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JUDGEMENTOPEDIA

(Learning Judgements For A Living)

- 1 Can the Adjudicating Authority (NCLT) and the Appellate Tribunal (NCLAT) interfere with the commercial wisdom of the Committee of Creditors (CoC) in approving a resolution plan under the Insolvency and Bankruptcy Code, 2016, and does the Code mandate equal treatment for all classes of creditors?
- 2 Whether candidates with Master's degrees in Microbiology or Food Science and Technology eligible for FSO positions if the recruitment advertisement specifies a degree in related fields?
- 3 Whether a husband can be held liable in arbitration for his wife's trading losses based on alleged oral joint liability, and if the award against him was rightly set aside?
- 4 Was the Delhi High Court right in striking off the appellant's defence for not appearing under Order X CPC, and was the appeal dismissal justified?
- 5 Supreme Court held that Sub-Registrar can't deny registration for lack of title proof under 1983 Rules



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Committee Of Creditors Of Essar Steel India
Ltd. V. Satish Kumar Gupta
[(2019) 16 S.C.R. 275]

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Chandra Shekhar Singh and Others Vs. State of
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[2025 SCC OnLine SC 595]

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AC Chokshi Share Broker Private Limited
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K. Gopi Vs. The Sub-Registrar & Ors.
[2025 INSC 462]



Can the Adjudicating Authority (NCLT) and the Appellate Tribunal (NCLAT) interfere with the commercial wisdom of the Committee of Creditors (CoC) in approving a resolution plan under the Insolvency and Bankruptcy Code, 2016, and does the Code mandate equal treatment for all classes of creditors?

CONTEXT: These appeals and writ petitions arose from a judgment of the National Company Law Appellate Tribunal (NCLAT) that had set aside the resolution plan approved by the Committee of Creditors (CoC) for Essar Steel India Ltd. The NCLAT had, among other things, directed the admission of certain claims and appeared to apply a principle of equality of treatment across different classes of creditors, including secured and unsecured financial creditors, as well as financial and operational creditors. This led to a challenge before the Supreme Court regarding the scope of judicial review by the NCLT and NCLAT over decisions of the CoC and the interpretation of the principle of equitable treatment under the Insolvency and Bankruptcy Code, 2016 (the Code).

- 1** The Supreme Court allowed the appeals and set aside the judgment and order of the NCLAT.
- 2** The Court held that the Adjudicating Authority's jurisdiction is circumscribed by Section 30(2) of the Code, and the Appellate Tribunal's jurisdiction is circumscribed by Section 32 read with Section 61(3) of the Code.
- 3** The Supreme Court affirmed the primacy of the commercial wisdom of the Committee of Creditors in approving resolution plans, provided that the plan complies with the requirements of Section 30(2) and Regulation 38 of the Code.
- 4** The Court clarified that equitable treatment does not mean treating unequal creditors equally but rather according fair and equitable treatment to each creditor depending on the class to which it belongs (secured/unsecured, financial/operational).
- 5** The Court rejected the notion of a residual equity jurisdiction in the Adjudicating Authority or the Appellate Tribunal to interfere on the merits of a business decision taken by the requisite majority of the CoC, as long as the interests of all stakeholders have been considered.

**COMMITTEE OF
CREDITORS OF ESSAR
STEEL INDIA LTD. V.
SATISH KUMAR GUPTA
[(2019) 16 S.C.R. 275]**

**SECTIONS 30(2) , 32
READ WITH 61(3) OF
THE INSOLVENCY AND
BANKRUPTCY CODE,
2016**

**REGULATION 38 OF
THE INSOLVENCY AND
BANKRUPTCY BOARD
OF INDIA (INSOLVENCY
RESOLUTION PROCESS
FOR CORPORATE
PERSONS)
REGULATIONS, 2016**

Whether candidates with Master's degrees in Microbiology or Food Science and Technology eligible for FSO positions if the recruitment advertisement specifies a degree in related fields?

CONTEXT: The appellants, with postgraduate degrees in microbiology and food technology, applied for Food Safety Officer positions via a JPSC notification requiring a degree in specified fields. Despite passing the written exam, they were disqualified as their Master's degrees were deemed insufficient. The University Grants Commission (UGC) initially affirmed that 'degree' would include any degree (Bachelor's or Master's) but later submitted that the degree should have prior approval from the Central Government. Both single and intra-court appeals were dismissed by the Jharkhand High Court, prompting a special leave petition to the Supreme Court.

① The Supreme Court allowed the appeal and set aside the judgments of the High Court, holding that the appellants possessing post-graduate degrees in relevant subjects were qualified for the post of FSO.

② The Court directed the respondents to allow the appellants to participate in the interview stage of the 2016 recruitment process and, if successful, to offer them appointments by creating supernumerary posts if necessary, while clarifying that their seniority would be below the last selected candidate and they would not be entitled to back wages.

**CHANDRA SHEKHAR
SINGH AND OTHERS
VS. STATE OF
JHARKHAND AND
OTHERS**
**[2025 SCC ONLINE SC
595]**

**SECTION 22(3) OF THE
UNIVERSITY GRANTS
COMMISSION ACT, 1956**

**SECTIONS 37, 91, 94 OF
THE FOOD SAFETY AND
STANDARDS ACT,
2006 (FSS ACT)**

**RULE 2.1.3 OF THE
FOOD SAFETY AND
STANDARD RULES,
2011 (FSS 2011 RULES)**

Whether a husband can be held liable in arbitration for his wife's trading losses based on alleged oral joint liability, and if the award against him was rightly set aside?

