on maintaining clear boundaries between judicial and arbitral functions, arguing that the majority of the bench's approach risks expanding court intervention beyond legislative intent.

8. The Gayatri Balasamy decision establishes important precedents for future arbitration cases, particularly regarding the scope of judicial intervention in commercial disputes. Corporate entities should review their arbitration clauses to ensure alignment with the court's clarified framework, while legal practitioners must adapt their strategies to reflect the decision's nuanced approach to award modification.

9. The judgment's emphasis on limited intervention while providing necessary corrective mechanisms suggests that future arbitration jurisprudence will continue balancing autonomy with accountability. This approach enhances predictability in commercial arbitration while maintaining safeguards against obviously erroneous or inequitable outcomes.

10. The Supreme Court's decision in Gayatri Balasamy v. ISG Novasoft Technologies Ltd. illustrates a careful balance between arbitration independence and necessary judicial oversight. Chief Justice Khanna's majority opinion presents a refined framework that respects arbitral decisions while enabling the correction of clear errors and unjust results. Justice Viswanathan's dissent offers a valuable counterpoint, emphasising strict statutory interpretation and concerns about judicial overreach.

11. This landmark ruling boosts India's reputation as an arbitration-friendly jurisdiction while offering essential safeguards for fair and equitable dispute resolution. This decision lays a firm foundation for future arbitration case law, ensuring the ongoing growth of India's commercial dispute resolution system in line with international standards.

12. The decision ultimately emphasises that effective arbitration needs judicial restraint along with intervention powers, creating an ideal setting for dispute resolution that promotes both commercial efficiency and justice goals.

Does Section 5 of Limitation Act, 1963 not apply to condone the delay in Sec 17(1) of the SARFAESI Act, 2002 ?

[In the matter of Bherulal Kumawat and Ors. v. Cholamandalam Investment and Finance Company Ltd. and Anr.,[16]]

By Bindu Madala (Associate, Litigation) and Dappili Pooja

The Petitioners had availed a housing loan of ₹1.25 crores from Cholamandalam Investment and Finance Company Ltd. on 28.02.2019, repayable over a term of 180 months. Owing to severe financial distress during the COVID-19 pandemic, the Petitioners were unable to service the EMIs, which eventually led to the classification of their account as non-performing. Subsequently, the Respondent issued a demand notice under Section 13(2) of the SARFAESI Act, 2002 on 18.01.2022, followed by a possession notice under Section 13(4) dated 14.11.2022 in respect of the secured immovable property. Aggrieved by the same, the Petitioners approached the Debts Recovery Tribunal (DRT), Jabalpur by filing a Securitisation Application (SA) under Section 17(1) of the SARFAESI Act, accompanied by two interlocutory applications one seeking *condonation of delay* under Section 5 of the Limitation Act, 1963, and the other for amendment of pleadings. However, on 25.09.2023, the DRT dismissed both applications observing that Section 5 of the Limitation Act is not applicable to proceedings under Section 17(1) of the SARFAESI Act, thereby making the SA time-barred. Aggrieved by this, the petitioners filed a miscellaneous petition under Article 227 of the Constitution, challenging the order passed by the DRT to condone delay.

The High Court while allowing the miscellaneous applications, emphasized that the DRT committed a legal error in concluding that Section 5 of the Limitation Act has no application to SARFAESI proceedings. The Hon'ble Court further observed that under **Section 29(2) of the Limitation Act, 1963**, unless expressly excluded, the provisions of Sections 4 to 24 of the Act including Section 5 apply to proceedings under any special or local law. Notably, the SARFAESI Act does not contain any express exclusion clause barring the application of the Limitation Act. Therefore, the DRT ought to have applied Section 5 and examined whether the Petitioners had shown *sufficient cause* for delay.

The Court cited its own coordinate bench ruling in Aniruddh Singh v. ICICI Bank Ltd., ILR 2024 MP 754, which explicitly held that Sections 4 to 24 of the Limitation Act apply to proceedings under Section 17(1) of the SARFAESI Act. Additionally, it relied on the Supreme Court's decision in Bank of Baroda v. M/s. Parasaadilal Tursiram Sheetgrah Pvt. Ltd. , where the Apex Court reaffirmed that Limitation Act provisions apply unless expressly barred. Further, the Court observed that Section 17(7) of the SARFAESI Act, the proceedings before the DRT are deemed to be judicial, thereby attracting the procedural protections and limitations applicable to civil courts. Therefore, Section 5

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should have been applied to assess whether the petitioners had shown "sufficient cause" for condoning the delay. The DRT erred by not considering the merits of the explanation offered.

