

LEXPORT NEWSLETTER

JUNE 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

M/s. Allinone Hax Private Limited & Anr. v. Union of India & Ors.

In a significant judgment delivered on June 4, 2026, the Supreme Court held that writ petitions concerning the imposition of GST on actionable claims arising from betting and gambling must be disposed of in conformity with its established binding precedent.

Key Takeaways: i) Actionable claims arising from betting and gambling are treated as goods within the structural framework of the GST regime. ii) Real-money games of skill played with monetary stakes are legally classified alongside betting and gambling for tax purposes. iii) The constitutional and statutory validity of levying GST on the full face value of stakes stands governed by the Court's benchmark ruling in the Directorate General of Goods and Services Tax Intelligence case. iv) Litigants operating within the online gaming sector are bound by uniform cross-jurisdictional tax principles, precluding independent or divergent interpretation by lower judicial forums.

The Supreme Court accordingly disposed of the writ petition along with all pending interlocutory applications in terms of its prior landmark judgment. The ruling reinforces the principle of judicial consistency and provides absolute regulatory clarity regarding the taxability of online gaming stakes under the GST framework.



Soumya Shrivastava



M/s. Mahesh Value Products Pvt. Ltd. v. Chief Commissioner of CT & GST and others

In a significant judgment delivered on June 5, 2026, the Orissa High Court held that the date of communication of an adjudication order must be excluded when computing the statutory limitation period for filing a GST appeal, and that the expression "month" signifies a calendar month rather than a fixed number of days.

Key Takeaways: i) In accordance with the General Clauses Act, the limitation for presenting a statutory appeal begins to run only from the day following the communication of the impugned order. ii) The term "month" under Section 107 of the GST Act refers strictly to a calendar month, thereby dynamically altering the total number of days available based on the specific months involved. iii) Appellate authorities commit an error apparent on the face of the record by failing to consider explanation letters and electronic replies filed by assessee during condonation proceedings. iv) When technical time-bar considerations are pitted against substantial justice, quasi-judicial tribunals must adopt a pragmatic, non-pedantic approach to preserve the taxpayer's right to a fair hearing.

The High Court accordingly set aside the rejection order and remitted the matter to the appellate authority to evaluate the petitioner's delay explanation on its merits. The ruling is a crucial precedent safeguarding procedural fairness and establishing an equitable standard for limitation calculations in tax disputes.



Soumya Shrivastava

Indirect Tax

M/s. L.M. Wind Power Blades India Private Limited v. The Joint Commissioner Central Tax GST Appeals-II Bangalore & Anr.

In a significant judgment delivered on April 28, 2026, the Karnataka High Court held that research, development, and engineering deliverables supplied to overseas group companies qualify as an export of services, and that the eligibility of input tax credit cannot be arbitrarily re-adjudicated during refund proceedings.

Key Takeaways: i) Domestically incorporated subsidiaries and foreign contracting entities are independent legal personas whose cross-border transactions cannot be disqualified as exports under the guise of being establishments of distinct persons. ii) For composite supplies comprising offshore engineering and localized support, the transaction must be viewed in its entirety based on its principal supply of research and development. iii) Scrutiny of transactional valuation or relationship dynamics represents an independent administrative avenue and cannot be reopened to block accumulated credit refunds. iv) Operational expenses like manpower, material handling, and housekeeping constitute inputs used in the furtherance of business and are eligible for refund unless expressly explicitly categorised as blocked credits.

The High Court accordingly partly allowed the petition, quashing the orders denying the export-related refunds while remitting secondary ledger adjustments for fresh computational verification. The ruling is a significant victory for multinational service hubs, securing export tax neutrality and curbing overreaching credit restrictions.



Soumya Shrivastava



Sri Pankaj Kr Agarwal Alias Pankaj Agarwal v. Union of India & Ors.

In a significant judgment delivered on June 8, 2026, the Gauhati High Court held that a cancelled GST registration must be considered for restoration by the proper officer if the taxpayer subsequent to the cancellation event clears all accumulated tax arrears, applicable interest, penalties, and outstanding returns.

Key Takeaways: i) In accordance with the proviso to Rule 22(4) of the CGST Rules, 2017, the proper officer retains the jurisdiction to drop cancellation proceedings if the underlying default is fully rectified before the finalization of the matter. ii) The structural object of the restoration provision is to facilitate compliance and business continuity rather than permanently terminating a taxpayer's registration for procedural non-filing. iii) The extension of relief for restoration remains contingent upon the absolute discharge of all late fees and statutory dues by the defaulting assessee. iv) The computation of limitation periods for pending assessments under Section 73(10) gets altered and runs dynamically from the date of the restoration order.

