

LEXPORT NEWSLETTER

FEBRUARY 2026 | WEEK 2

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

DGFT Clarifies Warehousing of Chemicals Under FTP 2023

The Directorate General of Foreign Trade has issued a policy circular clarifying the scope of warehousing of chemicals under Paragraph 2.36(a) of the Foreign Trade Policy, 2023. The clarification addresses industry concerns regarding the interpretation of the exclusion of “hazardous chemicals” from bonded warehousing.

Paragraph 2.36(a) permits private and public bonded warehousing in the Domestic Tariff Area for import of goods, except prohibited items, arms and ammunition, hazardous waste and chemicals. Stakeholders highlighted that several industrial chemicals classified as hazardous are routinely handled, stored and transported under established regulatory frameworks and are essential for sectors such as petrochemicals, pharmaceuticals and specialty chemicals.

The DGFT has clarified that the exclusion of “hazardous chemicals” was intended only to restrict unregulated warehousing of hazardous waste and chemicals, along with other prohibited items. It was not meant to bar the warehousing of industrial chemicals that are otherwise permitted under law. Accordingly, warehousing of industrial chemicals is allowed in both public and private bonded warehouses, subject to strict compliance with applicable laws. Warehousing facilities must comply with the Customs Act, 1962, and all relevant environmental, safety and handling regulations. The chemicals proposed to be warehoused must conform to conditions prescribed under the Import and Export Policy and allied regulations. All other provisions of Paragraph 2.36 of the FTP, 2023 continue to apply.

This clarification brings much needed certainty to chemical importers and logistics operators, supports continuity in supply chains, and aligns trade facilitation objectives with regulatory safeguards. It is expected to significantly ease operational challenges faced by industries dependent on imported industrial chemicals while maintaining compliance with safety and environmental norms.



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FTP 2023 Update: Hazardous Waste Restricted, Industrial Chemicals Permitted

DGFT clarifies that industrial chemicals are allowed in bonded warehouses, with only hazardous waste restricted under Para 2.36(a).

Case Title: DGFT Policy Circular – Clarification on Warehousing of Chemicals under Para 2.36(a), Foreign Trade Policy 2023 (Issued by Directorate General of Foreign Trade).

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Shelly Singh



Indirect Tax

DGFT Introduces NPCI-Based Bank Account Validation for IEC Applications

The Directorate General of Foreign Trade has issued Trade Notice No. 23/2025–26 dated 6 February 2026, announcing the implementation of an NPCI-based workflow for real-time bank account validation in Importer Exporter Code applications and modifications. This system will be effective from February 2026 and forms part of DGFT's broader push towards a fully digital and trusted trade facilitation framework

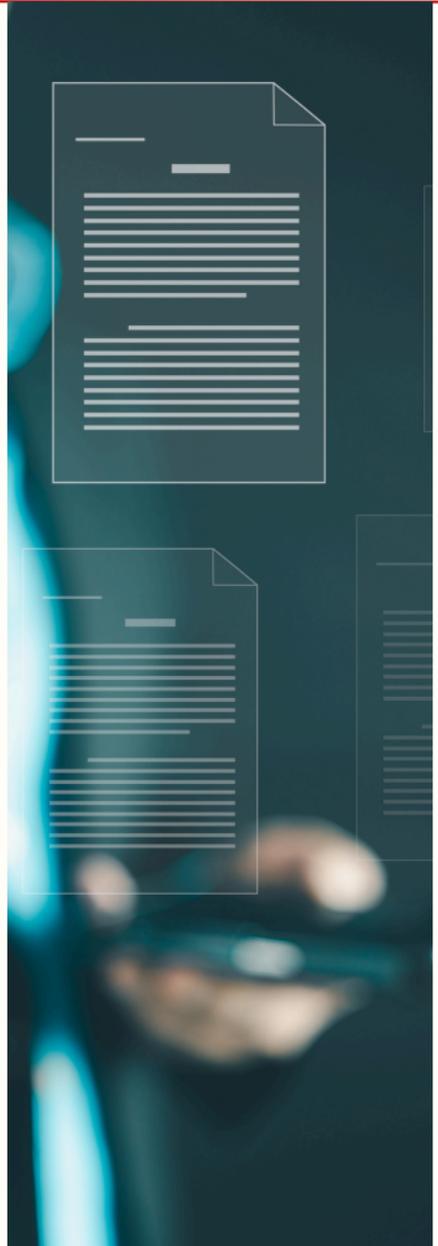
Under the revised mechanism, applicants are mandatorily required to declare all active bank accounts linked with their Permanent Account Number. Further, the PAN, name of the applicant and bank account details must exactly match the records maintained by the concerned bank. These details will be transmitted electronically to the National Payments Corporation of India for validation.

