

Legal Updates, Insights and Summary Judgements

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Insights & Updates: Key Perspectives, Partner Additions, Roundtables, and Recent Developments

The Hon'ble Delhi High Court's recent injunction in the Niva Bupa Health Insurance case

The Hon'ble **Delhi High Court** recently issued an **Injunction** directing the takedown of malicious websites and accounts linked to an anonymous hacker who had threatened to leak the customer data of **Niva Bupa Health Insurance**.

Niva Bupa was represented by the **White & Brief - Advocates & Solicitors** team, led by Partner **Mohit Bakshi**, along with Associates **Pururaj Agarwal** and **Akshith Narula**.

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The Hon'ble Delhi High Court's recent injunction in the Niva Bupa Health Insurance case reinforces legal protections against cyber threats and data breaches.

Successfully represented by our Partner Mohit Bakshi along with Associates Pururaj Aggarwal and Akshith Narula from White & Brief, Advocates & Solicitors, the order highlights the judiciary's commitment to preventing unauthorized access and misuse of sensitive customer data.

For more details, click here:

<https://www.barandbench.com/news/litigation/delhi-high-court-issues-injunction-niva-bupa-receives-another-data-leak-threat>

Union Budget 2025-26: A Blueprint for Viksit Bharat 2047



With a strong focus on sustainable growth, fiscal resilience, and strategic investments, Budget 2025-26 lays the foundation for India's future. From taxation reforms to green energy, MSME support, and digital transformation, this budget is designed to redefine, reinvent, and rise.

Key Focus Areas:

- **Four Pillars of Development** – Agriculture, MSMEs, Infrastructure, Digital & Green Economy
- **Taxation Reforms** – Personal & Corporate Tax Updates, GST Simplifications
- **Investment & Infrastructure** – ₹10 Trillion for new projects, Public-Private Partnerships
- **Startup & MSME Boost** – Revised classification, increased credit support
- **Energy & Sustainability** – Clean tech manufacturing, 100 GW nuclear energy target
- **Healthcare & Financial Sector** – Increased FDI, medical tourism push.

To delve into the specifics, please review the information provided in the following link :

<https://www.linkedin.com/feed/update/urn:li:activity:7295794194151784448>

CBIC has mandated electronic filing of refund applications on ICEGATE from April 1, 2025, replacing manual submissions.



Recent Update in Customs Law Circular No. 05/2025-Customs dated 17.02.2025

The Central Board of Indirect Taxes & Customs (CBIC) has issued the instant Circular digitizing the refund filing process by introducing electronic filing of the application on the ICEGATE Portal, with the objective of enhancing transparency and efficiency.

Automation of Refund Application and Processing in Customs

Objective :

1. Manual filing of refund applications under Section 26 and 27 of the Customs Act, 1962 is being replaced with an electronic system on ICEGATE from 01.04.2025 to enhance transparency and enable electronic disbursement.

Filing of the Application :

2. Refund application is to be filed electronically on the ICEGATE Portal in terms of Customs Refunds Application (Form) Regulations, 1995 with necessary supporting documents (e.g., Unjust Enrichment Certificate).

3. If re-assessment of the Bill of Entry is required, the applicant can request it through ICEGATE before filing the refund application.

4. Refund will be credited to the bank account registered in the Customs Automated System, hence, to be kept updated.

Processing of the Application :

5. Unique Application Reference Number (ARN) will be generated immediately upon filing of the application.

6. The proper officer will scrutinize the application and notify any deficiencies within 10 days of ARN via ICEGATE.

7. Once all deficiencies are rectified, an acknowledgment number will be issued by the Proper Officer, available to the user.

8. SCN or refund sanction order or refund rejection order will be uploaded on the ICEGATE portal.

9. Duty ordered to be refunded vide the Refund sanction order be made within three months of receipt of application to prevent interest liability.

10. Refund rejection order must be a speaking order giving reasons for denial.

Audit Mechanism :

11. Concurrent audit of refund claims is discontinued.

12. Refunds will now undergo post-audit mechanism, with selection criteria for audit to be determined by DG-Audit in consultation with DG ARM.

13. Refunds above Rs. 5 lakhs will undergo mandatory post-audit. Refunds between Rs. 50,000 and Rs. 5 lakhs will also be subject to compulsory post-audit. Refunds below Rs. 50,000 will be randomly post-audited, with 25% of cases selected for review.

Refund disbursement :

14. Approved refunds will be electronically credited to the applicant's bank account via PFMS.

15. Refunds transferred to the Consumer Welfare Fund will follow the existing process.

Accessibility to Applicant and Officer :

16. Applicants can track refund application status on the ICEGATE Dashboard.

17. Customs officers will have access to MIS reports to monitor refund pendency.

IBIC has mandated electronic filing of refund applications on ICEGATE from April 1, 2025, replacing manual submissions. Refund applications under Sections 26 & 27 of the Customs Act must be filed online with necessary documents. Applicants will receive an Application Reference Number (ARN) for tracking, and refunds will be credited electronically to pre-registered bank accounts. This move enhances transparency, efficiency, and faster processing, making compliance smoother for businesses.

To delve into the specifics, please review the information provided in the following link :

<https://www.linkedin.com/feed/update/urn:li:activity:7303742851618672641>

A recent Delhi High Court judgment in the case of InterGlobe Aviation Ltd has held that IGST cannot be levied on reimported aircraft parts if IGST was already paid on repair services.



Summary of the Delhi High Court judgment in InterGlobe Aviation Ltd. Versus Principal Commissioner Of Customs Acc (Import) New Custom House New Delhi & Ors. W.P.(C) 934/2023 decided on 04.03.2025

The facts of the case being aircraft parts were originally sent abroad for repair by the Petitioner, and IGST was already paid on the repair service at the time of occurrence of transaction. When the same parts were reimported, the Customs Authorities sought to levy IGST again under Section 3(7) of the Customs Tariff Act, 1975 (CTA).

Key Issues Before the Court :

• **Double Taxation:** Whether IGST can be levied on reimported aircraft parts when IGST was already paid on repair services.

• **Validity of Notification No. 36/2021 and Circular No. 16/2021:** Whether the retrospective amendment imposing IGST on reimported goods was constitutional.

• **Power of Subordinate Legislation:** Whether the government could override judicial precedents via notifications without amending the parent statute.

Court's Key Findings :

• IGST on Reimported Goods is Invalid :

• IGST was already paid on repair services, so further taxation on reimport is unlawful.