The High Court accordingly disposed of the writ petition, directing the authority to restore the petitioner's GST registration expeditiously upon compliance with all pending filing obligations. The ruling establishes a vital precedent ensuring that procedural defaults do not lead to an administrative dead-end for businesses willing to regularize their tax positions.



Soumya Shrivastava

Indirect Tax

Faisal Malik v. The Senior Intelligence Officer, DGGI Hyderabad

In a significant judgment delivered on June 8, 2026, the Telangana High Court held that an accused individual incarcerated for the alleged fraudulent facilitation of input tax credit is entitled to regular bail if the maximum statutory imprisonment is limited to five years and the investigating agency fails to file a formal complaint within sixty days.

Key Takeaways: i) Prolonged judicial custody cannot be utilized as a punitive measure or a substitute for a formal trial during the pre-complaint investigative stage. ii) Under the statutory framework governing financial offences, the completion of sixty days of incarceration without a formal complaint creates a robust case for individual liberty. iii) Accusations of facilitating the illicit availing or passing of input tax credit without underlying business operations must be balanced against the absolute right to a speedy trial. iv) The mechanical opposition to bail requests by the Revenue cannot override the standard judicial criteria of checking if the accused poses a risk of influencing witnesses or fleeing.

The High Court accordingly allowed the criminal petition and enlarged the petitioner on regular bail subject to the execution of a personal bond and periodic appearance before the authorities. The ruling reinforces constitutional safeguards under criminal jurisprudence, preventing indefinite detention in economic offences when investigations are drawn out.



Soumya Shrivastava



M/s. Divya Textile Industries v. The Assistant Commissioner, Vanasthalipuram-I Circle

In a significant judgment delivered on June 8, 2026, the Telangana High Court held that an adjudication order determining GST liability passed and uploaded after the expiry of the prescribed statutory time limit is completely void as limitation strikes at the very root of an authority's jurisdiction.

Key Takeaways: i) The statutory deadlines prescribed under the GST Acts for finalizing tax determination orders are mandatory conditions precedent rather than directory rules. ii) Internal administrative constraints, such as a proper officer managing multiple circles or processing an excessive volume of orders, cannot extend the statutory cut-off dates. iii) An order uploaded or finalized even shortly past the midnight deadline of the final limitation date carries a fundamental jurisdictional infirmity that cannot be cured by subsequent explanations. iv) Appellate authorities commit a grave legal error by dismissing appeals on technical delay grounds without examining whether the underlying order-in-original was passed within the bounds of lawful limitation.

The High Court accordingly allowed the writ petition and quashed both the order-in-original and the subsequent order-in-appeal. The ruling serves as a crucial check on administrative overreach, reaffirming that the strict enforcement of statutory limitation is an absolute right protecting taxpayers from stale demands.



Soumya Shrivastava



Indirect Tax

Public Notice No. 72/2026 (JNCH)

In a significant regulatory update issued on June 8, 2026, the Commissioner of Customs (NS-III), Nhava Sheva, clarified that the prior re-assessment of a Bill of Entry through the appropriate mechanism is a mandatory pre-requisite for filing and processing any consequential refund claim of excess customs duty paid.

Key Takeaways: i) Importers must invariably secure a formal re-assessment of the relevant Bill of Entry before a customs refund claim can be legally processed or disbursed. ii) All such applications must be filed exclusively through the digital "Re-assessment cum Refund" module hosted on the ICEGATE 2.0 Portal to ensure automated workflow routing. iii) Any refund application submitted without completing the mandatory prior re-assessment shall be treated as an incomplete application, triggering the issuance of a deficiency memo. iv) For the purpose of calculating statutory interest on delayed refunds under Section 27A of the Customs Act, the application will be deemed received only on the date a fully complete submission is acknowledged by the proper officer.

The Commissioner of Customs accordingly streamlined the processing framework by enforcing electronic compliance parameters via Public Notice No. 72/2026. This update is highly significant for importers and customs brokers as it establishes strict procedural discipline, linking interest accruals directly to digital completeness and preventing the acceptance of premature refund claims.