Based on NPCI's response, the validation status will be reflected as Success, In Progress or Failed. Where validation is successful, IEC issuance or modification will proceed under the normal workflow. Applications showing an In Progress status will be placed under automatic review and approved upon successful validation, while failed validations will either result in rejection or a deficiency being raised, depending on whether it is a fresh IEC or a modification request.

DGFT has cautioned exporters and importers to verify bank details and PAN linkage carefully before submission, as applications with incorrect details cannot be processed. The move is expected to significantly reduce fraudulent IECs, enhance transparency and improve ease of doing business for genuine trade participants.



Shelly Singh



Indirect Tax

Delhi High Court Restores Customs Appeals For Merits After Supreme Court Ruling On DRI Jurisdiction

CASE TITLE: Microsoft Corporation (India) Pvt. Ltd. Versus Commissioner of Customs (Import)

CITATION: (2026) 38 Centax 60 (Del.)

The Delhi High Court has held that pending customs appeals, which were earlier remanded solely to await a decision on the issue of jurisdiction of Directorate of Revenue Intelligence (DRI) officers, must now be restored and decided on merits in light of the Supreme Court's authoritative ruling.

The Court was dealing with appeals filed by Microsoft Corporation (India) Pvt. Ltd., where the Customs, Excise and Service Tax Appellate Tribunal had remanded the matters to the adjudicating authority pending the Supreme Court's decision in *Mangli Impex* on whether DRI officers were "proper officers" under Section 28 of the Customs Act, 1962.

The Division Bench noted that the legal position has since been conclusively settled by the Supreme Court in *Canon India (Review) (2022)*, which categorically held that DRI officers are proper officers competent to issue show cause notices under Section 28. Consequently, the question of jurisdiction no longer survived for adjudication.

In view of this settled position, the High Court quashed the CESTAT orders which had deferred adjudication and directed that the appeals be restored to their original numbers before the Tribunal. The Court further directed CESTAT to hear and decide the appeals on merits, instead of keeping them pending on a jurisdictional issue that now stands resolved.

The judgment reinforces procedural certainty in customs litigation and ensures that disputes are adjudicated substantively rather than remaining stalled on issues already settled by the Supreme Court.



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No More Waiting: Customs Appeals Restored For Merits Hearing

Jurisdiction Settled, Appeals Restored.

Delhi HC restored customs appeals after the Supreme Court confirmed DRI officers as proper officers under Section 28, directing merits-based adjudication and ensuring faster dispute resolution.

Case Title: Microsoft Corporation (India) Pvt. Ltd. Versus Commissioner of Customs (Import)
Citation: (2026) 38 Centax 60 (Del.)

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Indirect Tax

Ex Parte GST Assessment Quashed for Lack of Effective Service and Hearing

CASE TITLE: Tvl. Nagappa Textiles Versus State Tax Officer (FAC), Kulithalai

CITATION: (2026) 39 Centax 20 (Mad.)

The Madras High Court has set aside an ex parte GST assessment order where the show cause notice and subsequent communications were uploaded only on the GST portal without ensuring effective service on the assessee

In this case, the petitioner contended that it was unaware of the notices uploaded on the portal and that no personal hearing was granted before the assessment order was passed. The State admitted that although notices were uploaded on the portal, no opportunity of personal hearing had been provided.

The Court observed that while uploading notices on the GST portal constitutes a valid mode of service under Section 169 of the CGST Act, mere portal upload, especially in the face of repeated non-response, cannot be treated as effective service. The proper officer ought to have explored alternate statutory modes of service, preferably through Registered Post with Acknowledgment Due, to ensure actual communication.

Holding that passing an ex parte order without effective service and personal hearing violates principles of natural justice under Sections 169 and 75 of the Act, the Court remanded the matter for fresh consideration, subject to the petitioner depositing 25 percent of the disputed tax and being granted a clear opportunity of hearing

The ruling reinforces the need for meaningful compliance with procedural safeguards in GST adjudication.



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Portal Upload Alone Is Not Enough

Valid service must be effective service. Without proper notice and a fair hearing, an ex parte GST order cannot stand.

