

LEXPORT NEWSLETTER

MARCH 2026 | WEEK 4

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

Excise Duty Exemption Notifications Based On “Intended Use” Must Be Liberally Construed In Favour Of Assessee : Supreme Court

Cause Title: M/S. RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED VERSUS COMMISSIONER OF CENTRAL EXCISE AND SERVICE TAX (LTU)

Citation : 2026 LiveLaw (SC) 295

The Supreme Court has held that excise exemption notifications based on “use” or “intended use” must be interpreted liberally in favour of the assessee, and incidental or ancillary use does not defeat the exemption.

The case involved Rashtriya Chemicals and Fertilizers Limited, which procured Naphtha at nil duty for use in manufacturing fertilizer and ammonia. The Revenue denied exemption on the ground that a portion of the steam generated using such Naphtha was used for non-fertilizer purposes, including electricity supplied outside.

The Court rejected this approach and held that the dominant purpose of procurement is the decisive factor. It observed that in integrated industrial processes, precise tracing input usage is often impractical, and incidental diversion cannot be a ground to deny exemption.

The Court emphasised that once the assessee establishes that the goods were procured with the intended use in eligible manufacturing activity, exemption cannot be denied merely because a fraction is used elsewhere. The inability to segregate exact consumption, particularly in common utility systems such as steam generation, does not dilute eligibility.

Relying on settled principles, the Court reiterated that beneficial exemption notifications linked to usage must receive a purposive and liberal interpretation.

Accordingly, the excise duty demand was set aside and the appeal was allowed in favour of the assessee.



Shelly Singh



Indirect Tax

Central Excise Amendments Rationalise Duty Rates on Petroleum Products

NOTIFICATION NO. 05/2026-CENTRAL EXCISE

The Government has issued Notification No. 05/2026-Central Excise dated 26 March 2026, amending the earlier Notification No. 05/2019 to revise excise duty rates on specified petroleum products.

Under the amended framework, the duty structure has been rationalised by substituting the rate for one category to Rs. 3 per litre while prescribing Nil rate for another specified entry. The notification further clarifies that the benefit or applicability of the notification shall not extend to goods cleared for export, thereby ensuring that export consignments remain outside the scope of the revised levy.

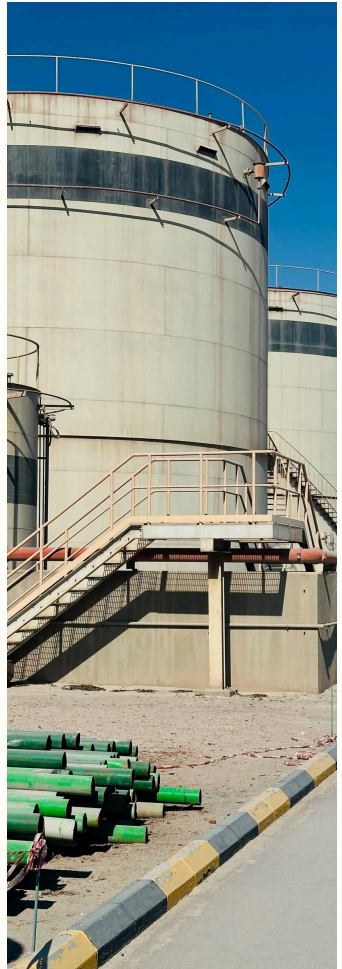
In addition, Notification No. 06/2026-Central Excise introduces changes in special additional excise duty on petroleum products. Notably, motor spirit (petrol) is exempted with Nil rate, whereas high-speed diesel oil attracts a specified rate of Rs. 18.5 per litre. The notification also carves out exceptions, including supplies meant for export and specified cross-border supplies by public sector oil companies to neighbouring countries.

Both notifications have been issued under Section 5A of the Central Excise Act, 1944 read with Section 147 of the Finance Act, 2002, and have come into force with immediate effect.

These amendments reflect a calibrated approach toward revenue alignment and sector-specific relief in the petroleum segment.



Shelly Singh



Indirect Tax

Supreme Court: Non-Compliance with Section 50 NDPS Vitiates Entire Trial

CASE TITLE: STATE OF HIMACHAL PRADESH Versus SURAT SINGH

CITATION: (2026) 40 Centax 267 (S.C.)

The Supreme Court dismissed the State's appeal and upheld the acquittal of the accused, holding that non-compliance with Section 50 of the NDPS Act vitiates the entire trial.

