

LEXPORT NEWSLETTER

JANUARY 2026 | 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



Disclaimer

The information contained in this Newsletter is for general purposes only and Lexport is not, by means of this newsletter, rendering legal, tax, accounting, business, financial, investment or any other professional advice or services. This material is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your business. Further, before making any decision or taking any action that may affect your business, you should consult a qualified professional advisor. Lexport shall not be responsible for any loss sustained by any person who relies on this newsletter. Hyperlinks to third party websites provided herein are for bona fide information purposes only, and must not be construed to be indicative of any formal relationship between Lexport and such third parties.

Indirect Tax

Supreme Court Holds Shares Received in Amalgamation Taxable as Business Income if They Yield Realisable Commercial Benefit

Cause Title: M/S JINDAL EQUIPMENT LEASING CONSULTANCY SERVICES LTD VERSUS COMMISSIONER OF INCOME TAX DELHI – II, NEW DELHI

Citation : 2026 LiveLaw (SC) 37

The Supreme Court has ruled that where shares of an amalgamating company, held as stock in trade, are substituted by shares of the amalgamated company pursuant to a scheme of amalgamation, such allotment can give rise to taxable business income under Section 28 of the Income Tax Act, if it results in a real and commercially realisable benefit. The Court clarified that the exemption under Section 47(vii) applies only to capital assets and not to trading assets.

In the case arising from the amalgamation of Jindal Ferro Alloys Ltd with Jindal Strips Ltd, the Court held that substitution of shares held as stock in trade is not a neutral event where the new shares are freely marketable and capable of definite valuation. It laid down a three pronged test for taxability. First, the old stock in trade must cease to exist in the assessee's books. Second, the shares received must have a definite and ascertainable value. Third, the assessee must be in a position to immediately dispose of the shares and realise money.

If these conditions are satisfied, the allotment itself constitutes commercial realisation taxable in the year of allotment. Otherwise, taxation is deferred until the actual sale. The appeal was dismissed and the matter remanded to the Tribunal to apply this test.

Amalgamation Isn't Always Tax-Neutral



When Shares of an Amalgamating Company Held as Stock-in-Trade are Replaced With Freely Marketable Shares of an Amalgamated Company As Per a Scheme of Amalgamation, the Allotment Can Create a Real, Commercially Realisable Benefit.

The Supreme Court Has Clarified that in Such Cases, The Transaction is Taxable as Business Income Under Section 28 and the Exemption Under Section 47(vii) Does Not Apply to Trading Assets.

Cause Title: M/S JINDAL EQUIPMENT LEASING CONSULTANCY SERVICES LTD VERSUS COMMISSIONER OF INCOME TAX DELHI – II, NEW DELHI

Citation: 2026 LiveLaw (SC) 37

Delhi | Bengaluru

www.lexport.in



Shelly Singh



Indirect Tax

Delhi High Court Orders Release of Seized Jewellery and Cash on Deposit of Advance Tax

Case title: Koshaliya Devi Rastogi v. Assistant Deputy Commissioner Of Income Tax, Central Circle-27, New Delhi And Anr (and batch)

Citation: 2026 LLBiz HC (DEL) 27

Case Number: W.P.(C) 7448/2025 (and batch)

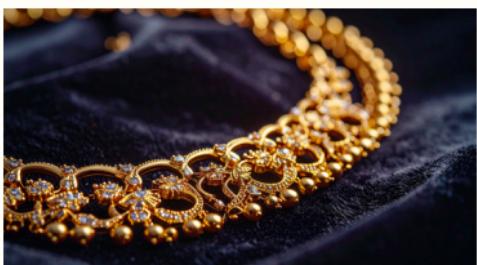
The Delhi High Court has directed the Income Tax Department to release jewellery and cash seized from a family's residence after the family agreed to deposit advance tax towards its probable tax liability arising from a search operation. The Division Bench passed the order while disposing of writ petitions filed by family members whose jewellery valued at about Rs. 5.95 crore and cash and foreign currency of around Rs. 40 lakh were seized during a search under the Income Tax Act on the allegation that the assets represented undisclosed income.

The petitioners contended that the seized articles were explained or explainable and highlighted that a family wedding was scheduled, for which the jewellery was urgently required. During the hearing, they expressed willingness to deposit Rs. 2.5 crore as advance tax, without prejudice to their rights, to safeguard the interests of the Revenue.

Recording this undertaking, the Court directed the Department to release the seized jewellery and cash within the stipulated time upon deposit of the said amount. It clarified that the release was interim in nature and would not affect the rights and contentions of either party in the ongoing assessment proceedings.



Shelly Singh



WB AAR Holds Reimbursement of Foreign Patent Attorney Fees Taxable as Import of Legal Services

Case Title: MedTrainai Technologies

Case Number: WBAAR 12 of 2025-26

The West Bengal Authority for Advance Ruling has held that reimbursement of fees paid to foreign patent attorneys for overseas patent filings constitutes a taxable import of legal services and attracts GST in India under the reverse charge mechanism. The ruling arose from patent filings in Japan, the United States and the United Kingdom undertaken through an Indian IP firm, Seenergi IPR, on behalf of Medtrainai Technologies Pvt. Ltd.

The applicant accepted GST liability on Seenergi IPR's handling charges but disputed tax on the reimbursed foreign attorney fees, claiming the services were consumed overseas and that Seenergi IPR acted as a pure agent. Rejecting these contentions, the AAR found no contractual basis to treat Seenergi IPR as a pure agent and held that the place of supply was India since the recipient was located in India.

