

ALBA LAW OFFICES
Newsletter | September 2025

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HIGHLIGHTS OF THE MONTH

- **The Delhi High Court grants ex-parte interim injunction in favour of Aishwarya Rai Bachchan to protect her personality rights**

[Aishwarya Rai Bachchan v. Aishwaryaworld.com & Ors., CS(COMM) 956/2025]

The Delhi High Court granted an ex-parte interim injunction in favour of Aishwarya Rai Bachchan after finding prima facie misuse of her name, image and other elements of her persona by multiple websites, e-commerce portals, chatbots and YouTube channels. The order covers a wide range of misconduct: websites falsely presenting themselves as her official portal, sale of merchandise (t-shirts, mugs, posters) bearing her photograph/images without consent, distribution of such goods *via* e-commerce platforms, use of chatbots impersonating her persona in objectionable or misleading contexts, AI-generated deepfake videos, and misuse via URLs on YouTube and Google.

The order restrained the identified defendants from using Aishwarya Rai's name, initials, images or voice for commercial purposes; it required platforms such as Google/YouTube to remove or disable infringing URLs within 72 hours of notice. The court also authorised Ministry of Electronics & Information Technology and the Department of Telecommunications to issue directions to block the infringing domains and channels that persist in hosting infringing material. The Court expressly referred to instances of AI-generated deepfakes and impersonating chatbots as aggravating factors that justified urgent interim relief. The bench noted that unauthorised commercial exploitation of a celebrity's persona undermines both the commercial value of that persona and the individual's dignity and privacy.

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- **The Delhi High Court grants interim protection of personality rights in favour of Abhishek Bachchan**

[Abhishek Bachchan v. The Bollywood Tee Shop & Ors., CS(COMM) 960/2025]

The Delhi High Court passed an ad-interim ex-parte injunction protecting Abhishek Bachchan's personality and publicity rights. The Court found a strong prima facie case that various defendants were misusing his name, voice, photographs and AI-generated likenesses to promote and monetise products without consent. The order restrains identified websites and online sellers from using the actor's persona and directs platforms (including search engines/hosts) to remove or disable links to offending content once exact URLs are provided. The bench stressed irreparable harm to reputation and the commercial value of a celebrity's image, harm that cannot be compensated by damages alone. Practically, the decision follows the recent Aishwarya Rai injunction and signals a consistent judicial approach: courts will intervene quickly to stop large-scale online impersonation and AI misuse where there is credible evidence of commercial exploitation. For compliance teams and marketplaces, tighten takedown procedures, insist on licensing documentation from sellers, and be ready to act rapidly on court notices to avoid being ordered to block domains and channels.

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- **The Delhi High Court restrains unauthorised use of “Barbie” mark in favour of Mattel Inc.**

[Mattel, Inc. v. Padum Borah & Ors., CS(COMM) 948/2025]

The Delhi High Court granted interim relief to the plaintiff, Mattel Inc. while restraining unauthorised sellers from offering toys and merchandise bearing the “Barbie” mark and associated trade dress. The plaintiff demonstrated unauthorised sellers and platforms trading in toys and merchandise bearing marks deceptively similar to its recognized mark “Barbie” and creating

consumer confusion. The Court observed that the “Barbie” mark enjoys global recognition and is registered as a well-known trademark, and that the unauthorised listings *prima facie* infringed statutory and common law rights of the plaintiff. The Court directed e-commerce platforms to identify and remove all infringing listings within 72 hours of notice and to ensure that such goods are not relisted under different seller names. The Court also required the defendants to maintain an account of profits made from such sales, subject to final adjudication. It observed that interim protection was necessary to safeguard consumer interests and prevent dilution of the plaintiff’s brand.

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- **The Delhi High Court refuses interim monopoly over the term “WOW” in food sector**

[Wow Momo Foods Pvt. Ltd. v. Wow Burger & Anr., CS(COMM)1161/2024]

The Delhi High Court declined to grant interim injunction to the plaintiff, which sought to restrain Wow Burger from using the expression “WOW” as part of its brand. The Court held that “WOW” is a common and laudatory term incapable of being monopolised by a single party, and that exclusive rights can only extend to the distinctive overall combination of the trademark. Justice Prathiba M. Singh observed that while “WOW MOMO” has acquired reputation, the element “WOW” by itself is weak, descriptive and used widely in the food industry. On comparing the competing marks “WOW MOMO” and “WOW BURGER,” the Court held that the overall trade dress, logos, and target consumer base were distinct, and therefore the likelihood of confusion was limited. The Court refused to restrain the defendants at the interim stage but clarified that the plaintiff could pursue its claim at trial. The judgment underlines two practical points: (i) where a dominant element of a mark is descriptive or commonly used, courts will look at the full trade get-up and the target consumers’ capacity to distinguish; (ii) interim trademark relief requires a strong *prima facie* case on similarity plus clear evidence of irreparable harm.