The case arose from recovery of charas from a bag carried by the accused, following which both the Trial Court convicted him and the High Court acquitted him. The prosecution argued that the recovery was valid and Section 50 was not strictly violated.

However, the Court noted that the accused was given three options for search: before a Magistrate, a Gazetted Officer, or before a police officer in the presence of witnesses. This, the Court held, is contrary to Section 50, which mandates that the accused must be informed of the right to be searched only before a Magistrate or a Gazetted Officer.

The Court emphasised that introducing a third option dilutes the statutory safeguard and renders the consent invalid. Such deviation strikes at the root of procedural fairness and vitiates the recovery.

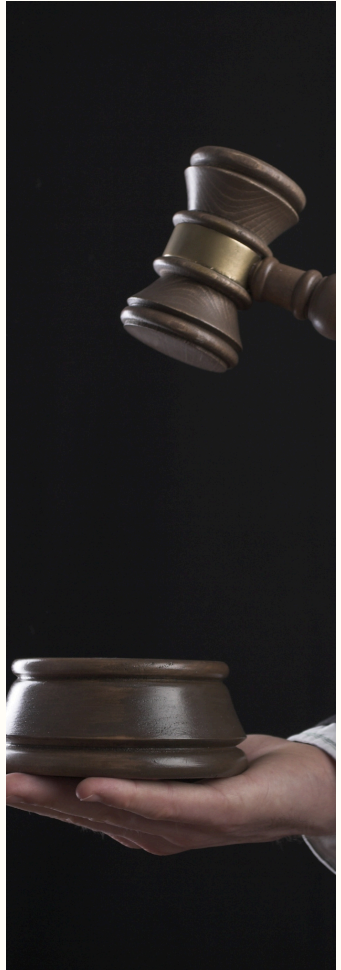
Additionally, inconsistencies in prosecution evidence, including doubts regarding the weighing of contraband, further weakened the case.

Upholding the High Court's reasoning, the Supreme Court reiterated that strict compliance with procedural safeguards under the NDPS Act is mandatory.

Accordingly, the appeal was dismissed and the acquittal of the accused was affirmed.



Shelly Singh



Indirect Tax

CESTAT: Interactive Flat Panels Classifiable as ADP Machines, Revenue Appeal Dismissed

CASE TITLE: PRINCIPAL COMMISSIONER OF CUSTOMS (IMPORT), NEW DELHI Versus GLOBUS INFOCOM LTD.

CITATION: (2026) 40 Centax 209 (Tri.-Del)

The CESTAT, New Delhi has held that Interactive Flat Panels (IFPs) are classifiable as automatic data processing (ADP) machines under Tariff Item 8471 41 90, and not under Heading 8528 as contended by the Revenue.

The dispute arose regarding classification of imported LED display panels used as interactive flat panels. While the importer classified the goods under Heading 8471 as ADP machines, the Department sought classification under Heading 8528 as display units.

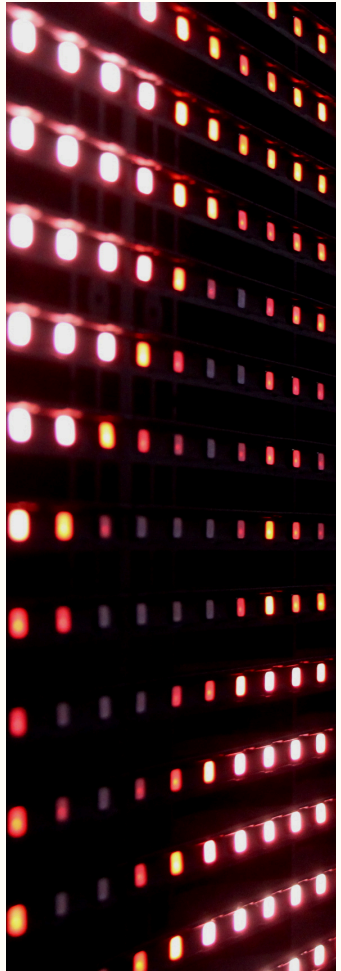
The Tribunal noted that the issue was already settled in its earlier decision in Ingram Micro India Pvt. Ltd., wherein identical goods were held to be classifiable under Heading 8471. It observed that the Principal Commissioner had correctly followed this binding precedent.

The Revenue's appeal was primarily based on an internal departmental note directing classification under Heading 8528 pending appeal against certain advance rulings. The Tribunal rejected this approach, holding that administrative instructions cannot override binding judicial precedents.