Soumya Shrivastava



Notification No. 03/2026-Customs (CVD) dated June 10, 2026

The Central Government, through the Ministry of Finance (Department of Revenue), has officially extended the imposition of countervailing duty (CVD) on specified subsidized imports. This amendment ensures continued protection for domestic industries against unfair foreign competition by extending the validity of the existing trade remedial measures into 2027.

Key Takeaways:

1. The notification was issued by exercising powers under sub-sections (1) and (6) of section 9 of the Customs Tariff Act, 1975, alongside rules 20 and 24 of the Customs Tariff Rules, 1995.
2. This directive inserts a new paragraph 3 into the original Notification No. 4/2021-Customs (CVD) dated September 24, 2021.
3. The countervailing duty, which protects local markets from subsidized injury, will now remain in force up to and inclusive of March 23, 2027, unless it is revoked, superseded, or amended earlier.
4. Importers must ensure continuous compliance with the amended tariff structures unless the levy is prematurely revoked, superseded, or modified.

The Ministry of Finance accordingly inserted a specific sunset clause extension via Notification No. 03/2026-Customs (CVD). This update is crucial for domestic manufacturers as it ensures sustained protection against subsidized foreign goods and offers regulatory predictability until early 2027.



Soumya Shrivastava

Litigation



K Ranganayakulu Vs. State of Telangana & Ors., 2026 INSC 555

The Supreme Court held that an authorised signatory entrusted by a company or organisation with the responsibility of signing cheques and making payments can be treated as a “drawer” under Section 138 of the Negotiable Instruments Act and held personally liable for cheque dishonour. Upholding the conviction of the NGO’s Treasurer, the Court found that he alone was responsible under the MoU for issuing cheques and effecting payments, making him the face of the organisation for the transaction. The Court rejected the contention that an authorised signatory cannot be personally liable, clarifying that such liability arises when the requirements of Section 141 are satisfied. While affirming the conviction, the Court modified the sentence by directing payment of a fine of Rs. 1.5 crore within two months, with default imprisonment of one year.



Shyam Kishor Maurya

Sujithra P.A Vs. Anish Kumar T.R, 2026: KER: 37012

The Kerala High Court held that delay in challenging Family Court decrees in matrimonial matters, particularly divorce decrees, must be viewed with great caution as parties may alter their marital status after expiry of the appeal period, thereby affecting third-party rights. In the present case, the wife sought condonation of a 160-day delay in filing an application to set aside an ex parte divorce decree on the ground of non-service of notice. Upon remand, the Family Court recorded evidence and found overwhelming material proving proper service of notice, including the testimony of the postman and comparison of the appellant’s signatures on official documents. Upholding these findings, the High Court dismissed the appeal, reiterating that belated challenges to divorce decrees cannot be entertained in the absence of cogent and convincing justification.



Shyam Kishor Maurya



Litigation



Manik Kumar Vs. State of Himachal Pradesh and Another, 2026:HHC:15064

The Himachal Pradesh High Court quashed criminal proceedings against the proprietor of a liquor bottling unit, holding that transportation of 400 cases of IMFL under a valid permit could not attract prosecution under Section 39 of the Himachal Pradesh Excise Act merely because certain bottles bore incorrect batch numbers due to a labelling error. The Court observed that, at best, such discrepancies could constitute an offence under Section 43 of the Act, while the case relating to two excess boxes transported without a permit was separately compoundable under Sections 66 and 67 of the Act. Rejecting the State's attempt to invoke Section 39 for the permitted consignment, the Court found no material suggesting illegal transport of liquor. Holding that continuation of the proceedings would serve no useful purpose and would only subject the petitioner to an unnecessary and futile trial, the Court quashed the FIR.



Shyam Kishor Maurya

Godavarthi Srinivasacharyulu Vs. D.S.S.S. Subrahmanyam Somayaji and others, APHC010210252026

The Andhra Pradesh High Court set aside an order directing implementation of the 2010 Endowments Department circular that disqualifies archakas who had travelled abroad from performing rituals in the sanctum sanctorum, holding that material facts were not placed before the Single Judge. The Court noted that the affected archaka had already challenged the validity of the circular in a pending writ petition and had travelled abroad between 2001 and 2006 with prior permission from the Endowments Department, well before the circular was issued. It further observed that relevant administrative findings and the pending constitutional challenge to the circular were not disclosed at the time the impugned order was passed. Consequently, the Division Bench remanded the matter for fresh consideration, directing that all relevant facts be brought on record and clarifying that it had expressed no opinion on the merits of the dispute or the validity of the circular.