The Authority further ruled that foreign patent attorneys are not "advocates" under the Advocates Act, 1961 and therefore cannot claim exemption available to domestic legal services. It observed that patent filing is integrally connected with business activity and amounts to a taxable supply. Consequently, GST at 18 percent was held payable on both the foreign attorney fees and the Indian firm's charges under reverse charge.



Shelly Singh

Indirect Tax

Delhi High Court Declines to Interfere in Vodafone Idea GST Refund Dispute, Grants Liberty to Approach Appellate Tribunal

Case Detail: Vodafone Idea Limited vs. Assistant Commissioner Central GST Division Mohan Cooperative Industrial Estate (MCIE)

Citation: 2026 LiveLaw (Del) 61

The Delhi High Court has refused to interfere in a Rs. 10.91 lakh GST refund dispute involving Vodafone Idea Ltd., arising from payment of State GST in the wrong State. Vi had mistakenly deposited SGST under its Delhi registration instead of Uttar Pradesh, later paid the correct tax in UP in September 2023 and sought refund of the Delhi amount. The Delhi GST Department rejected the claim citing limitation under Section 54 of the CGST Act and non rectification of returns.

Vi argued that limitation should run from the date it discovered the error and that the rejection order travelled beyond the show cause notice. It also submitted that rectification of returns was not possible as the statutory time limit had expired. The Department countered that limitation was mandatory and questioned the linkage of the tax paid in Delhi with the relevant invoices.

The High Court noted that Vi itself had selected September 2023 as the refund period on the GST portal, which requires taxpayers to choose the relevant tax period for refund claims. This raised factual issues warranting examination. Without entering into merits, the Court granted liberty to Vi to approach the GST Appellate Tribunal and left all issues open.



Shelly Singh



Supreme Court 2025 Digest Key Takeaways: Indirect Tax, GST and Excise Jurisprudence

The Supreme Court in 2025 has delivered a series of landmark rulings clarifying foundational principles across excise, customs, GST and service tax law. The Court reaffirmed the core distinction between levy and measure of tax, holding that valuation provisions cannot determine excisability, which flows solely from the charging section. It consistently curtailed misuse of extended limitation, reiterating that mere non declaration or non payment does not amount to suppression without intent to evade.

On excisability, the Court held that immovable plants erected at site are not "goods", excess duty collection does not create tax liability, and excise cannot be imposed based on contract price where manufacture itself is absent. The doctrine of revenue neutrality, unjust enrichment limits, and mandatory disclosure of test reports were strictly enforced.

Under GST, the Court upheld arrest and summons powers, clarified the bar on parallel proceedings under Section 6, mandated reasoned orders even after payment under Section 129, and held that bail should ordinarily be granted for Section 132 offences.

In customs and SEZ matters, it ruled that export duty is not leviable on DTA to SEZ supplies, provisional release does not extend statutory time limits, and GAAR applies to impermissible avoidance despite treaty claims. Collectively, these rulings reinforce legality, proportionality, and procedural discipline in tax administration.



Shelly Singh

Indirect Tax

Supreme Court Upholds AAR's Rejection of Tiger Global Plea in Flipkart-Walmart Tax Case

Case no. – Civil Appeal No. 262 of 2026

Case Title – The Authority For Advance Rulings (Income Tax) And Others v. Tiger Global International II Holdings and connected cases

Citation : 2026 LiveLaw (SC) 50

The Supreme Court has ruled in favour of the Revenue in the high-profile tax dispute arising from Walmart's 2018 acquisition of Flipkart, holding that the Authority for Advance Rulings was justified in rejecting Tiger Global's applications at the threshold. The Court set aside the Delhi High Court's judgment which had interfered with the AAR's decision.

The dispute concerned capital gains earned by Mauritius-based Tiger Global entities from the sale of shares of Flipkart's Singapore holding company, whose value was substantially derived from Indian assets. The AAR had rejected the advance ruling applications under the proviso to Section 245R(2) of the Income Tax Act, holding that the transaction was *prima facie* designed for tax avoidance and that the entities were mere conduits to claim treaty benefits.

Upholding this view, the Supreme Court clarified that at the admission stage, the AAR needs only *prima facie* satisfaction and not a final determination on merits. It further held that tax residency certificates are not conclusive and that DTAAs cannot shield impermissible tax avoidance arrangements. The Court affirmed the applicability of GAAR and held that the capital gains were taxable in India.

Supreme Court Upholds AAR: Tiger Global Cannot Bypass Indian Tax



- The Supreme Court Affirmed that the Authority for Advance Rulings (AAR) was Correct in Rejecting Tiger Global's Applications at the Threshold.
- Mauritius-Based Entities Cannot Claim DTAAs Benefits to Shield Capital Gains Avoidance from Indian Assets.
- Tax Residency Certificates are not Conclusive and GAAR Applies to Arrangements Designed for Impermissible Tax Avoidance.
- The Ruling Confirms that *Prima Facie* Review by AAR is Sufficient to Uphold India's Revenue Authority Powers.
- The Judgment Confirms that India's Jurisdiction to Tax Gains From Indian Assets, Even in Complex Cross-Border Shareholding Structures.

