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A WARM WELCOME FROM RENAISSANCE UNIVERSITY FAMILY

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VINISHMA TECHNOLOGIES PVT. LTD. V. THE STATE OF CHHATTISGARH & ANOTHER

In a landmark judgment reaffirming the constitutional principles of equality and freedom of trade, the Supreme Court struck down a restrictive tender condition imposed by the State of Chhattisgarh, holding that it violated Articles 14 and 19(1)(g) of the Constitution.

The impugned clause had confined eligibility to bidders who had previously supplied goods to the Chhattisgarh Government, effectively excluding other capable suppliers and restricting fair competition.

The case arose when Vinishma Technologies Pvt. Ltd., a company engaged in supplying sports kits, was disqualified from participating in a government tender because it had no prior supply experience with the State. The company challenged the tender condition before the Chhattisgarh High Court, which upheld the State's decision as a reasonable measure ensuring reliability. Dissatisfied, the company approached the Supreme Court.

The Court held that while the State possesses discretion to prescribe eligibility conditions in tenders, such discretion must operate within the bounds of constitutional mandates. Citing precedents like *Ramana Dayaram Shetty v. International Airport Authority of India* and *Global Energy Ltd. v. Adani Exports Ltd.*, the Bench reiterated that public procurement must be guided by fairness, non-arbitrariness, and transparency core components of Article 14.

The Court found the tender condition to be discriminatory and arbitrary, as it excluded entities that had extensive experience elsewhere but none within Chhattisgarh. Such exclusion, the Court noted, had no rational nexus with the object of ensuring efficient supply and instead created an artificial barrier to trade, infringing the right to carry on any occupation, trade, or business guaranteed under Article 19(1)(g).

Rejecting the State's justification that the clause was necessary for reliability or logistical convenience, the Court emphasised that administrative efficiency cannot come at the cost of constitutional fairness. It therefore quashed the tender condition and directed the State to reissue the tender in compliance with constitutional principles ensuring equal opportunity and free competition.

This judgment is significant as it strengthens constitutional safeguards in public procurement by ensuring that State discretion in economic matters remains subject to Articles 14 and 19(1)(g).

It underscores that tender processes must create a level playing field, fostering fairness and open competition rather than arbitrary exclusion.

Read the full judgment here:

https://www.verdictum.in/pdf_upload/vinishma-technologies-private-limited-v-the-state-of-chattisgarh-another-1747737.pdf

TAXABILITY OF PRINTING MATERIALS IN WORKS CONTRACTS UPHOLD UNDER ARTICLE 265: SUPREME COURT CLARIFIES DEEMED SALE DOCTRINE

M/S ARISTO PRINTERS PVT. LTD. V. COMMISSIONER OF TRADE TAX, LUCKNOW, U.P.

In a significant ruling interpreting Article 265 of the Constitution, which mandates that no tax shall be levied or collected except by authority of law, the Supreme Court upheld the imposition of a trade tax on ink, chemicals, and processing materials used in the printing of lottery tickets. The Court held that such materials constitute a “deemed sale” under Article 366(29A)(b), read with Section 3F(1)(b) of the Uttar Pradesh Trade Tax Act, 1948.

The case arose when Aristo Printers Pvt. Ltd., which engaged in printing lottery tickets using paper supplied by its clients, was assessed for tax on the ink, processing chemicals, and packing materials used during printing. The company contended that these items were mere consumables and not “goods” transferred in the course of a works contract. While the appellate authorities partly accepted this argument, the Allahabad High Court restored the tax liability, prompting the present appeal.

Rejecting the assessor’s plea, the Supreme Court clarified that in a works contract, property in goods is deemed to be transferred when such goods are incorporated into the final product, even if in a diluted or chemically altered form. The Court noted that ink and

processing chemicals become an inseparable part of the printed ticket and thus qualify as “goods” transferred to the client.

Relying on the constitutional framework of Article 366(29A) (expanding the definition of “tax on the sale of goods” to include works contracts), the Bench observed that taxability arises from the transfer of property in goods involved in execution, not merely from their physical delivery. Therefore, taxing such transactions is constitutionally valid under Article 265, provided it is backed by legislative authority.

The Court dismissed the appeal, affirming that ink, chemicals, and packing materials used in printing lottery tickets are taxable under the U.P. Trade Tax Act.

