Interpreting India for commerce

New Delhi: K-1/114, First Floor, Chittaranjan (C.R.) Park, New Delhi – 110019, India
t: +91-11-2651-0505 / 1505
e: mail@lexport.in

LEXPORT NEWSLETTER

July 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

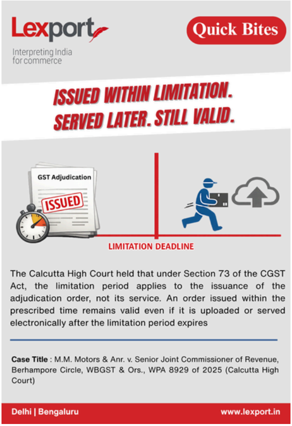
Indirect Tax

Order issued within limitation remains valid even if served later; limitation under Section 73 applies to issuance, not service

The Calcutta High Court dismissed a writ petition challenging an adjudication order passed under Section 73(9) of the CGST/WBGST Act on the ground that, although the order had been issued within the prescribed period of limitation, it was uploaded and served electronically on the GST portal after the expiry of the limitation period. The petitioners contended that the order could not be treated as valid unless it was served within the statutory period. The Court examined the scheme of Sections 73 and 169 of the CGST Act, Rule 26(3) of the CGST Rules and the relevant provisions of the Information Technology Act, 2000, and held that the Act draws a distinction between the issuance of an order and its service. It observed that the period of limitation prescribed under Section 73 is confined to the issuance of the adjudication order and that the statute does not require service of the order within the same period. The Court further held that an order issued within limitation remains valid and enforceable upon service, and that delayed electronic uploading or service does not render the order barred by limitation. Accordingly, the writ petition was dismissed.

M.M. Motors & Anr. Versus The Senior Joint Commissioner of Revenue, Berhampore Circle, WBGST & Ors., WPA 8929 of 2025 (Calcutta High Court)

Soumya Shrivastava



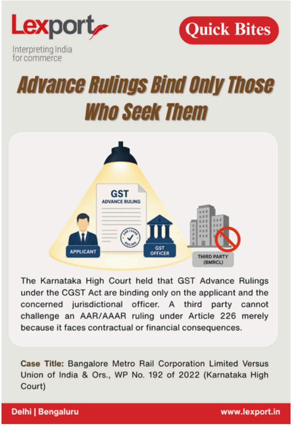
Indirect Tax

Third parties cannot challenge GST Advance Rulings under Article 226; AAR/AAAR rulings bind only the applicant and the concerned authority

The Karnataka High Court dismissed the writ petition filed by Bangalore Metro Rail Corporation Limited (BMRCL) challenging an Advance Ruling and the Appellate Advance Ruling obtained by its contractor regarding the classification of supplies and the applicable rate of GST. The Court examined the scheme of Chapter XVII of the CGST Act, particularly Sections 97 to 103, and held that an advance ruling is a decision in personam, binding only on the applicant who sought the ruling and the concerned or jurisdictional officer, as expressly provided under Section 103 of the Act. It observed that a third party, even if it may face financial implications arising from the ruling, cannot invoke Article 226 to challenge the advance ruling, as such consequences stem from the contractual arrangement between the parties and not from the ruling itself. The Court further noted that the contract between BMRCL and the contractor merely provided for reimbursement of the applicable GST as invoiced and did not stipulate the classification of supplies or the applicable GST rate. Accordingly, it held that BMRCL was neither an aggrieved person nor possessed the requisite locus standi to challenge the rulings of the AAR and AAAR. The writ petition was therefore dismissed as not maintainable.

Bangalore Metro Rail Corporation Limited Versus Union of India & Ors., WP No. 192 of 2022 (Karnataka High Court)

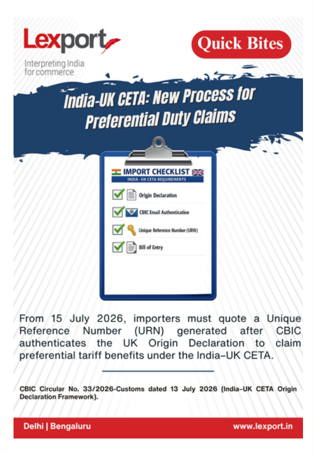
Soumya Shrivastava



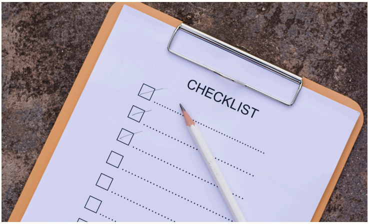
Indirect Tax

CBIC issues procedure for authentication of Origin Declarations under India–UK CETA self-certification framework