Case Title: Tvl. Nagappa Textiles Versus State Tax Officer (FAC), Kulithalai

Citation: (2026) 39 Centax 20 (Mad.)

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Indirect Tax

Karnataka High Court Directs Assessee to Respond Before Challenging Provisional Bank Attachment

CASE TITLE: S.J.R. Prime Corporation Pvt. Ltd. Versus Superintendent of Central Tax, Bengaluru

CITATION: (2026) 38 Centax 337 (Kar.)

The Karnataka High Court in S.J.R. Prime Corporation Pvt. Ltd. v. Superintendent of Central Tax held that a writ petition challenging provisional attachment of a bank account under Section 83 of the CGST Act was premature where the assessee had not yet submitted a reply to the departmental communication.

The petitioner sought quashing of the communication relating to recovery of interest and lifting of the bank attachment initiated under Section 79(1)(c) of the CGST Act. The Court noted that in an earlier round of litigation, the petitioner had been directed to appear before the authority and submit its response. Pursuant thereto, the department issued a communication enclosing relevant documents relating to recovery proceedings.

However, it was undisputed that the petitioner had not filed any reply to the impugned communication dated 08.11.2024, and the department had also not taken further coercive steps thereafter.

In these circumstances, the Court declined to interfere under Article 226 and directed the petitioner to submit its reply within four weeks. The respondent authority was directed to consider the reply, provide an opportunity of hearing, and pass appropriate orders in accordance with law within three months thereafter.

The writ petition was accordingly disposed of in favour of the assessee.



Article 226 Is Not the First Step



A writ petition is premature when no reply is filed. Statutory opportunity must be exhausted before judicial intervention.

Case Title: S.J.R. Prime Corporation Pvt. Ltd. Versus Superintendent of Central Tax, Bengaluru

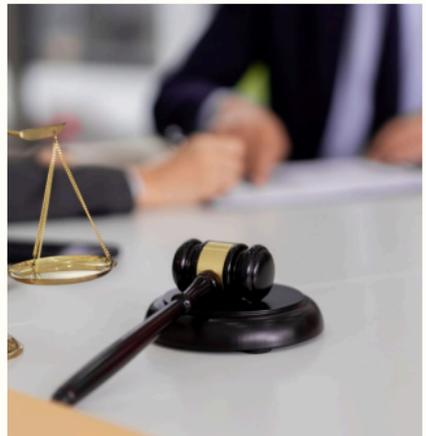
Citation: (2026) 38 Centax 337 (Kar.)

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Direct Tax

Supreme Court Examines Validity of Digital Search Powers Under Income Tax Act, 2025

CASE TITLE: VISHWAPRASAD ALVA Vs UNION OF INDIA

CITATION: W.P.(C) No. 114/2026

A Public Interest Litigation has been filed before the Supreme Court challenging the constitutionality of search and seizure powers conferred on Income Tax authorities under Section 247 of the Income Tax Act, 2025, slated to come into force from 1 April 2026. The challenge also extends to the corresponding provisions under Section 132 of the Income Tax Act, 1961.

The petition assails the authority to conduct searches of “computer systems” and “virtual digital space”, including personal devices, cloud servers and electronic communications, on the belief that a person “would not” produce documents or “would not” disclose assets if summoned. According to the petitioner, this enables an “anticipatory search regime”, permitting intrusive searches without any existing violation of law.

Senior Advocate Sanjay Hegde argued that while Section 132 was upheld in *Pooran Mal* (1974), the legal position requires reconsideration in light of *K.S. Puttaswamy* (2017), which recognised the right to privacy as a fundamental right. He submitted that the law lacks safeguards, as the “reasons to believe” are not required to be disclosed even to appellate forums, thereby defeating meaningful judicial review.

The Bench, comprising the Chief Justice of India and two other judges, noted that limited judicial review of search authorisation is recognised, as held in *LaljiBhai KanjiBhai Mandalia* (2022). The Court observed that higher scrutiny applies where searches are based on apprehensions of non-compliance, while also acknowledging the need to prevent destruction of digital evidence.

The petition contends that internal authorisation without judicial oversight, combined with secrecy of reasons, renders the provisions disproportionate and unconstitutional. The matter has been adjourned for further consideration.



Digital Searches Under Tax Law Face Constitutional Scrutiny In Supreme Court



Supreme Court is reviewing the validity of digital search powers under Section 247 of the Income Tax Act, 1961, weighing privacy rights against enforcement needs.