Shyam Kishor Maurya



Corporate

MCA Strengthens Regulatory Framework for Registered Valuer Organisations

The Ministry of Corporate Affairs (MCA) has notified the Companies (Registered Valuers and Valuation) Amendment Rules, 2026, introducing key changes aimed at enhancing the governance, financial stability, and professional standards of Registered Valuer Organisations (RVOs). The amendment, notified on June 1, 2026, revises the eligibility criteria for organisations seeking recognition as RVOs under the Companies Act, 2013.

A significant feature of the amendment is the introduction of a minimum paid-up share capital requirement of ₹25 lakh for organisations seeking recognition as RVOs. In addition, eligible entities must be registered under Section 8 of the Companies Act, 2013 or Section 25 of the Companies Act, 1956, have the sole objective of regulating valuers for one or more asset classes, and maintain bye-laws compliant with the prescribed regulatory requirements.

The introduction of a capital threshold reflects the government's intent to ensure that RVOs possess adequate institutional and financial capacity to effectively discharge their responsibilities, including enrolment of valuers, professional training, monitoring, and enforcement of ethical standards.

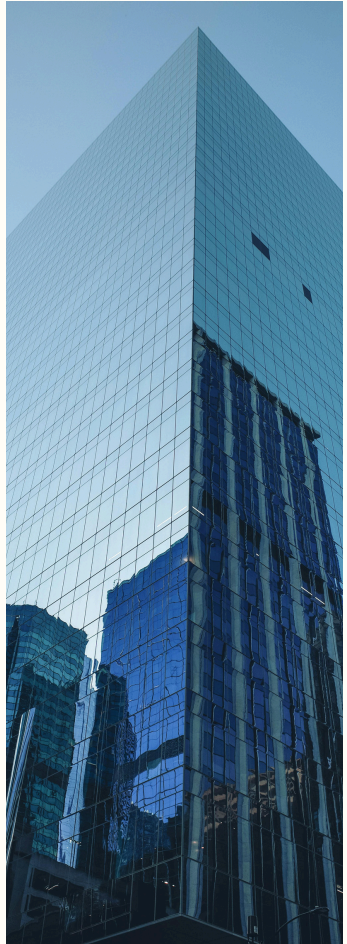
Recognising that existing RVOs may require time to align with the revised requirements, the amendment provides a transition period until March 31, 2028 for organisations that do not currently meet the minimum capital requirement. This phased approach seeks to balance stronger regulatory standards with practical implementation considerations.

The amendment comes at a time when valuation plays an increasingly critical role in mergers and acquisitions, insolvency proceedings, financial reporting, taxation, and corporate restructuring. By strengthening the framework governing RVOs, the MCA aims to enhance the credibility, consistency, and reliability of valuation services across sectors.

Overall, the reforms are expected to promote stronger governance, greater accountability, and higher professional standards within the valuation ecosystem, thereby supporting investor confidence and improving the quality of corporate decision-making.



Akshita Agarwal



Corporate

Government Introduces Key Amendments to Packaged Commodity and Vegan Food Regulations

The Government of India has introduced two significant regulatory amendments aimed at enhancing consumer protection, improving transparency, and facilitating ease of doing business across the packaged goods and food sectors.

The Ministry of Consumer Affairs has notified the Legal Metrology (Packaged Commodities) Third Amendment Rules, 2026, introducing several compliance and operational reforms. A key change permits importers operating through Authorised Economic Operator (AEO) Tier-2 and Tier-3 certified bonded warehouses to affix mandatory declarations on imported retail packages within such warehouses before products enter the retail market. The amendment also strengthens accountability by requiring companies to identify the director responsible for violations under the Legal Metrology framework. Additionally, businesses will now be able to update registration details annually through an online portal, while registration certificates will remain valid until cancelled, reducing administrative burdens associated with renewals.

