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Ensuring Dignity: Supreme Court Rules Maintenance Claims Take Priority Over Financial Obligations

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Introduction

The Supreme Court of India has once again emphasized the critical importance of the right to maintenance by declaring it superior to statutory financial claims under laws like the SARFAESI Act and the Insolvency and Bankruptcy Code (IBC). In the landmark case of *Apurva @ Apurvo Bhuvanbabu Mandal v. Dolly & Ors.*, the Court clarified that the right to sustenance, as a fundamental component of Article 21 of the Indian Constitution, overrides other statutory claims. This judgment has far-reaching implications for balancing financial recovery processes and the fundamental rights of individuals.

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Background of the Case

The case arose from a dispute over maintenance awarded by the Gujarat High Court. The High Court had significantly increased the maintenance amounts awarded to the appellant's wife and children under Section 125 of the Criminal Procedure Code (CrPC). It granted:

- **?1,00,000 per month** for the wife.
- **?50,000 per month** for each of the two children.

This was a substantial increase from the initial order of the Family Court, which had awarded only ?6,000 per month for the wife and ?3,000 per child.

The High Court based its decision on the appellant's presumed income as a businessman operating a diamond factory, even drawing adverse inferences from his failure to produce income tax documents despite directions to do so. The appellant challenged this order, claiming the amounts were excessive and financially unsustainable, citing business setbacks and the respondent-wife's independent income.

Supreme Court's Observations and Interim Relief

The Supreme Court granted partial relief by modifying the High Court's order. It reduced the maintenance to:

- **?50,000 per month** for the wife.
- **?25,000 per month** for each child.

This reduced amount was to be paid from the date of the High Court's order (September 12, 2022), ensuring fairness while considering the appellant's claims of reduced income. The Court further directed the appellant to clear arrears within three months.

Focus on Paragraph 12

A pivotal part of the judgment lies in Paragraph 12, where the Supreme Court reinforced the inherent value of the right to maintenance:

1. **Right to Sustenance and Dignity:** Maintenance is a fundamental right tied to Article 21 of the Constitution, not just a legal obligation. It ensures that individuals, especially women and children, have the means to lead a life of dignity.
2. **Priority Over Financial Claims:** Maintenance claims were deemed superior to the rights of financial creditors, operational creditors, and others under laws like the SARFAESI Act and IBC. The Court explicitly stated that the right to maintenance

overrides claims of secured creditors, making it a higher priority in recovery proceedings.

This observation sets a precedent for cases where maintenance obligations conflict with financial recovery under statutory laws.

Court's Balancing Act

The judgment reflects the Court's attempt to balance competing interests:

- **Fundamental Rights vs. Financial Claims:** While ensuring that the right to maintenance is protected, the Court recognized the need to consider evidence regarding the appellant's financial condition.
- **Temporary Relief:** The reduced maintenance amount is a temporary measure to provide sustenance without imposing an unsustainable financial burden on the appellant.
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Implications of the Judgment

The ruling has significant implications for legal and financial frameworks in India:

1. **Recognition of Maintenance as a Fundamental Right:** By linking maintenance to Article 21, the Court has raised its status, emphasizing that sustenance and dignity are non-negotiable, even in the face of statutory financial obligations.
2. **Impact on Financial Recovery Processes:** The judgment establishes that maintenance claims hold precedence over recovery proceedings under the SARFAESI Act and IBC. This could influence how courts address conflicts between individual rights and corporate financial obligations.
3. **Clarity for Future Cases:** The ruling provides clarity for cases involving overlapping obligations, ensuring that maintenance claims are not undermined by creditors' claims.

Case Citation and Details

- **Case Name:** Apurva @ Apurvo Bhuvanbabu Mandal v. Dolly & Ors.
- **Citation:** Criminal Appeal Nos. 5148-5149 of 2024 (Arising out of SLP(Crl.) Nos. 10093-10094 of 2022).
- **Judgment Date:** December 10, 2024.
- **Bench:** Justice Surya Kant and Justice Ujjal Bhuyan.
- **Arising From:** Gujarat High Court's order in CRLRA Nos. 193/2020 and 363/2020.

Concluding Remarks

The Supreme Court's judgment in *Apurva Mandal v. Dolly* underscores the judiciary's commitment to protecting fundamental rights, especially those related to sustenance and dignity. By prioritizing maintenance claims over financial creditors, the Court has reinforced the social and moral obligations of individuals, even in financially complex scenarios. This landmark ruling is a guiding principle for future cases, ensuring that human dignity remains at the heart of the legal process.

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