This judgment is significant as it reinforces the constitutional legitimacy of taxing works contracts, clarifies the scope of “deemed sale” under Article 366(29A), and narrows the interpretation of “consumables” excluded from taxation. It upholds the principle that all taxation must align with Article 265 while ensuring that industrial and commercial transactions involving incorporated materials are brought within the legal tax framework.

READ THE FULL JUDGMENT Here:

https://www.verdictum.in/pdf_upload/aristo-printers-pvt-ltd-v-commissioner-of-trade-taxwatermark-1747995.pdf

NAVIGATING PROMOTION ELIGIBILITY: CALCUTTA HIGH COURT'S STANCE ON EXTRAORDINARY LEAVE AND TEACHING EXPERIENCE IN DEAN IN CHARGE

DEAN IN CHARGE, ESI-PGIMSR & ORS. V. DR. BIJITA DUTTA & ORS. (CALCUTTA HIGH COURT, 2025)

In *Dean in Charge, ESI-PGIMSR & Ors. v. Dr. Bijita Dutta & Ors.* (2025), the Calcutta High Court, through a Division Bench comprising Justices **Madhuresh Prasad and Supratim Bhattacharya**, ruled that the period spent on extraordinary leave for pursuing a super-specialty course cannot be counted toward the mandatory teaching experience required for promotion. The court set aside a Central Administrative Tribunal order, upholding the decision of the Employees' State Insurance Corporation (ESIC) to deny promotion to Dr. Bijita Dutta.

Dr. Dutta was appointed as an Assistant Professor in the Department of Pathology at ESI-PGIMSR on May 26, 2016. She took extraordinary leave from August 8, 2016, to August 7, 2019, to pursue a DM in Clinical Haematology, resuming duties on August 8, 2019. She was later transferred to ESIC Medical College and Hospital on November 9, 2021. The ESIC Recruitment Regulations, 2015, require five years of regular service as an Assistant Professor for promotion to Associate Professor, subject to fulfilling the National Medical Commission (NMC) norms, which mandate four years of teaching and research experience (NMC Regulations, 2019). On February 6, 2023, a promotion list excluded Dr. Dutta's name.

The Departmental Promotion Committee (DPC), in its February 2, 2023, decision, deemed her ineligible, as her three years on extraordinary leave did not count as teaching experience. Dr. Dutta's representation was rejected by the ESIC Director General.

Aggrieved, Dr. Dutta approached the Central Administrative Tribunal, which set aside the ESIC's order, directing a review DPC and holding that extraordinary leave for study purposes should count as qualifying service. ESIC challenged this before the Calcutta High Court, arguing that the Tribunal misinterpreted the 2015 Regulations and NMC norms.

They cited Regulation 3.11 of the NMC Teachers' Eligibility Qualifications Regulations, 2022, which excludes time spent acquiring a super-specialty degree from teaching experience for promotion. Dr. Dutta countered that this exclusion applies only to promotions within super-specialty departments, not to her role in Pathology, a non-super-specialty field.

The court rejected Dr. Dutta's interpretation, clarifying that Regulation 3.11 applies universally, regardless of the department. It emphasized that the NMC Regulations, 2019, require four years of active teaching and research experience, which Dr. Dutta did not fulfill during her leave for academic studies. The court relied on Supreme Court precedents, including *V.B. Prasad v. Manager, P.M.D. Upper Primary School* (2007) and *Vivek Mudgil v. State of U.P.* (2017), which held that study leave periods cannot count as teaching experience when regulations mandate specific experience for promotion eligibility.

The court upheld the DPC's decision, finding it aligned with the legal framework, and declared the Tribunal's order unsustainable. It concluded that extraordinary leave for super-specialty courses does not contribute to the required teaching experience. Consequently, the ESIC's writ petition was allowed, reinforcing the importance of strict adherence to promotion criteria.

Read full guidelines:

https://www.livelaw.in/pdf_upload/dean-in-charge-esi-pgimsr-ors-vs-dr-bijita-dutta-ors-624496.pdf

UPHOLDING DISCIPLINARY INTEGRITY: CALCUTTA HIGH COURT ON PAST MISCONDUCT IN PUNISHMENT DETERMINATION

YESHVEER V. UNION OF INDIA & OTHERS (CALCUTTA HIGH COURT, 2025).