Terming the appeal as "frivolous," the Tribunal emphasised that the Department failed to distinguish or challenge the applicability of the earlier decision. Accordingly, the classification under Tariff Item 8471 41 90 was upheld, and the appeal filed by the Revenue was dismissed in favour of the assessee.



Shelly Singh



Indirect Tax

Limitation period for filing appeal would start from actual communication of order and not from date of dispatch: CESTA

CASE TITLE: MANJINDER SINGH G.S. CONTRACTOR Versus COMMISSIONER OF CENTRAL EXCISE AND GOODS & SERVICE TAX, LUDHIANA

CITATION: (2025) 37 Centax 266 (Tri.-Chan)

The CESTAT, Chandigarh has held that the limitation period for filing an appeal commences from the date of actual communication of the order and not from the date of its dispatch.

The case involved rejection of an appeal by the Commissioner (Appeals) as time-barred, on the ground that the Order-in-Original was dispatched via speed post on 11.03.2023. The appellant contended that the order was never received and was only handed over on 20.12.2023 following a recovery notice, after which the appeal was filed within the prescribed time.

The Tribunal noted that the Department failed to produce any evidence of actual delivery of the order. Mere proof of dispatch, without proof of service, cannot trigger the limitation period.

It was observed that the Commissioner (Appeals) erred in equating dispatch with communication, which is contrary to statutory requirements under Section 85 of the Finance Act, 1994 read with Section 37C of the Central Excise Act.

Holding the impugned order unsustainable, the Tribunal set it aside and remanded the matter for decision on merits after affording an opportunity of hearing.

Accordingly, the appeal was allowed by way of remand in favour of the assessee.



Shelly Singh



Indirect Tax

CESTAT: Processed Manganese Ore Treated as Concentrate, CVD Exemption Denied

**CASE TITLE: HIRA POWER & STEELS LTD.
Versus COMMISSIONER OF CUSTOMS,
VISAKHAPATNAM**

CITATION: (2026) 40 Centax 18 (Tri.-Hyd)

The CESTAT, Hyderabad has held that manganese ore subjected to processes such as washing, screening, and sizing prior to import amounts to “concentrate,” thereby rendering it a distinct excisable product and ineligible for CVD exemption under Notification No. 4/2006-C.E.

The appellants imported manganese ore and claimed exemption from countervailing duty on the ground that the goods were “ores.” The Department contended that the goods had undergone processing, resulting in concentrates, which are excluded from the exemption.

The Tribunal observed that the imported goods were not run-of-mine ore but had undergone multiple processes including removal of impurities and sizing. Relying on Chapter Note 4 to Chapter 26, it held that conversion of ore into concentrate is deemed “manufacture,” resulting in a distinct commodity.

It further noted that even simple processes such as washing and screening, when undertaken to remove foreign matter or improve quality, can amount to beneficiation and lead to emergence of concentrates.

Rejecting reliance on earlier decisions, the Tribunal followed the Supreme Court’s ruling in *Star Industries*, emphasizing that exemption notifications must be strictly construed and apply only to “ores,” not concentrates.

Accordingly, the Tribunal held that the appellants were not entitled to exemption and upheld the demand of duty and interest.

The appeals were dismissed in favour of the Revenue.



Shelly Singh



Indirect Tax

Bombay High Court: Cash Seizure Under GST Without “Reason to Believe” Held Illegal

CASE TITLE: SMURTI WAGHDHARE Versus JOINT DIRECTOR, DIRECTORATE GENERAL OF GST INTELLIGENCE, MUMBAI

CITATION: (2026) 40 Centax 256 (Bom.)

The Bombay High Court has held that seizure of cash during GST search proceedings, without recording “reasons to believe” and without following statutory safeguards, is illegal and without authority of law.

The petitioner, a GST-registered trader, was subjected to search operations wherein cash amounting to ₹1 crore was seized from her premises and her parents’ residence. The Department justified the seizure on allegations of involvement in a fake ITC racket.

The Court examined Section 67(2) of the CGST Act and emphasized that the power of search and seizure is conditional upon the existence of a duly recorded “reason to believe” that goods, documents, or things are liable to confiscation or relevant to proceedings. In the present case, no such reasons were recorded, rendering the action fundamentally defective.