• The court ruled that since GST law classifies sending goods abroad for repairs and their return as a supply of service (as per Schedule II of the CGST Act, 2017), reimporting the repaired parts cannot be treated as an import of goods for additional IGST levy.

• Section 3(7) of the CTA cannot override Section 5(1) of the Integrated Goods and Services Tax Act, 2017 (IGST Act).

• Retrospective Amendments Quashed:

• Notification No. 36/2021-Customs and Circular No. 16/2021 were unconstitutional as they exceeded subordinate legislative authority.

• Government cannot impose new tax liabilities retrospectively without explicit legislative backing.

• CESTAT in the case of the Petitioner had ruled in 2020 and 2021 that IGST could not be levied on reimported goods if IGST was already paid on the service. Instead of challenging this in a higher court, the government issued Notification No. 36/2021 and Circular No. 16/2021 to overturn the ruling, which exceeded the legal authority of subordinate legislation.

• Relief Granted to InterGlobe Aviation Ltd.:

• Demand for IGST on reimported aircraft parts was set aside.
• Refund/consequential relief granted to the petitioner.

• Implications of the Judgment :

• Prevents double taxation on the same transaction.

• Limits government power to introduce retrospective tax liabilities via notifications.

• Clarifies that repair and reimport do not automatically qualify as an "import of goods" for IGST.

A recent Delhi High Court judgment in the case of InterGlobe Aviation Ltd has held that IGST cannot be levied on reimported aircraft parts if IGST was already paid on repair services. The Court also quashed Notification No. 36/2021-Customs and Circular No. 16/2021, ruling them unconstitutional. This judgment prevents double taxation and limits retrospective tax impositions.

To delve into the specifics, please review the information provided in the following link :

<https://www.linkedin.com/feed/update/urn:li:activity:7303741188547776512>

Recent Judgements

ARBITRATION

M/s Vidyawati Construction Company vs. Union of India



Civil Appeal No.(S). 215 of 2025 Arising out of S.L.P (Civil) No. (S). 6053/2021

In the instant case the Supreme Court reaffirmed that a party cannot challenge the jurisdiction of an Arbitral Tribunal after submitting its Statement of Defence, as per Section 16(2) of the Arbitration & Conciliation Act, 1996. A bench comprising Justices Abhay S. Oka and Ujjal Bhuyan set aside the Allahabad High Court's ruling, which had upheld the District Judge's decision to invalidate an arbitral award on jurisdictional grounds.

The dispute arose from a contract for the construction of a building for the General Manager, Railway Electrification Project, Allahabad. The contract required a three-member Arbitral Tribunal. In response to the respondent's application, the High Court appointed two arbitrators and directed them to nominate an Umpire. When they failed to do so, the High Court appointed Shri P.K. Sharma as the Umpire. However, following his resignation, the High Court appointed a retired Chief Justice as the sole arbitrator to proceed with the arbitration. The Respondent initially accepted this appointment and proceeded with the arbitration, filing a Statement of Defence on 14.02.2004. However, instead of modifying its Defence, the respondent later objected to the Tribunal's jurisdiction on 24.04.2004, arguing that the appointment of a sole arbitrator was contrary to the arbitration agreement.

The sole arbitrator rejected the jurisdictional objection and issued an award on 21.02.2008. The Respondent challenged the award under Section 34, and the District Judge set it aside, citing an improper composition of the Tribunal. This decision was upheld by the Allahabad High Court, leading to the this appeal in Supreme Court.

The Supreme Court overturned the High Court's ruling, holding that the Respondent had explicitly accepted the sole arbitrator's appointment in the proceedings recorded on 05.12.2003. Section 16(2) of the Arbitration Act imposes a clear bar on raising jurisdictional objections after the submission of the Statement of Defence. The respondent failed to challenge the jurisdiction at the appropriate time and instead engaged in arbitration proceedings. Further the District Judge and High Court erred in upholding the Respondent's objection, as the issue of jurisdiction had already been settled before the Tribunal.

The Supreme Court set aside the judgments of the High Court dated 17.11.2020 and the District Judge dated 09.09.2013, reinstating Arbitration Case No. 25/2008 before the District Judge, Allahabad, with directions to hear and decide the case on merits. However, the issue of the Tribunal's jurisdiction was deemed conclusively settled, and the Respondent could not raise it again. The judgment reaffirms the principle of procedural discipline in arbitration and emphasizes that parties cannot belatedly challenge an arbitrator's jurisdiction after actively participating in proceedings.

**Serosoft Solutions Pvt. Ltd.
versus Dexter Capital
Advisors Pvt. Ltd**



Civil Appeal Nos. 51-52 OF 2025 Arising out of SLP (C) Nos. 26441-26442/2024

In the instant case, the Hon'ble Supreme Court reaffirmed its commitment to the principles of arbitration including autonomy, efficiency, and limited judicial interference.

A dispute arose from a Client Service Agreement ("Agreement") entered into between the Appellant and the Respondent under which the Respondent was required to provide capital advisory services to the Appellant. Subsequently, a dispute arose between the Appellant and the Respondent relating to the non-payment of fee for the services rendered by Respondent/Claimant to Appellant/Respondent company, prompting Respondent/Claimant to invoke dispute resolution mechanism through arbitration. As such, Respondent invoked the arbitration clause contained in the said Agreement, and initiated arbitration proceedings.

During the course of the arbitration proceedings, Respondent filed an Interlocutory Application before the Hon'ble Arbitral Tribunal seeking extension of time for cross examination of the Appellant's witness (RW-1). The Arbitral Tribunal refused to grant more/additional time to the Respondent to conduct the cross examination on account of delays and inefficiency and came to the conclusion that sufficient opportunity had already been provided.

As such, the Respondent approached the Hon'ble High Court under Article 227 of the Constitution of India. The Hon'ble High Court directed the Arbitral Tribunal to allow further cross-examination setting aside the decision of Arbitrator. Being aggrieved by the Hon'ble High Court order, the Appellant filed an Appeal in the Hon'ble Supreme Court.

The Supreme Court allowed the said Appeal and set aside the order dated 25.10.2024 passed by the Hon'ble High Court holding that the Arbitral Tribunal had granted sufficient opportunities for cross-examination. The Court noted that the Respondent/Claimant had extensively cross-examined RW-1 for over 12 hours, exceeding reasonable limits. The High Court failed to demonstrate any perversity in the Tribunal's decision, which is a necessary prerequisite for interference under Article 227. The Court reiterated that excessive judicial intervention weakens the efficiency of arbitration and should be discouraged.