Vide Circular No. 33/2026-Customs dated July 13, 2026, the Central Board of Indirect Taxes and Customs (CBIC) prescribed the procedure for implementation of the self-certification framework for Origin Declarations under the India–United Kingdom Comprehensive Economic and Trade Agreement (India–UK CETA), which comes into force from 15 July 2026. The Circular provides that preferential tariff treatment shall be based on an Origin Declaration completed by the exporter or producer in the United Kingdom in accordance with the Customs Tariff (Determination of Origin of Goods under the India–UK CETA) Rules, 2026. It further prescribes an authentication mechanism under which the UK exporter or producer is required to transmit the Origin Declaration simultaneously to the designated CBIC nodal email address and to the Indian importer at its ICEGATE-registered email address. Upon successful authentication, a Unique Reference Number (URN) shall be generated, which is required to be quoted by the importer while claiming preferential tariff treatment in the Bill of Entry. The Circular clarifies that authentication establishes only the genuineness of the Origin Declaration and does not by itself establish the originating status of the goods, which may be verified separately in accordance with the Agreement and the Rules. It also provides that an Origin Declaration shall remain valid for twelve months, shall relate to a single shipment, and prescribes the manner of claiming preferential tariff treatment in respect of warehoused goods and goods in transit on the date of entry into force of the Agreement. The Circular further states that a detailed trade advisory on the submission, authentication and use of Origin Declarations and URNs will be issued separately and made available on the ICEGATE portal.



Soumya Shrivastava

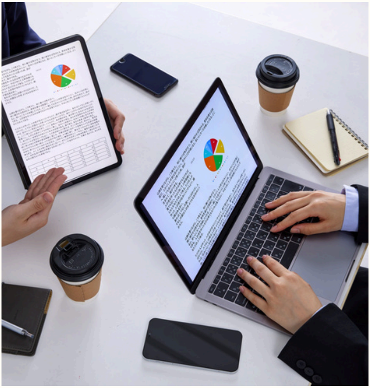


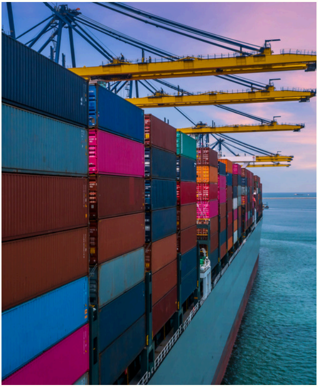
Indirect Tax

CBIC discontinues manual submission of documents/statements for duty-free imported containers under Notification No. 104/94-Customs

Vide Circular No. 32/2026-Customs dated July 11, 2026, the Central Board of Indirect Taxes and Customs (CBIC) discontinued the requirement for shipping lines to manually submit documents and statements in respect of containers imported duty-free under Notification No. 104/94-Customs. The Circular notes that shipping lines were earlier required to manually intimate Customs regarding the movement of containers outside the customs area, while manual bonds executed by carriers were debited and credited based on electronic IGM/SAM and EGM/SDM messages. To facilitate ease of doing business, CBIC has decided that the Directorate General of Systems shall generate reports of containers that have not been re-exported within the stipulated period of six months and publish such reports on the ICEGATE portal for use by shipping lines and Customs authorities. The Circular further clarifies that shipping lines, Non-Vessel Owning Common Carriers (NVOCCs), steamer agents and their authorised agents shall continue to execute bonds without surety. It also directs field formations to coordinate with DG Systems and port/terminal operators for development of an electronic gate system to capture container movements electronically and eliminate manual intervention, while ensuring that port and terminal operators maintain electronic records of containers entering or exiting the notified customs area.