In *Yeshveer v. Union of India & Others (2025)*, the Calcutta High Court, through a Division Bench comprising Justices Sujoy Paul and Smita Das De, upheld that referencing an employee's past misconduct in a charge-sheet to determine punishment does not render disciplinary proceedings illegal. The court dismissed the appeal of a Central Industrial Security Force (CISF) constable, affirming the proportionality of the imposed penalty and the validity of the disciplinary process.

The appellant, a constable posted at Bongaigaon Refinery and Petrochemicals Limited (BRPL), faced a major penalty charge-sheet on December 11, 2008, for three counts of misconduct related to abandoning his security post at the main gate. He denied the charges, but an enquiry officer found all charges proven, leading the disciplinary authority to impose removal from service. On appeal, the appellate authority modified the penalty to a reduction in pay to a lower stage for three years without increments. The appellant's revision petition was dismissed, and a subsequent writ petition before a Single Judge was also rejected, prompting the appeal.

The appellant argued that the charge-sheet was vague, lacking specifics like the identities of 16 strangers who allegedly entered the premises during his absence, hindering his defense.

He further contended that Charge No. 3, referencing a 2007 misconduct for which he was already punished, constituted double jeopardy and rendered the proceedings illegal. He challenged the reliability of CCTV evidence, citing timing discrepancies, and claimed the Single Judge overlooked these issues. Conversely, the CISF argued that the charge-sheet was clear, past misconduct was relevant for determining punishment, and the appellant's act of leaving a sensitive post unguarded warranted strict action given the paramilitary force's high disciplinary standard. The modified penalty, they asserted, was proportionate.

The court held that charges must be clear to enable a proper defense but found the charge-sheet sufficiently specific, as identifying the unauthorized entrants was unnecessary to prove the appellant's absence. Citing Supreme Court precedents like *State of Mysore v. K. Manche Gowda (1964)* and *Union of India v. Bishamber Das Dogra (2009)*, the court clarified that referencing past misconduct in a charge-sheet is permissible to determine punishment quantum, benefiting the employee by allowing a defense. The court dismissed the appellant's claim of illegality, noting that such references serve to contextualize the penalty.

The court also rejected the appellant's argument about CCTV evidence, clarifying that a one-hour time discrepancy was accounted for. The appellant's admission of leaving his post to visit an ATM without informing his shift in-charge was deemed sufficient to prove misconduct. Given the CISF's role in guarding sensitive installations, such negligence was serious.

The court found the appellate authority's reduction of the penalty from removal to pay reduction aligned with the doctrine of proportionality, balancing the misconduct's gravity with leniency.

Concluding that past misconduct can be cited to determine punishment without invalidating proceedings, the court dismissed the appeal, upholding the modified penalty as fair and the disciplinary process as lawful.

Read full guidelines:

https://www.livelaw.in/pdf_upload/yeshveer-vs-union-of-india-and-others-624260.pdf

[FINANCE ACT] RETROSPECTIVE ABOLITION OF ITSC DOESN'T NULLIFY SETTLEMENT APPLICATIONS FILED BETWEEN FEB 1 TO MAR 31, 2021: DELHI HIGH COURT

MEGHA ENGINEERING AND INFRASTRUCTURE LTD V. INCOME TAX SETTLEMENT COMMISSION & ORS.

The Delhi High Court has held that the Finance Act 2021, which retrospectively abolished the Income Tax Settlement Commission (ITSC), responsible for enabling compromise between the state and its tax payers, cannot create a void. For context, the Finance Act 2021 envisaged replacing the ITSC with a body known as the Interim Board of Settlements from 01.02.2021. However, the Act came into force on 01.04.2021.

Thus, the question before the Court was whether settlement applications made in the interregnum, at which point there was no amendment of the statute, can be denied acceptance/processing by way of a retrospective amendment. In the case at hand, the Petitioners sought processing of their application for settlement, made on 22.03.2021. It challenged Sections 62 to 73 of the Finance Act, 2021 on the ground that they are arbitrary to the extent they retrospectively abolished the ITSC w.e.f. 01.02.2021. It was argued that there cannot be a complete vacuum between 01.02.2021 and 01.04.2021. Agreeing, the High Court said the ITSC (or the Interim Board) being a creation of a statute, the assesseees do have a statutory right to approach the same, seeking concession.