Accordingly, the Supreme Court reinstated the Tribunal's decision, instructing it to resume and conclude the proceedings without further delay. The Supreme Court reinforces judicial restraint in arbitral matters and upholds the principle of minimal court interference, reaffirming that High Court intervention under Article 226/227 is permitted only in rare cases of clear perversity in the Tribunal's order.

GENERAL CORPORATE

SPICEJET LIMITED VERSUS TEAM FRANCE 01 S.A.S SLP(C) NO. 21345-21346/2024



The present case arises from a dispute between SpiceJet Limited (hereinafter "SpiceJet") and its France-based lessors, Team France 01 S.A.S, and Sunbird France 02 S.A.S (hereinafter "Lessors"). The controversy primarily pertains to SpiceJet's default in rental payments for leased aircraft engines, amounting to \$4.8 million. The contractual agreements between the parties stipulated the right of the Lessors to repossess the engines upon SpiceJet's failure to meet its financial obligations.

The Single Judge of the Delhi High Court directed SpiceJet to ground the three engines and return them to the Lessors. This directive was based on the contract's specific performance clause and the airline's admitted default. The Division Bench of the Delhi High Court upheld the Single Judge's order, rejecting SpiceJet's jurisdictional objections and affirming the Lessors' contractual rights. The High Court emphasized that allowing SpiceJet to continue the use of the engines without payment would cause irreparable harm to the Lessors. SpiceJet subsequently filed a Special Leave Petition (SLP) challenging the High Court's decision. The Supreme Court, declined to interfere, dismissing the SLP under Article 136 of the Constitution.

It must be noted that the lease agreements explicitly provided that upon default, the Lessors had the right to reclaim the engines. SpiceJet, having failed to honor its financial commitments, was bound by its contractual obligations. The courts held that specific performance was warranted as the contractual terms were clear and enforceable. SpiceJet argued that the dispute fell under the jurisdiction of English courts as per the lease agreements.

The Delhi High Court, interpreting Clause 20.1(a) of the lease agreements, found that Indian courts had jurisdiction as the leased engines were located in India. The Supreme Court did not overturn this finding, effectively affirming that Indian courts had the authority to adjudicate the matter.

The High Court's decision to grant an injunction preventing SpiceJet from further using the engines was deemed necessary to prevent ongoing contractual breaches. The Supreme Court, concurring with this approach, emphasized that an admitted defaulter could not claim the right to continued possession. The ruling reinforces the rights of lessors in the Indian aviation sector, ensuring that lessees comply with financial obligations. It provides reassurance to global aircraft lessors about the enforceability of lease agreements in India. The decision strengthens the doctrine of specific performance in lease agreements, particularly in cases of admitted default. It affirms that Indian courts can exercise jurisdiction over leased assets located in India, even if the agreements stipulate foreign jurisdiction.

The airline is now compelled to return the engines and settle outstanding dues. Failure to comply with the order may result in contempt proceedings or further financial liabilities. The Supreme Court's decision underscores the principle that contractual obligations must be honored and that courts will uphold the rights of lessors against defaulting lessees. By refusing to entertain the SLP, the apex court has reinforced the need for financial discipline within the aviation industry while clarifying jurisdictional and contractual enforcement norms under Indian law.

Independent Sugar Corporation Ltd. V. Girish Sriram Juneja & Ors. Civil Appeal No. 6071 Of 2023



The Supreme Court, by a 2:1 majority, has held that a resolution plan containing a proposed combination under the Insolvency and Bankruptcy Code (IBC) must receive prior approval from the Competition Commission of India (CCI) before being placed before the Committee of Creditors (CoC). This ruling is rooted in the interpretation of the proviso to Section 31(4) of the IBC, which explicitly mandates that such approval must be obtained before the CoC considers and approves a resolution plan.

The Court, in its analysis, underscored the significance of the word 'prior' in the proviso. Justices Hrishikesh Roy and Sudhanshu Dhulia, forming the majority, held that the legislative intent was clear in requiring the CCI's approval before the CoC's evaluation. They reasoned that any deviation from this requirement would undermine statutory integrity and stakeholder confidence. The Court found that the literal interpretation of the provision should be upheld, and the approval of the CCI must precede CoC consideration to prevent post-facto modifications that may escape scrutiny.

However, Justice SVN Bhatti dissented, opining that the proviso to Section 31(4) should be interpreted as a directory rather than mandatory. According to him, as long as CCI approval is obtained before final adjudication by the National Company Law Tribunal (NCLT), the resolution process remains compliant with both the IBC and the Competition Act. He contended that a strict reading of the proviso could lead to undue delays in insolvency resolution and could impede the 'going concern' objective of the IBC.

Justice Bhatti also noted that the statutory framework provides for a reasonable period post-CoC approval to obtain necessary regulatory clearances, and insisted that the requirement of prior CCI approval should not be construed as an absolute prerequisite for CoC consideration.

The factual background of this case involved the resolution process of Hindustan National Glass and Industries Ltd. (HNGIL). The appellant, an unsuccessful resolution applicant, contested the approval of a resolution plan submitted by AGI Greenpac, which included a combination that required CCI clearance. AGI Greenpac had initially approached the CCI for approval of its proposed combination, but its first application was declared invalid. Subsequently, the CoC approved AGI Greenpac's resolution plan before obtaining CCI's final approval, which was later granted subject to modifications. The appellant challenged this sequence of events before the NCLT, which upheld the CoC's decision, and the NCLAT also affirmed the approval while holding that prior CCI clearance was only a directory.

The Supreme Court examined the interplay between the IBC and the Competition Act to determine whether CoC approval could precede CCI's decision. The majority observed that a literal interpretation of Section 31(4) was necessary, as legislative intent explicitly mandated prior CCI approval. They emphasized that the CoC's commercial wisdom must be exercised on a fully compliant resolution plan, rather than one subject to subsequent regulatory modifications. The Court also pointed out that permitting CoC approval before CCI clearance could create an impractical scenario where post-approval modifications imposed by the CCI would not be subject to creditor scrutiny.

Furthermore, the Supreme Court rejected arguments that strict adherence to prior CCI approval would cause delays in insolvency resolution. The judgment highlighted that CCI has prescribed timelines for approving combinations, and the IBC framework allows for a reasonable extension of the corporate insolvency resolution process where necessary.

