

LEXPORT NEWSLETTER

DECEMBER 2025 | WEEK 3

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



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Indirect Tax

Central Excise (Amendment) Act, 2025 Introduced to Revamp Excise Duty Structure on Tobacco Products

The Government has enacted the Central Excise (Amendment) Act, 2025 to replace the tariff table for tobacco and tobacco products. The revised table updates excise duty rates on items like unmanufactured tobacco, cigarettes, cigars and smoking mixtures, enabling future rate adjustments. Further, it should be noted that the amendment shall be effective from the date to be notified.



Rishabh Dev Dixit



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Quick Bites

Joint Development Deals Carry GST on Both Sides

Supply of Services
to GST Promoter by Promoter

RCM on Unbooked Units
(Post 1-4-2019)

Joint Development = Tax Neutral

The Kerala AAR Clarifies that Joint Development Agreements Are Not Tax-Neutral. Construction Services Provided By the Promoter to the Landowner Attract GST and Development Rights Received Post 1 April 2019 Trigger GST Under RCM On Unbooked Units At Completion.

Cause Title: S.I. Property Kerala Pvt. Ltd. (2025) 37 Centax 97 (A.A.R. - GST - Ker.) [08-10-2025]

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In re : S.I. Property Kerala Pvt. Ltd. (2025) 37 Centax 97 (A.A.R. - GST - Ker.) [08-10-2025]

Where promoter entered into joint development agreement with landowner for residential project and landowner transferred development rights in exchange for constructed flats, this exchange constituted supply of services, with promoter liable to discharge GST on construction service provided to landowner; further, in respect of development rights received on or after 1-4-2019, promoter is also liable to pay GST under RCM on units remained unbooked on date issuance of completion certificate.



Rishabh Dev Dixit



Indirect Tax

Karnataka High Court Clarifies Place of Supply Under Section 10(1)(a) IGST Act

Case Title: M/s Toyota Kirloskar Motor Pvt. Ltd. v. Union of India

The Karnataka High Court has held that, for determining place of supply under Section 10(1)(a) of the IGST Act, the decisive factor is the location where the movement of goods ends for delivery to the recipient, not the point where goods are handed to a common carrier. The Court noted that the assessee supplied motor products to registered dealers outside Karnataka and correctly paid IGST because the movement of goods terminated outside the state. The Department's attempt to demand CGST and KGST on the same supplies, by relying on dealership agreement terms, was rejected as arbitrary and leading to double taxation. The Court held that title-passing arrangements have no bearing on the statutory rule under Section 10(1)(a). It quashed the demand for CGST and KGST while acknowledging the undisputed interstate nature of the supplies.



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Quick Bites

Place of Supply Depends on Where Movement Ends – Not Where It Begins

Common Carrier

✗ Not decisive

Out-of-State Dealer

✓ Section 10(1)(A) Trigger Point

The Karnataka High Court Held that Under Section 10(1)(A) of the IGST Act, the Place of Supply is Determined By Where the Movement of Goods Ends For Delivery, Not Where Goods are Handed Over to a Common Carrier.

If Delivery Occurs Outside the State, the Supply is Inter-State And IGST Applies. Contractual Terms Cannot Override the Statute or Result in Double Taxation.

Cause Title: M/s Toyota Kirloskar Motor Pvt. Ltd. v. Union of India

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Quick Bites

GST Officers Cannot Seize Cash Under Section 67

Goods

Documents

Section 67 – Statutory Power Ends Here

Cash

Authority stops where the statute stops

The Calcutta High Court Ruled That Section 67 CGST Empowers Authorities To Seize Goods And Documents, Not Cash. Money is Explicitly Excluded From The Definition Of Goods, Making The Sealing Of ₹24 Lakh Unlawful. Statutory Limits Must Be Respected While Investigations Continue.

Case Title: Puspa Furniture Ltd. & Anr. v. Union of India & Ors.

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Calcutta High Court Rules GST Officers Cannot Seize Cash Under Section 67 CGST Act

Case Title: Puspa Furniture Ltd. & Anr. v. Union of India & Ors.

The Calcutta High Court has ruled that Section 67 of the CGST Act does not empower GST authorities to seize or seal cash. The judgment arose from a search at the business and residential premises of an assessee, where officials sealed Rs. 24 lakh. The Court held that Section 67(2) authorises seizure of goods, documents, books, or things relevant to proceedings, but money is expressly excluded from the definition of goods under Section 2(52). As such, sealing cash exceeded statutory authority and deprived the assessee of its use. The Court also took note of the assessee's challenge that the INS-01 lacked recorded reasons to believe. While directing immediate de-sealing of the Rs. 24 lakh, the Court clarified that the order was not a shield against lawful action if the cash is otherwise illegal. GST authorities were permitted to continue their investigation and asked to file an affidavit on the validity of the search.