CASE TITLE: VISHWAPRASAD ALVA Vs UNION OF INDIA
CITATION: W.P.(C) No. 114/2026

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Intellectual Property Rights

Delhi High Court Issues Dynamic Injunction Against AI-Driven Misuse of Celebrity Personality Rights

The Delhi High Court in CS (COMM) 105/2026 granted an ex-parte ad-interim injunction protecting actor Vivek Anand Oberoi's personality and publicity rights against widespread online misuse. The suit was premised on large-scale unauthorized exploitation of the plaintiff's name, image, voice, likeness and persona across e-commerce platforms, social media, GIF platforms, and video-sharing websites. The pleadings specifically highlighted the use of AI tools, deepfakes, face morphing, and generative technologies to create misleading and commercial content. The Court prima facie recognized:

- 1) The plaintiff's long-standing goodwill and reputation.
- 2) Protectable rights in his name, voice, image, signature and distinctive persona.
- 3) The real and irreparable harm caused by digital misappropriation.
- 4) The need for dynamic and technology-neutral injunctions in the AI era.

The Defendants including unknown "John Doe" parties were restrained from exploiting the plaintiff's personality attributes through any medium, including AI, deepfakes, generative AI and machine learning. Specific platforms were directed to take down identified infringing links within 72 hours. Intermediaries were directed to disclose relevant account and login details. The Court granted exemption from pre-institution mediation, recognizing urgency.

AI Innovation Cannot Override Personality Rights



Personality rights extend to name, voice, image and persona. Deepfakes and AI misuse invite swift judicial restraint.

Case Title: Vivek Anand Oberoi v. Collector Bazar & Ors.
Citation: CS (COMM) 105/2026, Order dated 05.02.2026,
Delhi High Court.

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Intellectual Property Rights

Bombay High Court Cracks Down on Copyright Contempt: Bailable Warrants Issued for Unauthorized Music Broadcast

In a strong enforcement move, the Bombay High Court (Commercial Division) in Contempt Petition (CD) No. 51 of 2025 issued bailable warrants against multiple respondents for alleged breach of an undertaking relating to copyrighted music. The contempt petition arose in proceedings initiated by Phonographic Performance Limited (PPL) against Effingut Breweries Private Limited and others. Previously, Respondent No. 4 had personally appeared before the Court and undertaken that the Plaintiff's copyrighted songs would not be broadcast without obtaining a valid license.

However, the Plaintiff submitted that:

- 1) No license had been procured.
- 2) An arbitrary amount of ₹4,00,000 was transferred unilaterally under the guise of a "license fee," which was rejected and returned.
- 4) Despite the undertaking, unauthorized broadcasting continued.
- 5) Site visits on 6th and 12th January 2026 allegedly confirmed continued infringement.

The Court also recorded that although the respondents had been permitted to appear via video conferencing, they failed to effectively appear. Respondent No. 4's video remained switched off, making it impossible to verify his presence. Taking serious note of the non-compliance and apparent disregard of judicial directions, the Court issued bailable warrants of ₹15,000 each against Respondent Nos. 2 to 5, directing their personal presence on the next date. The Court further warned that non-appearance would invite non-bailable warrants.



Quick Bites

When the Play Button Becomes a Warrant



Ignoring a court undertaking on copyrighted music led to personal consequences. The Commercial Division issued bailable warrants for non-compliance.

Case Title: Phonographic Performance Ltd. v. Effingut Breweries Pvt. Ltd. & Ors., Cont. Pet. (CD) No. 51 of 2025, order dated 02.02.2026 (Bom HC).

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Intellectual Property Rights

Delhi High Court Clarifies Scope of Section 19 TM Act: No Third-Party Right to Seek Withdrawal of Acceptance

The Delhi High Court in C.A.(COMM.IPD-TM) 76/2024 & Connected Matters addressed the interplay between Sections 18, 19 and 21 of the Trade Marks Act, 1999, in a high-stakes dispute over the mark "LAMBRETTA". The matters included:

- 1) An appeal by Innocenti SA against refusal of its "LAMBRETTA" application.
- 2) Two writ petitions filed by August Ventures challenging acceptance of Innocenti's applications and seeking invocation of Section 19 (withdrawal of acceptance).

The Court examined Whether Section 19 confers a right on third parties to apply for withdrawal of acceptance and Whether the Registrar is obligated to consider such third-party applications. Also, Whether writ jurisdiction can be invoked despite the availability of opposition under Section 21.