Cause Title: Civil Appeal No. 262 of 2026
Case Title – The Authority For Advance Rulings (Income Tax) and Others v. Tiger Global International II Holdings and connected cases
Citation : 2026 LiveLaw (SC) 50

Delhi | Bengaluru

www.lexport.in



Shelly Singh



Intellectual Property Rights

Delhi High Court Declares "SOCIAL" a Well Known Trademark

The Delhi High Court granted permanent injunctive relief in favour of Impresario Entertainment and Hospitality Pvt Ltd, restraining a Gujarat based restaurant from using the mark "THE SHAKE SOCIAL" or any deceptively similar variant. The Court found that the defendant had adopted the mark dishonestly to ride on the goodwill of the plaintiff's well established SOCIAL restaurant chain. Justice Tejas Karia noted that the Plaintiff has operated restaurants under the SOCIAL brand since 2014, with a strong pan India presence, substantial revenues, and extensive promotion across physical outlets, websites, and social media platforms. The defendant was offering identical restaurant services through the same trade channels and actively promoting its business on platforms like Zomato, Swiggy, Google Maps, and Instagram, increasing the likelihood of consumer confusion. Proceeding ex parte, the Court held that the defendant's use amounted to trademark infringement and passing off, causing dilution of the plaintiff's brand and erosion of consumer trust. Importantly, the Court also declared the marks "SOCIAL" and its formative variants as well known trademarks under the Trade Marks Act, recognising their nationwide reputation and distinctiveness.

Impresario Entertainment and Hospitality Pvt Ltd v The Shake Social, CS(COMM) 121/2025

"SOCIAL®" Recognised as a Well-Known Trademark



The Delhi High Court has Granted Permanent Injunctive Relief in Favour of Impresario Entertainment, Restraining the Use of "THE SHAKE SOCIAL" and Similar Marks. With a Nationwide Presence, Strong Consumer Recall and Extensive Promotion Since 2014, The Court Recognised "SOCIAL" as a Well-Known Trademark Under the Trade Marks Act. The Judgment Reinforces that Goodwill and Reputation Cannot Be Copied or Exploited.

Case Title: Impresario Entertainment and Hospitality Pvt Ltd v. The Shake Social, CS(COMM) 121/2025

Delhi | Bengaluru

www.lexport.in



Anushka Tripathi



Intellectual Property Rights

Delhi High Court Restores “BLUE-JAY” Trademark, Rejects MLB’s Claim of Transborder Reputation in India

The Delhi High Court allowed the appeal filed by Indian garment brand owners and set aside the cancellation of their registered trademark “BLUE-JAY,” rejecting the claims of Major League Baseball Properties Inc., owner of the “BLUE JAYS” baseball team marks. The Division Bench held that MLB failed to establish that its “BLUE JAYS” mark enjoyed goodwill or transborder reputation in India at the time the appellants adopted and registered “BLUE-JAY” in 1998. It observed that baseball has no meaningful footprint in India and cannot be equated with sports like cricket. The Court found that mere global fame, website accessibility, or international broadcasts of baseball games were insufficient to prove use or reputation of the mark in India. It emphasised that goodwill for passing off must exist within India, and that speculative spillover reputation cannot defeat a validly registered Indian trademark. The Bench also rejected findings of bad faith, noting that MLB had abandoned its earlier Indian trademark applications and that there was no evidence the appellants sought to ride on MLB’s reputation. Accordingly, the Court held that the “BLUE-JAY” mark was not wrongly remaining on the register and restored its registration.

[Sumit Vijay & Anr. v Major League Baseball Properties Inc. & Anr., LPA 475/2025]

BLUE-JAY Stays Blue in India



No Transborder Reputation

The Delhi High Court has Restored the BLUE-JAY Trademark in India, Rejecting MLB’s Claim of Transborder Reputation. The Court Emphasized that International Recognition Alone does not Establish Goodwill in India—Trademark Rights are Grounded in Local Use and Reputation. This Judgment Reinforces that Domestic Trademarks Cannot Be Overridden by Speculative Global Fame and That Indian Businesses are Protected When They Act in Good Faith.

Case Title: Sumit Vijay & Anr. v. Major League Baseball Properties Inc. & Anr., LPA 475/2025

Delhi | Bengaluru

www.lexport.in

**Anushka Tripathi**

Intellectual Property Rights

Shaadi.com Declared a Well-Known Trademark

The Bombay High Court has reinforced the strength of trademark and domain name protection in the digital ecosystem, granting sweeping relief in favour of Shaadi.com, one of India's most recognised matrimonial platforms.

The Court held that the defendants' use of the domain name "getshaadi.com", along with the deployment of "Shaadi.com" as meta-tags and keywords, amounted to clear trademark infringement, passing off, dilution, and online piracy. Importantly, the Court rejected the argument that the addition of the word "get" could distinguish the impugned mark, holding that Shaadi.com remained the dominant and essential feature. A key factual finding was that the defendants' illicit meta-tag usage diverted approximately 74% of internet traffic away from the plaintiff's website—described by the Court as a textbook case of riding on another's goodwill. The impugned website was found to function merely as a façade, redirecting users to the defendants' pre-existing platform.

The Court also formally recognised "Shaadi.com" as a well-known trademark under the Trade Marks Act, 1999, noting its long-standing use, massive subscriber base, extensive advertising spend, and deep public recognition extending beyond its immediate field of services.

Given the defendants' deliberate non-appearance and manifest bad faith, the Court granted a permanent injunction, directed takedown and deregistration of the infringing domain, and imposed ₹25 lakh in costs, emphasising that commercial courts must award realistic and deterrent costs.