Shelly Singh

Indirect Tax

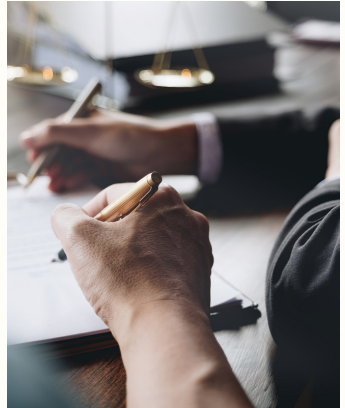
Blocking of Electronic Credit Ledger by an amount exceeding credit available at time of order is illegal: HC

CASE TITLE: SHYAM SUNDER STRIPS Versus UNION OF INDIA

GST : Availability of credit in Electronic Credit Ledger is a condition precedent for exercise of power under Rule 86A of CGST Rules, 2017; blocking of ECL by an amount exceeding credit available in ECL at time of passing of order is illegal.



Shelly Singh



Quick Bites

Blocking Electronic Credit Ledger Beyond Available Balance is Illegal



✓ Block within available credit ✗ Cannot exceed balance

The High Court Ruled that GST Authorities Cannot Block More Credit Than What is Available in the Electronic Credit Ledger at the Time of the Order. Any Excess Block Is Unlawful. Only Block Within the Available Balance Exceeding the Ledger Violates Statutory Provisions.

Cause Title: SHYAM SUNDER STRIPS Versus UNION OF INDIA

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Delhi High Court Upholds Validity of GST Summons and Rejects Writ Petitions as Premature

Case Detail: MD. Aniqul Islam VS. Directorate General of Goods and Services Tax Intelligence, Delhi

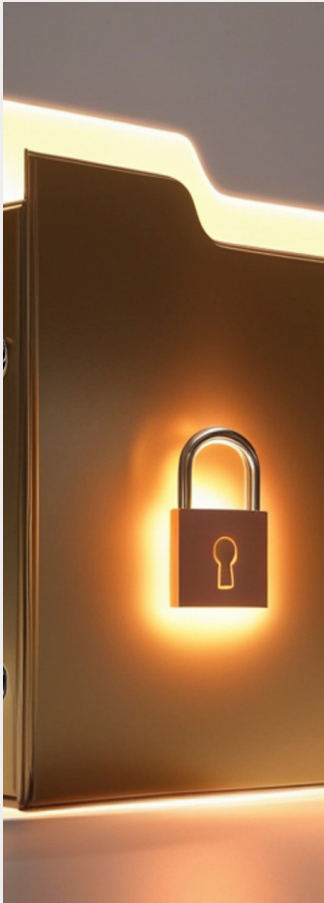
The Delhi High Court has dismissed writ petitions that sought to challenge summons issued by the DGGI in an alleged clandestine tobacco trading case involving bidi supplies valued at over Rs. 50 crore with a GST exposure of about Rs. 14 crore. The Court examined Section 70 of the CGST Act and held that summons issued for an inquiry are deemed judicial proceedings, merely intended to gather information and call for documents. Relying on the Supreme Court's decision in *Armour Security*, the Court clarified that issuance of summons does not constitute initiation of proceedings. The petitioner's attempt to seek protection from arrest through a writ was rejected, with the Court reiterating that anticipatory bail and writ jurisdiction are distinct. The Court also highlighted statutory safeguards under Section 69 relating to arrest and refused to interfere with the ongoing investigation. Consequently, the petitions challenging the summons were dismissed on merits as premature.

Armour Security case was handled by Lexport before the Supreme Court, which was followed by the DHC here



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Indirect Tax



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Quick Bites

No Certificate, No Case: Unsealed Digital Evidence Can't Drive Customs Valuation

CUSTOMS DEMAND



- CESTAT Rejected a Customs Demand Built on Electronic Data From an Unsealed CPU
- Absence of a Section 139C Certificate Broke the Evidentiary Chain
- Valuation Must Rest on Legally Verified Records, Not Unsecured Digital Printouts

Case Title: KDS Exports v. Commissioner of Customs (ICD) New Delhi

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CESTAT Rules Electronic Data From Unsealed CPU Without Section 139C Certificate Cannot Support Customs Valuation

Case Title: KDS Exports v. Commissioner of Customs (ICD) New Delhi

The New Delhi Bench of CESTAT has set aside a customs demand based on electronic data retrieved from an unsealed CPU, holding that such material cannot form the basis of assessment without compliance with Section 139C of the Customs Act. The Tribunal noted that two CPUs allegedly containing parallel invoice values were seized by DRI but were neither sealed at the time of panchnama nor examined for 47 days, undermining evidentiary integrity. The Benches emphasized that electronic records printed from a device, rather than retrieved from an authenticated server, attract Section 139C certification requirements, which were absent.

On valuation, the Tribunal reiterated that before the 2007 amendment to Section 14, assessment rested on contemporaneous international prices, not transaction value. The proper officer had already enhanced values to US\$ 1.46 per kg based on prevailing international trade, and the assessee paid duty accordingly. The subsequent attempt to re-determine values using unverifiable electronic evidence was held unsustainable. The appeal was allowed, and the differential duty demand was quashed.



