Lexport Interpreting India for commerce

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LEXPORT NEWSLETTER

DECEMBER 2025 | WEEK 1

Dear Readers,

This weekly newsletter offers you a concise analysis of important developments, notable judgments, and noteworthy regulatory amendments and developments in the corporate and financial sectors.

This newsletter will cover updates inter alia from **Banking Laws & FEMA**, **Corporate Laws**, **Securities Laws** and **Capital Markets**, **Competition Laws**, **Indirect Taxes**, **Customs and Foreign Trade**, **Intellectual Property Laws**, and **Arbitration Laws**.

Acknowledging the significance of these updates and the need to stay informed, this newsletter provides a concise overview of the various changes brought in by our proactive regulatory authorities and the courts.

Feedback and suggestions will be much appreciated. Please feel free to write to us at mail@lexport.in.

Regards,
Team Lexport

Indirect Tax

Centre Enhances Credit Support for MSMEs with Higher CGS Coverage and Expanded Subsidy Measures

The Central Government has detailed a series of enhanced financial support measures for MSMEs effective April 01 2025. The Ministry of MSME has expanded collateral free financing by increasing Credit Guarantee Scheme coverage to Rs 10 crore and reducing guarantee fees. In the past three financial years FY 2022 23 to FY 2024 25 the Government has assisted 2.34 lakh units with subsidies amounting to Rs 7,918 crore under various credit linked schemes.

Under the Self Reliant India Fund launched in 2021 investments of over Rs 14,927 crore have been extended to 671 MSMEs as of October 31 2025. The PM Employment Generation Programme and PM Vishwakarma Scheme introduced in 2023 aim to support artisans across 18 traditional trades offering margin money subsidy up to 35 percent and loans up to Rs 3 lakh with interest subvention up to 8 percent.

Following a corpus infusion of Rs 9,000 crore into the Credit Guarantee Fund Trust the CGS was revamped with guarantee coverage enhanced from Rs 2 crore to Rs 10 crore at a standard annual guarantee fee of 0.37 percent. The Self Reliant India Fund also received a Rs 50,000 crore equity infusion supported by an integrated MSME dashboard.

The Government has also strengthened measures for women entrepreneurs including mandatory 3 percent procurement by Central Ministries fee concessions higher subsidy rates and 100 percent subsidy for ZED certification. In Maharashtra 17 Common Facility Centers have been approved across key industrial clusters including printing auto components engineering textiles garments and food processing.

Shelly Singh

Centre Clarifies No GST Council Recommendation to Bring ATF Under GST

The Centre has clarified that the GST Council has not made any recommendation to include Aviation Turbine Fuel under the GST regime. Responding to concerns on the tax structure applicable to ATF the Centre highlighted that wide variations in VAT rates across States and Union Territories ranging from 0 to 29 percent had earlier contributed to higher fuel costs. This issue has since been addressed with 21 States and Union Territories reducing VAT on ATF.

It was further stated that under the Regional Connectivity Scheme UDAN the central excise duty on ATF for eligible flights stands at just 2 percent compared to the standard 11 percent central excise duty along with state specific VAT levies.Addressing comparisons with neighbouring aviation markets the Centre noted that airlines and Public Sector Oil Marketing Companies are engaged in consultations on ATF pricing rationalisation. The Aviation Ministry has adopted the Mean of Platts Arab Gulf benchmark to bring transparency and better alignment with international jet fuel prices.

The government also underscored that several market factors including real time demand competition seasonality operational needs and global product pricing influence ATF rates airline operating costs and ultimately airfares.

Shelly Singh

Indirect Tax

ITAT Ahmedabad Quashes Assessment for Non-Compliance with Section 50C(2) in Absence of DVO Report

Case Title: Rajni Arvind Birla v. Income Tax Officer

The Ahmedabad Bench of the Income Tax Appellate Tribunal has held that an assessment order passed without awaiting the Departmental Valuation Officer's report violates the statutory mandate under Section 50C(2) of the Income Tax Act. The Bench comprising Sanjay Garg and Makarand V Mahadeokar observed that when an assessee disputes the stamp duty value and seeks DVO valuation the Assessing Officer is required to wait for the valuation report before completing the assessment.