Findings:

- 1) The power to withdraw acceptance is triggered by the Registrar's own satisfaction. It is not a right available to third parties.
- 2) No statutory duty = No mandamus - Since Section 19 does not impose a mandatory obligation on the Registrar, a writ of mandamus cannot compel its exercise.

The Court held that any aggrieved person has an efficacious alternative remedy through opposition proceedings. Acceptance and advertisement are preliminary steps; disputes on similarity and Section 11 violations must be tested in opposition.



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No Right to Demand Withdrawal of Trademark Acceptance



No statutory duty under Section 19 means no mandamus. Trademark disputes belong in opposition.

Case Title: Innocenti SA v. Examiner of Trade Marks & Anr., C.A. (COMM.IPD-TM) 76/2024, decided on 31.01.2026 (Del HC)

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Intellectual Property Rights

KJO vs CarryMinati

A Mumbai civil and sessions court has granted interim relief to Bollywood filmmaker Karan Johar, restraining YouTuber Ajey Nagar (popularly known as CarryMinati), his associates, and digital platforms from making or circulating objectionable, defamatory, vulgar or abusive content against him on social media. The order follows a defamation suit filed by Johar challenging a roast-style video titled “Coffee With Jalan” that was uploaded on CarryMinati’s YouTube channel and allegedly mimicked Johar’s talk show “Koffee With Karan.” The court observed that the video used abusive language targeting Johar and could harm his reputation, noting a prima facie case of defamation. In his defence, Nagar’s counsel submitted that the allegedly defamatory video had already been deleted and questioned the jurisdiction of the court. However, the injunction remains in place until further orders.



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Quick Bites

When Viral Content Meets Judicial Scrutiny

CONTENT RESTRAINED
INTERIM INJUNCTION IN FORCE

In a defamation suit filed by Karan Johar, the court restrained YouTuber Ajey Nagar (CarryMinati) and others from publishing objectionable content. Deletion of the video did not dissolve the interim restraint.

Case Title: Karan Johar v. Ajey Nagar & Ors., Suit for Defamation, Interim Order (Mumbai Civil & Sessions Court, 2026)

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Intellectual Property Rights

Delhi High Court Issues Dynamic Injunction to Block Rogue Apps Pirating ICC Cricket Streams

The Delhi High Court granted an ex parte ad interim injunction in favour of JioStar India Pvt Ltd restraining several rogue Android applications from illegally streaming ICC cricket matches. JioStar, which holds exclusive digital and broadcast rights for the ICC Under 19 Men's World Cup 2026 and the ICC Men's T20 World Cup 2026 in India, showed that apps like GHD Sports, CricFy TV, SportX TV and HD Streamz were systematically making its content available to users for free through APK downloads and mirror websites. Justice Jyoti Singh held that this constituted clear infringement of JioStar's broadcast reproduction rights under Section 37 of the Copyright Act. The Court noted that these apps were habitual offenders that routinely created new domains to bypass previous injunctions. It therefore issued a "dynamic" blocking order, directing domain registrars, ISPs and the DoT to block listed websites within 72 hours and to act swiftly against any newly discovered mirrors in real time. Registrars were also asked to disclose KYC and payment details of the operators in a sealed cover.

JioStar India Pvt Ltd v GHD Sports & Ors.,
CS(COMM) 89/2026

Dynamic Injunction Against Rogue Cricket Streaming Apps



The Delhi High Court protects broadcast rights by blocking illegal streaming at its source.

Piracy cannot outpace judicial enforcement.

Case Title: JioStar India Pvt Ltd v GHD Sports & Ors., CS(COMM) 89/2026

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Anushka Tripathi



Litigation



Aman@Prince@Bhura Vs. State (NCT of Delhi), 2026:DHC:1093

The Delhi High Court granted bail to an accused in a murder case, criticizing the police for filing an incomplete and misleading status report that concealed crucial evidence, including the full testimony of the prosecution's star witness. The Court noted that while partial testimony was placed on record, the subsequent chief examination where the witness failed to identify the accused after viewing CCTV footage was deliberately withheld, a fact not disputed by the prosecution. Observing that the case originated from a blind FIR, key officials were absent, and the accused had already undergone over four years and eight months of incarceration, the Court termed the situation shocking. Bail was granted on a personal bond of Rs. 10,000 with one surety, and the DCP was directed to take appropriate action against the erring officials.