Swagita Pandey



Intellectual Property Rights

Not Just U.S. Rights: Fifth Circuit Affirms Worldwide Copyright Ownership After Termination

In a significant decision for authors, heirs, and the music publishing industry, the U.S. Court of Appeals for the Fifth Circuit has affirmed that statutory copyright termination and renewal rights can restore worldwide ownership, not merely U.S. rights.

The case concerned the iconic song "Double Shot (Of My Baby's Love)", written in 1962. The songwriter had assigned worldwide rights to a publisher early in his career for nominal consideration—a common industry practice at the time. Decades later, relying on termination rights under the U.S. Copyright Act and renewal principles under the 1909 Act, the songwriter and his company sought a declaration that they were the sole copyright owners worldwide.

The Fifth Circuit agreed. The court held that termination under 17 U.S.C. § 304(c) applies to all rights that "arise under" U.S. copyright law, without a geographic limitation. Because the original worldwide grant was made pursuant to U.S. law, termination restored those rights globally. The court rejected arguments that foreign exploitation rights survived termination, distinguishing ownership questions from infringement and declining to follow earlier district court decisions that limited termination to domestic rights only.

The court also confirmed that renewal rights purchased from a deceased co-author's heirs created a new, unencumbered estate—again, without geographic restriction. Importantly, the ruling found no conflict with international copyright treaties, emphasizing that U.S.-granted rights may be recognized abroad under principles of national treatment.

Copyright Reset Goes Global



The U.S. Fifth Circuit has Delivered a Landmark Ruling on Copyright Termination. Holding that Statutory Termination and Renewal Rights Can Restore Worldwide Ownership, Not Just U.S. Rights.

In Affirming Authors' Rights Over the Iconic Song "Double Shot (Of My Baby's Love)", the Court Clarified that Where a Worldwide Grant Was Made Under U.S. Law, Termination Under the Copyright Act Resets that Grant Globally. Treaty Arguments and Claims of Surviving Foreign Exploitation Rights Were Rejected, Reinforcing that Ownership—Not Geography—is Decisive.

Cyril E. Vetter; Vetter Communications Corporation v. Robert Resnik; Resnik Music Group, Case: 25-30108, United States Court of Appeals Fifth Circuit

Delhi | Bengaluru

www.lexport.in



Swagita Pandey



Intellectual Property Rights

No Film Certification Without Due Process

The Madras High Court has stayed the operation of a Single Judge's order passed in a dispute involving the Central Board of Film Certification (CBFC) and a film producer, underscoring the centrality of procedural fairness in urgent film certification matters.

The Division Bench, led by the Hon'ble Chief Justice, took note of the fact that the writ petition had been filed on 6 January 2026 and was taken up for final disposal almost immediately, without granting the CBFC adequate opportunity to file its reply. The appellants contended that the principles of natural justice were compromised, particularly given the serious regulatory implications involved in film certification.

A key concern flagged by the Court was that the Single Judge, while entertaining a writ of mandamus, had gone a step further and quashed an order that was not even specifically challenged by way of certiorari. This, according to the Division Bench, raised serious questions about the scope of judicial intervention at an interim stage.

The respondent argued that the urgency was justified because the film was scheduled for screening on 9 January 2026. However, the Court was not persuaded, noting that no certification had in fact been granted in favour of the producer. In the absence of a valid certificate, the plea of extreme urgency lost much of its force.

Balancing the competing considerations, the Division Bench granted an interim stay of the Single Judge's order, restoring the status quo, and directed that the matter be listed for final disposal on 20 January 2026.

No Film Certification Without Due Process



The Madras High Court Emphasised that Urgency Cannot Override Procedural Fairness in Film Certification Matters. Regulators Must be Given a Proper Opportunity to Respond and Courts Cannot Quash Unchallenged Orders While Granting Interim Relief.

Central Board of Film Certification v. KVN Productions LLP, C.M.P.No.821 of 2026 in W.A.No.94 of 2026

Delhi | Bengaluru

www.lexport.in



Swagita Pandey



Litigation


 Interpreting India
for commerce

Quick Bites

Arbitral Awards: Courts Can't Rewrite the Contract



FINAL MEANS FINAL

An Arbitral Award, Once Passed, is Binding and Conclusive. Courts Cannot Sit in Appeal or Rewrite the Decision—Intervention is Limited to Narrow Statutory Grounds. The Sanctity of Arbitration Lies in Respecting Its Finality.

Cause Title: JAN DE NUL DREDGING INDIA PVT. LTD. VERSUS TUTICORIN PORT TRUST, S.L.P. (C) No. 8803 of 2021.

Delhi | Bengaluru

www.lexport.in

Limited Scope of Judicial Interference with Arbitral Awards

The Supreme Court reaffirmed that arbitral awards cannot be set aside under Sections 34 or 37 of the Arbitration and Conciliation Act merely because courts prefer a different or “better” interpretation of the contract. It held that if the arbitral tribunal’s interpretation is a reasonable and possible view, duly upheld under Section 34, appellate courts cannot reappreciate evidence or substitute their own interpretation under Section 37. Interference is permissible only on the limited statutory grounds, such as patent illegality or conflict with public policy. Consequently, the Court set aside the Madras High Court’s appellate judgment and restored the arbitral award.

JAN DE NUL DREDGING INDIA PVT. LTD. VERSUS TUTICORIN PORT TRUST, S.L.P. (C) No. 8803 of 2021.