In the present case the assessee had sold property for Rs 1.75 crore while the Sub Registrar adopted a higher stamp duty value of Rs 2.23 crore. The Assessing Officer invoked Section 50C(1) and referred the matter to the DVO under Section 50C(2) but completed the assessment under Section 143(3) read with Section 144B without awaiting the report due to limitation. The DVO later valued the property at Rs 1.94 crore. The AO then issued a rectification order under Section 154 reducing the capital gain.

The Tribunal held that both the assessment order and rectification order are invalid. It ruled that merely making a reference to the DVO does not amount to compliance under Section 50C(2). Passing an assessment without the DVO report violates mandatory procedure and principles of natural justice and the rectification based on material not forming part of the original record cannot be treated as a mistake apparent from record. The appeal was allowed and the orders were quashed.

Shelly Singh

Indirect Tax

Delhi High Court Orders Restoration of GST Registration After Three Years Owing to Medical Issue

Case title: M/S Eves Fashion v. Union Of India & Ors.

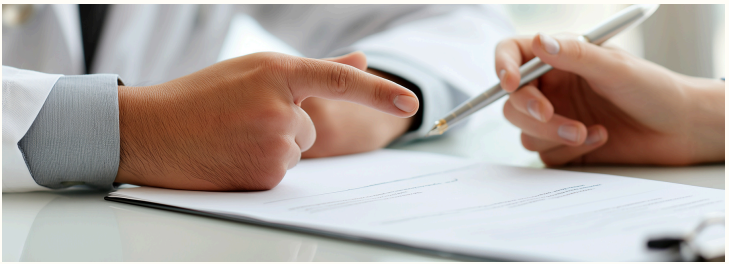
In a rare equitable relief the Delhi High Court has directed restoration of a trader's GST registration more than three years after its cancellation citing exceptional circumstances involving medical issues and a dispute with the Chartered Accountant. The Court noted that Section 107 of the GST Act strictly limits the time to file an appeal to a maximum of four months yet the delay in this case was explained by genuine hardship.

The petitioner engaged in manufacturing and resale of garments lost access to the GST portal after a fallout with the Chartered Accountant who held the login credentials. A Show Cause Notice was issued in September 2021 for non filing of GST returns under Section 39. With no reply filed the registration was cancelled on October 22 2021. Despite repeated visits and representations the petitioner was unable to regain portal access.

The GST Department argued that after three years no revocation could be permitted. The Division Bench of Justices Prathiba M Singh and Mini Pushkarna acknowledged that ordinarily delay cannot be condoned but held that the facts demonstrated bona fide intent and justified exercise of writ jurisdiction.

The Court directed restoration of the petitioner's GST registration within a week and permitted filing of pending returns with applicable late fee and interest clarifying that departmental time limits for issuance of any future Show Cause Notices would not apply in this peculiar situation.

Shelly Singh



Indirect Tax

Delhi High Court Rules TC Global's Services as Export Not Intermediary

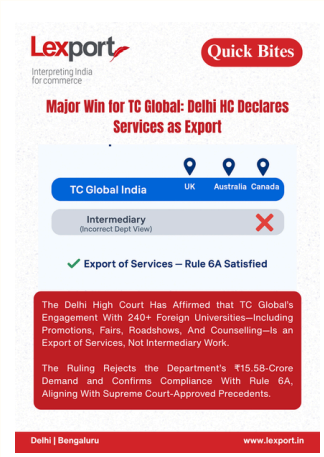
Case Name: Commissioner of Central Tax, CGST Delhi vs. TC Global India Pvt. Ltd.