Soumya Shrivastava





Intellectual Property Rights

Delhi High Court Grants Injunction to Landmark Crafts, Holds "ISI HP" Mark Prima Facie Infringes Registered "HP" Trademark

The Delhi High Court granted an ex parte ad interim injunction in favour of Landmark Crafts Limited, restraining the defendant from using the mark "ISI HP" for self-drilling screws, fasteners and allied goods. Landmark Crafts, a leading manufacturer of fasteners since 1995, asserted prior adoption and long-standing use of the registered "HP" trademark, claiming that it had acquired substantial goodwill through extensive sales, nationwide marketing, and industry recognition. Justice Jyoti Singh held that the defendant's addition of the letters "ISI" did not distinguish the impugned mark, as "ISI" is commonly understood as denoting certification under the Bureau of Indian Standards and does not function as a source identifier. The Court found that "HP" remained the dominant and distinctive element of the defendant's mark, making it prima facie deceptively similar to the plaintiff's registered trademark. Observing a likelihood of consumer confusion and an attempt to ride upon the plaintiff's goodwill, the Court restrained the defendant from using the impugned mark pending further proceedings.

Landmark Crafts Limited v. Shalini Garg, Proprietor of Shree Mange Ram and Sons, CS(COMM) 693/2026 (Delhi High Court)

Anushka Tripathi

Intellectual Property Rights

Bombay High Court Sets Aside Patent Refusal, Holds "Common General Knowledge" Cannot Be Invoked Without Evidence

The Bombay High Court set aside the Patent Office's refusal of Deepak Nitrite Limited's patent application for a free-flowing food-grade sodium nitrite and its production process, holding that the Controller's rejection was based on unsupported assertions rather than a reasoned analysis. The Patent Office had refused the application on the ground of lack of inventive step, relying on "common general knowledge" without identifying its source or adequately assessing the invention as a whole.

Justice Arif S. Doctor held that a Controller cannot reject a patent application by merely invoking "common general knowledge" without citing identifiable sources or explaining how such knowledge existed on the priority date. The Court also criticized the practice of dissecting process claims instead of evaluating the integrated invention and reiterated that patent orders must contain independent reasoning, proper claim construction, and a clear inventive step analysis. Setting aside the impugned order, the Court remanded the application for fresh consideration by a different Controller and directed that it be decided within twelve weeks.

Deepak Nitrite Limited v. Assistant Controller General of Patents and Designs, Commercial Miscellaneous Petition No. 107 of 2025 (Bombay High Court).

Anushka Tripathi

Litigation

The Delhi High Court, in Naresh Kumar & Anr. v. DDA, while noting that the DDA failed to demonstrate any express statutory prohibition within the Nazuln of administrative law and equitable principles, specifically examined the boundaries of statutory authorities resiling from representations. The petitioners, having emerged as successful bidders in an e-auction for a residential plot in Rohini, executed a registered Conveyance Deed upon depositing the complete consideration of approximately ₹6.41 Crores. However, due to severe local agitation and the unauthorized conversion of the land into a public volleyball court and playground by local residents, physical enjoyment of the property became impossible. Recognizing this unfeasibility and acting in the overarching public interest, the Delhi Development Authority (DDA) internally deliberated and actively proposed that the petitioners surrender the allotted plot so it could be integrated into a community park, holding out an explicit assurance that an alternative plot would be allotted in lieu thereof. The petitioners acted upon this unequivocal administrative representation, explicitly altering their legal position to their manifest detriment by executing formal consent letters and abandoning their construction rights on the original allotment. Subsequently, the DDA resisted performance of its commitment, contending that a substitution or swapping of plots post the registration of a Conveyance Deed was legally impermissible under the Delhi Development Authority (Disposal of Developed Nazul Land) Rules, 1981.

In allowing the writ petition, the High Court focused heavily on the law part and rejected the respondent's defensive posture, ruling that the controversy was squarely governed by the Doctrine of Promissory Estoppel. Invoking the foundational legal principles reaffirmed by the Supreme Court of India in State of H.P. v. Kundlas Loh Udyog (2026), the Court held that where a statutory instrumentality makes a clear, unambiguous representation intended to create legal relations, knowing it would be acted upon, it is bound by equity to honor such a promise to prevent manifest injustice. The Court emphasized that under Indian jurisprudence, the doctrine is not merely defensive but furnishes an independent cause of action against public authorities who act arbitrarily or inconsistently with their solemn assurances. Furthermore, the Court applied the Doctrine of Approbate and Reprobate, establishing that the DDA cannot blow hot and cold simultaneously; since the authority's internal engineering and planning records explicitly conceded that the original site was unfeasible for habitation due to standing trees and local physical altercations, it could not legally compel a citizen to accept the same property as a valid residential allotment. Noting that the DDA failed to demonstrate any express statutory prohibition within the Nazul Land Rules or any overriding public interest to justify its departure, the Court issued a writ of mandamus directing the DDA to allot alternative Plot No. 111 (or a plot of equivalent dimension and value in the immediate vicinity), ordering that the original Conveyance Deed would stand cancelled and revert to the state only upon the successful execution and registration of the new deed.

