Interpreting India for commerce

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LEXPORT NEWSLETTER

July 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.

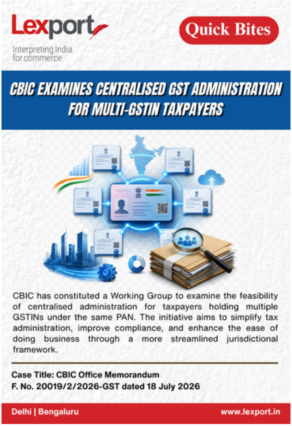
Regards,
Team Lexport

Indirect Tax

CBIC constitutes a Working Group to examine the centralized administration of taxpayers having multiple GSTINs under the same PAN

The Central Board of Indirect Taxes and Customs (CBIC), vide Office Memorandum F. No. 20019/2/2026-GST dated July 18, 2026, constituted a Working Group to examine the proposal for centralized administration of taxpayers having the same PAN but multiple GSTINs registered under different Central Tax jurisdictions. The Office Memorandum states that the proposal is being examined with a view to promoting ease of doing business and enhancing administrative efficiency. The Working Group, headed by the Chief Commissioner, Lucknow CGST & CX Zone, has been tasked with examining issues arising from multiple tax administrations, studying the centralized registration and Large Taxpayer Unit mechanism under the erstwhile Central Excise and Service Tax regime and international best practices, recommending whether centralized administration should be optional or mandatory, identifying the categories of taxpayers to be covered, suggesting principles for determination of jurisdiction, and recommending the administrative, legal and system-level changes required for implementation. The Working Group has also been directed to submit its report, along with a detailed implementation roadmap and draft proposals, to the Board within 30 days from the date of issuance of the Office Memorandum.

Soumya Shrivastava



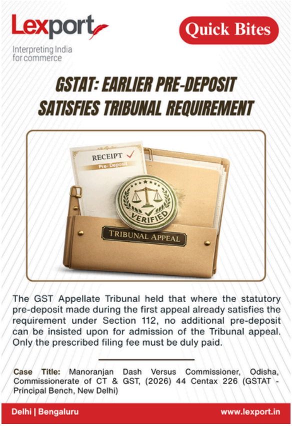
Indirect Tax

No further pre-deposit required for Tribunal appeal where earlier statutory pre-deposit satisfies Section 112 requirements

The GST Appellate Tribunal (Principal Bench, New Delhi) held that no further statutory pre-deposit was required for admission of an appeal under Section 112 of the CGST Act where the appellant had already deposited 10% of the original disputed tax while filing the first appeal under Section 107 and such amount exceeded the 10% pre-deposit required on the reduced tax demand confirmed by the First Appellate Authority. In the present case, the adjudicating authority had confirmed tax, interest and penalty on the allegation of excess availment of input tax credit, which was subsequently reduced by the First Appellate Authority. The Tribunal observed that since the appellant had already deposited ₹1,13,447 as pre-deposit at the first appellate stage, which was more than the 10% of the reduced disputed tax of ₹1,02,012, the requirement under Section 112 stood satisfied and no additional pre-deposit could be insisted upon. Relying on the decision of the Jharkhand High Court in Ashirwad Food Industries, the Tribunal directed that the appeal be processed without any further pre-deposit. However, it held that the appellant had paid only ₹3,000 towards the Tribunal filing fee against the minimum prescribed fee of ₹5,000 under Rule 110(5) of the CGST Rules, 2017 and, accordingly, directed payment of the balance court fee before the appeal could be admitted.