The Court also dismissed claims that the requirement for prior approval conflicts with the principle of commercial wisdom, reasoning that legislative design places compliance with regulatory mandates above discretionary decision-making by creditors.

The Court also addressed the issue of locus standi raised against the appellant. It reaffirmed that insolvency proceedings, once initiated, acquire an in rem character, meaning that any party aggrieved by a resolution plan's approval has the right to challenge it. The Court observed that under both the IBC and the Competition Act, 'any person aggrieved' is to be interpreted broadly, ensuring that regulatory compliance is enforced through judicial scrutiny.

Consequently, the Supreme Court set aside the approval of AGI Greenpac's resolution plan and remanded the matter for fresh consideration by the CoC, subject to the condition that only resolution plans with prior CCI approval would be eligible for consideration. This judgment solidifies the requirement that regulatory clearances must be secured before CoC exercises its commercial wisdom, ensuring that competition law considerations are integrated into the insolvency resolution process at the appropriate stage. This ruling is expected to have significant implications for future insolvency cases involving mergers and acquisitions, reinforcing the principle that statutory compliance is paramount in corporate restructuring under the IBC.

CRIMINAL

Abdul Nassar V. State Of Kerala & Anr. Criminal Appeal NO(S). 1122-1123 OF 2018



The Supreme Court of India, in this case, adjudicated upon an appeal challenging the judgment of the Kerala High Court, which had affirmed the conviction and death sentence imposed by the Trial Court. The case revolved around the rape and murder of a nine-year-old child, with the prosecution relying entirely on circumstantial evidence. The judgment serves as a seminal pronouncement on the evidentiary standards required for conviction in cases based on circumstantial evidence.

The case arose from an incident in 2012 where the victim, a nine-year-old girl, went missing while on her way to a madrassa. Investigations revealed that she had last visited the house of the appellant, who was alone at the time. The prosecution contended that the appellant raped and strangled the victim and attempted to conceal the body. The deceased's body was later recovered from the bathroom adjacent to the appellant's house.

The Trial Court convicted the appellant for offenses under Sections 302 (murder), 376 (rape), and 201 (destruction of evidence) of the Indian Penal Code (IPC) and under Section 23 of the Juvenile Justice (Care and Protection of Children) Act, 2000, awarding the death penalty. The High Court upheld the conviction and sentence. The appellant approached the Supreme Court, which adjudicated on the legal and evidentiary aspects of the case.

The Supreme Court emphasized fundamental principles governing the appreciation of circumstantial evidence, reiterating the five essential tenets established in *Sharad Birdhichand Sarda v. State of Maharashtra* (1984) 4 SCC 116:

1. The circumstances forming the chain of evidence must be fully established.
2. The established facts must be consistent only with the guilt of the accused and not with any other hypothesis.
3. The circumstances must be of conclusive nature.
4. There should be no reasonable hypothesis consistent with the innocence of the accused.
5. There must be a complete chain of evidence leading to an irrefutable conclusion of guilt.

The Court further set out guidelines for evaluating circumstantial evidence:

- Testimonies of all prosecution and defense witnesses must be meticulously examined.
- Inferences drawn from circumstantial evidence must be explicitly outlined.
- Each link in the chain of evidence must be individually established before concluding guilt.
- Judicial reasoning must be clearly articulated in the judgment.

The Supreme Court scrutinized the evidence and noted several deficiencies in the lower courts' methodology of assessment. As per the last-seen theory, the victim was last seen entering the appellant's house. This was corroborated by witnesses, but the prosecution was required to exclude all other possibilities to sustain a conviction. As far as medical and forensic evidence is concerned the postmortem report confirmed sexual assault and strangulation. DNA evidence matched the appellant, strengthening the prosecution's case.

Moving further, the initial search of the appellant's premises did not yield results, but a subsequent search led to the discovery of the body. The Court found that the appellant's conduct—delaying access to his premises—was incriminating. The appellant's evasive responses and subsequent recovery of the victim's belongings from his premises further corroborated his involvement. The Court addressed the appellant's contention regarding procedural lapses, particularly in forensic sample handling. However, it concluded that the evidence was sufficiently credible to establish guilt. Hence, the Supreme Court upheld the conviction but criticized the lower courts for inadequate articulation of evidentiary analysis. The Court held that while the conclusion of guilt was justified, the reasoning lacked the required depth and rigor.

Further, considering the appellant's death during the pendency of the appeal, the question of executing the death sentence became moot. However, the Court's findings reaffirmed the principles of circumstantial evidence and procedural propriety in criminal trials.

The judgment in *Abdul Nassar v. State of Kerala* reinforces the judiciary's responsibility to meticulously assess circumstantial evidence. While affirming the conviction, the Supreme Court underscored the necessity for trial courts to methodically analyze evidence and articulate clear judicial reasoning. This ruling serves as an authoritative precedent on evidentiary evaluation in cases where direct evidence is absent, ensuring that judicial determinations are made with precision and adherence to established legal principles.

**SMT. N. Appellant No. 1 AND
ANR. VERSUS MOODUDULA
SRINIVAS [ARISING OUT OF SLP
(CRL.) NO. 7660 OF 2017**



The instant case involved the court determining whether a formal decree of divorce was a sine qua non for claiming maintenance, given that the appellant had separated from her first husband through a Memorandum of Understanding (MoU) rather than a judicial decree. The central issue before the Supreme Court was whether a woman is entitled to claim maintenance under Section 125 of the Cr.P.C. from her second husband while her first marriage is allegedly legally subsisting.

The facts of the instant case involved a series of instances. Appellant No. 1, married Nomula Srinivas in 1999 and had a son. The couple separated in 2005 and executed an MoU dissolving their marital relationship. However, no formal decree of divorce was obtained. In 2005, Appellant No. 1 married Respondent. He later filed for annulment under Section 12 of the Hindu Marriage Act, 1956 (HMA), which was granted on 01.02.2006. Subsequently, in 2006, the couple remarried and had a daughter. Due to matrimonial discord, Appellant No. 1 sought maintenance under Section 125 Cr.P.C. The Family Court awarded maintenance, but the High Court set it aside, holding that she could not be considered a "wife" under Section 125 Cr.P.C. as her first marriage was still legally subsisting.

The Supreme Court, in reversing the High Court's ruling, restored the maintenance awarded by the Family Court.

The reasoning of the Supreme Court involved the interpretation of "wife" under Section 125 Cr.P.C. The Court reiterated that Section 125 Cr.P.C. is a social welfare provision designed to prevent destitution and vagrancy.