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- **The Delhi High Court Overturns Ruling in AR Rahman Case: Performer Not Presumed Author in Classical Music Copyright Dispute.**

[Mr. AR Rahman V. Ustad Faiyaz Wasifuddin Dagar & Ors. FAO(OS) (COMM) 86/2025 & CM APPL. 27354/2025]

In the high-profile copyright suit involving the film song “*Veera Raja Veera*” in the film “*Ponniyin Selvan 2*”, the Delhi High Court Division Bench set aside a Single Judge’s interim injunction granted in favour of the Respondent, who had alleged that the Appellant’s i.e., A.R. Rahman’s composition substantially copied the Dhrupad composition “*Shiva Stuti*” created by the Junior Dagar Brothers. In the original interim order, the Single Judge had observed that “*Veera Raja Veera* is not just inspired but is in fact identical in Swaras (notes), Bhava (emotion) and aural impact (impact on the ear)” to “*Shiva Stuti*,” and directed the Appellant and the others to deposit ₹2 crore with the court registry, change credits in online versions to acknowledge the Junior Dagar Brothers, and pay ₹2 lakh as costs. The Court had also said the Dagar heirs’ moral rights were being violated by non-acknowledgment.

However, on appeal, the Division Bench held that the Single Judge’s presumption of authorship was not sustainable merely on the basis of CDs, inlay cards or recordings. The Bench emphasised that performing or recording a work is distinct from being its author. It held that although Ustad Dagar had a *prima facie* case, the factual materials before the Single Judge did not suffice to conclusively establish authorship and originality of “*Shiva Stuti*” by the Dagar Brothers. The Court clarified that in the context of Indian classical music, a tradition of oral transmission (Guru-Shishya parampara) and collective creativity, a performer cannot be presumed to be the author of a work simply because they recorded or performed it. The available evidence only proved the Dagar Brothers' performers' rights, not their authorship.

	The Bench accordingly stayed the Single Judge’s directions (including the credit change and deposit) and allowed the appeal, noting that the initial burden of proof lies with the Respondent to establish their copyright claim, and the Single Bench erred in shifting this burden to the Appellant. Read Here
○	The Bombay High Court Trademark Infringement Case of Allied Goods and Trade Mark Protection. <i>[SML Limited V. Safex Chemicals (India) Ltd (2025 BHC-OS 16030)]</i> In a trademark dispute brought before the Bombay High Court, the Plaintiff - SML Limited (formerly Sulphur Mills), a fertilizer and plant nutrient manufacturer, secured an interim injunction restraining the Defendant, Safex Chemicals from using the identical mark “TRACKON” on agrochemical products like pesticides or insecticides. Although the Defendant contended that the competing goods fall in different administrative classes (fertilizers in Class 1 and pesticides in Class 5), the Court found them to be allied or cognate goods because both are agrochemical products sold to the same consumers i.e., farmers, through the same retail channels. In view of Section 29 of the Trade Marks Act, 1999, the Court held that there was a likelihood of confusion or association in the mind of the ordinary purchaser, and an interim injunction was necessary to prevent consumer deception. The Court granted the injunction on the grounds of trademark infringement while not extending full relief on the separate passing off claim, noting the significant differences in product packaging made consumer misrepresentation unlikely. Read Here
○	The Supreme Court held that the clause barring the award of interest on delayed payment by itself will not bar the award of pendente lite interest by the arbitral tribunal <i>[Oil and Natural Gas Corporation Ltd. V. M/s G&T Beckfield Drilling Services Pvt. Ltd. (Civil Appeal No. 11324 of 2025)]</i>

In the present case, the Supreme Court was hearing an appeal filed against the order of the Guwahati High Court, which had affirmed an arbitral award and allowed the respondent's appeal under Section 37 of the Arbitration and Conciliation Act, 1996 (Arbitration Act).

The Guwahati High Court had upheld the award of pendente lite interest, i.e., interest accruing during the course of legal proceedings. The appellant relied on one Clause 18.1 of the contract, which stated: "*No interest shall be payable by ONGC on any delayed payment/disputed claim.*"

The Supreme Court, referring to Section 31(7)(b) of the Arbitration Act, stated that while the arbitral tribunals have the statutory power to award pendente lite interest, the same is subject to the agreement between the parties. If a contract expressly bars such payment of interest, the arbitral tribunal cannot award interest for the aforesaid period, and an award contrary to the terms of the contract would be vulnerable to a challenge under Section 34 of the Arbitration Act.

However, the Supreme Court, while dismissing the appeal in the present matter, stated that the referred Clause 18.1 merely bars award of interest on delayed or disputed payment and does not explicitly prohibit the grant of pendente lite interest.

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- **The Supreme Court upholds arbitral tribunal's award on agreed interest; executing court cannot rewrite award to add compound interest**

[HLV Limited (formerly Hotel Leelaventure Pvt. Ltd.) v. PBSAMP Projects Pvt. Ltd. (2025 INSC 1148)]

The Supreme Court considered whether, at the execution stage, a decree holder may claim compound interest in addition to simple interest awarded by

an arbitral tribunal. The bench held that if the award itself specifies a particular interest rate and the period for which interest is payable, that specification governs and the executing court cannot add further or compound interest under Section 31(7)(b) of the Arbitration and Conciliation Act, 1996. In short, where the arbitrators have exercised their power and fixed interest, party autonomy and the arbitral tribunal's determination must be respected at execution. The Court contrasted two scenarios: where the tribunal is silent on post-award interest, the executing court may step in under Section 31(7)(a), but where the award is explicit, the award controls. It emphasized the principle of party autonomy, noting that the tribunal in this case was merely enforcing the interest clause agreed upon in the original Memorandum of Understanding (MoU). Since the MoU stipulated 21% simple interest until repayment, the tribunal's award faithfully mirrored this agreement, leaving no scope for the executing court to introduce compounding.