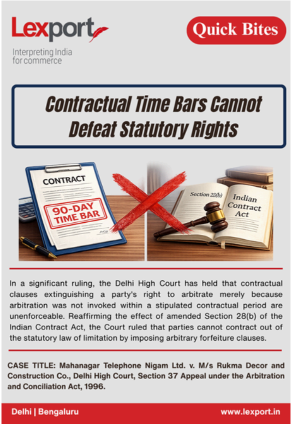
Hardik Jain

Litigation

In the case of Mahanagar Telephone Nigam Ltd. v. M/s Rukma Decor and Construction Co., the Delhi High Court dismissed MTNL's appeal under Section 37 of the Arbitration and Conciliation Act, providing critical clarity on the enforceability of restrictive contractual time-bars. The principal legal dispute centered on Clause 53 of the General Conditions of Contract, which mandated that the contractor invoke arbitration within 90 days of being notified that the final bill was ready for payment. The clause stipulated that a failure to meet this timeline would result in the claims being contractually "waived and absolutely barred," thereby releasing MTNL from all substantive liabilities. The High Court firmly rejected MTNL's reliance on this provision, affirming that such a restrictive timeline is void ab initio and legally unenforceable under Section 28(b) of the Indian Contract Act, 1872.

The Court emphasized that the legal landscape regarding contractual time-bars was fundamentally altered by the 1997 Amendment to the Indian Contract Act, which introduced Clause (b) to Section 28. While pre-1997 jurisprudence permitted parties to contractually limit the period within which a remedy could be sought, the amended statute explicitly renders void any provision that forfeits substantive rights or discharges a party from liability simply due to the expiry of a contractually stipulated timeframe. Because all material events in this dispute occurred well after 1997, the High Court held that the amended provision applied entirely, effectively invalidating MTNL's attempt to extinguish the contractor's claims through an arbitrary 90-day window. Furthermore, the Court distinguished past Supreme Court precedents cited by MTNL, noting they were rendered under the unamended law and held no relevance to post-amendment agreements.

The High Court also dismantled MTNL's alternative argument that Section 43(3) of the Arbitration and Conciliation Act acts as a "special law" that overrides the Contract Act to validate these time-bars. The Court clarified that Section 43(3) does not independently validate or enact the legality of restrictive clauses; rather, it merely governs a court's procedural power to extend timelines to mitigate "undue hardship" provided a valid clause exists in the first place. Contractual validity must always be tested against the substantive mandates of the Contract Act beforehand. Consequently, because Clause 53 was deemed structurally void, the Court ruled that the contractor's claims were fully preserved under the standard three-year statutory limitation window prescribed by Article 137 of the Limitation Act, 1963, confirming the arbitrator's complete jurisdiction over the dispute.



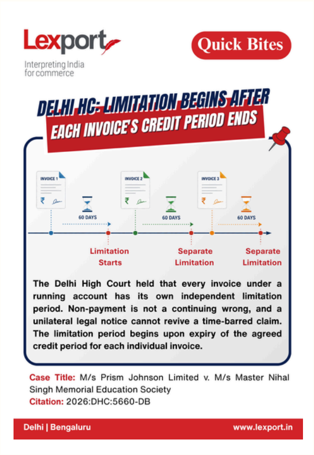
Hardik Jain

Litigation

In the case of M/s Prism Johnson Limited v. M/s Master Nihal Singh Memorial Education Society (2026:DHC:5660-DB), the Delhi High Court dismissed the appellant's commercial appeal, providing critical clarity on how limitation periods operate for outstanding debts under running accounts. The principal legal dispute centered on whether a failure to clear dues under a running account constitutes a "continuing wrong" that indefinitely postpones the limitation clock, and whether a creditor can revive a time-barred claim by issuing a unilateral legal notice. The High Court firmly rejected these arguments, affirming that for goods sold on credit, the three-year limitation period under Article 15 of the Limitation Act, 1963, begins strictly upon the expiry of the contractually agreed credit period (in this case, 60 days) for each individual delivery.