It relied on *Sar Senapati Santaji Ghorpade Sugar Factory v. ACIT* where the Bombay High Court held retrospective legislation cannot affect the vested rights of the assessee. In the case at hand, the High Court said that a vested right accrued to the petitioners when the search and seizure was conducted on their premises on 11.10.2019, and also when the applications were filed before the ITSC.

The Court added that the purpose of Finance Act 2021 was to make ITSC inoperative and bring the pending applications before the Interim Board. Thus, it held, “it cannot be said that the legislature had any intent to do away with pending applications in respect of cases that arose between 01.02.2021 and 31.03.2021.” As such, it directed that the Petitioner's applications be considered by the Interim Board.

Read full guidelines:

https://www.livelaw.in/pdf_upload/vkr06102025cw34792021190944-624705.pdf

SUPREME COURT UPHOLDS TAX ON INK & CHEMICALS USED TO PRINT LOTTERY TICKET; SAYS THEIR 'DEEMED SALE' OCCURS WITH LOTTERY SALE

M/S. ARISTO PRINTERS PVT. LTD. VERSUS COMMISSIONER OF TRADE TAX, LUCKNOW, U.P.

The Supreme Court held that the ink and chemicals used in printing the lottery tickets is a taxable item under the Uttar Pradesh Trade Tax Act, 1948 (“Act”). A bench of **Justices JB Pardiwala and KV Viswanathan** dismissed the appeal filed by an assessee, who is engaged in the business of printing lottery tickets and had been taxed on the value of ink and chemicals used in the printing process. While Appellate Authority set aside the levy holding these materials were consumed rather than a transferrable good, the High Court restored the tax leading to an appeal before the Supreme Court.

The appellant's primary argument before the Supreme Court was that the ink and chemicals were consumed in the printing process. Since they ceased to exist in their original form and were not delivered to the customer as separate items, there was no "transfer of property," and thus, no tax could be levied.

Rejecting this argument, the judgment authored by **Justice Pardiwala** noted that the moment the lottery ticket is transferred to the consumer, the ink and chemicals used in printing of the lottery ticket also gets transferred, making it taxable not as consumer goods

but as transferred goods classifying it as a 'deemed sale' under Article 366(29-A) (b) of the Constitution incorporated via 46th Constitutional Amendment. The Court clarified that the tax liability in works contracts attaches at the moment goods are incorporated into the work, even if they later lose identity.

Core Legal Test Is Transfer Of Goods Not Consumption

The Court said that the moment the ink (a composite of ink and chemicals) is applied to the paper, the property in that good is transferred to the customer. The subsequent drying or chemical change is irrelevant, as the transfer has already happened. The Court referred to its earlier ruling in *Xerox Modicorp Ltd v. State of Karnataka, (2005) 7 SCC 380*, where it held that toners are "sold" the moment they are loaded into a machine, and their later consumption does not negate the sale.

Also, the Court endorsed the Kerala High Court's decision in *Enviro Chemicals v. State of Kerala, 2011 SCC OnLine Ker 3685* where it was held that the works contract doesn't mandate that it must yield a physical end-product or that the transfer must be tangible. The High Court held that the items need not exist in any form in the resultant product.

“This Court in Xerox Modicorp (supra) and the Kerala High Court in Enviro Chemicals (supra) correctly identified the taxable event as the precise moment the contractor's goods are incorporated into the 'works', i.e., when the toner is fitted into the machine or the chemical is introduced into the effluent water. The subsequent consumption of these items is irrelevant, as it does not negate the transfer of property that has already occurred. The cardinal principle, which must serve as the guiding light for any court or tribunal adjudicating such disputes, is that the analysis must be anchored to a singular question: has transfer of property in goods involved in the execution of the works contract occurred? ”, the court said. Accordingly, the appeal was dismissed.

Read full guidelines:

https://www.livelaw.in/pdf_upload/1261620112025-10-07-624630.pdf

MP HIGH COURT INQUIRES STATE ABOUT ACTION TAKEN AGAINST ALLEGED ENCROACHMENT OF 'ANCIENT' TEMPLE

SHRAVAN KUMAR SONI V STATE

The Madhya Pradesh High Court directed the State to file an affidavit disclosing the current status of the Shri Vishnu Barah Mandir temple located in Majhauri. The court further directed the state to inform regarding alleged encroachment on the said land and if any action has been taken or is proposed to be taken against encroachment.