The judgment overturned a Telangana High Court order which had remanded the matter for a fresh consideration of compound interest, instead restoring the executing court's decision that had closed the proceedings after finding the payment to be in full satisfaction of the award. The Apex Court meticulously analyzed the distinction between pre-award and post-award interest, clarifying that the established legal principle allowing post-award interest on the aggregate sum (principal plus pre-award interest) only applies when the arbitral tribunal is silent or unqualified on the interest matter. Since the arbitral tribunal in this case had exercised its discretion to specify the interest rate and duration, the respondent's claim for over ₹13 crores in additional compound interest was deemed an impermissible attempt to rewrite or enlarge the final arbitral award at the execution stage.

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- **The Supreme Court held that immovable property cannot be transferred without a registered sale deed**
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[Ramesh Chand (D) through LRs. v. Suresh Chand and Anr. (Civil Appeal No. 6377 of 2012)]

Supreme Court, while reaffirming that the title of the immovable property cannot be transferred without a registered sale deed, has set aside the order of the Delhi High Court, which had upheld the trial court's order decreeing the suit for possession, mandatory injunction, and declaration despite there being no registered sale deed executed.

In the present case, the plaintiff claimed that there is only an agreement to sell, and no sale deed was executed in his favour by his father.

The Supreme Court, while explaining the difference between the registered sale deed and an agreement for sale, observed that while a sale is a transfer of ownership, an agreement for sale is merely a document creating a right to obtain another document, namely a registered sale deed to complete the transaction of sale of an immovable property.

The Court, while allowing the appeal and dismissing the suit, also observed that the power of attorney is not a sale. A sale involves the transfer of all the rights in the property in favour of the transferee, but the power of attorney simply authorises the grantee to do certain acts with respect to the property, including an authority to sell the property, if the grantor permits. A document of power of attorney does not validate a transfer, as it would not ipso facto change the character of the document, transforming it into a conveyance deed.

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- **Orissa High Court rules that Sub-Registrar cannot orally refuse to register a sale Deed**

[Amir Kumar Darjee v. District Sub-Registrar (W.P.(C) No.17979 of 2025)]

The Orissa High Court while hearing a writ petition filed by the petitioner praying for directing the District Sub-Registrar to accept the deed for sale,

observed that Sub-Registrar cannot orally refuse to accept any document, when the same is presented for registration, because, as per law, the Sub-Registrar is required either to register the document or to refuse to register the same indicating the reasons for non- acceptance for registration, if that document is not legally fit for acceptance and registration.

The Court referred to the decision in the case of *North East Infrastructure Private Limited and Ors. v. The State of Andhra Pradesh and Ors. reported in 2025 (2) Civ.C.C. 220 (Andhra Pradesh)*, wherein it was held that the Sub-Registrar/Registrar cannot orally refuse to receive the document and would consider its fitness for registration or otherwise.

The Court disposed of the petition and directed the Sub-Registrar to accept the deed for sale, if presented by the petitioner with the certified copy of this judgment for registration and to act upon the same as per the Indian Registration Act, 1908, and the Orissa Registration Rules, 1988.

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- **NCLAT rules that homebuyers may maintain insolvency proceedings against multiple corporate debtors in a single project**

[Phoenix ARC Pvt. Ltd. vs. Ajit Gyanchand Jain & Ors. (Comp. App. (AT) (Ins) No. 800 of 2023)]

The National Company Law Appellate Tribunal held that where a real estate development is structured across multiple corporate entities, *bona fide* homebuyers may file applications under Section 7 of the Insolvency and Bankruptcy Code, 2016 against more than one corporate debtor if those entities collectively run the same project. The tribunal relied on commercial reality: buyers deal with the project as a single commercial enterprise, and artificial ring-fencing cannot defeat creditors remedies. The order clarifies the threshold / aggregation approach for buyer-initiated Corporate Insolvency Resolution Process's and stresses that tribunals should consider substance over corporate form at the admission stage. For developers, this increases

exposure across group entities; for financiers and advisers: inter-company guarantees and ring-fencing measures must be carefully documented; for homebuyers' groups: the order preserves a practical route to insolvency remedies where project companies are related.

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- **The COVID-19 lockdown was a force majeure event, and damages must be proven to be awarded.**

[M/s Mehra Jewel Palace Pvt. Ltd. v. Miniso Lifestyle Pvt. Ltd. & Anr. - High Court of Delhi, Judgment Dated 22.09.2025 in RFA(OS)(Comm) No. 4 of 2022]

The Delhi High Court has provided a significant ruling on the application of force majeure clauses in commercial leases during the COVID-19 pandemic and the principles of damages for breach of contract. A lessor, Mehra Jewel Palace Pvt. Ltd., sought penal and double rent from its lessee, Miniso Lifestyle Pvt. Ltd., after the lessee invoked a force majeure clause and failed to pay rent during the lockdown. The lessor terminated the lease and sued, but the High Court's Single Judge granted only partial relief, finding that the pandemic was indeed a force majeure event and that the lessor had not proved any loss to justify the penal rent. The lessor appealed this decision.