Manoranjan Dash Versus Commissioner, Odisha, Commissionerate of CT & GST, (2026) 44 Centax 226 (GSTAT - Principal Bench, New Delhi)

Soumya Shrivastava

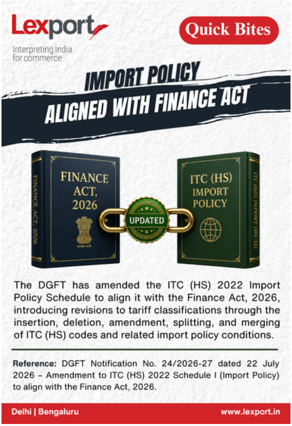


Indirect Tax

DGFT aligns ITC (HS) 2022 Import Policy Schedule with Finance Act, 2026

Vide Notification No. 24/2026-27 dated 22 July 2026, the Directorate General of Foreign Trade (DGFT), in exercise of powers under Sections 3 and 5 of the Foreign Trade (Development and Regulation) Act, 1992 read with paragraphs 1.02 and 2.01 of the Foreign Trade Policy, 2023, amended ITC (HS), 2022 Schedule I (Import Policy) to bring it in sync with the Finance Act, 2026 dated 30 March 2026. The Notification provides that the amendments include the insertion, deletion, amendment, splitting and merging of ITC (HS) codes and related import policy conditions, as detailed in Annexure I to the Notification. The revised entries are intended to align the Import Policy Schedule with the tariff changes introduced under the Finance Act, 2026.

Soumya Shrivastava



Intellectual Property Right

Delhi High Court Rejects ANI's Interim Copyright Injunction Against OpenAI, Citing Public Interest

The Delhi High Court has dismissed ANI's plea for an interim injunction against OpenAI in its copyright infringement suit concerning ChatGPT. The Court held, on a prima facie basis, that the use of ANI's publicly available content for training ChatGPT falls within the fair dealing exception under Section 52(1)(a) of the Copyright Act, 1957. It further observed that ANI failed to establish that ChatGPT reproduced its copyrighted works in a substantially similar manner or engaged in "memorization and regurgitation" of its content. The Court concluded that granting an injunction at this stage would cause irreparable harm not only to OpenAI but also to the broader public interest, while clarifying that these findings are preliminary and the main suit will continue to trial.

Anirban Roy

Corporate

GCAI Urges BCI to Recognise General Counsels and In-House Lawyers as ‘Legal Practitioners’

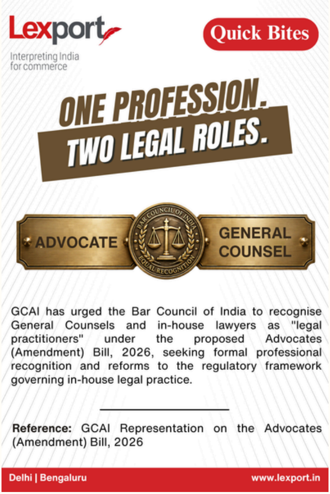
The General Counsels’ Association of India (GCAI) has submitted a representation to the Bar Council of India (BCI) seeking formal recognition of general counsels and in-house lawyers working in private, public, and joint-sector organisations as “legal practitioners” under the proposed Advocates (Amendment) Bill, 2026.

The representation also calls for amendments to Rule 49 of the Bar Council of India Rules, which currently restricts advocates in full-time salaried employment from continuing as practising advocates. GCAI has proposed that advocates engaged primarily in bona fide legal functions within organisations should retain their professional status, subject to regulatory safeguards such as disclosure requirements, professional ethics, conflict management, and disciplinary oversight.

GCAI has further suggested expanding the proposed definition of “legal practitioner” to include individuals performing legal advisory, transactional, regulatory, compliance, dispute resolution, governance, and documentation functions, reflecting the evolving nature of legal practice beyond courtroom advocacy. The Association has also proposed amendments to the Advocates Act, 1961 to recognise “legal practitioners”, rather than only advocates, as the class entitled to practise law.

The representation highlights the increasing importance of in-house legal roles across sectors such as corporate law, mergers and acquisitions, finance, competition law, insolvency, technology, data protection, and regulatory compliance. If accepted, these proposals could significantly reshape the regulatory framework governing in-house legal practice in India and strengthen the professional recognition of corporate legal teams.

Akshita Agarwal



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Delhi High Court Upholds Platform-Wide Blocking of Telegram Under Section 69A of the IT Act

The Delhi High Court, in Telegram FZ LLC & Anr. v. Union of India & Ors. [W.P.(C.) 8259/2026], upheld the Central Government's temporary blocking of Telegram under Section 69A of the Information Technology Act, 2000, holding that the statutory power to block "information" may, in appropriate cases, extend to an entire intermediary platform.