Ananya Jain

Transferee Pendente Lite Cannot Resist Execution of Decree

The Supreme Court held that a purchaser who acquires property during the pendency of litigation (transferee pendente lite) has no right to obstruct execution of a decree and remains strictly bound by its outcome. Applying Section 52 of the Transfer of Property Act and Order XXI Rule 102 CPC, the Court ruled that such transfers are subservient to the decree. Upholding the Bombay High Court’s decision, it found that the appellants, having purchased the property during a pending specific performance suit, had no independent rights to resist execution. Consequently, they were directed to hand over possession, and the appeal was dismissed.

ALKA SHIRIRANG CHAVAN & ANR. VERSUS HEMCHANDRA RAJARAM BHONSALE & ORS., SLP (CIVIL) NO. 27660 OF 2025


Ananya Jain

 Interpreting India
for commerce

Quick Bites

This Property Is Under Litigation



A Transfer Made During the Pendency of a Suit Does Not Stand Above the Court’s Decree. Under Section 52 of the Transfer of Property Act and Order XXI Rule 102 CPC, a Transferee Pendente Lite is Bound By the Outcome of the Litigation and Cannot Resist Execution. The Supreme Court Has Reaffirmed that the Decree Travels with the Property, Regardless of Who Purchases it.

Cause Title: ALKA SHIRIRANG CHAVAN & ANR. VERSUS HEMCHANDRA RAJARAM BHONSALE & ORS., SLP (CIVIL) NO. 27660 OF 2025

Delhi | Bengaluru

www.lexport.in

Litigation

Interpreting India
for commerce**Quick Bites**

False FIRs Face Swift Justice



The Allahabad High Court has Mandated Strict Action Against Informants Who File False or Malicious FIRs. Investigating Officers are Statutorily Bound to Initiate Complaints Where Allegations are Found to Be False, Under Section 215 BNSS / Section 195 CrPC. Failure to Comply Can Result in Prosecution and Departmental Action.

This Judgment Strengthens Accountability in the Justice System and Ensures that False Allegations Cannot Go Unchecked, Protecting Both Law Enforcement and the Innocent.

Case Title: Umme Farva vs. State of U.P. and Another, APPLICATION U/S 528 BNSS No. - 12575 of 2025

Delhi | Bengaluru

www.lexport.in

Allahabad High Court Mandates Action Against False FIRs

The Allahabad High Court has issued a strict mandamus directing police authorities to mandatorily initiate prosecution against informants who lodge false or malicious FIRs. Justice Praveen Kumar Giri held that where investigation finds allegations to be false, the Investigating Officer is statutorily bound to file a complaint against the informant under Section 215(1)(a) BNSS (corresponding to Section 195(1)(a) CrPC). Failure to do so would expose police officers to prosecution under Section 199(b) BNSS and departmental action. The Court also faulted procedural lapses by both police and the Magistrate, quashed the summoning order, issued detailed directions to police and courts statewide, and provided a draft complaint format to ensure uniform compliance.

Umme Farva vs. State of U.P. and Another, APPLICATION U/S 528 BNSS No. - 12575 of 2025



Ananya Jain

Police Cannot Summon Without Registering Case

The Madras High Court held that police authorities have no power to summon or question a person without registering a case. Justice Sunder Mohan quashed a notice issued to a journalist under Section 35(3) BNSS, observing that Section 35(1)(b) only deals with arrest without warrant and does not authorise summoning or questioning in the absence of a registered offence. The Court noted that no case was registered against the journalist and the earlier investigation had already concluded. It held that even for alleged defamation, the proper course is registration of a case or a private complaint. The Court clarified that police may proceed only after registering a case in accordance with law.

Vimal Chinnappan v. The State of Tamil Nadu and Another, Crl.O.P.(MD).No.19623 of 2025



Ananya Jain

Interpreting India
for commerce**Quick Bites**

No Case, No Summons



The Madras High Court has Clarified that Police Cannot Summon or Question a Person Without Registering a Case. Even for Alleged Defamation, Proper Procedure Requires a Registered Case or Private Complaint.

This Judgment Reinforces Due Process, Accountability and Legal Safeguards, Ensuring Citizens Cannot Be Arbitrarily Called for Questioning and that Police Action Follows the Law.

Case Title: Vimal Chinnappan v. The State of Tamil Nadu and Another, Crl.O.P.(MD).No.19623 of 2025

Delhi | Bengaluru

www.lexport.in

Litigation



Interpreting India
for commerce

Quick Bites

Arbitration Clauses Don't Outlive Contracts



The Himachal Pradesh High Court has Held that Once a Loan is Fully Repaid, the Loan Agreement and its Arbitration Clause Stands Exhausted. A Subsequent Claim for Damages Arising From Failure to Issue an NOC Cannot Be Forced Into Arbitration and Must Be Pursued Before a Civil Court.

This Ruling Draws a Clear Line: Arbitration Cannot Survive a Concluded Contract.

Cause Title: Kotak Mahindra Bank Ltd. & Anr. Vs. Jaimal Singh, 2025:
HHC: 40712

Delhi | Bengaluru

www.lexport.in



Shyam Kishor Maurya

Kotak Mahindra Bank Ltd. & Anr. Vs. Jaimal Singh, 2025: HHC: 40712

The Hon'ble Himachal Pradesh High Court held that once the loan had been fully repaid, the loan contract and its arbitration clause stood exhausted, and the subsequent damages claim could not be referred to arbitration. Despite repayment of two vehicle loans, the bank failed to issue the No Objection Certificate, preventing the respondent from selling the vehicle. After the bank ignored Permanent Lok Adalat direction to issue the certificate, the respondent filed a civil suit seeking damages for harassment and litigation expenses. The Trial Court rejected the bank's Section 8 application, finding that the dispute concerned damages and not any obligation under the concluded loan agreement.