The High Court dismissed the appeal and upheld the Single Judge's findings. It confirmed that the COVID-19 pandemic and the resulting government lockdown constituted a valid force majeure event under the lease agreement. The court reasoned that the "etc." in the force majeure clause made the listed events illustrative, not exhaustive. Additionally, the court firmly rejected the lessor's claim for penal rent and double rent. Citing established Supreme Court precedents, the court reiterated that clauses for fixed damages are subject to the Indian Contract Act, 1872, and that compensation can only be awarded for actual, proven loss. Since the lessor failed to prove any financial loss, they were not entitled to the penal amounts stipulated in the contract.

	The Court also clarified that the 2018 amendment to the Specific Relief Act, 1963, which made specific performance of contracts mandatory, is prospective in nature and did not apply to this lease, which was executed before the amendment. This meant the court had the discretion to award reasonable compensation rather than penal damages. Read Here
○	The Supreme Court of India quashed the auction by the Corporation Bank of a prime property located in Delhi <i>[Delhi Development Authority V. Corporation Bank & Ors (2025 INSC 1161)]</i> The Supreme Court has set aside an e-auction and the subsequent sale certificate concerning a prime Delhi property because the bank that conducted the auction did not disclose material encumbrances and statutory claims against the property. The court recorded that the auction proclamation failed to mention the Delhi Development Authority’s claim for “unearned increase” and lease conditions that materially affect the value and title obligations attached to the land. Because bidders were not informed of those liabilities, the sale was held to be misleading and unfair to the successful purchaser. The bench directed that the auction purchaser be refunded and that the bank and recovery authorities must restore the status quo and comply with statutory pre-sale disclosure requirements in future proclamations. The Court emphasised that public or court-mandated sales must fully disclose all material encumbrances so that bidders can make informed decisions; failure to do so vitiates the sale. Read Here
○	The Supreme Court orders builder to pay 18% interest refund to the homebuyer in real-estate delay of 12 years <i>[Rajnish Sharma V. M/S. Business Park Town Planners Ltd. (2025 INSC 1149)]</i>

The Hon'ble Supreme Court recently directed Defendant, M/s Business Park Town Planners Ltd., a real estate developer, to refund a homebuyer the entire deposited amount with 18% interest per annum, after it failed to deliver possession of a plot for nearly twelve years. The Plaintiff, Rajnesh Sharma, had booked the plot in 2006 and made substantial payments of ₹43 lakh across years, but the Defendant repeatedly failed to deliver possessions, even unilaterally allotting an alternative plot and demanding additional charges over the years. Frustrated by the delay and conditional possession offer in 2018, the Plaintiff terminated the agreement and sought legal recourse.

The Court rejected the Defendant's argument that compensation should be restricted to 9% interest, holding that equity and fairness demand that the Defendant faces the same liability it had imposed on the buyers. The Court held that limiting consumer relief to a lower statutory or discretionary interest rate would perpetuate an unfair bargain when the Defendant itself had charged the buyers 18% penal interest on delayed installments.

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○ **The Supreme Court rules that High Court Must Assign Reasons for Framing Additional Question of Law in Second Appeals**

[C.P. Francis v C.P. Joseph and Others (SLP (C) No. 13348 of 2025)]

The Supreme Court has recently held that High Courts cannot create an “entirely new case” while framing a new substantial question of law under Section 100(5) of the Code of Civil Procedure, 1908 (CPC).

In the present case, a property dispute arose among the descendants of one C.R. Pius and Philomina Pius. Their joint Will was in favor of their son, C.P. Francis, the appellant, which was challenged by the other family members who sought a partition. The validity of the joint Will was upheld in the Munsiff Court, however the same was declared void by the Kerala High Court under

Section 67 of the Indian Succession Act, 1925, because one of its attesting witnesses was the appellant's wife.

On appeal from the appellant, the Supreme Court observed that the High Court is competent and endowed with discretionary jurisdiction to formulate a substantial question of law not stated when the second appeal was admitted for reasons to be recorded if the High Court is of the view that the case involves such a question of law.

The Supreme Court while allowing the appeal, set aside the High Court's judgement on the ground that the High Court fell in error by framing an additional substantial question of law without pleadings, issues and recording reasons for framing the additional substantial question of law, thereby creating a new case.

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○ **The Supreme Court clarifies communication of grounds of arrest under Article 22 and the Code of Criminal Procedure, 1973**

[State of Karnataka v. Sri Darshan Etc., 2025 INSC 979]