CONTEXT: The appellant, a registered stockbroker, initiated arbitration against Respondent No. 2 (wife) for a debit balance accrued in her trading account and also impleaded Respondent No. 1 (husband), claiming they were jointly and severally liable based on an oral representation made by the husband at the time of opening the account. The arbitral tribunal found both respondents jointly and severally liable. The single judge of the High Court dismissed the respondents' application to set aside the award. However, the Division Bench of the High Court allowed the husband's appeal under Section 37 of the Arbitration and Conciliation Act, 1996 (hereinafter referred to as the Act), setting aside the award only against him. The appellant then appealed to the Supreme Court against this order. The Supreme Court considered whether the arbitral tribunal had jurisdiction over the husband under Bye-law 248(a) of the Bombay Stock Exchange Bye-laws, 1957 (hereinafter referred to as BSE) and whether the High Court correctly exercised its jurisdiction under Section 37 of the Act in setting aside the award against the husband on grounds of perversity and patent illegality.

The Supreme Court allowed the appeal and set aside the impugned order of the High Court, thereby upholding the arbitral award in its entirety, making Respondent No. 1 jointly and severally liable with Respondent No. 2 for the debit balance.

**AC CHOKSHI SHARE
BROKER PRIVATE
LIMITED VS. JATIN
PRATAP DESAI &
ANR.
[2025 INSC 174]**

**SECTIONS 4, 16, 34, 37
OF THE ARBITRATION
AND CONCILIATION
ACT, 1996**

**SEBI GUIDELINES
DATED 18.11.1993**

Was the Delhi High Court right in striking off the appellant's defence for not appearing under Order X CPC, and was the appeal dismissal justified?

CONTEXT: The appellant and respondent married in May 1999 and moved to the USA. The appellant filed for divorce in the US in July 1999, and the respondent returned to India and filed a suit in the Delhi High Court in September 1999 seeking separate living arrangements and maintenance. The Delhi High Court restrained the appellant from proceeding with the US divorce, but a divorce decree was granted in the US in November 1999. The Delhi High Court, noting the divorce despite its restraint order, directed the appellant to appear in person under Order X Civil Procedure Code, 1908 (CPC). Despite multiple opportunities and an assurance against arrest for a related criminal proceeding, the appellant failed to appear. Consequently, the Single Judge struck off the appellant's defence, and the Division Bench of the High Court dismissed the appeal against this order.

- 1 The Supreme Court dismissed the appeal, upholding the decision of the Delhi High Court to strike off the appellant's defence.
- 2 The Court reasoned that Order X CPC is an enabling provision and does not bar the court from seeking clarification from a party at any stage before framing issues if it serves the interest of justice.
- 3 The appellant's persistent refusal to appear despite being given several opportunities justified the High Court's action, particularly considering the doubts surrounding the American divorce decree obtained while a restraint order was in effect.
- 4 The Supreme Court also referred to its earlier decision in M/s. Ram Chand and Sons Sugar Mills Pvt. Ltd. Versus Kanhaya Lal Bhargava and others [(1966) 3 S.C.R. 856], where a similar order of striking off defence for non-appearance was upheld based on the inherent powers under Section 151 CPC.
- 5 The Court held that the inherent powers under Section 151 CPC can be exercised to advance the ends of justice and technicalities should not impede such action.

VIKAS AGGARWAL V.
ANUBHA
[APPEAL (CIVIL) 2660
OF 2002]

**ORDER X RULE 4,
SECTION 151 OF THE
CODE OF CIVIL
PROCEDURE (CPC),
1908**

**SECTION 41(a) & (b)
OF THE SPECIFIC
RELIEF ACT, 1963**

Supreme Court held Sub-Registrar can't deny registration for lack of title proof under 1983 Rules

CONTEXT: The appellant's sale deed, executed by Mr. Jayaraman Mudaliyar, was refused registration by the Sub-Registrar on the ground that the vendor failed to prove title, citing Rule 55A of the Tamil Nadu Registration Rules, 1983. The appellant challenged this refusal through writ petitions and appeals, all of which were dismissed by the High Court.

1 The Supreme Court allowed the appeal, set aside the High Court's judgments, and declared Rule 55A(i) of the Tamil Nadu Registration Rules, 1983, as ultra vires the Registration Act, 1908.

2 The Court held that the Registration Act does not empower the Sub-Registrar to reject a document for lack of proof of title. The registering officer's role is procedural, and registration does not validate ownership.

3 The Court directed the sale deed to be registered once procedural compliance is fulfilled.

**K. GOPI VS. THE SUB-
REGISTRAR & ORS.**
[2025 INSC 462]

**SECTION 69 OF THE
REGISTRATION ACT,
1908**

**RULE 55A(I) OF THE
TAMILNADU
REGISTRATION
RULES, 1983**

**SECTIONS 22-A, 22-B
OF THE
REGISTRATION
(TAMIL NADU
AMENDMENT) ACT,
2008**