It placed reliance on *Chanmuniya v. Virendra Kumar Singh Kushwaha* (2011) 1 SCC 141, which emphasized that the term "wife" should be given a broad and purposive interpretation to include women in void or voidable marriages. The Court distinguished *Savitaben Somabhai Bhatiya v. State of Gujarat* (2005) 3 SCC 636, where maintenance was denied to a second wife due to the subsistence of the first marriage. It noted that in *Savitaben*, the second wife was unaware of the first marriage, whereas in the present case, the Respondent was fully aware of the Appellant's marital history. Regarding the legal status of the first marriage & its effect on maintenance, the Court noted that Appellant No. 1 and her first husband had de facto separated and were not deriving any legal benefits from the marriage. The existence of an MoU signified mutual separation, even though it lacked the authority of a judicial decree. The Court held that a strict requirement of a formal divorce decree would frustrate the remedial purpose of Section 125 Cr.P.C., which aims to protect financially dependent spouses. Regarding the respondent's conduct & Doctrine of Estoppel, the Court emphasized that the Respondent had married the Appellant twice and was aware of her first marriage. It applied the principle of estoppel, holding that the Respondent could not now claim that the marriage was void ab initio to avoid his duty of maintenance. This reasoning aligns with the ruling in *Badshah v. Urmila Badshah Godse* (2014) 1 SCC 188, where the Court barred a husband from escaping maintenance liability by claiming that his marriage was void. The Court further referenced *Mohd. Abdul Samad v. State of Telangana* (2024 SCC OnLine SC 1686), which recognized the financial vulnerability of homemakers. It underscored that maintenance is a legal and moral duty, not a mere statutory benefit. Consequently, the Supreme Court held that a woman is entitled to maintenance under Section 125 Cr.P.C. even if her first marriage was not formally dissolved, provided that the parties were de facto separated, the second husband was aware of the first marriage and the woman was financially dependent and vulnerable.

This judgment expands the protective scope of Section 125 Cr.P.C. and discourages men from exploiting technical legal loopholes to evade maintenance obligations. It strengthens women's financial rights in informal marriages or voidable unions. It reinforces equitable principles in maintenance claims. Finally, it signals a progressive approach to maintenance laws, emphasizing substance over form in marital relationships.

Articles

Deed of Hypothecation as a Guarantee under the Insolvency and Bankruptcy Code: Implications of SC Ruling



The legal landscape of insolvency in India has been significantly shaped by judicial interpretations, particularly concerning the classification of financial instruments under the Insolvency and Bankruptcy Code, 2016 (IBC). A landmark decision in this context is the Supreme Court's ruling in *China Development Bank v. Doha Bank Q.P.S.C.*, which addressed the pivotal question of whether a Deed of Hypothecation (DoH) can be construed as a guarantee under Section 5(8) of the IBC. This article delves into the intricacies of this judgment and explores its far-reaching implications for creditors and debtors involved in insolvency proceedings.

The dispute originated from financial transactions involving the Reliance Group entities, specifically Reliance Communications (RCom), Reliance Telecom Limited (RTL), and Reliance Infratel Limited (RITL). The appellants, including China Development Bank, had extended financial assistance to RCom and RTL. To secure these loans, RITL executed a Deed of Hypothecation in favor of the appellants, creating a charge over its assets. Notably, RITL was not a direct borrower but provided security for the loans advanced to its associate companies.[1]

[1] <https://timesofindia.indiatimes.com/business/india-business/explained-the-dispute-that-could-land-anil-ambani-in-jail/articleshow/68092421.cms>

During the Corporate Insolvency Resolution Process (CIRP) of RITL, the appellants were recognized as financial creditors by the Resolution Professional. However, this classification was contested by Doha Bank, another financial creditor, which argued that the DoH did not constitute a contract of guarantee and, therefore, the appellants should not be considered financial creditors under the IBC.

The National Company Law Tribunal (NCLT) initially upheld the appellants' status as financial creditors. Dissatisfied with this decision, Doha Bank appealed to the National Company Law Appellate Tribunal (NCLAT). The NCLAT reversed the NCLT's ruling, holding that the DoH was merely a security document and did not amount to a guarantee. It emphasized that the DoH's primary purpose was to create a charge on the charger's property and that RITL could not be deemed a guarantor in the absence of an explicit guarantee agreement.

Challenging the NCLAT's decision, the appellants approached the Supreme Court. They contended that the DoH contained clauses that effectively obligated RITL to discharge the debt in case of default by the principal borrowers, thereby constituting a guarantee under Section 126 of the Indian Contract Act, 1872.[1]

Supreme Court's Analysis and Judgment

The Supreme Court meticulously examined the provisions of the DoH, particularly Clause 5(iii), which stipulated that upon the occurrence of an event of default, the security trustee had the right to enforce the security and apply the proceeds towards the repayment of the secured obligations. Crucially, the clause also provided that if the realized amounts were insufficient to discharge the secured obligations, RITL was liable to pay the shortfall, thereby undertaking to cover any deficiency in repayment.

The Court held that this undertaking by RITL to pay any shortfall amounted to a contract of guarantee as defined under Section 126 of the Indian Contract Act. It reasoned that RITL, by committing to cover the deficiency, assumed the role of a surety, promising to discharge the liability of a third party (RCom and RTL) in case of their default.[2]

[1] <https://law.asia/supreme-court-on-financial-debt/>

[2] <https://www.casemine.com/commentary/in/supreme-court-recognizes-guarantees-within-deeds-of-hypothecation,-affirms-financial-creditor-status-under-ibc/>

Furthermore, the Supreme Court addressed the definition of "financial debt" under Section 5(8) of the IBC, which includes "any counter-indemnity obligation in respect of a guarantee." The Court clarified that the term "financial debt" encompasses obligations arising from guarantees, even if such guarantees are embedded within other security documents like a DoH. It emphasized that the substance of the transaction should prevail over its form, and the presence of a guarantee obligation within a DoH brings it within the ambit of financial debt under the IBC.[1]

Comparative Analysis with Previous Judicial Precedents

The China Development Bank ruling can be contrasted with the Supreme Court's earlier decision in *Anuj Jain Interim Resolution Professional for Jaypee Infratech Limited v. Axis Bank Limited* (2020). In the Jaypee Infratech case, the Court dealt with the issue of whether a mortgage created by a third-party security provider to secure a borrower's loan could be treated as a guarantee. The Court concluded that a mortgage created by a third-party security provider to secure a borrower's loan cannot be treated as a guarantee without a separate deed of guarantee. The Court concluded that a creditor cannot be classified as a financial creditor under the IBC relying only on a mortgage deed—a person who has a security interest over only the assets of a corporate debtor is not a financial creditor of such corporate debtor under the IBC. In contrast, the China Development Bank case involved a DoH that explicitly included a clause obligating the security provider to cover any shortfall in the event of default by the principal borrower. The Supreme Court recognized this obligation as a guarantee, thereby classifying the appellants as financial creditors under the IBC. Hence, the Supreme Court's Ruling in China Development Bank Creates Further Confusion on Third-Party Securities and creates a necessity for a settled position in this matter.