Shyam Kishor Maurya

Maria Ramesh Vs. Union of India and Anr., W.P. (C) 15701/2022

The Delhi High Court allowed the petition filed by Maria Ramesh and quashed the Look Out Circular (LOC) issued against her in connection with a 2020 FIR registered by the Economic Offences Wing under Sections 406, 420 and 120B IPC. Noting that she had been granted anticipatory bail in 2022, was never arrested, had cooperated fully with the investigation, and that no chargesheet had been filed nor any allegation of non-cooperation made, the Court found no justification for continuation of the LOC. It also observed that she had previously travelled abroad with court permission and returned on time, and that no fresh material existed to warrant restriction. Holding that the continued LOC amounted to an unwarranted restraint on her personal liberty and right to travel under Article 21 of the Constitution, the Court set aside the LOC.



Shyam Kishor Maurya

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**Right To Travel Cannot Be Curtailed
Without Just Cause**

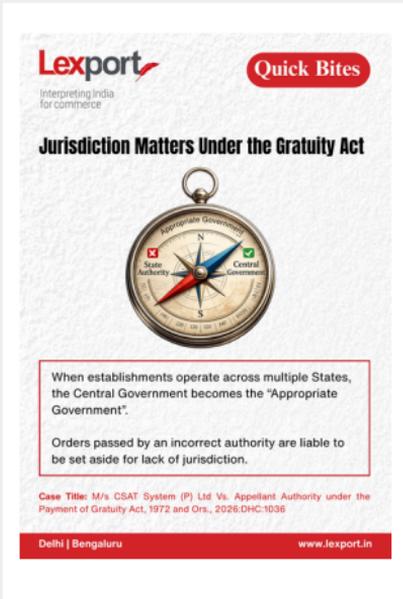
An LOC cannot continue where there is full cooperation, no chargesheet and no flight risk.

Personal liberty under Article 21 must prevail over unwarranted restrictions.

Case Title: Maria Ramesh Vs. Union of India and Anr., W.P.(C) 15701/2022

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Litigation



Quick Bites

Jurisdiction Matters Under the Gratuity Act

When establishments operate across multiple States, the Central Government becomes the "Appropriate Government".

Orders passed by an incorrect authority are liable to be set aside for lack of jurisdiction.

Case Title: M/s CSAT System (P) Ltd Vs. Appellant Authority under the Payment of Gratuity Act, 1972 and Ors., 2026:DHC:1036

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M/s CSAT System (P) Ltd Vs. Appellant Authority under the Payment of Gratuity Act, 1972 and Ors., 2026:DHC:1036

The Delhi High Court has held that where an establishment has branches in more than one State, the "appropriate Government" under the Payment of Gratuity Act, 1972 is the Central Government, and not the State Government, thereby ousting the jurisdiction of State-appointed Controlling Authorities. In the case at hand, since the employer had offices in both Delhi and NOIDA (U.P), the Court ruled that the gratuity claim ought to have been adjudicated by a Central Government-appointed authority. Rejecting the employee's contention that he worked exclusively in Delhi, the Court noted that his resignation letter and subsequent legal notices were addressed to the NOIDA office, which undermined his jurisdictional plea. Consequently, the impugned orders passed by the Delhi State gratuity authorities were quashed for lack of jurisdiction.



Shyam Kishor Maurya

X Vs. Y, Dated 29.01.2026

The Division Bench of the Delhi High Court, while hearing a matrimonial appeal filed by a wife, expressed concern over casual appearances by proxy counsel, particularly where the appeal had remained pending for two years due to failure to complete service of notice. The proxy counsel admitted he was unaware of the facts and procedural requirements, prompting the Court to observe that under the Advocates Act, 1961, a counsel entering appearance must at least be acquainted with the prima facie case and procedural stage. Emphasizing professional responsibility and preparedness, the Bench urged younger members of the Bar to diligently study case files before appearing and directed the concerned counsel to familiarize himself with the record and relevant law to assist the Court effectively.



Shyam Kishor Maurya



Litigation



SC reiterates that anticipatory bail ordinarily continues without time limit, chargesheet filing does not automatically end protection

The Supreme Court held that anticipatory bail normally continues without any fixed end date and cannot be automatically limited only till the filing of the chargesheet, unless there are special reasons. The Court set aside the Allahabad High Court order which had restricted protection only up to submission of the police report. It clarified that filing of a chargesheet or taking cognizance does not cancel anticipatory bail. If more serious offences are added later, the court must reconsider the matter. The police cannot arrest the accused without obtaining proper permission from the court.