The Supreme Court delivered a significant judgment clarifying the requirement to inform a person of the grounds of arrest under Article 22(1) of the Constitution and Section 50 of the Code of Criminal Procedure, 1973 (now BNSS Section 47 equivalent). The Court held that while informing the accused of grounds of arrest is mandatory, there is no absolute requirement that such grounds be furnished in writing in every case. Instead, the Court adopted a practical, prejudice-focused test: whether any failure in communication has caused demonstrable prejudice to the accused in securing immediate remedies such as bail or in preparing a defence. The bench's decision followed intense scrutiny of the facts, bail circumstances and alleged procedural gaps; it stressed that substantial compliance (in a language the

	accused understands) usually suffices, while deliberate concealment of material reasons or complete failure to inform will render an arrest illegal. Read Here
○	The Supreme Court consolidates petitions challenging the Online Gaming Act, 2025 The Supreme Court allowed the Centre’s plea to transfer petitions and consolidated all writ petitions filed with several High Courts challenging the Promotion and Regulation of Online Gaming Act, 2025. The Court’s order ensures that all questions relating to the constitutional validity of the legislation, the Centre’s competence vis-à-vis States, and the scope of regulation over online money gaming, esports, payment intermediaries and advertising will now be decided at the apex level. The Online Gaming Act, 2025, which came into force in August 2025, provides a centralised framework for classification and licensing of online games, distinguishes permissible entertainment and esports from prohibited or licensed money gaming, and imposes obligations on intermediaries, platforms and payment service providers. Read Here
○	A legal notice under the Negotiable Instruments Act, 1881 Act is invalid if the amount demanded is different from the cheque amount. <i>[Kaveri Plastics v. Mahdoom Bawa Bahrudeen Noorul - Supreme Court of India, Judgment Dated 19.09.2025 in Special Leave Petition (Crl.) Nos. 11184-11185/2024]</i> The Supreme Court has reinforced the strict requirements for a valid legal notice under Section 138 of the Negotiable Instruments Act, 1881 (“NI Act”). The case involved a cheque for ₹1,00,00,000 that was dishonored. When the complainant sent a legal notice, they mistakenly demanded double the amount - ₹2,00,00,000. Despite the complainant's claim that this was a "typographical

error," both the Delhi High Court and the Supreme Court found the notice to be invalid. This ruling clarifies a critical aspect of the law on cheque dishonor.

The Court's decision rests on a strict interpretation of penal statutes. It emphasized that the phrase "the said amount of money" in the NI Act refers specifically and exclusively to the exact amount for which the cheque was drawn. Demanding any different amount, whether higher or lower, in the legal notice invalidates it entirely. The Court explicitly rejected the "typographical error" defense, stating that compliance with the notice condition must be "meticulous" because the offense itself is technical. The fact that the error was repeated in a second notice further undermined the claim of inadvertence.

This judgment serves as a clear warning to all parties initiating proceedings under the NI Act. The Court clarified that while a notice can include additional claims like legal fees or interest, it must first and foremost correctly and precisely demand the cheque amount itself. Since the notice in this case failed to meet this fundamental requirement by demanding an incorrect amount, the entire legal proceeding was deemed unsustainable.

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- **Jurisdiction and maintainability must be decided before the trial and evidence begin.**

[Anju Gupta v. Smt. Neeta Varmani & Ors. – High Court of Delhi, Judgment Dated 22.09.2025 in CM(M) No. 1882 of 2025]

The Delhi High Court has reiterated a fundamental principle of civil procedure: a court must decide on its own jurisdiction and the maintainability of a lawsuit before moving forward with the trial. In this case, the defendant, Anju Gupta, argued that the plaintiff's suit was improperly valued and exceeded the Trial Court's pecuniary jurisdiction. She filed an application to have the suit returned to the proper court. Despite this application being pending for over two years, the Trial Court scheduled the case for the

plaintiff's evidence without addressing the jurisdictional challenge. The defendant appealed to the High Court, contending that this would be a futile exercise if the court later determined it had no authority to hear the case.

The Delhi High Court agreed with the defendant and allowed the petition. The Court's decision was a direct and firm directive to the Trial Court to address the jurisdictional issue first. The judgment reaffirms the well-established legal principle that jurisdiction and maintainability are threshold issues that must be decided at the very beginning of a case.

While the High Court did not offer an opinion on the merits of the case itself, it provided a clear procedural direction, ensuring that the correct legal process is followed and all parties' rights and contentions are properly addressed.

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- **The Supreme Court quashes criminal proceedings in property sale dispute, holds cheating and breach of trust not made out**

[Arshad Neyaz Khan Vs State of Jharkhand And Another (2025 INSC 1151)]

In a significant judgment, the Supreme Court allowed the Plaintiff's challenge and quashed criminal proceedings under Sections 406, 420 and 120B Indian Penal Code, 1860 arising from a property sale dispute. The High Court of Jharkhand had declined to quash, but the Supreme Court found that the complaint and FIR failed to establish the essential ingredient of cheating, that is, a fraudulent or dishonest intention at the very inception of the agreement. The Court held that mere failure to fulfill a contractual promise later does not automatically convert the act into criminal cheating. On the count of criminal breach of trust, the Court found that the complaint did not show entrustment and misappropriation in the required manner. Importantly, the Court emphasized that cheating and criminal breach of trust are conceptually inconsistent and cannot simultaneously be pressed on the same facts when offences overlap inconsistently. The judgment also remarked upon the eight-