Implications for Creditors

The Supreme Court's ruling has profound implications for creditors in insolvency proceedings. By recognizing that a DoH can constitute a guarantee, the Court has broadened the scope of what constitutes financial debt under the IBC.

[1]<https://www.advocatekhoj.com/library/judgments/announcement.php?WID=18264>

This expansion allows creditors holding security documents with embedded guarantee clauses to assert their status as financial creditors, thereby granting them a significant role in the CIRP, including participation in the Committee of Creditors (CoC) and voting rights. Creditors can now rely on the guarantee obligations within security documents like DoHs to enforce their claims more effectively. In the event of a default, they can pursue the guarantor (even if not a direct borrower) for the shortfall, thereby enhancing their prospects of debt recovery. The judgment encourages creditors to structure their security arrangements thoughtfully, ensuring that guarantee obligations are explicitly incorporated within security documents. This strategic structuring can provide additional layers of security and strengthen the creditors' position in insolvency proceedings.

Implications for Debtors

For debtors, particularly those providing security for loans advanced to third parties, the ruling carries significant consequences. Entities that offer their assets as security through instruments like DoHs may now find themselves classified as guarantors, thereby exposing them to direct liability for the debts of third parties. This increased liability necessitates careful consideration before extending such guarantees. As guarantors classified as financial creditors, these entities may face claims from other creditors during their own CIRP. The recognition of guarantee obligations as financial debt means that such liabilities will be factored into the resolution process, potentially affecting the outcome for the debtor. Debtors must ensure that the terms of their security documents are clear and unambiguous. If the intention is not to assume the role of a guarantor, this should be explicitly stated to avoid unintended liabilities.

Conclusion

The Supreme Court's decision in *China Development Bank v. Doha Bank Q.P.S.C.* marks a watershed moment in the interpretation of financial instruments under the IBC. By holding that a Deed of Hypothecation can amount to a guarantee, the Court has underscored the importance of the substantive obligations contained within security documents over their formal titles. This ruling not only broadens the definition of financial debt but also reshapes the dynamics between creditors and debtors in insolvency proceedings. Creditors are now better positioned to enforce their claims, while debtors must exercise heightened diligence in their contractual engagements to manage potential liabilities effectively.

GST Rate Rationalisation in India: Examining India's Current Framework and Decoding Challenges



Introduction

Post the announcement of Union Budget 2025, the Finance and Revenue Secretary, Tuhin Kanta Pandey, said that the GST rate rationalisation is needed. Experts have been calling for this for 8 years and it has become the need of the hour now. Goods and Services Tax (GST) was implemented in 2017 and ever since its implementation, it has often been criticized for the complexities and compliance challenges it brought. The existence of multiple tax slabs such as 0%, 5%, 18% and 28% highlighted the complexities of the structure. The need for rate rationalization started making its way into politics and day-to-day discussions then itself, however, over the years, this has built up to now become a voice that can't be unheard.

Recently, this erupted into a mainstream discussion even for the commoners when the GST council decided to levy GST on popcorn at different rates based on its preparation and packaging. The fact that salted popcorn attracted lesser GST and caramelized popcorn attracted more led to an outrage in the nation. This issue also highlighted the intricacies of the current GST framework. After this, the talks for rate rationalization were back in the market again and it became evident that we need it now more than ever.

Current GST Rate Structure

India's GST regime consists of multiple slab rates.

- **0% slab:** Essential goods and services fall in the 0% bracket to ensure affordability to the masses as well as revenue generation for the Government. For example, fresh fruits, bread, milk, and curd are exempt from tax and fall in the 0% slab with the current tax.

- 5% slab: The 5% slab comprises necessary goods like lifesaving medicines and some foodstuffs. Here the tax rate is kept low to ensure goods and services falling under it remain accessible as well as affordable.
- 12 % and 18% slab: Standard goods and services fall in the 12% and 18% slabs, which comprise most clothing, electronics, and services. The goods and services falling in these slabs reflect middle-income consumption patterns.
- 28% slab: Luxury items and sin goods are confined to the 28% slab, comprising luxuries such as luxury cars, tobacco products, and aerated drinks. The intention behind keeping the items under this category liable to the highest rate under GST is to generate ample revenue and discourage the consumption of products with adverse health or social effects.

The different rates have led to complexities in tax administration and compliance. Frequent classification issues, coupled with varying interpretations across states, create litigation risks and operational inefficiencies. Moreover, the cascading effects on pricing and supply chains impact business planning and consumer behaviour. Hence, the need for rate rationalization arises from these issues.

Challenges in Rationalizing GST Rates

To address rate rationalization demands, the GST Council formed a Group of Ministers (GoM) in December 2024. After the GoM submits its recommendations, the GST Council will consider potential changes.^[1] However, as the GoM is only advisory, the final decision rests with the GST Council, which has yet to discuss any rate revisions.

The GST Council, composed of central and state government representatives with differing economic priorities, often faces challenges in reaching unanimous agreements on rate changes. While a simplified tax structure offers many benefits, the GST has encountered obstacles in meeting its objectives, highlighting the need for rationalization. Let's explore the complexities now.