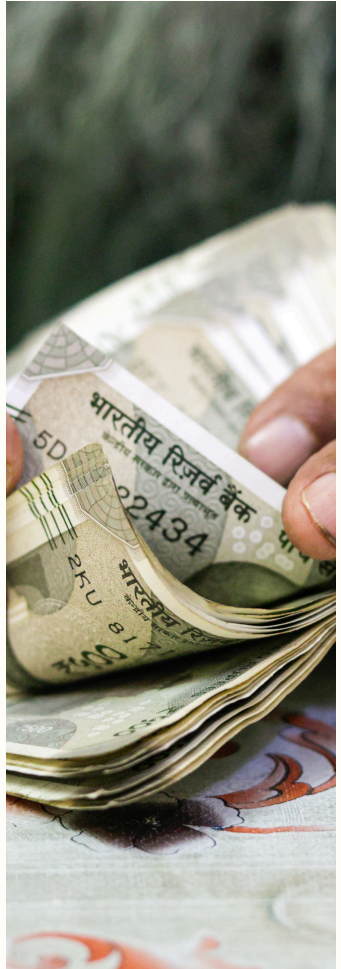
It was further held that cash does not ordinarily fall within the ambit of “goods” or “things” liable for seizure under the provision, particularly when its relevance to proceedings is not established. Additionally, the statutory mandate under Section 67(7) was violated as no notice was issued within six months of seizure.

The Court also found fault with the Department’s act of transferring the seized cash to the Income Tax authorities, noting absence of any enabling provision under the CGST framework.

Accordingly, the impugned seizure orders were quashed, and the authorities were directed to release the cash along with applicable interest.



Shelly Singh



Indirect Tax

Bombay High Court: GST Registration Restored; Recovery Deferred Pending SCN Adjudication

CASE TITLE: BI-CHEM INDIA PVT. LTD. Versus
UNION OF INDIA

CITATION: (2026) 40 Centax 276 (Bom.)

The Bombay High Court has held that suspension of GST registration cannot be sustained where due process is not followed, and that coercive recovery cannot proceed prior to adjudication of the show cause notice.

The petitioner challenged the suspension of its GST registration under Section 29 of the CGST Act, along with a recovery notice and provisional attachment of bank accounts. During the course of hearing, the Revenue conceded that the suspension would be withdrawn and the registration restored. The Court accepted this statement and directed immediate restoration of registration.

The Court further emphasized that any adverse action, including cancellation of registration or recovery of dues, must strictly follow principles of natural justice. It directed that the petitioner be granted a proper opportunity of hearing on the show cause notice, with liberty to submit documents and representations.

Significantly, the Court held that the recovery notice could not be acted upon until due adjudication is completed. Authorities were directed to first pass a reasoned order after considering the petitioner's response, before initiating any recovery proceedings. The ruling reinforces that suspension and recovery under GST cannot operate mechanically and must be preceded by procedural safeguards.

The petition was disposed of in favour of the assessee.



Shelly Singh



Intellectual Property Rights

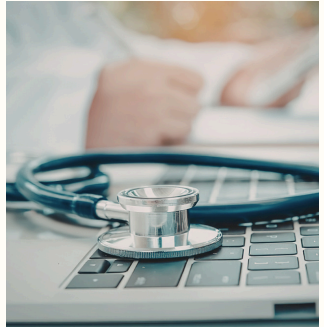
Delhi High Court Refuses Exclusive GI “PISCO” to Peru, Upholds Use of “Peruvian Pisco” to Avoid Consumer Confusion

The Delhi High Court dismissed Peru’s appeal seeking exclusive registration of the GI “PISCO” and upheld the requirement to use the qualified term “Peruvian Pisco”. The dispute arose from competing claims by Peru and Chile over the term “Pisco” for grape based alcoholic beverages produced in both countries. The Court held that even if Peru satisfied the definition of a geographical indication, registration must still comply with Section 9 of the GI Act. Since “Pisco” has long been used in Chile as well, granting Peru exclusive rights would likely cause consumer confusion regarding the origin of the product. The Court rejected Peru’s argument that Chile’s use was dishonest, noting lack of credible evidence. Importantly, the Court clarified that factors like prior use or historical origin are not decisive under GI law where confusion is likely. It also recognised that both Peruvian and Chilean products are distinct but share the same name. Accordingly, the Court held that a standalone GI “PISCO” cannot be granted to either country and that the use of geographical qualifiers like “Peruvian Pisco” is necessary to avoid deception.