Shyam Kishor Maurya

JLT Energy 9 SAS Vs. Hindustan Clean Energy Limited and Others, 2026: DHC: 71

The Hon'ble Delhi High Court observed that the dispute concerned two linked share purchase agreements for solar projects in Tamil Nadu and Bihar, which automatically terminated when a key land-conversion approval failed to materialize by the long stop date. JLT Energy argued that the parties had informally agreed to defer the condition and accused the sellers of bad faith, but the court held that no binding amendment was ever executed. It refused to rewrite the commercial bargain, noting the agreement had a deliberate "self-collapsing mechanism" and that specific performance would improperly compel government approvals. JLT's interim plea was dismissed, though the sellers were directed to secure Rs. 3 crore to safeguard JLT's expense claim.



Interpreting India
for commerce

Quick Bites

Contracts Collapse When Conditions Fail



- The Delhi High Court Held that Linked Share Purchase Agreements Automatically Terminated When a Key Land-Conversion Approval was not Obtained By the Long-Stop Date
- Informal Agreements or Allegations of Bad Faith Cannot Rewrite a Deliberate Contractual Bargain
- Courts Will Not Compel Specific Performance to Force Government Approvals.
- Sellers Were, However, Directed to Safeguard JLT's Expense Claim of ₹3 Crore.
- This Ruling Underscores the Importance of Self-Collapsing Clauses and Commercial Risk Management.

Cause Title: JLT Energy 9 SAS Vs. Hindustan Clean Energy Limited and Others, 2026: DHC: 71

Delhi | Bengaluru

www.lexport.in

Litigation


 Interpreting India
for commerce

Quick Bites
Managing Committee Decisions Protect the Society


The Bombay High Court Held that Only the Managing Committee's Decisions Bind a Cooperative Housing Society, Not Actions Taken by Individual Members

Interim Relief was Granted to Restrain the Developer From Interfering With Redevelopment, Protecting the Society's Interests

The Court Highlighted a Strong Prima Facie Case, Including Member Displacement Since 2009 and the Developer's Admitted Default

Cause Title: Phalke Niketan Co-operative Housing Society Ltd. Vs. Adit Enterprises, 2025: BHC-OS: 25360

Delhi | Bengaluru

www.lexport.in

Shyam Kishor Maurya
Phalke Niketan Co-operative Housing Society Ltd. Vs. Adit Enterprises, 2025: BHC-OS: 25360

The Hon'ble Bombay High Court distinguished between individual members' actions and the managing committee's decisions, which alone bind the society. Court held that support for the members' suit did not convert it into one by the society nor imply abandonment of the arbitration agreement. On interim relief, the court found a strong *prima facie* case, noting member displacement since 2009 and the developer's admitted default. The balance of convenience favoured the society, leading to an order restraining the developer from interfering with redevelopment.


Shyam Kishor Maurya

The Chairperson, Chennai Port Authority Vs. V. Manmohan and Ors., Arb O.P (COM. DIV.) No. 509/2023

The Hon'ble Madras High Court emphasized that the Port Trust, as a state instrumentality, must act with a higher standard of fairness. The dispute, dating back to the 1980s, involved spillages-handling workers who continued under the Port's control for decades. Despite judicial directions against retrenchment during a cargo shift, the Port Trust terminated their engagement. The matter ultimately reached the Supreme Court, which referred it to arbitration, resulting in an award in 2023 granting relief to 93 workers.


Quick Bites
Fairness Upholds Workers' Rights


- The Madras High Court Emphasized that State Instrumentalities, Like Port Authorities, Must Act With a Higher Standard of Fairness
- Decades-Long Disputes Over Spillages-Handling Workers Were Resolved Through Arbitration, Granting Relief to 93 Workers
- Judicial Directions Against Retrenchment Were Respected and the Port Trust's Obligations Under Labor Law Were Reinforced
- This Ruling Highlights that Fairness and Justice are Critical When State Bodies Exercise Authority Over Employees

Cause Title: The Chairperson, Chennai Port Authority Vs. V. Manmohan and Ors., Arb O.P (COM. DIV.) No. 509/2023

Delhi | Bengaluru

www.lexport.in

Reputation & Crisis

Editing Error Sparks Confusion in Tata Punch Crash Test Video, Tata Motors Clarifies

How a video editing error led to confusion and raised questions. The video editor erred by not following the "chronological" sequence of shots on the timeline, and the result: hawk-eyed viewers flagged the jump (cut) and questioned the intent. In today's world, digital breadcrumbs are closely scrutinised, and meanings are drawn. Respect the timeline in every which way and closely inspect the final reputation/comms outreach. Good on Tata Motors for clarifying and owning the error.

<https://www.rushlane.com/new-punch-crash-test-tata-motors-issues-statement-on-door-damage-confusion-12537931.html>



Anirban Roy

When Editing Becomes Evidence



In the Courtroom of Public Opinion, Even a Technical Error Can Become a Point of Scrutiny. A Misplaced Frame or Broken Chronology Invites Interpretation, Intent and Speculation. In an Age Where Digital Content is Examined Frame by Frame, Accuracy Isn't Optional—It's Reputational. Owning the Mistake, Clarifying Swiftly and Respecting the Timeline is What Preserves Credibility.