The Court emphasized the fundamental legal distinction between a "continuing wrong" and a "recurring cause of action." Drawing on established Supreme Court jurisprudence, the High Court clarified that a continuing wrong requires a continuous, ongoing source of injury, whereas the failure to pay an ascertained debt is a completed breach the moment the credit period expires. While the financial damage resulting from the non-payment persists, the wrongful act itself is complete. Consequently, the Court held that the transactions under the running account gave rise to recurring causes of action rather than a continuing wrong, meaning each delivery set its own independent limitation clock in motion that could not be reset daily just because the debt remained unpaid in the books.

Furthermore, the High Court dismantled the appellant's reliance on a unilateral legal notice and the respondent's subsequent reply denying liability as a means to extend limitation. The Court ruled that a unilateral legal notice cannot legally alter or extend the statutory period of limitation, nor can a reply denying liability act as an acknowledgment of debt under Section 18 of the Limitation Act. For Section 18 to apply, there must be a clear, signed admission of a subsisting jural relationship of debtor and creditor made before the limitation period has expired; an outright denial issued after the clock has already run out cannot exhume a dead claim. Finally, the Court affirmed that because the fatal timelines of default were indisputably clear from the plaint itself, the Trial Court was fully empowered to reject the suit at the threshold under Order VII Rule 11(d) of the CPC, sparing the parties from a redundant and costly trial.



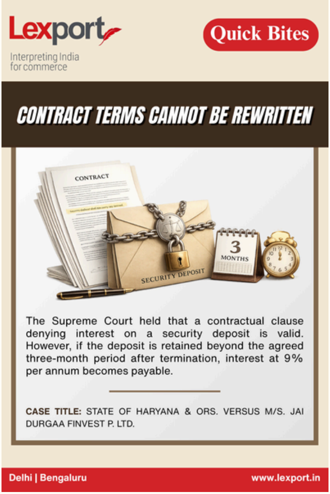
Hardik Jain

Corporate

STATE OF HARYANA & ORS. VERSUS M/S. JAI DURGAA FINVEST P. LTD.

The Supreme Court has held that a contractual clause denying interest on a security deposit in a commercial agreement cannot be declared invalid merely because it excludes payment of interest. Setting aside the Punjab and Haryana High Court's judgment, the Court ruled that parties who voluntarily enter into a commercial contract with full knowledge of its terms are bound by those terms, and courts cannot rewrite the agreement on grounds of fairness or public policy. The dispute arose from a mining contract between the State of Haryana and M/s. Jai Durgaa Finvest Pvt. Ltd., where the contractual terms provided that the contractor's security deposit would not carry interest but would be refunded within three months of the contract's expiry or termination. While upholding the validity of the clause, the Court clarified that the State could not retain the deposit indefinitely. Accordingly, it held that interest at 9% per annum would be payable only if the security deposit was retained beyond the stipulated three-month period after termination.

Rishav Sagar



Corporate

SEBI Introduces Stricter Code of Conduct for Board Members

The Securities and Exchange Board of India (SEBI) has notified a comprehensive Code of Conduct for its Board members, significantly strengthening governance, transparency, and conflict-of-interest safeguards. The new framework prohibits the Chairperson and Whole-Time Members from making fresh investments in individual equities, equity-linked instruments, commodity derivatives, or convertible securities during their tenure, while permitting investments through mutual funds, REITs and InvITs. Existing investments are grandfathered. The Code also mandates detailed disclosures of assets, liabilities, financial interests, gifts, and potential conflicts, along with objective recusal requirements where impartiality may be compromised. Further, Whole-Time Members must disclose negotiations for future employment, and post-retirement restrictions have been tightened to prevent conflicts arising from subsequent engagements. The revised framework replaces the earlier principles-based approach with detailed compliance obligations and standardised disclosure formats, reinforcing SEBI's commitment to regulatory integrity, accountability, and public confidence in India's securities market.

Rishav Sagar

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

Hardik Jain

IPR Team

Rajlatha Kotni
Ananya Singh
Anushka Tripathi

IDT Team

Srinivas Kotni
Gurdeep Singh
Akshay Kumar
Rishabh Dev Dixit
Soumya Shrivastava

Corporate Team

Rajiv Sawhney
Akshita Agarwal
Rishav Sagar

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