In a significant ruling dated November 28 2025 the Delhi High Court upheld the CESTAT Delhi decision holding that TC Global's activities for foreign universities qualify as export of services and not intermediary services. The Division Bench of Justice Prathiba M Singh and Justice Renu Bhatnagar held that TC Global's functions such as promotions marketing roadshows fairs and counselling offered through its platform were independent support services and not activities of arranging admissions as an agent.

The Court relied on consistent judicial precedent including Global Opportunities Ernst and Young Limited and K C Overseas where similar findings had been upheld by the Supreme Court. It noted that TC Global had over 240 agreements with foreign universities and received consideration in convertible foreign exchange.

The Department had sought to levy service tax of about Rs 15.58 crore alleging that TC Global acted as an intermediary and that its student counselling was inseparable from student recruitment. The High Court rejected this view affirming that Rule 9 of POPS was misapplied and that the service recipient was the foreign university located outside India.

It concluded that all conditions under Rule 6A for export of services were satisfied and that no substantial question of law arose. The Department's appeals were dismissed.



Shelly Singh

Intellectual Property Rights

Delhi High Court Sets Aside Refusal of Trident's Air Rich Yarn Patent, Flags Gaps in Inventive Step Analysis

The Delhi High Court overturned the Patent Office's rejection of Trident Limited's patent application for its air rich yarn and fabric, holding that the Controller had not evaluated the invention in line with the law on inventive step. Trident's case centered on a yarn with pores distributed evenly across the radial cross section, achieved by blending base fibres with a specific proportion of water soluble fibres. The Court noted that none of the cited prior art references disclosed this pore structure or suggested how a skilled person could arrive at it. The Court found that the refusal order rested on assumptions rather than a clear chain of teachings from the prior art. It also pointed out that the Patent Office ignored the technical material and examples in the specification that explained how the claimed pore distribution was obtained. The reasoning in the refusal contained contradictions, including inconsistent observations on whether homogeneous pores could be achieved at all. The Court held that an obviousness finding cannot be made without engaging with the specification and without showing how the prior art led to the claimed result. Since the analysis suffered from multiple gaps, the Court set aside the refusal and remanded the matter for fresh examination by a different Controller, directing consideration of Trident's auxiliary claims as well. Trident Limited v Controller of Patents, C.A. (COMM IPD PAT) 162/2022)

Anushka Tripathi

Delhi High Court Restrains 'Proads' from Copying O3+ Kits, Finds Verbatim Reproduction of Ingredients and Usage Steps

The Delhi High Court granted an interim injunction in favour of Visage Beauty & Healthcare (O3+), holding that Proads had slavishly copied the "ingredients" lists, "steps to use," and packaging layout of three O3+ facial kits. Justice Manmeet Pritam Singh Arora noted that the side-by-side comparisons clearly showed identical text, sequencing, and presentation, including the accidental replication of the plaintiff's trademark DERMOMELAN within Proads' usage instructions. The Court held this amounted to copyright infringement of O3+'s original literary work and restrained Proads from using the copied content across all three kits. It also barred Proads from using the registered mark DERMOMELAN, though it declined to injunct use of the descriptive phrase "Shine & Glowing" in Proads' product names. [Visage Beauty & Healthcare Pvt. Ltd. v. Freecia Professional India Pvt. Ltd. & Anr., CS(COMM) 633/2022]

Anushka Tripathi

Intellectual Property Rights

Delhi High Court Rejects OPAL Owner's Plea for Interim Injunction Against SHEOPAL'S

The Delhi High Court refused the plaintiff's request for an interim injunction in the dispute between Saurabh Gupta, owner of the registered OPAL mark, and Sheopals Pvt Ltd, which markets products under the mark SHEOPAL'S. The plaintiff claimed that the defendant's use of SHEOPAL'S for beauty and wellness goods infringed his OPAL mark and was likely to confuse consumers.