Embassy of Peru v Union of India & Ors., LPA 577/202



Anushka Tripathi



Delhi High Court Cracks Down on Counterfeit Philips Medical Software, Grants Ex Parte Injunction

The Delhi High Court granted an ex parte ad interim injunction in favour of Philips Medical Systems, restraining the defendants from dealing in counterfeit versions of Philips’ proprietary medical software and service tools. The plaintiffs demonstrated that their diagnostic imaging systems are operated through licensed proprietary software, service documentation, and security systems such as Integrated Security Tool (IST) certificates, all protected as copyrighted works and trade secrets. The Court noted evidence of organised infringement, including test purchases of counterfeit IST certificates and forensic analysis confirming that such certificates were fake and unauthorised. These activities were found to involve unauthorised reproduction, sale, and circumvention of the plaintiff’s technological protection measures, with potential risks to patient safety due to compromised system performance. Finding a strong prima facie case, the Court restrained the defendants from manufacturing, selling, or distributing counterfeit software and from bypassing the plaintiff’s digital safeguards. It also directed disclosure of KYC and banking details, takedown of infringing social media accounts, and filing of accounts of profits.

Philips Medical Systems Netherlands B.V. & Anr. v Geetech Medical Systems & Ors., CS(COMM) 233/2026 (Delhi High Court)



Anushka Tripathi

Intellectual Property Rights

Hon'ble Delhi HC Extends Injunction in "SAMSUNG" Domain Infringement Case

The Hon'ble Delhi High Court allowed implementation of the domain registrant and registrar in a suit concerning infringement of the "SAMSUNG" mark through an unauthorised domain. The Hon'ble Court found that the impugned domain closely mirrored the plaintiff's branding, layout, and syntax, creating a strong likelihood of consumer confusion and false association. On a prima facie assessment, it held that the defendants' actions constituted trademark infringement, copyright violation, and passing off. Consequently, the Hon'ble Court extended the existing ex parte ad interim injunction to the newly impleaded defendant, restraining use of the infringing domain and any associated deceptive elements. It also directed compliance measures against the domain registrar, including takedown and disclosure obligations. Additionally, the Hon'ble Court permitted the plaintiff to place on record further evidence, including screenshots, WHOIS data, and related materials substantiating the infringement. The matter was listed for further proceedings.

Samsung Electronics Co. Ltd. & Anr vs
www.samsungservicecentrehyderabad.com
(CS(COMM) 1028/2025)



Anyana Singh



Hon'ble Delhi HC Grants Injunction to Mahindra but Rejects Post-Decree "Dynamic" Relief

The Hon'ble Delhi High Court granted a decree of permanent injunction in favour of Mahindra & Mahindra against entities using deceptively similar "MAHINDRA" marks for packers and movers services. The Hon'ble Court found clear infringement and passing off, warranting protection of the plaintiff's well-known trademark. However, it declined the plaintiff's request to permit post-decree implementation of mirror or redirect websites through the Joint Registrar. The Hon'ble Court held that once a judgment is pronounced, it becomes functus officio, and cannot entertain fresh issues or extend relief beyond limited powers of review or correction under the CPC. It further observed that such powers cannot be indirectly delegated to the Joint Registrar when the Court itself lacks jurisdiction. The concept of a "dynamic injunction" post-decree was thus rejected as contrary to settled civil procedure principles. The Hon'ble Court emphasised finality of proceedings and cautioned against keeping suits perpetually alive. While acknowledging practical challenges in enforcement in the digital era, it held that any such remedy must come through legislative reform, not judicial overreach. [Mahindra And Mahindra Limited & Anr vs Diksha Sharma Proprietor Of Mahindra (CS(COMM) 209/2023)]



Anyana Singh



Litigation



Narendra Lalachan Mehta Vs. Narayana Manoj Vasani, Election Petition No. 5/2025

The Bombay High Court held that an election petition must strictly comply with Section 83 of the Representation of the People Act, and failure to plead material facts constituting a complete cause of action renders it liable to rejection at the threshold. It found that the petitioner failed to substantiate allegations of suppression of criminal cases, assets, and nomination defects, and did not demonstrate how the alleged irregularities materially affected the election result under Section 100. Accordingly, the petition was rejected under Order VII Rule 11 CPC for absence of material facts and lack of a valid cause of action.



Shyam Kishor Maurya

Arjun Kumar Sharma Vs. State of J&K and Others, OWP No. 554/2009

The J&K High Court observed that the petitioner sought compensation for the drowning of his three minor children in an unsecured forebay tank, alleging negligence due to lack of adequate safety measures, while the respondents denied liability and blamed parental supervision. The Court held the writ petition maintainable, finding that the minimal two-foot parapet wall around a hazardous reservoir established clear negligence, invoking *res ipsa loquitur* and rejecting contributory negligence for children. It concluded that the State has a strict constitutional duty under Article 21, awarded Rs. 2,00,000 per child as public law compensation, and directed formulation of safety policies for hazardous installations.