Applicability of Sec.5 of the Limitation Act, 1963 – Proceedings u/s 17(1) of the SARFAESI Act are judicial in nature and not expressly excluded from the Limitation Act.,

[In the case of ***K. Karthikeyan v. Authorized Officer Canara Bank and Anr.***,[17]]

By Bindu Madala (Associate, Litigation) and Dappili Pooja

The Petitioner and other proprietors of MSME units engaged in the manufacture and supply of components to Bharat Heavy Electricals Limited (BHEL)faced financial distress after a sharp decline in demand for thermal power plant parts. Following a steep decline in demand for thermal power plant components, the petitioners faced severe financial distress, leading to the classification of their loan accounts as Non-Performing Assets (NPAs) by Canara Bank. Subsequently, Canara Bank initiated recovery proceedings under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act), including issuance of possession and auction notices. The petitioners challenged these proceedings on the ground that, as registered Micro, Small and Medium Enterprises (MSMEs), they were entitled to protection and relief under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and the Reserve Bank of India's Framework for Revival and Rehabilitation of Stressed MSMEs (2015), which mandates the constitution of a Committee to assess rehabilitation measures before initiating coercive recovery.

The Madras High Court, while adjudicating upon a batch of writ petitions filed by proprietors of MSME units, held that the RBI's Framework for Revival and Rehabilitation of Stressed MSMEs (2015) is binding in nature and imposes a mandatory obligation on lending institutions to constitute a Committee to evaluate rehabilitation options prior to initiating recovery proceedings under the SARFAESI Act.

The Court observed that the petitioner's status as registered MSMEs was well known to the bank, and as such, the failure of Canara Bank to form a Committee and assess revival measures was in direct violation of the RBI's directives. The argument advanced by the respondent bank that the present writ petition was barred by res judicata owing to previous litigation was categorically rejected. The Court clarified that the issue of non-compliance with the revival framework was being raised for the first time and pertained to jurisdictional illegality. It relied on the Supreme Court's ruling in Pro Knits v. Canara

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Bank, which affirmed the statutory character of the MSME revival scheme, the Court underscored that SARFAESI proceedings cannot bypass the procedural safeguards offered to MSMEs under the 2015 framework. It criticized the bank for adopting a rigid and mechanical approach and emphasized that the revival of viable MSMEs must take precedence over coercive recovery measures.

Banks must comply with the RBI's 2015 Framework for Stressed MSMEs before initiating recovery under SARFAESI. Failure to constitute a revival committee for registered MSMEs amounts to a jurisdictional error.

[In the matter of the ARCL Organics Ltd. v. Stressed Asset Stabilization Fund, [18]]

By Bindu Madala (Associate, Litigation) and Dappili Pooja

The Petitioner ARCL Organics Ltd ("ARCL") being the successor-in-interest to *Allied Resin and Chemicals Ltd.*, had entered into a Court-sanctioned Scheme of Compromise and Arrangement dated January 2009 with its secured creditors under Section 391 of the Companies Act, 1956. According to the scheme, Allied Resin was to pay 20% of the settlement amount upfront and the balance was payable in 36 monthly instalments, with interest at 8.5% per annum, applicable after a period of one year, and upon full satisfaction of dues, creditors were obligated **to** issue a No Objection Certificate (NOC) and release all charges over the borrower's assets as per Clause 3.6 of the Scheme.

ARCL contended that it had made full payment of all amounts, including interest, by April 2012. Nevertheless, the Respondent, *Stressed Asset Stabilization Fund* ("SASF"), which had acquired the debt from IDBI, issued a notice under Section 13(2) of the SARFAESI Act, 2002, demanding ₹237 crores and alleging default. Notably, SASF did not initiate further steps under Section 13(4) or take possession of the secured asset.

Aggrieved by the refusal to issue the NOC despite compliance with the Scheme, ARCL approached the Hon'ble High Court by way of an execution petition seeking enforcement of the Scheme and release of all charges.

The Court held that ARCL had fully complied with the 2009 Court-sanctioned scheme, and therefore, SASF was legally bound to issue the No Objection Certificate (NOC) and release the charges. It ruled that SASF could not revive the old loan or proceed under the SARFAESI Act without first obtaining the Court's permission to exit the scheme. The SARFAESI notice was held to be ineffective and contrary to the binding nature of the compromise arrangement. The Court further observed that SASF's refusal to issue the NOC as unjustified and in violation of Clause 3.6 of the scheme. Accordingly, the

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execution petition was allowed, and SASF was directed to issue the NOC and release all charges.

The Court held that the bar under Sections 34 and 35 of the SARFAESI Act would not apply in the present case, as the relief sought pertained to enforcement of a Court-sanctioned compromise, and not to challenge a completed SARFAESI action. Since the SARFAESI notice was never taken to its logical end, the High Court's jurisdiction remained intact.

GOVERNMENT OF INDIA CONCLUDING SOP TO DEAL WITH THE UPLOADING AND CIRCULATING OF PERSONAL INTIMATE IMAGES AND VIDEOS UPLOADED OVER THE VARIOUS ONLINE DIGITAL PLATFORMS AND SOCIAL MEDIA.

By Prashanth Kumar Muddana (Associate, Real Estate)

Due to increase of uploading and circulating of personal intimate images and videos over the various online digital platforms and social media, as there is no proper platform, mechanism and procedure to deal with the same, Ministry of Home Affairs (MHA) is finalizing the Standard Operating Procedures (SOPs) to control Non consensual intimate images and videos.