	year delay in filing the complaint, lack of detailed pleading of mens rea, and the risk of using criminal law as a tool for commercial enforcement. The Supreme Court allowed the appeal and quashed the FIR, the complaint, and all ensuing proceedings. Read Here
○	The Enforcement Directorate intensifies enforcement actions under the Prevention of Money Laundering Act (PMLA) Between September 11 and 13, 2025, the Enforcement Directorate (ED) reported a series of coordinated actions across multiple states, highlighting its continuing focus on financial fraud and money laundering cases. In the Itanagar zone, searches were conducted in connection with an alleged fake input tax credit fraud. Parallel raids and surveys were carried out in Gurugram, Bengaluru and Chennai in relation to a large-scale bank fraud matter linked to a power group. The agency also filed a prosecution complaint in the so-called “Amrud Bagh” or guava orchard illegal compensation case in Jalandhar, in which local revenue officers were named. These actions reflect the ED’s increasing use of search, seizure and prosecution complaints to convert financial fraud investigations into full-fledged money laundering prosecutions once a money trail is established. Read Here
○	Adding components to an imported product that changes its character and utility constitutes 'manufacture'. <i>[M/S Quippo Energy Ltd. v. Commissioner of Central Excise Ahmedabad – II – Supreme Court of India, Judgment Dated 19.09.2025 in Civil Appeal NOS. 9418-9420 OF 2016]</i> The Supreme Court has clarified what constitutes "manufacture" under the Central Excise Act, 1944, ruling that the process of transforming imported goods into a new, distinct product is subject to excise duty. In this case, Quippo Energy Ltd. imported gas-generating sets (Gensets), placed them

inside steel containers, and added various components like radiators and fans to make them fully functional. The company then leased these finished products, called "Power Packs," to customers. The Central Excise department argued that this process was "manufacture," a position the Supreme Court ultimately upheld.

The Court's decision was based on a two-pronged test for "manufacture": whether the process creates a new and distinct product with a different identity and whether the new product is marketable. The Court found that both tests were met. By placing the Genset inside a container and adding new parts, the company created a different product with a unique character and identity. The added components were deemed essential "parts" rather than mere "accessories" because they gave the product a crucial new functional utility: portability. This "profound distinction" was held to be a transformation.

The Court also found that the marketability test was satisfied, as the Power Packs were the very products being leased to customers. Since both the transformation and marketability tests were cumulatively met, the Court concluded that the process amounted to "manufacture."

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- **The Supreme Court confirms expert regulatory role in electricity disputes; private buyers cannot upend regulator allocations**

[Haryana Power Purchase Centre & Ors. v. GMR Kamalanga Energy Ltd. & Ors., 2025 INSC 1079]

In the matter concerning power purchase disputes, the Supreme Court has upheld orders of the Central Electricity Regulatory Commission and the Appellate Tribunal for Electricity. State procurers, represented by Haryana Power Purchase Centre, had challenged the regulator's apportionment of extra costs where a generator obtained costlier imported coal during domestic shortages. The Court rejected the argument of state electricity purchasers that

	the matter should be treated as a simple contractual dispute. It held that proceedings under Sections 62 and 63 of the Electricity Act, 2003 which govern tariff determination and pricing, are distinct from ordinary contractual claims and must be assessed within the specialised regulatory framework. The Court held that the findings of regulators and specialist tribunals on technical and industry matters deserve deference unless shown to be perverse. It clarified that contracts in the power sector are subject to statutory overlay and must be interpreted in light of regulatory pricing mechanisms. Read Here
○	The Bombay High Court upholds Insurance Ombudsman award against insurer and condemns insurer’s attempt to avoid liability <i>[Tata AIG General Insurance Co. Ltd. v. Preeti Sharma, Writ Petition No. 11432/2025]</i> The Bombay High Court dismissed Tata AIG’s challenge to an Insurance Ombudsman award. The policyholder, a housing-loan borrower, had died, and the widow’s claim under the linked insurance policy was denied by the insurer. The Ombudsman ordered payment of approximately ₹27 lakh with interest. Tata AIG sought to set aside the award, alleging errors of law and excess of jurisdiction. Justice Amit Borkar rejected these arguments, noting that the Ombudsman had acted within powers and that the insurer’s repudiation was not <i>bona fide</i>. The Court emphasised that ambiguous terms in consumer insurance contracts are construed against the drafter under the contra proferentem principle. Observing that genuine claimants should not be forced into prolonged litigation, the Court directed Tata AIG to comply within a short timeline. Read Here
○	Delhi State Consumer Commission passes refund and replacement orders for defective goods <i>[Samran Media Consultants Pvt. Ltd. v. Mercedes-Benz India Pvt. Ltd. (CC</i>

No.158/2023)]

The Delhi State Consumer Disputes Redressal Commission, in the matter decided on September 12, 2025, directed Mercedes-Benz India Pvt. Ltd. to refund the purchase price and related costs to Samran Media Consultants Pvt. Ltd. after finding persistent defects in a Mercedes-Benz EQS580 electric car. The complainant had reported multiple serious issues within a short period of ownership: sensor failures, sudden stoppage, repeated visits to the workshop and malfunctioning safety systems, and the Commission concluded that these recurring problems established a manufacturing defect. Since the specific model was discontinued and a replacement was not feasible, the Commission awarded a near-complete refund (reported at about ₹1.78 crore), interest on the loan, compensation for mental agony, and litigation costs. The Bench rejected jurisdictional and maintainability objections raised by the manufacturer and dealer, emphasising manufacturer accountability for product quality and post-sale service.