Sumit v. State of UP and another,
SLP(Cr.)No.1536/2026



Ananya Jain

Anticipatory Bail Has No Automatic Expiry



Protection ordinarily continues through investigation and beyond filing of the chargesheet.

It cannot be curtailed without special reasons. Arrest requires judicial permission, not procedural milestones.

Case Title: Sumit v. State of UP and another, SLP (Cr.) No. 1536/2026

Corporate

MeitY Notifies IT Amendment Rules to Regulate AI-Generated Content

The Ministry of Electronics and Information Technology (MeitY) has notified amendments to the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021, introducing a strengthened regulatory framework to address the misuse of synthetic and AI-generated content, including deepfakes. The Amendment Rules will come into effect on February 20, 2026.

A key feature is the formal definition of “synthetically generated information,” covering artificially or algorithmically created or modified audio, visual, or audio-visual content that appears real and indistinguishable from authentic individuals or events. While text-based content is not expressly included, the Rules clarify that synthetically generated information will be treated as “information” where used to commit unlawful acts. Limited exceptions, such as routine or good-faith editing, have been recognised.

The amendments significantly tighten intermediary due diligence obligations. Intermediaries must now inform users at least once every three months of potential account suspension or removal of content for non-compliance, along with possible penal consequences. Most notably, the takedown timeline has been reduced from 36 hours to 3 hours upon obtaining actual knowledge of unlawful content. The grievance redressal timeline has also been shortened from 15 days to 7 days.

Intermediaries enabling the creation or modification of synthetic content must implement reasonable technical safeguards, ensure lawful synthetic content is prominently labelled, and embed metadata or provenance mechanisms where technically feasible. Significant social media intermediaries face additional obligations, including user declarations regarding synthetic content and verification measures.

The amendments mark a decisive regulatory shift toward faster enforcement and enhanced accountability in the age of AI-driven digital content.



India Tightens AI Content Rules: MeitY Notifies IT Amendment 2026



MeitY's IT Amendment Rules introduce regulation of AI-generated and synthetic content, including deepfake safeguards, a 3-hour takedown timeline, and stronger intermediary accountability, effective 20 Feb 2026.

Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Amendment Rules, 2026 – G.S.R. 120(E), dated 10 February 2026, Ministry of Electronics and Information Technology (MeitY).



Akshita Agarwal



Corporate

DPIIT Notifies Revised Startup Framework and Introduces Deep Tech Category

The Department for Promotion of Industry and Internal Trade (DPIIT) has notified a revised framework governing the definition and recognition of startups in India, expanding eligibility criteria and formally introducing a separate category for deep tech startups. The revised framework aims to align India's startup policy with evolving innovation ecosystems while continuing the existing recognition-based regulatory approach.

Under the updated criteria, entities incorporated or registered in India as a private limited company, partnership firm, limited liability partnership, cooperative society, or multi-state cooperative society may qualify for recognition as a startup. The recognition period for standard startups remains 10 years from incorporation, while the turnover threshold has been enhanced to ₹200 crore, thereby widening the pool of eligible entities. The requirement that the entity must be engaged in innovation, development, or improvement of products, processes, or services, or operate a scalable business model with significant employment or wealth creation potential, continues to apply. Entities formed through the reconstruction or splitting of existing businesses remain ineligible.

A significant development is the introduction of a distinct deep tech startup category, characterised by high research and development intensity, longer gestation periods, and extended commercialization timelines. For such startups, the recognition validity has been extended to 20 years, and the turnover threshold increased to ₹300 crore, subject to assessment based on prescribed documentation and evaluation parameters issued by DPIIT.

The framework also reiterates that recognised startups may apply for tax benefits under Section 80-IAC of the Income-tax Act, 1961, subject to separate eligibility conditions, while maintaining restrictions on the deployment of funds for specified non-core investment activities. Overall, the revised framework reflects a policy shift toward supporting innovation-intensive enterprises while broadening access to formal startup recognition.



Quick Bites

India Redefines Startups: DPIIT Introduces Deep Tech Category



DPIIT's revised framework introduces a deep tech category, raises startup thresholds and strengthens support for innovation-led growth.

DPIIT Notification - Startup Definition Framework, G.S.R. 108(E), dated 4 February 2026.

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Akshita Agarwal



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