BACKGROUND:-

WP No. 25017 of 2025:- The petitioner is a practising Advocate at Chennai, during her college days, she had a love affair with a person. The petitioner believed his words and submitted herself without being aware of the fact that the physical intimacy is being surreptitiously filmed and it is transmitted in the Internet and other digital platforms. It came to light that the illegally recorded video depicting the petitioner in a vulnerable state has been shared and transmitted across more than 70 websites and various other telecommunication and digital platforms. It has also been downloaded and shared via Telegram, Google Drive links and other methods. It is also circulated on multiple websites under different uniform resource locators and it is also distributed privately through personal communications.

OBSERVATIONS OF THE HON'BLE MADRAS HIGH COURT:-

The Hon'ble Madras High Court in WP No. 25017 of 2025, has Observed that :-

i. Ministry of Electronics and Information Technology (MEITY) shall ensure that the videos / intimate images does not resurface and if MEITY is able to completely block the intimate images / videos and also prevent the same from resurfacing, it

will be a test case which can be applied in future to handle the situation more effectively.

ii. The Police department requires more sensitivity in dealing with cases of this nature, the name of the victim girl has been mentioned in the FIR. This shows the gross insensitivity on the part of the police while registering the FIR. By showing the name of the victim girl, they are causing more damage to the name and dignity of the victim girl.

iii. Considering the societal frame work, not all girls are going to give complaint to the police and many are going to silently suffer the consequences. Therefore, they must be shown a way as to how they can handle a problem of this nature without getting themselves exposed and by providing an easy method to remove such videos / intimate images from the websites. If such clear directions are given, such girls can also approach the Self Help Groups or NGO, who can help in resolving the problems.

iv. Cyber crimes or Cyber threats targeting women include a range of serious sexual offenses such as cyber pornography, sexual harassment, cyber grooming, and the non-consensual sharing of intimate images, often leading to severe psychological and physical distress for victims, such serious digital sexual offences against women requires continuous monitoring since it does not confine itself only to the problem faced by the victim girl involved in this case. It pertains to the problems faced by many victim girls across the country due to this menace which undermines privacy and integrity of women in particular.

REINFORCEMENT OF PRECEDENTS

The court relied on the following precedents:

- Karnataka High Court in WP No.2358 of 2025 dated 29.04.2025
- Delhi High Court's judgment in W.P. (CRL) 1505 of 2021
- directions issued by the Apex Court in Nipun Saxena and Another .vs. Union of India and Others reported in 2019 2 SCC 703

WRITTEN INSTRUCTIONS SUBMITTED BY THE MINISTRY OF HOME AFFAIRS (MHA) IN WP NO. 25017 OF 2025, ON MECHANISM TO PREVENT THE PROBLEM AS SUGGESTED BY THE DELHI HIGH COURT IN W.P. (CRL) 1505 OF 2021 :-

1. The Ministry of Home Affairs (MHA), through the Indian Cyber Crime Coordination Centre (14C), is actively working under both existing mechanisms and proposed frameworks-particularly the Central Scheme for Combating Cybercrime (2025-2028) and the SURAKSHINI initiative to strengthen redressal mechanisms for Non-Consensual Intimate Imagery (NCII) and other online harms.
2. The National Cybercrime Reporting Portal (https://cybercrime.gov.in) currently offers two complaint modes: "Report and Track" and "Report Anonymously". The anonymous mode is specifically designed for sensitive offences such as NCII and Child Sexual Exploitative and Abuse Material (CSEAM), enabling victims to report incidents without disclosing their identity. These complaints are automatically forwarded to the respective State/UT Law Enforcement Agencies (LEAs) for necessary action.
3. Simultaneously, the Online Cybercrime against Women and Children (OCWC) team at 14C manually reviews complaints specifically related to CSEAM and issues takedown requests to Social Media Intermediaries (SMIs) via the SAHYOG portal.
4. Under the proposed SURAKSHINI initiative, which is currently under submission for approval of the competent authority, a dedicated Mitigation Centre is envisaged (yet to be established) to enable real-time detection, response, and takedown of NCII and CSEAM content. As part of this initiative, dedicated dashboards will be developed to provide real-time tracking of complaint status, FIR registration, platform response, and takedown confirmation. These features are aimed at improving transparency and strengthening victim trust.
5. Further, under the central scheme for combating Cybercrime, Digital investigation support Centres (DISCs) will be established across States /UTs to enhance digital forensic capabilities and ensure faster response to cyber crime complaints involving women and children.
6. Additionally, on cybercrime.gov.in portal contract details of District Cyber police stations will be displayed on priority to facilitate easier victim access and support.

CONCULSION:

The Child Welfare Department, in collaboration with the Ministry of Home Affairs (MHA) is indeed in the process of finalizing Standard Operating Procedures (SOPs) to control Non consensual intimate images and videos uploaded over the various online digital platforms and social media. Home Ministry is also emphasising the necessity for every city to appoint a Chief Information Security Officer [CISO] to safeguard data and systems against cyber threats.

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