[1] [GoM on GST rate rationalisation yet to submit report GST Council to take final decision CBIC- The Week](#)

- **Revenue Implications:** A key argument for rationalizing GST rates is the reduction of tax slabs. Currently, multiple slabs apply to different goods and services, contradicting GST's purpose as a unified tax system. However, reducing the number of slabs could result in significant revenue losses for the government, requiring either the removal of taxes on certain items or lower overall tax collection. Given GST's importance as a primary revenue source for both Central and State governments, any decline in income could have a ripple effect on socio-economic development and growth opportunities.
- **Impact on Inflation:** The country is already witnessing inflation rates in rural and urban areas at 5.76% and 4.58%, respectively.[1] There have been various factors attributable to current inflationary trends including cyclical slowdown, global trade disruption, stagnant private and government expenditure etc. Changes in tax rates can also influence inflation, as adjustments may lead to increased prices for certain goods and services. These economic factors are intertwined with political considerations, as policymakers must balance the goals of simplifying the tax system and ensuring adequate revenue generation.
- **Federal Structure and Consensus:** Implementing GST rate rationalization requires consensus within India's federal system. The GST Council, comprising representatives from the Centre and States, decides by vote, with the Centre holding one-third weightage and the States two-thirds. However, differing economic priorities and revenue dependencies among States often make unanimous agreement on rate changes challenging.

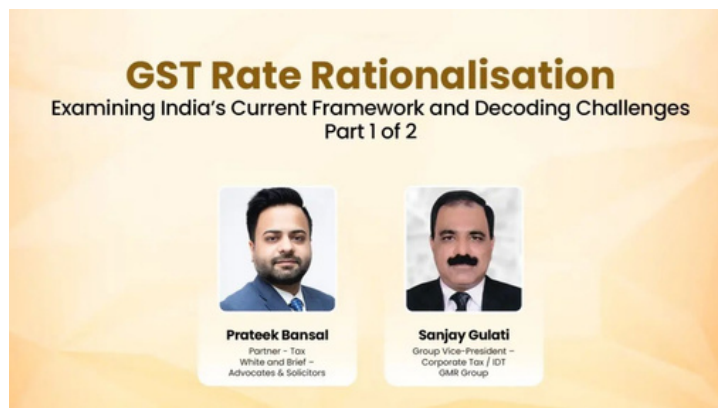
Conclusion

Despite being implemented in 2017, the Goods and Services Tax (GST) in India has yet to achieve full stability. GST remains complex due to multiple tax slabs, leading to classification disputes, compliance challenges, and federal disagreements between the Centre and States over revenue sharing and rate rationalization. Rationalizing GST rates in India is the need of the hour as it offers an opportunity to simplify the tax system, improve compliance, and boost economic activity. However, achieving this goal requires balancing revenue needs, economic equity, and administrative feasibility.

[1] https://www.mospi.gov.in/sites/default/files/press_release/CPI_PR_13Jan25.pdf

A Closer Look at Our Recent Features

GST Rate Rationalisation: Examining India's Current Framework & Challenges



As the debate around GST rate rationalisation gains momentum post-Budget 2025, our latest article delves into the complexities of India's multi-slab tax structure and the roadblocks in streamlining GST rates.

With classification issues, compliance burdens, and litigation risks becoming more evident, the call for reform is stronger than ever. In Part 1 of this series, we break down:

The current GST rate structure and its impact on businesses and consumers

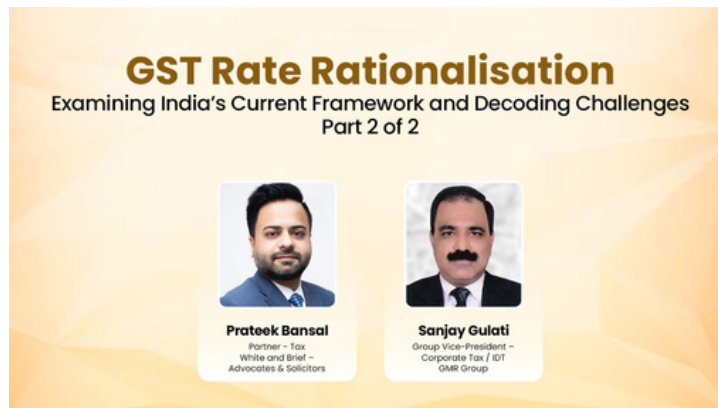
The key challenges in rationalising rates, including revenue concerns, inflation risks, and federal complexities

Why GST simplification is critical for economic growth and compliance ease

Co-authored by Prateek Bansal, Partner – Tax, White & Brief – Advocates & Solicitors, and Sanjay Gulati, Group VP – Corporate Tax/IDT, GMR Group, this article sets the stage for much-needed discussions on GST reform.

To delve into the specifics, please review the information provided in the following link :
<https://www.republicworld.com/amp/initiatives/gst-rate-rationalisation-examining-indias-current-framework-and-decoding-challenges-part-1-of-2>

GST Rate Rationalisation: Learning from Global Models & the Way Forward



As discussions on GST rate rationalisation heat up post-Budget 2025, Part 2 of our series shifts focus to international best practices and viable solutions for a more streamlined and efficient GST framework in India.

Building upon the insights from Part 1, where we examined India's multi-slab tax structure and key challenges, this segment explores:

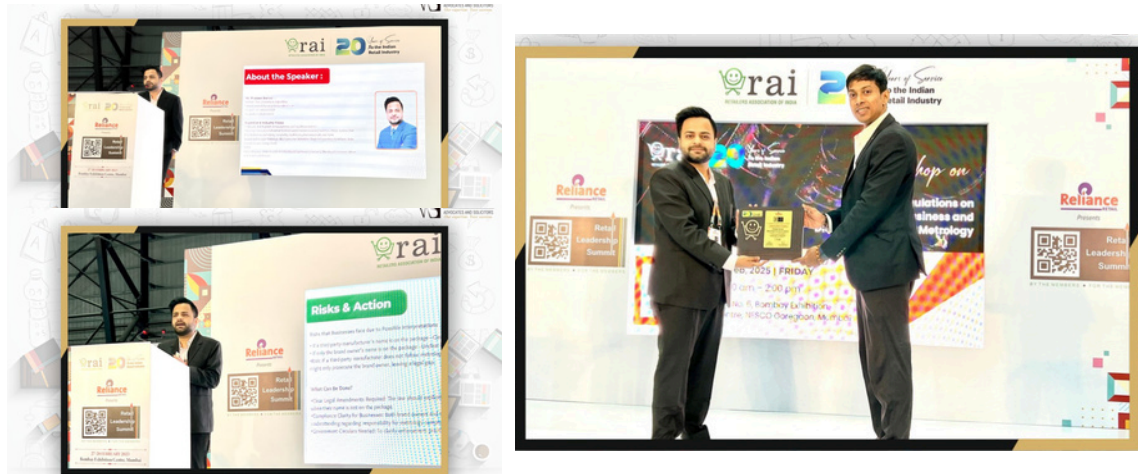
How leading economies have successfully implemented GST simplification. Lessons India can adopt to balance revenue neutrality, compliance efficiency, and economic impact.