Shelly Singh

Intellectual Property Rights

5000" Is Not Public Juris says Bombay High Court in Anheuser Busch InBev India Ltd. v. Jaggin Breweries Ltd.

The Bombay High Court has once again reinforced the robust statutory and common law protection accorded to well-known trade marks under Indian law. In Commercial IP Suit No. 19 of 2006, the Court granted a permanent injunction in favour of Anheuser Busch InBev India Ltd., restraining Jaggin Breweries Ltd. from using the mark "COX 5000" in relation to beer, holding it to be infringing and amounting to passing off vis-à-vis the iconic "HAYWARDS 5000" and "FIVE THOUSAND" trade marks. The judgment is particularly significant for its clear recognition that the numeral "5000" constitutes the dominant and essential feature of the plaintiff's registered and well-known mark. The Court rejected the defence that numerals are per se common to trade, reiterating that once a numeral has acquired distinctiveness and source-identifying significance through long, continuous, and extensive use, it is entitled to protection.

Equally important is the Court's approach to dishonest adoption. The defendants' failure to lead evidence, conduct due diligence, or justify adoption of an identical essential feature weighed heavily against them. The Court reaffirmed that minor differences, such as a different prefix, do not obviate infringement where the overall commercial impression and essential features are copied, especially in relation to identical goods.

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Quick Bites

**5000" Is Not Public Juris: When a Number
Becomes a Protected Trademark**



- Bombay High Court Restrained use of "COX 5000", Holding it Infringing of HAYWARDS 5000 / FIVE THOUSAND
- The Court Ruled That "5000" is the Dominant and Essential Feature of The Plaintiff's Well-Known Mark
- Rejected the Plea That Numerals Are Public Juris, Clarifying that Distinctive Numerals Deserve Full Trademark Protection
- Minor Differences in Prefix Do Not Avoid Infringement Where the Overall Commercial Impression is Copied

Case Title: 5000" Is Not Public Juris says Bombay High Court in Anheuser Busch InBev India Ltd. v. Jaggin Breweries Ltd.

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Swagita Pandey



Intellectual Property Rights

Distinctiveness Requires More Than Design Aesthetics EUIPO on Non-Distinctive Figurative Marks

The EUIPO refused registration of a figurative mark filed by Charlotte Tilbury TM Limited, holding that the sign lacked inherent distinctive character under Article 7(1)(b) EUTMR. The mark, comprising an elongated black square intersected by a line, was sought to be registered for an extensive range of Class 3 cosmetic and personal care goods. The decision offers important guidance on the limits of minimalist branding within EU trade mark law. The Office reiterated that while modern branding trends favour simplicity and subtlety, not every aesthetically pleasing or “quiet luxury” design is capable of functioning as a badge of origin. Simple geometric shapes, or combinations thereof, will be refused unless they depart significantly from market norms and are immediately capable of indicating commercial origin to the relevant consumer. The applicant argued that the mark’s symmetry, elongation, and geometric tension rendered it unusual, memorable, and conceptually aligned with contemporary luxury branding. However, the EUIPO was unpersuaded, finding that the sign would be perceived merely as a banal decorative element rather than a trade mark. The Office also clarified that it is not required to cite market examples of similar signs, as its assessment may rely on practical experience derived from consumer goods markets.

Notably, the EUIPO rejected reliance on prior Board of Appeal decisions and foreign registrations, emphasising that EUTM registrability must be assessed independently and in light of evolving market practices



Swagita Pandey



Intellectual Property Rights

Permanent Injunction Granted Against Look-Alike 'LEGEND' Basmati Rice Packaging

The Hon'ble District Court granted a permanent injunction in favour of KRBL Limited, proprietor of the well-known "INDIA GATE" basmati rice brand. The Hon'ble Court found that the Defendant's "LEGEND" basmati rice packaging was deceptively similar to the INDIA GATE CLASSIC trade dress. Key similarities included a red rectangular brand panel, bold white lettering, depiction of a historical monument, and placement of a rice bowl at the bottom. These elements, viewed cumulatively, were held likely to cause consumer confusion. The Hon'ble Court upheld findings of trademark infringement, passing off, and copyright infringement. Given the absence of any raid or clarity on existing stock, the Hon'ble Court modified the relief of delivery-up and instead directed the Defendant to destroy all infringing goods and related materials. The Defendant was permanently restrained from manufacturing, selling, or advertising rice under the impugned packaging.