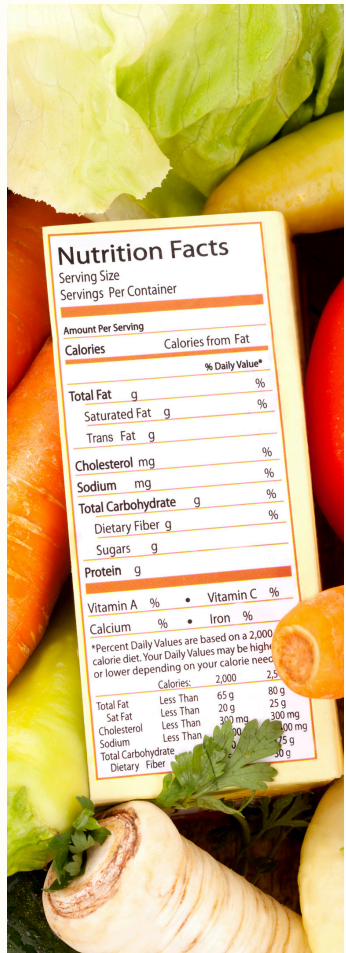
In a separate development, the Food Safety and Standards Authority of India (FSSAI) has notified the Food Safety and Standards (Vegan Foods) Amendment Regulations, 2026, introducing a revised and standardised logo for vegan food products. The amendment prescribes detailed specifications regarding the design and display of the official vegan logo, ensuring uniform implementation across the industry. The move is intended to help consumers easily identify products that comply with India's vegan food standards and distinguish them from vegetarian or plant-based products that may not meet vegan requirements.

Recognising the need for businesses to update packaging and branding materials, FSSAI has provided a transition period, with the revised vegan labelling requirements becoming effective from July 1, 2027.

Together, these amendments reflect the government's continuing efforts to modernise regulatory frameworks, strengthen consumer awareness, and improve compliance efficiency while supporting business operations in an increasingly evolving marketplace.



Akshita Agarwal



Nutrition Facts	
Serving Size	
Servings Per Container	
Amount Per Serving	
Calories	Calories from Fat
% Daily Value*	
Total Fat	g %
Saturated Fat	g %
Trans Fat	g %
Cholesterol	mg %
Sodium	mg %
Total Carbohydrate	g %
Dietary Fiber	g %
Sugars	g %
Protein	g %
Vitamin A	% • Vitamin C %
Calcium	% • Iron %
*Percent Daily Values are based on a 2,000 calorie diet. Your Daily Values may be higher or lower depending on your calorie needs.	
Calories: 2,000	
Total Fat	Less Than 65 g 80 g
Sat Fat	Less Than 20 g 25 g
Cholesterol	Less Than 300 mg 300 mg
Sodium	Less Than 300 mg 300 mg
Total Carbohydrate	Less Than 300 mg 300 mg
Dietary Fiber	Less Than 25 g 30 g

Corporate

RBI Directions on Lending to REITs and InvITs The Reserve Bank of India (RBI), through the Reserve Bank of India (Commercial Banks – Credit Facilities) Third Amendment Directions, 2026, has introduced a detailed regulatory framework governing bank lending to Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs). Effective from 1 October 2026, the Directions permit banks to extend credit facilities to SEBI-regulated and listed REITs and InvITs, subject to stringent prudential safeguards. Banks are required to adopt Board-approved lending policies, assess debt servicing capability, monitor end-use of funds, and ensure that financing is not diverted to stressed special purpose vehicles (SPVs). Lending is restricted to trusts with predominantly operational, revenue-generating assets and refinancing is allowed only for completed projects. The Directions cap aggregate bank exposure to a REIT or InvIT group at 49% of the value of its assets and mandate comprehensive security arrangements, including charges over underlying assets, assignment of cash flows, escrow mechanisms, and lender-protection covenants. The amendments aim to facilitate institutional financing while strengthening risk management and financial stability in the real estate and infrastructure sectors.

**Rishav Sagar**

SEBI Master Circular for Alternative Investment Funds (AIFs) The Securities and Exchange Board of India (SEBI), through its Master Circular dated June 3, 2026, has consolidated all circulars issued under the SEBI (Alternative Investment Funds) Regulations, 2012 up to May 31, 2026 into a single comprehensive framework governing Alternative Investment Funds (AIFs). The circular supersedes the earlier Master Circular dated May 7, 2024 and rescinds previous AIF-related circulars while preserving actions already taken, pending applications, accrued rights, obligations, liabilities, penalties, investigations, and legal proceedings under the earlier regime. It also requires AIF managers to ensure that Compliance Test Reports cover adherence to all provisions of the Master Circular. Organized into 24 chapters, the circular streamlines regulatory requirements relating to registration, fundraising, investments, governance, disclosures, reporting, valuation, overseas investments, investor protection, winding-up procedures, and compliance, thereby providing a unified and accessible regulatory framework for the AIF industry.

**Rishav Sagar**

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