The role of the GST Council in driving meaningful reforms for businesses and consumers

Co-authored by Prateek Bansal, Partner – Tax, White & Brief – Advocates & Solicitors, and Sanjay Gulati, Group VP – Corporate Tax/IDT, GMR Group, this article offers a forward-looking perspective on India's tax landscape.

To delve into the specifics, please review the information provided in the following link :
<https://www.republicworld.com/initiatives/gst-rate-rationalisation-understanding-why-it-matters-proposed-structure>

Our Partner, Mr. Prateek Bansal was invited as a key speaker at the Retail Leadership Summit (RLS) 2025.



Our Partner, Mr. Prateek Bansal was invited as a key speaker at the Retail Leadership Summit (RLS) 2025, hosted by the Retailers Association of India (RAI). He engaged with industry leaders, offering insightful perspectives on 'Compliance Under Legal Metrology' and its growing importance in today's business landscape.

During his session, Mr. Bansal delved into the evolving regulatory framework and its impact on businesses, focusing on key issues such as:

- Legal Metrology's Role – Ensures accuracy in weight and pricing, strengthens consumer trust, and reduces compliance risks for businesses.
- Recent Regulatory Updates – Overview of latest amendments and circulars in Legal Metrology policies.
- Compliance Challenges – Addressing inconsistencies in judicial interpretations, labeling standards, and regulatory framework gaps.
- E-commerce Compliance – Mandatory product disclosures on digital platforms and legal consequences of non-compliance.
- Penalties and Liabilities – Breaking down the potential risks retailers and business owners face when compliance obligations are overlooked.

We extend our appreciation to RAI for creating this platform to foster meaningful discussions that help shape the future of retail compliance.

To delve into the specifics, please review the information provided in the following link :

<https://www.linkedin.com/feed/update/urn:li:activity:7301246331577110528>

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ET THE ECONOMIC TIMES



Nilesh Tribhuvann
Founder & Managing Partner

US SEC seeks Law Ministry's help to serve legal notices to Adanis

The Adani Group did not respond to ET's queries. Legal experts said this is a procedural step under the Hague Service Convention to ensure compliance with international law. India's role is to process the request through its designated central authority which verifies compliance before serving the documents. The Indian Government can assess the request's validity but plays only a procedural role.

#InNewswithWhiteandBrief

Adani Group Under US SEC Radar!

We are thrilled to share that our Managing Partner, NILESH TRIBHUVANN, has been featured in The Economic Times for his expert insights on the latest legal twist—"US SEC Seeks Law Ministry's Help to Serve Legal Notices to Adanis."

This exclusive feature is live in both print and online editions.

To delve into the specifics, please review the information provided in the following link :

<https://economictimes.indiatimes.com/news/company/corporate-trends/us-sec-seeks-law-min-help>

Our Managing Partner Mr NILESH TRIBHUVANN has been featured in Mint

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63 Moons okays settlement in NSEL collapse. There is one more hurdle

"This approval by 63 Moons effectively paves the way for a structured resolution mechanism, contingent upon investor consent and NCLT's approval. The collapse of NSEL in 2013 left investors with unresolved claims totalling about ₹5,500 crore owed to over 13,000 individuals. Although partial payments have been made over the years large investors await a full resolution. The settlement, proposed in November 2024, seeks to allocate ₹1,950 crore or about 42% of the total ₹4,650 crore owed to investors pending the necessary majority consent. The NCLT's role will be critical in evaluating the scheme's legal tenability particularly in ensuring that the proposed settlement aligns with insolvency principles contractual obligations and investor protection frameworks."



Nilesh Tribhuvann
Founder & Managing Partner

#InNewswithWhiteandBrief

Thrilled to share that our Managing Partner Mr NILESH TRIBHUVANN has been featured in Mint for his insights on the high-stakes NSEL collapse settlement.

This exclusive feature is live in both print and online editions.

To delve into the specifics, please review the information provided in the following link :

<https://www.livemint.com/companies/63-moons-nsel-settlement-investors-nif-11739971412113.html>

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How a Volkswagen software became the centre of a \$1.4 billion tax dispute in India

“The key issue is whether the software's functionality aligns with the legal definitions and requirements of CKD imports. Use of centralized software platforms like NADIN can significantly impact the interpretation of tax compliance in cases involving CKD imports. Tax authorities may argue that such systems streamline the ordering process in a way that effectively results in the importation of complete vehicles albeit in separate parts which could be seen as a method to circumvent higher import duties associated with fully assembled vehicles he said. The SAWIPL petition said parts and components are neither imported in a single consignment nor in and around the same time. The majority of imported parts are of a general nature and are interchangeably used at the plant for production of various models. Various parts (e.g., exhaust system, steering wheel tyres, etc.) are locally procured and not imported. Certain Done 5/13 parts (axles, door panels engines of certain models) are manufactured in the plant and there is no one-to-one correlation between the parts imported versus the number of cars manufactured. None of the above would be true if cars were imported as CKD kits instead of parts and components it said.”

#InNewswithWhiteandBrief

mint



PRATEEK BANSAL
Partner
Direct & Indirect Taxation

Our Partner Prateek Bansal has been featured in Hindustan Times article titled What is standard deduction in income tax and who is eligible.

1. We are delighted to share that our Partner Prateek Bansal has been featured in Mint article titled – How a Volkswagen software became the centre of a \$1.4 billion tax dispute in India.

To delve into the specifics, please review the information provided in the following link :

<https://www.livemint.com/companies/volkswagen-group-s-legal-battle-sawwipl-nadin-software-customs-duties-ckd-kits-11739278288767.html>

We were delighted to be part of The Grand Masters 2025 Summit at Le Méridien



We were delighted to be part of The Grand Masters 2025 Summit at Le Méridien, New Delhi, organized by Lex Witness – India's 1st Magazine on Legal & Corporate Affairs. The event provided an excellent platform to discuss the evolving role of general counsels, regulatory landscapes, and strategic dispute resolution.

Our partner, Mohit Bakshi along with our team, Pururaj Aggarwal, Akshay Nair, Saransh Sharma and Mineesha Dhodi engaged in insightful conversations with industry leaders on the future of legal practice and corporate governance. Such events foster collaboration and contribute to thought leadership within the legal community.

We look forward to more such discussions that shape the legal landscape.



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