[KRBL Limited vs MOI Commodities India Private Limited (CS Comm 2304/22)]



Anushka Tripathi

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Quick Bites

When Trade Dress Imitation Crosses the Line

Look-Alike "LEGEND" Basmati Rice Packaging Restrained By The Court

Similar Colour Panels, Typography, Monument & Layout Caused Confusion

Goodwill Isn't Transferable – Imitation Invites Injunction

Cause Title: KRBL Limited vs MOI Commodities India Private Limited (CS Comm 2304/22)

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Quick Bites

Pay the Price or Pull the Song: Delhi HC's Copyright Warning to Film Producers

- Unauthorised Use Of Copyrighted Music Invites Immediate Court Intervention
- Composer's Licence ≠ Copyright Clearance Once Rights Vest In Producer
- Court Orders ₹30 Crore Deposit Or Removal Of Infringing Song
- OTT & Satellite Release Allowed Only Upon Compliance
- Copyright Enforcement Now Comes With Real-Time Commercial Consequences

Cause Title: Saregama India Ltd v Black Madras Films & Ors., CS(COMM) 1310/2025

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Delhi High Court Directs Deposit of ₹30 Crore or Removal of Song in Saregama Copyright Suit Against 'Mask'

The Delhi High Court granted an interim relief to Saregama India Ltd in its copyright infringement suit against the producers of the film Mask for unauthorised use of the song Naguva Nayana as background score. The Court held that Saregama, as assignee of the producer of the original film Pallavi Anu Pallavi, is the lawful copyright owner of the sound recording and underlying literary and musical works. It rejected the defendants' claim that a licence obtained from the music composer was sufficient, noting that under the Copyright Act and settled law, the composer had no right to license the work after copyright vested in the producer. Considering that the film had already been theatrically released and that Saregama had no objection to its release on OTT and satellite platforms subject to payment, the Court directed the defendants to either remove the infringing song or deposit ₹30 crore with the Court before any digital or satellite release, failing which release would be restrained. [Saregama India Ltd v Black Madras Films & Ors., CS(COMM) 1310/2025]



Anushka Tripathi

Intellectual Property Rights

Delhi High Court Grants Injunction Against Sale of Counterfeit S Chand Books on Flipkart

The Delhi High Court granted an ex parte ad interim injunction in favour of S Chand and Company Ltd, restraining multiple sellers from offering counterfeit and pirated copies of its textbooks on Flipkart's platform. The Court found a strong prima facie case that the defendants were reproducing and selling infringing books bearing S Chand's registered trademarks and imprints to exploit the publisher's goodwill. The Court noted that S Chand had purchased books from the defendants' storefronts and, upon inspection, confirmed them to be counterfeit versions of its original copyrighted works. Several sellers were found to be untraceable at their GST-registered addresses, reinforcing the inference of dishonest conduct. The Court held that an unwary consumer was likely to believe the counterfeit books were genuine S Chand publications or sold by authorised distributors. The Court restrained the sellers from further infringement and directed Flipkart to take down the identified infringing listings. S Chand was also permitted to flag additional counterfeit listings, which Flipkart must act upon within 72 hours. The GST Department was directed to verify the credentials of the missing sellers.

[S Chand and Company Ltd v Kaushal Kumar and Ors., CS(COMM) 1276/2025]

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Quick Bites

Counterfeit Listings Under the Court's Scanner



The Delhi High Court Stepped in to Curb the Online Sale of Counterfeit S Chand Textbooks, Directing Takedown of Infringing Listings and Restraining Rogue Sellers. The Ruling Reinforces that E-Commerce Platforms Cannot Be Safe Havens For Piracy—And that Consumer Trust and IP Rights Remain Firmly Protected Under the Law.

Cause Title: [S Chand and Company Ltd v Kaushal Kumar and Ors., CS(COMM) 1276/2025]

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Anushka Tripathi



Intellectual Property Rights

Hon'ble Bombay HC Injuncts 'Sangini Hair Protection' for Trade Dress and Mark Infringement

The Hon'ble Bombay High Court granted an interim injunction in favour of Marico, restraining the defendants from using the mark "Sangini Hair Protection" and the impugned trade dress. The Hon'ble Court held that the defendants' packaging, bottle shape, logos and overall get-up were deceptively similar to Marico's well-known trademarks "Parachute Jasmine / Parachute Advanced Jasmine" and "Hair & Care." Rejecting the defence that the word "Jasmine" was generic or descriptive, the Hon'ble Court found that it was used prominently in a trademark sense and not merely to describe product characteristics. The defendants failed to show that the marks were common to the trade or publici juris. Relying on settled principles of holistic comparison, the Hon'ble Court held that deceptive similarity must be assessed based on overall impression, not isolated words. The Hon'ble Court stated that Delay is no defence, particularly where infringement was prima facie established. Given Marico's long-standing use, goodwill, and reputation, the balance of convenience and irreparable harm favoured the plaintiff, warranting injunctive relief. [Marico Limited vs Minolta Natural Care (COMMERCIAL IP (L) NO.28094 OF 2025)]

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Trade Dress Infringement Is Judged Holistically – Not Word by Word



The Bombay High Court Reaffirmed that Deceptive Similarity Must Be Assessed on the Overall Impression of a Product. Similarity in Shape, Colour, Palette, Font, Imagery and Overall Get-Up—When Viewed Together—Can Establish Infringement, Even if Individual Elements are Common.

Isolated Comparisons Don't Matter; What Matters is How the Product Appears to an Average Consumer at First Glance.