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- **The Supreme Court holds that cash loans above ₹20,000 remain enforceable under Section 138 of the Negotiable Instruments Act, 1881 and issues procedural reforms.**

[Sanjabij Tari V. Kishore S. Borcar & Anr. (Criminal Appeal No. 1755 of 2010)]

In a significant judgment, the Supreme Court clarified that prosecutions under Section 138 of the Negotiable Instruments Act (“NI Act”) are maintainable even where the debt arises from a cash transaction exceeding ₹20,000, even if in violation of Section 269SS of the Income Tax Act, 1961. The Court held that such a debt continues to be a “legally enforceable debt” for the purpose of Section 138 of the NI Act, and that a violation of income-tax provisions restricting cash dealings does not automatically invalidate the presumption of debt for cheque bounce proceedings. The Court reaffirmed that the legislative intent behind the Income Tax Act, 1961 is to discourage unaccounted cash

	transactions through fiscal penalties, not to extinguish valid civil obligations. The Court also issued detailed directions to expedite cheque-bounce cases, including flexible timelines for compounding at different stages and the possibility of probation or conditional release where compensation has been fully paid. Read Here
○	The Supreme Court rules on distinction between homebuyers and speculative investors under the Insolvency and Bankruptcy Code <i>[Mansi Brar Fernandes & Ors. v. Shubha Sharma & Ors., 2025 INSC 1110]</i> The Supreme Court has held that persons who enter into assured-return or buy-back agreements with developers are not “homebuyers” within the meaning of the Insolvency and Bankruptcy Code, 2016 (IBC) but are speculative investors. Such persons cannot initiate insolvency proceedings under Section 7 of the IBC. The Court found that contracts promising guaranteed returns or functioning as investment vehicles do not represent genuine real estate purchases but are structured as financial investments. The Court clarified that the IBC is intended to protect genuine homebuyers seeking possession and not speculative investors pursuing financial returns. It further issued systemic directions to strengthen processes at NCLT and NCLAT and called for coordination with RERA authorities to verify claims. This landmark ruling significantly narrows the class of persons entitled to invoke the IBC against real estate developers and provides much-needed clarity to prevent misuse of insolvency proceedings for investment disputes. Read Here
○	A Borrower's Right to an OTS is not Absolute and Requires Strict Compliance with the Scheme's Terms. <i>[Assistant General Manager, SBI & Anr. v. Tanya Energy Enterprises - Supreme Court of India, Dated 15.09.2025 in Civil Appeal NO. 11134 OF 2025]</i>

The Supreme Court recently clarified that a defaulting borrower has no absolute right to a One-Time Settlement (OTS) and must meticulously follow the terms of the bank's scheme. In this case, Tanya Energy Enterprises, a borrower, defaulted on a loan from the State Bank of India (SBI) and applied for a settlement under the bank's OTS 2020 Scheme. However, its application was rejected because it failed to make the mandatory upfront payment of 5% of the proposed settlement amount. The borrower's subsequent appeal to the Andhra Pradesh High Court was successful, but SBI appealed this decision to the Supreme Court.

The core issue before the Supreme Court was whether the High Court was justified in overriding SBI's decision. The Supreme Court overturned the High Court's ruling, emphasizing that strict compliance with all eligibility criteria of an OTS scheme is non-negotiable. The Court held that the borrower's failure to make the initial 5% payment rendered the application incomplete and ineligible from the start.

Ultimately, the Supreme Court permitted SBI to continue with its recovery actions under the SARFAESI Act, 2002. However, in a gesture of fairness, the Court also gave the borrower one final opportunity to propose a new settlement offer to SBI, separate from the specific terms of the OTS 2020 Scheme.

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- **The right of redemption under the SARFAESI Act is extinguished upon the publication of an auction notice.**

[M. Rajendaran & Ors. v. M/s KPK Oils and Proteins India Pvt. Ltd. & Ors. - Supreme Court of India, Judgment dated 22.09.2025 in Civil Appeal NO. 12174 OF 2025]

The Supreme Court has delivered a definitive judgment on a borrower's right of redemption under the SARFAESI Act, 2002, ("Act") resolving a long-standing conflict among various High Court rulings. This case arose when a mortgaged property was auctioned by a bank after the borrowers defaulted. The borrowers later attempted to redeem the property by paying their dues, and the Madras High Court allowed this, relying on an older precedent that the right of redemption exists until the sale deed is registered. The auction purchasers appealed, arguing that a 2016 amendment to Section 13(8) of the Act had changed the law.

The Supreme Court sided with the auction purchasers, clarifying that the right of redemption is extinguished much earlier under the amended law. The Court held that a borrower loses this right on the date of publication of the notice for public auction. This marks a significant departure from the previous position where the right extended until the completion of a registered sale deed. The Court also clarified that the different notices and publications required before a sale are collectively considered a single "notice of sale," and the 30-day period begins from the date of the notice's issuance, encompassing all its forms.

The Court rejected the argument that the old law should apply because the loan was taken before the amendment, stating that the amended law, being procedural, applies to all "alive claims." While the Court upheld the amended law, it also pointed out inconsistencies within the statute and urged the Ministry of Finance to make necessary changes to prevent future litigation.