Shyam Kishor Maurya



Litigation



SOM Distilleries Pvt. Ltd. and Others Vs. The State of Madhya Pradesh and Others, 2026: MPILJ-JBP:24006

The Madhya Pradesh High Court observed that the petitioners challenged suspension of their excise licences, arguing that the show cause notice had lapsed with expiry of earlier licences, convictions had lost effect due to suspension of sentence, and principles of natural justice were violated. The Court rejected these contentions, holding that licence renewals are conditional and prior violations remain relevant, suspension of sentence does not stay conviction, and statutory requirements of hearing were duly complied with. It further held that acts of employees are attributable to the licensee and, applying proportionality, upheld the suspension as justified in light of serious violations involving forged permits, ultimately dismissing the writ petition.



Shyam Kishor Maurya

M/s C.B. Healthcare and Others Vs. Union of India, 2026:BHC-AS:14013

The Bombay High Court found serious procedural lapses, including delayed sample testing and failure to provide a portion to the manufacturer, which deprived the petitioners of their statutory right to reanalysis, further aggravated by expiry of the drug's shelf life, rendering the prosecution an abuse of process. It held that in absence of any provision allowing direct cognisance by a Sessions Court under the Drugs & Cosmetics Act, the bar under Section 193 CrPc applies, requiring committal by a Magistrate. Consequently, the Court quashed the proceedings and set aside the order issuing process.



Shyam Kishor Maurya



Litigation



Unsigned Charge framing Order sheet Not Fatal to Trial

The Supreme Court held that failure to sign a charge framing order sheet is a curable procedural defect, not an illegality that vitiates trial proceedings. Relying on Sections 215 and 464 CrPC, the Court emphasized that unless such omission causes a failure of justice or misleads the accused, the trial remains valid. In this case, the accused were informed of the charges, participated fully, and cross examined witnesses, showing clear understanding of the case. Setting aside the Allahabad High Court's order for a fresh trial, the Court ruled that mere procedural lapses cannot override substantive justice and directed continuation of the trial.

SANDEEP YADAV VERSUS SATISH & OTHERS, CRIMINAL APPEAL NO.1617 OF 2026



Ananya Jain

Employees Cannot Be Denied Pension Due to Employer's Missing Records

The Bombay High Court held that employees cannot be denied pension benefits due to an employer's failure to maintain statutory records. Allowing a retired pharmacist's plea under the Employees' Pension Scheme, 1995, the Court ruled that pension is a welfare right earned through service, not a favour. It emphasized that employees have no control over records like Form 6A, and such lapses cannot defeat legitimate claims. Finding the EPFO's rejection overly rigid, the Court stressed that pension laws must be interpreted to advance social security, ensuring genuine claims are not denied due to technical deficiencies.

Kiran Rajaram Jadhav v. The Employees Provident Fund Organisation (EPFO) & Anr., WRIT PETITION NO. 632 OF 2026



Ananya Jain



Litigation



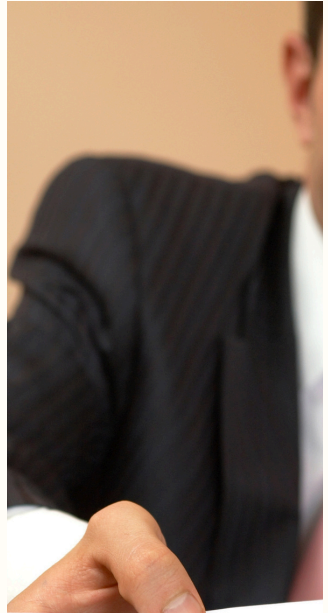
Minor Application Errors Cannot Cost Genuine Candidates Their Jobs

The Madhya Pradesh High Court ruled that a minor data entry mistake in an online application cannot be treated as suppression of facts or grounds for rejection. In a constable recruitment case, the Court found that an incorrect domicile entry, caused by a kiosk error, did not amount to misrepresentation, especially when other details were accurate. Emphasising that recruitment rules should prevent fraud not punish genuine candidates, the Court held the rejection arbitrary. Since no unfair advantage was gained, it quashed the decision and directed authorities to process the candidate's appointment based on merit.

Rohit Gami v. Union of India Through Chairman Staff Selection Commission, W.P. No. 19419/2020



Ananya Jain



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

Rohit Dutta
Shyam Kishor Maurya
Ananya Jain

IPR Team

Rajlatha Kotni
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

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