Cause Title: Marico Limited Vs Minolta Natural Care (COMMERCIAL IP (L) NO.28094 OF 2025)

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Intellectual Property Rights

**Hon'ble Delhi HC Injuncts Misuse of
"chemistatplay.com" for Trademark
Infringement**

The Hon'ble Delhi High Court granted an ex parte ad-interim injunction in favour of the Plaintiff, proprietor of the registered trademark "CHEMIST AT PLAY," against unauthorised use of the domain www.chemistatplay.com. The Plaintiff had originally registered the domain in 2021 but inadvertently failed to renew it, after which Defendant No. 1 re-registered and began using it. The Hon'ble Court noted that despite the Plaintiff's bona fide efforts to recover the domain through brokers and bidding platforms, the Defendant's identity remained concealed. Upon noticing active use of the domain in 2025, the Plaintiff approached the Hon'ble Court alleging impersonation and misuse. The Hon'ble Court found that Defendant No. 1's conduct was prima facie dishonest and intended to ride on the Plaintiff's goodwill and reputation. Considering the Plaintiff's substantial turnover and advertising expenditure, the Hon'ble Court held that confusion and irreparable harm were likely. A strong prima facie case and balance of convenience were found in favour of the Plaintiff. Accordingly, Defendant No. 1 was restrained from using or dealing with the impugned domain. Domain registrars were directed to suspend the website and disclose subscriber details. [Onesto Labs Private Limited vs Ashok Kumar & Ors (CS(COMM) 1287/2025)]

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Quick Bites

Domain Expired, Rights Intact:

Delhi High Court Cracks Down on Cybersquatting



- Trademark Rights Do Not Vanish With Domain Lapses
- Re-Registration and Misuse Can Still Amount to Infringement
- Courts Will Restrain Dishonest Adoption Riding on Brand Goodwill
- Registrars Can Be Ordered to Suspend Domains and Disclose Details

Cause Title: Onesto Labs Private Limited vs Ashok Kumar & Ors (CS(COMM) 1287/2025)

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Anushka Tripathi



Litigation



Sajid Pasha and Others Vs. Abdunnasir P and Others, 2025: KER: 96176

The Kerala High Court relying on BSNL Vs. Nortel (2021), the court held that while no specific format is prescribed for a Section 21 notice, it must clearly indicate the dispute, the claims, and the arbitration clause invoked. The purpose of such notice is to mark the commencement of arbitral proceedings, which is critical for limitation and for filing an application under Section 11. In the present case, the email failed to specify any dispute, claim, or applicable arbitration agreement, rendering it vague and invalid. Consequently, the court held that without a valid Section 21 notice, the Section 11 application was premature and dismissed it.



Shyam Kishor Maurya

Lis Pendens Applies to Mortgage-Backed Recovery Suits

The Supreme Court held that the doctrine of lis pendens under Section 52 of the Transfer of Property Act applies even to money recovery suits where the debt is secured by a mortgage. Once such a suit is instituted, the mortgaged property becomes directly and specifically in issue, and any transfer during pendency or until full satisfaction of the decree is barred. The nature of the decree, whether contested or ex parte, is irrelevant. Purchasers pendente lite acquire no better title than the judgment-debtor and are bound by the outcome, irrespective of notice or no-encumbrance certificates. The appeal was accordingly allowed.

DANESH SINGH & ORS. VERSUS HAR PYARI (DEAD) THR. LRS. & ORS.
CIVIL APPEAL NO. 14761 of 2025



Ananya Jain

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Quick Bites

Lis Pendens Binds Mortgage-Backed Recovery Suits

▲ Sale during pendency = No title

Once a Mortgage Recovery Suit is Filed, the Property Itself is in Dispute. Any Transfer During Pendency—Until Full Satisfaction of the Decree—Is Barred. Buyers Pendente Lite Take No Better Title, Regardless of Notice, Ex Parte Decrees or No-Encumbrance Certificates.

Cause Title: **DANESH SINGH & ORS. VERSUS HAR PYARI (DEAD) THR. LRS. & ORS. CIVIL APPEAL NO. 14761 of 2025**

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Litigation

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Quick Bites

SARFAESI Cannot Travel Back in Time



The Supreme Court Has Clarified that SARFAESI Proceedings in Nagaland are Invalid if Initiated Before the Act's Adoption in December 2021. Actions Taken in 2011 Lacked Statutory Backing and Were Held to Be Without Jurisdiction—Reinforcing that Enforcement Follows Applicability, Not Intent.

Case Title: North Eastern Development Finance Corporation Ltd. (NEDFI) Vs. M/S L. Doulo Builders and Suppliers Co. Pvt. Ltd., Civil Appeal No. 6492 Of 2024

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SARFAESI Act Inapplicable in Nagaland Prior to 2021

The Supreme Court dismissed a secured creditor's appeal seeking to invoke the SARFAESI Act in Nagaland, holding that the Act was not applicable in the State before its formal adoption in December 2021. The Court ruled that recovery proceedings initiated in 2011 were without jurisdiction. It further held that no valid "security interest" had been created in favour of the creditor, as the assets were mortgaged to a Village Council, which merely executed a deed of guarantee. Such arrangement did not satisfy SARFAESI requirements. The Court clarified that the creditor could have pursued recovery under the Recovery of Debts and Bankruptcy Act, 1993 instead.