The court was hearing a PIL seeking conservation and protection of "ancient monument of Shri Vishnu Barah Mandir" situated at Majhauri, District Jabalpur and also highlighting alleged encroachment on the subject land.

As the counsel for the State sought time to seek instructions, a division bench of **Chief Justice Sanjeev Sachdeva** and **Justice Dwarka Dhish Bansal** directed;

"Respondent/State is directed to file an affidavit disclosing the current status of the subject temple as well as the subject land as also with regard to encroachment, if any, and action taken or proposed to be taken against the said encroachment. Let the same be filed within four weeks. List in the week commencing 17.11.2025".

The plea claims that the temple was declared a protected monument under the Ancient Monuments and Archaeological Sites and Remains Act, 1958 by the State via a notification published on August 14, 1981. Per the provisions of this Act, any person who destroys, removes, alters, defaces or misuses a protected monument is liable for punishment with imprisonment or fine or both.

Additionally, as per rule 28, a radius of 100 meters surrounding the monument was declared a prohibited area and the zone between 100 and 200 meters was designated as a regulated area. Thus, within 300 meters of the monument, no construction, mining or agricultural activities could be carried out.

The petition further states that eviction notices were issued to the alleged encroachers. However, one of the encroachers approached the Civil Court, which dismissed the suit but made certain observations regarding encroachment. The petition alleged that despite observations regarding encroachment, the police and state authorities failed to take any action, while relying on photographs to show encroachers running illegal shops in prohibited and regulated areas. Contending that the police and state authorities have failed to preserve and conserve the said monument, the petitioner prayed for directions to the Archaeological Survey of India to declare the same as an ancient monument and take possession for better conservation.

Read full guidelines:

https://www.livelaw.in/pdf_upload/shravan-kumar-soni-v-state-624566.pdf

MOTOR ACCIDENT CLAIMS | FAKE LICENSE BY DRIVER DOESN'T ABSOLVE INSURER UNLESS VEHICLE OWNER KNOWINGLY ALLOWED BREACH: SUPREME COURT

HIND SAMACHAR LTD. (DELHI UNIT) VERSUS NATIONAL INSURANCE COMPANY LTD. & ORS.

In a relief to a vehicle owner, the Supreme Court observed that the insurance company cannot recover the compensation amount from the vehicle owner merely because the driver was found to be using a fake license.

A bench of **Justices K Vinod Chandran and NV Anjaria** said that a vehicle owner is not expected to verify the credentials of the driver's license from the issuing authority whether it is fake or not. Only when the insurance company proves that there was an absence of due diligence in the employment of the driver or the entrustment of the vehicle, the liability would shift to the insured-vehicle owner.

The case stemmed from a tragic accident, when a truck collided with a Matador van, killing nine persons and injuring two. The Motor Accidents Claims Tribunal (MACT) found both drivers composite negligent, apportioning 75% fault to the truck driver and 25% to the van driver. While the insurance companies initially paid the compensation, National Insurance, the truck's insurer, contested its ultimate liability. The insurance company argued that the truck driver possessed a fake driving license and that the owner, Hind Samachar, had colluded with him. The Punjab & Haryana High Court allowed the insurer's plea, granting it a "pay and recover" right

from the vehicle owner, leading to an appeal before the Supreme Court by the vehicle owner.

Setting aside the High Court's decision, the judgment authored by **Justice Chandran** rejected the Respondent-Insurer's argument that the Appellant-insured need to conduct a due diligence while employing a driver, stating that there's no requirement under the law for the insurer-vehicle owner to verify the credentials of the driving license of the driver.

After finding that the insurance company had failed to lead any evidence to show that the Appellant did not exercise due diligence when it employed the driver, the Court held that the High Court committed an error in granting a right to recover the compensation amount from the insurance company.

“The insurance company from the totality of the circumstances has to bring out the absence of due diligence in the employment of the driver or the entrustment of the vehicle, to prove breach by the insured, which is totally absent in the present case”, the court said.

“We set aside the order of the High Court, insofar as the rights of recovery of the award amounts granted to the insurer. The other directions, as issued by the Tribunal and modified by the High Court, including determination of the award amounts would stand undisturbed.”, the court held. The appeal was allowed.

Read full guidelines:

https://www.livelaw.in/pdf_upload/2748920162025-10-08-624855.pdf

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