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- **Penalties for bid-rigging can be based on total turnover in cases where the 'relevant turnover' is zero.**

[Satish Kumar Agarwal v. Competition Commission of India – NCLAT, Judgment dated 16.09.2025 in Competition Appeal (AT) No. 39 of 2022, I.A Nos. 3062, 3063 of 2022]

The NCLAT recently clarified the legal principles of bid-rigging and the calculation of penalties under the Competition Act, 2002, especially in cases where the parties involved have no direct turnover from the anticompetitive activity. The case involved two entities, Satish Kumar Agarwal and Siddhi Vinayak & Sons, that were found to have acted as "cover bidders" in a soil-testing tender for the Government of Uttar Pradesh. They had no experience in the field and used fabricated documents, leading the Competition Commission of India (CCI) to impose a penalty based on their total average turnover. The appellants challenged this, arguing that the penalty should have been based on "relevant turnover" (which was zero) from the specific activity.

The NCLAT upheld the finding that the appellants had violated the Act, noting the overwhelming evidence of collusion, including the use of fake documents and a common IP address with a rival company. However, the NCLAT also addressed the core issue of the penalty calculation. While it agreed with the principle of "relevant turnover," it also recognized that applying this strictly to first-time bidders with zero turnover from the collusive activity would result in a "nil penalty," which would undermine the purpose of the Act. Therefore, the NCLAT agreed that in such "peculiar" zero-turnover cases, it is appropriate to use total turnover for penalty calculation.

Despite upholding the CCI's approach to the penalty basis, the NCLAT found that the 5% penalty was excessive. The tribunal reduced the penalty from 5% to 3% of the average annual turnover, reasoning that the appellants had played a supporting role as "cover bidders" and had not won the tenders. This decision balances the need to deter anticompetitive behavior with the principle of proportionality, affirming that while total turnover can be used as a basis for penalties in certain circumstances, the specific role and impact of the violators must also be considered.

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- **IBC proceedings override winding-up claims, and the commercial wisdom of the CoC is paramount.**

[Sylvan Commercial Private Limited v. Nitin Daga – NCLAT, Judgment Dated 18.09.2025 in Company Appeal (AT) (Insolvency) No. 995 & 996 of 2024]

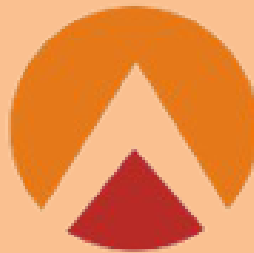
The NCLAT has clarified the role of a Resolution Professional (RP) and the finality of a resolution plan under the Insolvency and Bankruptcy Code, 2016 (IBC). In this case, Sylvan Commercial Pvt. Ltd. (Sylvan) had a claim against a company undergoing insolvency proceedings. The claim was partially admitted by an Official Liquidator under the old winding-up regime but was later rejected by the RP under the new IBC process for being belated and unsubstantiated. The NCLT approved a resolution plan that provided zero payment for Sylvan's claim, and the company appealed.

The NCLAT dismissed the appeal, affirming that the IBC overrides the old winding-up proceedings. It held that the Official Liquidator's earlier admission of the claim was not binding on the RP, who has a mandatory duty to independently collate and verify all claims according to IBC regulations. The NCLAT found that the RP's rejection was justified because Sylvan failed to provide sufficient documentary evidence to substantiate its claim, with many of the invoices being for "frivolous" items and the claim for interest being unsubstantiated by any agreement.

The Court also emphasized that the commercial wisdom of the Committee of Creditors is paramount and non-justiciable. Since the approved resolution plan complied with the IBC and had been approved with a 100% vote, the rejection of Sylvan's claim was not a "material irregularity" that would warrant setting aside the entire plan. However, in a unique and partial modification, the NCLAT noted that the Successful Resolution Applicant had voluntarily offered to pay Sylvan the amount previously admitted by the Official Liquidator. The court allowed this payment as a matter of justice, provided

	Sylvan accepted it as a full and final settlement, without affecting the financial plan for other creditors. Read Here
○	The Supreme Court clarifies judicial limits in insolvency resolution — Committee of Creditors’ decisions are final unless illegal <i>[Kalyani Transco v. M/s Bhushan Power and Steel Limited and Others (2025 INSC 1165)]</i> The Supreme Court has clarified the extent to which courts may interfere with the commercial decisions of creditors under the Insolvency and Bankruptcy Code, 2016 (IBC). The case arose from the resolution proceedings of Bhushan Power & Steel Ltd., one of India’s largest corporate insolvencies, which has clarified important principles governing the IBC and the enforcement of foreign arbitral awards in India. The Court examined whether, after a plan is approved by the Committee of Creditors (CoC) and the National Company Law Tribunal (NCLT), subsequent challenges can reopen the process on grounds such as treatment of residual claims, delay in implementation, or distribution of proceeds. The Supreme Court held that once a resolution plan has been duly approved by the CoC and the NCLT under Sections 30 and 31 of the IBC, courts and tribunals cannot substitute their commercial judgment for that of the creditors. Judicial interference is permissible only when there is evidence of illegality, fraud, or material irregularity affecting the statutory process. The Court also reiterated that timely completion and certainty are fundamental to insolvency resolution and that reopening settled plans undermines the IBC’s objectives. Read Here

CONTACT



ALBA LAW OFFICES

3D, Girdhar Apartment 28, Firozshah Road New Delhi – 110001

| Tel: +91-11-3545 4252 | Email: delhi@albalawoffices.com |

Web: www.albalawoffices.com