NORTH EASTERN DEVELOPMENT FINANCE CORPORATION LTD. (NEDFI) VS. M/S L. DOULO BUILDERS AND SUPPLIERS CO. PVT. LTD., CIVIL APPEAL NO. 6492 OF 2024



Ananya Jain

Arbitrability and Party Status to Be Decided by Tribunal

The Supreme Court reaffirmed that disputes concerning whether a person is a proper party to an arbitration agreement or eligible to invoke the arbitration clause must be decided by the arbitral tribunal. Upholding the Telangana High Court's referral to arbitration, the Court held that at the Section 11 stage, courts are limited to a prima facie examination of the existence of an arbitration agreement and must avoid detailed scrutiny of contentious issues. Relying on Cox and Kings Ltd. v. SAP India Pvt. Ltd., the Court ruled that questions regarding consortium status, authority to invoke arbitration, and maintainability of claims fall within the tribunal's jurisdiction under Section 16.

M/S ANDHRA PRADESH POWER GENERATION CORPORATION LIMITED (APGENCO) VERSUS M/S TECPRO SYSTEMS LIMITED & ORS., SLP (C) NO. 8998 OF 2023



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Quick Bites

Arbitrability & Party Status: Tribunal Has the First Word



At the Section 11 Stage, Courts Conduct Only a Prima Facie Check on the Existence of an Arbitration Agreement. Questions On Who is Bound, Who Can Invoke the Clause, and Whether Claims Are Maintainable Fall Within the Arbitral Tribunal's Domain Under Section 16—Reinforcing Kompetenz-Kompetenz and Limiting Judicial Overreach.

Case Title: M/S ANDHRA PRADESH POWER GENERATION CORPORATION LIMITED (APGENCO) VERSUS M/S TECPRO SYSTEMS LIMITED & ORS., SLP (C) NO. 8998 OF 2023

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Litigation

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Quick Bites

Fire Proven. Cause Irrelevant. Insurer Must Pay.



Exclusion clauses must be strictly construed

The Supreme Court Has Clarified that Once Loss By Fire is Established, the Cause of Ignition Does Not Matter. Insurers Cannot Deny Claims By Linking Fire Damage to Preceding Theft or Burglary When Fire is a Covered Peril. Exclusion Clauses Must Be Interpreted Strictly and Cannot Dilute Core Coverage.

Cause Title: Cement Corporation of India Versus ICICI Lombard General Insurance Company Limited, Civil Appeal No. 2052 of 2016

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Cause of Fire Irrelevant Once Fire Loss Is Established

The Supreme Court allowed a fire insurance claim, holding that once it is undisputed that loss is caused by fire, the cause igniting the fire becomes immaterial. Setting aside the NCDRC's decision, the Court ruled that the insurer could not deny indemnification on the ground that burglary or theft preceded the fire, as fire was a specified peril under the policy and theft was not excluded under that head. Emphasising strict interpretation of exclusion clauses, the Court held that exclusions under the RSMD clause could not override liability for fire-related losses. Consequently, the insurer was directed to honour the claim.

CEMENT CORPORATION OF INDIA VERSUS ICICI LOMBARD GENERAL INSURANCE COMPANY LIMITED, CIVIL APPEAL NO. 2052 OF 2016



Ananya Jain

Koshy Phillip Vs. Thomas P Mathew and Others, 2025: KER: 96125

The Kerala High Court reaffirmed the principle of minimal judicial intervention in arbitration proceedings, holding that under Section 11 of the Arbitration Act, courts cannot undertake actions beyond what the Act permits. Referring to the 2015 amendment, it observed that the legislative intent was to expedite arbitrator appointments, not to widen judicial review. Relying on established precedents, the court clarified that High Courts may exercise only limited procedural review to correct patent errors, and not substantive review on merits or interpretation of the arbitration agreement. Entertaining review petitions would delay arbitration and defeat the statutory objective; accordingly, the petition was dismissed.



Shyam Kishor Maurya

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Quick Bites

Section 11 Means Minimal Court Interference – Arbitration Must Move Forward



Courts appoint — Tribunals decide

- High Courts Have a Limited Role at the Section 11 Stage
- Courts Only Check the Existence of an Arbitration Agreement
- No Review on Merits or Interpretation of Contractual Terms
- Review Petitions are Impermissible and Defeat Speedy Arbitration
- All Substantive Disputes are For the Arbitral Tribunal to Decide Under Section 16

Cause Title: Koshy Phillip Vs. Thomas P Mathew and Others, 2025: KER: 96125

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Litigation

Quick Bites

Margin Is Access, Not Ownership: Arbitral Award Upheld

Access Only Client's Trades

Margin ≠ Goods ≠ Profit

- A Margin Glitch Only Enabled Trading; It Didn't Generate the Profits
- "Margin" is Money, Not Goods—Sections 71 & 163 Don't Apply
- A Broker Cannot Benefit from its Own System Failure
- Award Upheld; Client's ₹1.83 Crore Profit Stands