The Court examined the marks as wholes and concluded that they are not deceptively similar. It observed that an average consumer would perceive SHEOPAL'S as a single name, not as "She" plus "Opal", making confusion with OPAL unlikely. While there is some phonetic overlap, the Court held that it is not enough to mislead a buyer encountering the products in the normal course of trade. The Bench also noted that OPAL is distinctive for cosmetics, even though it is a common word, but distinctiveness alone could not justify an injunction without similarity. Finding no likelihood of confusion, the Court held that the plaintiff was not entitled to interim relief and affirmed the Commercial Court's outcome, though on different reasoning. Both appeals were accordingly disposed of. [Saurabh Gupta v Sheopals Pvt Ltd, FAO (COMM) 175/2025 & FAO (COMM) 187/2025]

Anushka Tripathi

Hon'ble Delhi High Court Dismisses Second Suit as Barred Under Order II Rule 2 CPC in Castrol Ltd. v. Sanjay Sonavane

The Hon'ble Delhi High Court dismissed Castrol's second plaint seeking reliefs for commercial disparagement and takedown of related media content holding it barred under Order II Rule 2 CPC. The Hon'ble Court found that all underlying facts, including media reports and a YouTube video arising from the August 2025 search-and-seizure proceedings, were already known to the plaintiff when it filed the First Suit. Castrol had also raised apprehensions in the First Suit that the media publications were linked to Defendant No. 1. Since the plaintiff failed to seek available reliefs or implead necessary parties at that stage, it could not file a fresh suit based on the same cause of action. Circulation of those same media reports on WhatsApp did not constitute a new or independent cause of action. To avoid multiplicity of proceedings, the Hon'ble Court dismissed the plaint but granted liberty to amend the First Suit to incorporate subsequent developments and add necessary parties. [Castrol Limited vs Sanjay Sonavane And Ors (CS(COMM) 946/2025)]

Ananya Singh

Intellectual Property Rights

Hon'ble Delhi High Court Grants Interim Injunction in Tesla Inc. v. Tesla Power India

The Hon'ble Delhi High Court rejected Tesla Power India's arguments on delay and held that mere delay cannot defeat an injunction when the adoption of the mark is prima facie dishonest. The Hon'ble Court found the defendants' shifting explanations for adopting "TESLA" unreliable and noted that they themselves sought registrations, defeating their claim that "TESLA" is generic or common to trade. Third-party registrations, including Nvidia's, were held irrelevant as none related to EVs or batteries in India. Applying the dominant feature test, the Hon'ble Court held TESLA to be the essential and identical element in both parties' marks. It accepted Tesla's evidence of trans-border reputation and actual use in India, concluding that the plaintiff had established prior use, goodwill and likelihood of confusion. As this was a case of "triple identity" identical marks, goods and trade channels the Hon'ble Court granted an interim injunction restraining use of "TESLA", "TESLA POWER", "TESLA POWER USA" and related device marks, including for EV-related promotions and for lead-acid batteries, until final disposal of the suit. [Tesla Inc vs Tesla Power India Private Limited & Ors (CS(COMM) 353/2024)]

Swagita Pandey

Diabetes Drug at the Center of Major Patent Clash in India

The Delhi High Court has delivered a key order in the case of Novo Nordisk's diabetes and obesity drug Semaglutide, marketed globally as Ozempic, Wegovy, and Rybelsus. Novo Nordisk holds Indian Patent No. 262697, expiring 20 March 2026, covering the once-weekly GLP-1 analogue Semaglutide. In October 2024, Novo detected imports and commercial-scale production of Semaglutide by Dr. Reddy's Laboratories and OneSource Specialty Pharma, prompting a cease-and-desist notice and ultimately this infringement suit filed on 26 May 2025. At the first hearing on 29 May 2025, the Defendants stated they would not sell the product in India but would continue exports to non-patent countries. Novo argues Semaglutide is a novel and inventive compound with significantly longer half-life and dosing advantages over prior GLP-1 analogues, fulfilling a long-felt need. They assert manufacturing for export still infringes their exclusive rights under Section 48 of the Patents Act. Dr. Reddy's challenges validity, claiming Semaglutide was already covered and enabled by Novo's earlier genus patent (IN'964), which expired in September 2024.