Source- Tata Motors Official Press Release dated 15/01/2026

Delhi | Bengaluru

www.Lexport.in



Corporate

India Moves to a Triennial KYC Regime for Directors

The Ministry of Corporate Affairs (MCA) has notified amendments to the Companies (Appointment and Qualification of Directors) Rules, 2014, marking a significant shift in director compliance by replacing annual KYC filing with a triennial KYC intimation. The amendments were notified on 31 December 2025 and will come into force from 31 March 2026.

The Director KYC framework was originally introduced in 2018 and later simplified in 2019 through a web-based verification process for repeat filings. Building on this framework, the latest amendments aim to reduce compliance frequency while maintaining updated director records.

Under the new regime, every individual holding a Director Identification Number (DIN) as on 31 March of a financial year must file a KYC intimation in Form DIR-3 KYC Web on or before 30 June of every third consecutive financial year. This replaces the earlier requirement of annual filing.

By way of example, a DIN holder who has already completed KYC for FY 2024-25 will next be required to file DIR-3 KYC Web by 30 June 2028. Failure to file within the prescribed timeline will result in deactivation of the DIN, which may be reactivated under existing provisions on payment of a late fee of INR 5,000, subject to timelines prescribed by the MCA.

The amendments also require DIN holders to file DIR-3 KYC Web within 30 days of any change in mobile number, email address, or residential address, along with the applicable fee.

A key procedural change is the introduction of a single consolidated form, DIR-3 KYC Web, which will now be used for periodic KYC compliance, updation of personal details, and reactivation of DINs, replacing the earlier dual-form system.

While the amendments streamline compliance, clarity on fees for updates and delayed filings is awaited, as corresponding changes to the fee rules are yet to be notified.



Akshita Agarwal

Director KYC Goes Triennial



In a Major Compliance Reform, The MCA has Shifted Director KYC From an Annual Requirement to a Once-In-Three-Years Regime. From 31 March 2026, DIN Holders Must File DIR-3 KYC Web Every Third Financial Year, with Timely Updates Required for Any Change in Personal Details. The Move Eases Compliance While Ensuring Director Records Remain Current Under a Unified, Streamlined Framework.

Citation- Gazette Notification no. G.S.R 943 (E) dated 31st December, 2025

Delhi | Bengaluru

www.lexport.in



Corporate

SEBI Streamlines Stockbroker Regulation with a Modernised Framework

The Securities and Exchange Board of India (SEBI) has notified the SEBI (Stock Brokers) Regulations, 2026, replacing the long-standing 1992 Regulations and their fragmented amendments. The new regulations introduce a consolidated, contemporary framework aimed at strengthening governance, risk management, and investor protection in line with evolving market realities.

A key feature of the 2026 Regulations is the expansion of regulatory scope. Updated definitions now expressly cover clearing members, self-clearing and professional clearing members, execution-only platforms, market abuse, mule accounts, and the regulatory sandbox. Importantly, the definition of "change in control" has been aligned with the SEBI (SAST) Regulations, 2011 and the Companies Act, 2013, bringing consistency across regulatory regimes.

From a governance perspective, SEBI has, for the first time, introduced a mandatory residency requirement. Stockbrokers must have at least one designated director resident in India for a minimum of 182 days in a financial year. The regulations also codify a clear disclosure regime, requiring brokers to inform SEBI of specified material changes, including changes in control, key personnel, legal structure, net worth status, or loss of "fit and proper" status.

Investor protection has been strengthened through a statutory timeline for grievance redressal, mandating resolution within 21 calendar days. The regulations also eliminate silos by extending core broker obligations to clearing members, ensuring uniform compliance standards.

A notable shift is SEBI's emphasis on preventive controls. Stockbrokers are now required to implement institutional mechanisms to prevent, detect, and report fraud and market abuse, under the oversight of senior management. Technology and cyber security have been elevated to explicit compliance obligations, particularly for Qualified Stock Brokers (QSBs), who are subject to enhanced governance, infrastructure, and risk management requirements.

Overall, the 2026 Regulations signal SEBI's move towards a risk-based, technology-conscious, and governance-driven regulatory framework for India's securities market intermediaries.

SEBI's New Control Panel for Stockbrokers



- SEBI has Notified the Stock Brokers Regulations, 2026, Replacing the 1992 Framework With a Unified and Contemporary Regime
- The New Regulations Strengthen Governance, Risk Management, Technology Oversight and Investor Protection
- Regulatory Scope Now Expressly Covers Clearing Members, Execution-Only Platforms, Market Abuse, Mule Accounts and Regulatory Sandboxes
- Investor Grievances Must Be Resolved Within 21 Days, Introducing Statutory Timelines
- Stockbrokers are Required to Implement Preventive Systems For Fraud, Market Abuse and Cyber Risks, Under Senior Management Oversight

Securities and Exchange Board of India (Stock Brokers) Regulations, 2026, No. SEBI/AD-NRQ/GN/2026/291 notified on 08/01/2026

Delhi | Bengaluru

www.lexport.in



Akshita Agarwal



Corporate

Promoter's Fund Infusion Undertaking Is Not a Guarantee under Section 126: Supreme Court*

The Supreme Court has clarified that a promoter's contractual undertaking to arrange infusion of funds into a borrower company does not constitute a "contract of guarantee" under Section 126 of the Indian Contract Act, 1872, unless there is a clear, direct and unequivocal obligation to discharge the borrower's debt owed to the creditor.