Cause Title: Kotak Securities Limited Vs. Gajanan Ramdas Rajguru, 2025: BHC-OS: 23272

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Kotak Securities Limited Vs. Gajanan Ramdas Rajguru, 2025: BHC-OS: 23272

The Bombay High Court dismissed Kotak Securities' petition under Section 34 of the Arbitration Act challenging an appellate arbitral award arising from a trading glitch on 26 July 2022. Due to a system error, the client was shown an inflated margin and executed high-value trades, ultimately earning profits of over Rs. 1.83 crores. The Court held that Sections 71 and 163 of the Contract Act were inapplicable, as "margin" is money, not goods. It found that the margin only enabled trading and did not itself generate profit, and that Kotak could not benefit from its own system failure. The arbitral award was upheld.



Shyam Kishor Maurya

Delhi High Court Draws Clear Line Between GRAP Obligations and Individual Service Entitlements

Honoured to have been part of the team representing C-DOT before the Hon'ble Delhi High Court in a matter raising important questions at the intersection of service law and environmental regulation.

The Hon'ble Court clarified that while the Graded Response Action Plan (GRAP) is a critical framework to address air pollution and must be implemented by authorities, it does not create enforceable service rights for individual employees. The ruling draws a clear distinction between institutional obligations under pollution-control measures and personal service entitlements, and sets an important precedent that GRAP, even in extreme air-quality conditions, does not automatically confer a right to work from home.



Ananya Jain

Quick Bites

Delhi HC Clarifies: GRAP Does Not Create a Right to Work From Home

Environmental protection
≠ Service entitlement

The Delhi High Court Has Clarified that the Graded Response Action Plan (GRAP) is an Environmental Governance Framework, Not a Source of Individual Service Entitlements.

While GRAP Must Be Strictly Implemented By Authorities to Combat Air Pollution, It Does Not Automatically Confer Rights Such as Work-From-Home For Employees.

The Ruling Draws a Clear Line Between Institutional Obligations for Public Health and Personal Service Conditions, Reinforcing that Environmental Measures Cannot Be Stretched Into Enforceable Employment Benefits Without Statutory Backing.

Lexport Represented C-Dot in this Matter Before the Delhi High Court

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Interpreting India
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No Way Back**

Private deals cannot undo public law.

- NCLAT Clarifies that Section 12A Withdrawal is Allowed Only During CIRP
- After a Liquidation Order, the Process is Statutorily Locked
- Private Settlements or No Dues Certificates Cannot Undo Liquidation
- Insolvency Law Prioritises Finality Over Post-Liquidation Compromise

Case Title: Narayan Maheshwari v. Kavitha Surana and Bank of India
Case Number: Company Appeal (AT) (CH) (INS) No. 63/2024 with
IA No. 190/2024

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**Siddhart Dewalwar****NCLAT Reaffirms That Insolvency Cannot Be
Withdrawn After Liquidation Begins**

The National Company Law Appellate Tribunal, Chennai Bench, has reiterated that insolvency proceedings cannot be withdrawn once liquidation has commenced. The tribunal clarified that Section 12A of the Insolvency and Bankruptcy Code, 2016 permits withdrawal only during the Corporate Insolvency Resolution Process and not after a liquidation order has been passed.

The appeal was filed by Narayan Maheshwari, promoter of Veerganapathi Steels Pvt Ltd, seeking withdrawal of insolvency proceedings after the company had entered liquidation. The bench of Judicial Member Justice Sharad Kumar Sharma and Technical Member Jatindranath Swain dismissed the appeal, holding that once a liquidator is appointed and liquidation proceedings are initiated, the process cannot be reversed.

Veerganapathi Steels was admitted into insolvency on April 26, 2018 on an application by Bank of India. As no resolution plan was approved within the prescribed timeline, liquidation was ordered by the NCLT, Chennai on July 19, 2023. Subsequent to the commencement of liquidation, the promoters entered into settlement discussions with the bank and relied on a one time settlement and a No Dues Certificate to seek withdrawal.

Rejecting the plea, the NCLAT held that Section 12A is confined to the resolution stage and cannot be invoked after liquidation begins. The tribunal further observed that neither inherent powers nor equitable considerations can be used to override the statutory scheme. Accordingly, the appeal was dismissed and the liquidation process was allowed to continue.

Case: Narayan Maheshwari v. Kavitha Surana and Bank of India

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Quick Bites

Debenture Trustees Shielded From Creditor-Initiated Insolvency



The NCLT Mumbai Held that SEBI-Registered Debenture Trustees Qualify as Financial Service Providers.

Their Role in Administering and Safeguarding Financial Instruments Squarely Amounts to Financial Services.

As Insolvency Against FSPs Can Be Initiated Only By the Appropriate Regulator Under Section 227, Creditor-Initiated CIRP Was Dismissed as Not Maintainable.