Swagita Pandey

Intellectual Property Rights

Trademark Tug-of-War

The Battle for the YEZDI Brand - 12 Original Side Appeals arose from a 2022 judgment concerning ownership and usage rights over the iconic YEZDI motorcycle trademark, historically associated with Ideal Jawa (India) Ltd. The dispute centers on whether rights in the YEZDI brand remain with the company in liquidation or have vested in Mr. Boman Irani, son of the founder, who has independently secured new registrations and commercialized the brand through Classic Legends Pvt. Ltd. (a joint venture with Mahindra).Key Background

1) Ideal Jawa stopped motorcycle production in 1996 and winding-up orders followed in 2001, with a liquidator appointed to manage assets.

2) Earlier YEZDI trademarks lapsed between 2007–2008 due to non-renewal.

3) Boman Irani revived filings from 2013–2014, launched yezdi.com, and later licensed rights to Classic Legends in 2018.4) Employees and OL challenged these registrations as invalid, asserting continuing goodwill belonged to the company under liquidation.

Key Legal Issues

- Does a lapsed trademark of a liquidated company revive?
- Can the OL reclaim rights not treated as assets during liquidation?
- Can new proprietary rights arise through revival efforts by a former director/heir?

The Single Judge declared Ideal Jawa the rightful owner, cancelled Irani's registrations, restrained Classic Legends from YEZDI use, and permitted public auction of trademark rights.

Swagita Pandey

You Can't Claim What You Didn't Invent Yet Says the Federal Circuit

This high-stakes patent dispute focuses on Seagen's U.S. Patent No. 10,808,039, directed to a class of antibody-drug conjugates (ADCs) designed for targeted cancer therapy. A Texas jury (EDTX) previously found validity and willful infringement, awarding Seagen $41M in damages over the blockbuster breast cancer drug Enhertu®, jointly developed by Daiichi and AstraZeneca.

The Appeal - The Defendants did not dispute infringement on appeal their challenge turned entirely on validity under §112 written description and enablement. They argued Seagen sought to claim a Gly/Phe-only tetrapeptide linker design not actually disclosed in its 2004 priority application, and that making the full scope of claimed ADCs required unpredictable trial-and-error experimentation.

Federal Circuit's Key Findings

1) The 2004 application disclosed a vast genus of linkers (47M+ tetrapeptide possibilities), but lacked "blaze marks" guiding a skilled person to the 81-member claimed subgenus.

2) Inventor admissions confirmed the specific design was only seen after Enhertu's disclosure in 2015.

3) Enablement failed because the claim covered any drug moiety, requiring extensive assay-based experimentation — invoking SCOTUS Amgen v. Sanofi.

Swagita Pandey

Litigation

H. Sunil Kumar Vs. M Deepak Kumar Samdariya and Anr., Arbitration Original Petition (Com.Div) No.506 of 2025

The Hon'ble Madras High Court held that the arbitrator committed patent errors by accepting oral claims contrary to a registered sale agreement, ignoring the sellers' burden of proof, and relying on irrelevant or inadmissible circumstances. It noted that the arbitrator analysed case law before examining the facts, leading to perverse findings. The dispute arose from a 2018 registered sale agreement for a plot in Virugambakkam, where the buyer had paid Rs. 50 lakhs, but the sellers later claimed the agreement was only security for a loan without proving repayment. Finding the award unintelligible and legally flawed, the High Court set it aside in its entirety, directed fresh arbitration, and ordered the sellers to pay Rs. 5 lakhs as costs.