The Court held that the essence of a guarantee lies in the surety's promise to the creditor to pay or perform upon the principal debtor's default. An obligation merely requiring a promoter to arrange or facilitate infusion of funds to ensure compliance with financial covenants does not satisfy this requirement. Such undertakings are aimed at supporting the borrower's performance and maintaining financial discipline, rather than assuming liability for the borrower's debts.

Drawing a distinction from the concept of a "see to it" guarantee under English common law, the Court observed that even such guarantees require the guarantor to ensure performance by the principal debtor. However, an arrangement that only obligates a promoter to enable the borrower to perform, without any promise to the creditor to discharge the debt, falls outside the scope of Section 126.

On examining the relevant loan documents, including the deed of undertaking and the sanction letter, the Court found no clause obligating the promoter to repay the lender in the event of default. Consequently, the promoter could not be treated as a guarantor, and no financial debt was owed by it under the Insolvency and Bankruptcy Code, 2016.

The Court further clarified that approval of a resolution plan under the IBC does not automatically extinguish unsustainable debt against third-party security providers or sureties, unless the resolution plan expressly provides for such extinguishment. While the borrower's liabilities may be restructured, claims against third parties survive in the absence of explicit discharge.

Case Title: UV Asset Reconstruction Company Limited v. Electrosteel Castings Limited
Citation: 2026 LiveLaw (SC) 33



Akshita Agarwal

SUPPORT IS NOT A GUARANTEE

Support

Guarantee

The Supreme Court Clarified that a Promoter's Undertaking to Arrange or Infuse Funds does not Amount to a Contract of Guarantee Under Section 126 of the Indian Contract Act. In the Absence of a Clear and Direct Promise to Repay the Lender Upon Default, no Guarantor Liability Arises.

Case Title: UV Asset Reconstruction Company Limited v. Electrosteel Castings Limited
 Citation: 2026 LiveLaw (SC) 33

Delhi | Bengaluru www.lexport.in



Corporate



Interpreting India
for commerce

Quick Bites

Supreme Court Directs CoC: Transparency And Accountability Are Mandatory



- Committees of Creditors (CoC) Must Document and Provide Written Reasons for all Major Decisions in Real Estate Insolvencies
- Information Memorandum Must Disclose Complete Details of all Allottees
- Any Refusal of Possession or Recommendation for Liquidation Must Be Reasoned, Showing Why Revival or Completion Isn't Viable
- Homebuyers' Associations Cannot Intervene Pre-Admission But May Pursue Remedies Post-Admission
- The Ruling Reinforces the Need for Fairness, Accountability and Record-Keeping in Real Estate Insolvency Governance

Cause Title: Elegna Co-op. Housing and Commercial Society Ltd. v. Edelweiss Asset Reconstruction
Citation: 2026 LiveLaw (SC) 51

Delhi | Bengaluru

www.lexport.in

The Supreme Court directed Committees of Creditors (CoC) to act with transparency and accountability in real estate insolvencies, especially where homebuyers are affected.

A Bench of Justices J.B. Pardiwala and R. Mahadevan held that while CoC's commercial wisdom is paramount, major decisions must be supported by written reasons. It directed that the Information Memorandum must disclose full details of all allottees, refusal of possession under Regulation 4E must be reasoned, and any recommendation for liquidation must record why revival or completion is not viable.

The Court upheld that homebuyers' associations cannot intervene at the pre-admission stage but clarified that they can pursue remedies before the CoC after admission.

Case: Elegna Co-op. Housing and Commercial Society Ltd. v. Edelweiss Asset Reconstruction
Citation: 2026 LiveLaw (SC) 51



Siddharth Dewalwar

The Supreme Court held that the rights of persons with disabilities must be understood as part of Corporate Social Responsibility (CSR) to achieve genuine equality at the workplace.

A Bench of Justices J.B. Pardiwala and K.V. Viswanathan directed Coal India Limited to create a supernumerary post for a candidate denied employment due to multiple disabilities. The Court said CSR must be read with the Rights of Persons with Disabilities Act, 2016, and relied on UN Guiding Principles and ILO materials recognising disability rights as human rights.

AIIMS certified that the appellant had 57% disability, meeting the statutory benchmark. Allowing the appeal, the Court emphasised that employers, especially public sector entities, have a responsibility to protect and further disability rights.

Case: Sujata Bora v. Coal India Limited
Citation: 2026 LiveLaw (SC) 46



Siddharth Dewalwar



Interpreting India
for commerce

Quick Bites

Equal Opportunity Means Equal Access



The Supreme Court of India, in the context of Persons with Disabilities, has reiterated that True Equality is Not Achieved by Uniform Treatment Alone. Institutions Must Provide Reasonable Accommodation, Ensuring that Access is Inclusive and Opportunities are Genuinely Available to all.

Cause Title: Sujata Bora v. Coal India Limited
Citation: 2026 LiveLaw (SC) 46

Delhi | Bengaluru

www.lexport.in

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.

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

Rishabh Dev Dixit

Shelly Singh

Corporate Team

Rajiv Sawhney

Akshita Agarwal

Siddharth Dewalwar

Ananya Jain

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



Anirban Roy, Editor

Chief Operating Officer, Lexport