Case Title: Arithmetics Financial Services Pvt Ltd v. Centbank

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Debenture Trustees Treated As Financial Service Providers

The NCLT Mumbai has held that debenture trustees registered with SEBI qualify as Financial Service Providers and are therefore outside creditor-initiated insolvency proceedings under the Insolvency and Bankruptcy Code.

Dismissing an insolvency plea against Centbank Financial Services Ltd, the tribunal ruled that debenture trusteeship involves administering and safeguarding financial instruments, squarely falling within financial services. Once an entity establishes its registration with a financial sector regulator, the adjudicating authority cannot examine income composition or alleged regulatory breaches.

The tribunal further noted that insolvency proceedings against Financial Service Providers can be initiated only by the appropriate regulator under Section 227 of the IBC. Since SEBI has not been notified as a regulator for this purpose, the CIRP application was held to be not maintainable.

Case: Arithmetics Financial Services Pvt Ltd v. Centbank



Siddhart Dewalwar

NBFC Remains Financial Service Provider Despite Lending Ban

The NCLAT has held that an NBFC does not lose its status as a Financial Service Provider merely because the RBI has barred it from fresh lending. Operational restrictions do not alter the legal character of an RBI-registered NBFC.

Dismissing Equitas Small Finance Bank's appeal, the tribunal ruled that insolvency proceedings against a Financial Service Provider can be initiated only by the appropriate regulator under Section 227 of the IBC. Since Jumbo Finvest's NBFC registration remained valid during the relevant period, creditor-initiated CIRP was not maintainable.

Case: Equitas Small Finance Bank Ltd. v. Jumbo Finvest (India) Ltd.

Case No.: Comp. App. (AT) (Ins) No. 1771 of 2025



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Quick Bites

NBFC Status Survives Lending Restrictions, NCLAT Rules



Fresh Lending Temporarily Halted

Operational Restriction ≠ Legal Identity

An RBI-Imposed Ban On Fresh Lending Does Not Strip An NBFC Of Its Legal Identity.

The NCLAT Reaffirmed That Operational Restrictions Are Temporary, While Regulatory Status Endures.

As Long As RBI Registration Subsists, Insolvency Proceedings Can Be Initiated Only By The Regulator Under Section 227 Of The IBC, Not By Creditors.

Case Title: Equitas Small Finance Bank Ltd. v. Jumbo Finvest (India) Ltd.
Case No.: Comp. App. (AT) (Ins) No. 1771 of 2025

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Procedural Lapse Not Curable If It Prejudices Creditor Rights

The NCLAT New Delhi has held that failure to serve a personal guarantor's insolvency petition on the tribunal appointed resolution professional cannot be treated as a curable procedural defect where such non compliance prejudices creditor rights.

Dismissing appeals filed by personal guarantors of a Bank of Baroda borrower, the tribunal noted that despite clear directions, the guarantors failed for over a year to serve the petitions on the RP, enabling them to enjoy the benefit of moratorium for nearly 15 months and preventing the bank from enforcing the guarantees.

The NCLAT clarified that while procedural lapses alone should not normally lead to dismissal, a stricter view is warranted where non compliance confers an unfair advantage. Granting relief at that stage would amount to extending an unmerited moratorium, and the dismissal of the insolvency petitions was therefore upheld



Siddhart Dewalwar



Quick Bites

Procedural Lapses Aren't Harmless When Creditors Are Prejudiced



The NCLAT Has Clarified That Failing To Serve The Resolution Professional Is Not A Curable Defect When It Causes Real Prejudice To Creditors. Where Non-Compliance Allowed Guarantors To Enjoy An Unwarranted Moratorium And Block Enforcement For Months, Dismissal Of The Insolvency Petitions Was Upheld. Procedure Cannot Be Used To Secure Unfair Advantage.

Case Title: Manish Mahendra Somani v. Bank of Baroda & Anr.
Case No.: Company Appeal (AT) (Ins) Nos. 843 & 845 of 2025

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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.

Our Legal Team

Srinivas Kotni

Managing Partner, Lexport

Litigation Team

Rohan Garg

Rohit Dutta

Shyam Kishor Maurya

Ananya Jain

IPR Team

Rajlatha Kotni

Swagita Pandey

Ananya Singh

Anushka Tripathi

IDT Team

Srinivas Kotni

Gurdeep Singh

Akshay Kumar

Rishab Dev Dixit

Shelly Singh

Corporate Team

Rajiv Sawhney

Akshita Agarwal

Siddhart Dewalwar

Ananya Jain

Anirban Roy, Editor

Chief Operating Officer, Lexport

Contact

Delhi:

Call us: +91-11-2627 0506, 2627 1514, 3551 6872

Email us: delhi@lexport.in

Visit us: K1/114 First Floor, Chittaranjan (C.R.) Park, New Delhi – 110019, India

Bangalore:

Call us: +91-08048501471

Email us: bangalore@lexport.in

Visit us: 516 10th A Cross 29th Main Sector 1 HSR Layout Bangalore - 560 102, India