Shyam Kishor Maurya

M/s ESI Corporation Vs. M/s Quality Care India Limited, Civil Revision Petition No. 3701 of 2025

The Hon'ble Telangana High Court held that for the purposes of Section 29A (4), the expression "Court" must be understood strictly in terms of Section 2(1)(e) of the Arbitration Act, which designates only the principal civil court of original jurisdiction, thereby excluding the High Court that appointed the arbitrator under Section 11(6). It observed that the legislature clearly distinguished between the power of appointment under Section 11 and the power to extend an arbitrator's mandate under Section 29A, and if the same forum were intended to exercise both powers, the statute would have expressly provided so. The Bench further noted that decisions of High Courts exercising ordinary original civil jurisdiction, such as Ovington Finance, Best Eastern Business House, and Sheela Chowgule, were inapplicable to Telangana, where the High Court lacks such jurisdiction.

Shyam Kishor Maurya

Litigation

Jagdish Kaur Vs. Jasbir Singh Sandhu & Ors., 2025: DHC: 10446-DB

The Division Bench of Hon'ble Delhi High Court partly modified an arbitral award to correct a clear computational error, noting that the contractor had admitted receiving Rs. 68,00,000 for work valued at only Rs. 65,44,049. It held that this numerical inconsistency fell within the limited category of correctable errors recognised in Gayatri Balasamy and required no re-appreciation of evidence. The arbitrator's failure to adjust the overpayment was a manifest mistake apparent on the face of the record. The Court therefore corrected the computation while reiterating that such modifications are permissible under Sections 34 and 37 only when they do not revisit factual findings.

Shyam Kishor Maurya

Suryadev Pathak Vs. Union of India & 4 others, 2025: AHC:213712-DB

The Division Bench of Hon'ble Allahabad High Court held that directing an arbitrator to decide a matter after expiry of his mandate would unlawfully extend that mandate "through the backdoor," contrary to Section 29A(4), which vests such power only in the competent civil court. It dismissed eight writ petitions challenging delays in National Highways compensation proceedings, noting that once the Section 29A period lapses the arbitrator becomes functus officio. The Court further emphasized that the High Court, lacking original civil jurisdiction under the Arbitration Act, cannot override the statutory scheme by compelling time-bound decisions. Holding the petitions non-maintainable, it clarified that landowners may instead approach the competent civil court to seek extension of the arbitrator's mandate.

Shyam Kishor Maurya

Litigation

ROUSANARA BEGUM VERSUS S.K. SALAHUDDIN @ SK SALAUDDIN & ANR., Crl. Appeal @ SLP (Crl.) D No.60854 of 2024

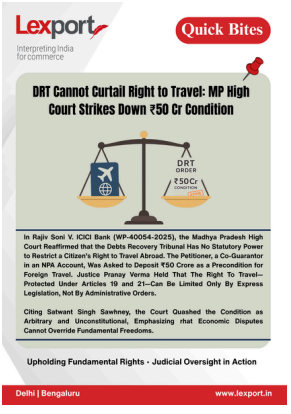
The Supreme Court has held that a divorced Muslim woman is entitled to recover cash and gold given by her father to the husband at the time of marriage under Section 3 of the Muslim Women (Protection of Rights on Divorce) Act, 1986. Overturning a Calcutta High Court ruling, the Bench of Justices Sanjay Karol and N. Kotiswar Singh restored the woman's claim for ₹7 lakh and gold ornaments recorded in the marriage register (qabilnama). The High Court had rejected the claim due to minor inconsistencies between the Kazi's testimony and the father's statement. The Supreme Court held that the marriage registrar's testimony supported by the original document could not be dismissed on suspicion, especially since the father's earlier statement was made in separate 498A proceedings where the husband had been acquitted. Emphasising the protective purpose of Section 3, the Court stated that properties given at marriage secure a divorced woman's dignity and financial stability. The husband was directed to remit the amount with interest for non-compliance.

Ananya Jain

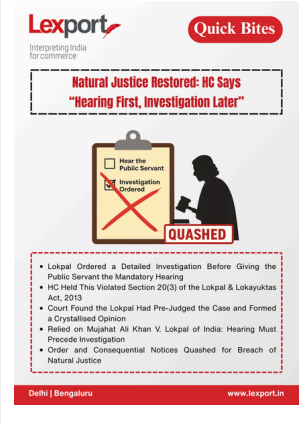
Rajiv Soni v ICICI Bank [WP-40054-2025]

The Madhya Pradesh High Court held that the Debts Recovery Tribunal (DRT) has no authority to restrict or impose conditions on a person's fundamental right to travel abroad. The case concerned a former Director of Metalman Industries who challenged a DRT Recovery Officer's order requiring him to deposit ₹50 crore as a precondition to travel overseas. Justice Pranay Verma ruled that since the 1993 Act gives no power to the DRT to restrain foreign travel, it also cannot impose conditional requirements. The petitioner, a co-guarantor in a loan account declared NPA, had sought permission to travel abroad for employment. Relying on the judgment in Satwant Singh Sawhney v. D. Ramarathnam, the Court reiterated that the right to travel abroad is protected under Articles 19 and 21 and can be restricted only by enacted law, which was not shown in this case. Holding the conditions arbitrary and unconstitutional, the Court quashed condition number 2 of the DRT's order.

Ananya Jain



Litigation



Rajesh Kumar Singh & Ors. v. Lokpal Of India, W.P.(C) 1264/2025

The Delhi High Court quashed a Lokpal of India order directing an investigation into alleged recruitment and promotion irregularities in the National Productivity Council, holding that the Lokpal had pre-judged the matter. The Court noted that under Section 20(3) of the Lokpal and Lokayuktas Act 2013, a prima facie opinion can be formed only after giving the concerned public servant an opportunity of hearing. However, in this case, the Lokpal made detailed factual observations and declared that a "deeper probe" was needed before issuing notice for hearing, indicating a crystallised view rather than a tentative assessment. The bench emphasised that suspicion cannot substitute the mandatory process prescribed by Parliament and relied on Mujahat Ali Khan v. Lokpal of India, which requires a hearing before ordering investigation. Given the far-reaching consequences of Lokpal proceedings, the Court stressed strict adherence to safeguards ensuring natural justice and set aside the order and consequential notices.

Ananya Jain

CHANDAN PASI & ORS. VERSUS THE STATE OF BIHAR, CRIMINAL APPEAL No (s). 5137-5138 OF 2025

The Supreme Court set aside the convictions of three individuals in a murder case after finding serious procedural lapses in their examination under Section 313 CrPC. The bench of Justices Sanjay Karol and N. Kotiswar Singh noted that the accused had not been confronted with all material allegations, and their statements were generic and identical, indicating a failure to ensure a fair trial. The Court criticised the prosecution for neglecting its duty to assist the trial court in properly conducting the examination, stressing that public prosecutors must act independently in the interest of justice, not merely pursue convictions. Citing Sovaran Singh Prajapati and Ashok v. State of Uttar Pradesh, the Court reiterated that prosecutors must alert courts to missing questions and help frame proper ones. Holding that the procedural defect vitiated the trial, the Court overturned the convictions and remanded the case for fresh proceedings from the stage of section 313.

Ananya Jain

Corporate

NCLAT: Successful liquidation bidder must honour bid; forfeiture of ₹2 crore EMD upheld

The NCLAT New Delhi has ruled that a winning bidder in a CIRP liquidation e-auction cannot later refuse payment due to market shifts or delays not attributable to the liquidator.

Key holdings:

Liquidation sales aren't normal commercial contracts; strict IBC timelines apply.

Bidder voluntarily accepted auction conditions, including forfeiture for default.

No payment was made even after stay was lifted—showing reluctance due to falling aluminium prices.

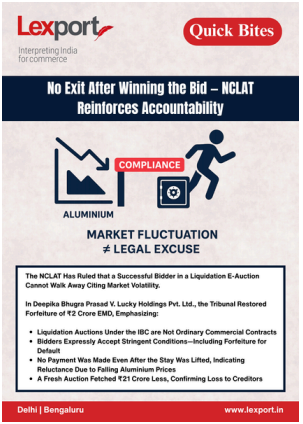
Fresh auction fetched ₹21 crore less, confirming value loss to creditors.

Outcome:

NCLAT set aside NCLT Kolkata's refund order and restored forfeiture of ₹2 crore EMD.

Case: Deepika Bhugra Prasad v. Lucky Holdings Pvt. Ltd.

Siddhart Dewalwar



Corporate

NCLT Chandigarh Approves Haldiram's Consolidation Scheme

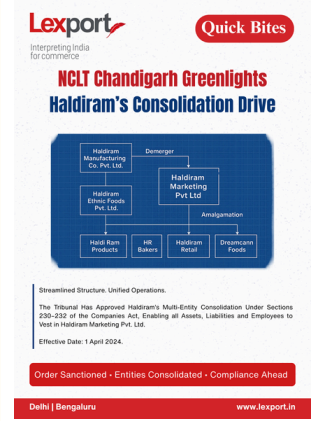
The National Company Law Tribunal, Chandigarh, has approved the second motion petition filed by seven Haldiram group entities seeking consolidation of their manufacturing, retail and food processing units into Haldiram Marketing Private Limited. The bench of Judicial Member Khetrabasi Biswal and Technical Member Shishir Agarwal noted that the companies had filed their constitutional documents, audited financials and creditor consents supporting the scheme.

The scheme, proposed under Sections 230 to 232 of the Companies Act, 2013, provides for the demerger of undertakings of Haldiram Manufacturing Company Pvt Ltd and Haldiram Ethnic Foods Pvt Ltd, and the amalgamation of Haldi Ram Products Pvt Ltd, HR Bakers Pvt Ltd, Haldiram Retail Pvt Ltd and Dreamcann Foods Pvt Ltd into Haldiram Marketing. The appointed date is 1 April 2024. Upon sanction, all assets, liabilities and employees of the demerged and transferor companies will vest in Haldiram Marketing.

The tribunal observed that meetings of shareholders and creditors were held where required and that notices had been duly served on statutory authorities. Reports from the Regional Director, Official Liquidator and Income Tax Department raised no sustainable objections. The companies undertook to comply with all accounting, legal and regulatory requirements.

Finding no impediment, the tribunal granted sanction and directed filing of the certified order and scheme with the Registrar of Companies within 30 days, following which the transferor entities will stand dissolved.

Case Number: CP(CAA) No. 12/Chd/Hry/2025



Akshita Agarwal

Corporate

MCA Revises Small Company Thresholds With Higher Capital and Turnover Limits

The Ministry of Corporate Affairs has notified revised thresholds for determining small companies by amending Rule 2(1)(t) of the Companies (Specification of definition details) Rules, 2014. The revised limits come into effect on December 1, 2025.

A combined reading of Section 2(85) of the Companies Act, 2013 and the amended Rule now classifies a company (other than a public company) as a small company if its paid up share capital does not exceed INR 10 crore and its turnover for the immediately preceding financial year does not exceed INR 100 crore. These represent the maximum limits permitted under the Companies Act, and any further increase would require an amendment to the Act itself.

The proviso to Section 2(85) continues to exclude holding and subsidiary companies, companies registered under Section 8, and companies or bodies corporate governed by any special Act.

Before this notification, the limits last revised in September 2022 were paid up capital not exceeding INR 4 crore and turnover not exceeding INR 40 crore.

The revised thresholds are expected to reduce compliance burdens by bringing more entities within the small company classification. Benefits include reduced penalties, the option to file an abridged annual return, exemption from preparing cash flow statements, and the requirement to hold only two board meetings in a year. The annual return may also be signed by the company secretary or, where there is none, by a director.

Akshita Agarwal

About Us

Lexport is a full-service Indian law firm offering consulting, litigation and representation services to a range of clients.

The core competencies of our firm's practice *inter alia* are Trade Laws (Customs, GST & Foreign Trade Policy), Corporate and Commercial Laws and Intellectual Property Rights.

The firm also provides Transaction, Regulatory and Compliance Services. Our detailed profile can be seen at our website www.lexport.in.

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