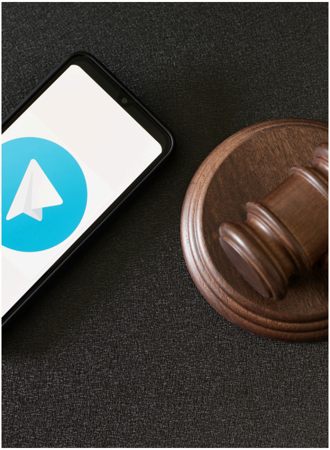
The matter arose after the National Testing Agency (NTA) informed the Ministry of Electronics and Information Technology (MeitY) of the alleged misuse of Telegram in connection with the NEET-UG 2026 examination. Invoking the emergency procedure under the Information Technology (Procedure and Safeguards for Blocking for Access of Information by Public) Rules, 2009, MeitY issued an interim blocking order, which Telegram challenged on the ground that Section 69A authorises blocking only of specific content and not an entire platform.

Rejecting this contention, the Court held that the definition of "information" under Section 2(1)(v) of the IT Act expressly includes computer programmes and software. Since an intermediary platform operates through software, it falls within the ambit of "information" and may therefore be blocked where the statutory conditions are satisfied.

Applying the proportionality test laid down by the Supreme Court in Anuradha Bhasin v. Union of India, the Court observed that repeated directions to disable specific channels, groups and bots had proved ineffective due to the rapid emergence of mirror channels, reserve groups and automated mechanisms that enabled continued dissemination of the impugned content. In such circumstances, temporary platform-wide blocking was held to be the least restrictive measure available.

The Court further held that the emergency blocking procedure under Section 69A and the 2009 Blocking Rules had been duly followed, including a post-decisional hearing before the Rule 7 Committee. Accordingly, the writ petition was dismissed, reaffirming that, where statutory requirements and the test of proportionality are satisfied, the Government's blocking powers under Section 69A are not confined to individual posts, channels or URLs but may extend to an entire intermediary platform.

Akshita Agarwal



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CCPA Imposes ₹1 Lakh Penalty on SpiceJet for Use of Dark Patterns

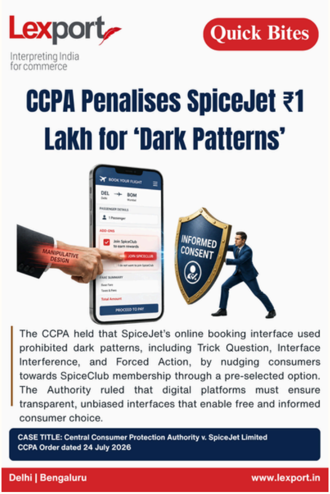
The Central Consumer Protection Authority (CCPA) has imposed a penalty of ₹1 lakh on SpiceJet Limited for using prohibited "dark patterns" on its website in relation to SpiceClub membership enrolment. The CCPA held that the airline's renewal interface incorporated multiple dark patterns prohibited under the Guidelines for Prevention and Regulation of Dark Patterns, 2023, including "Trick Question", "Interface Interference", and "Forced Action", resulting in unfair trade practices and impairing consumers' ability to make free and informed choices.

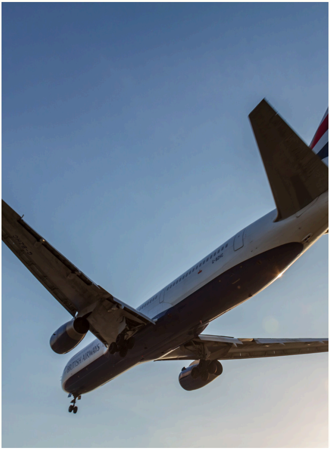
The proceedings arose from SpiceJet's online ticket booking process, where customers were required to manually deselect a pre-checked box to opt out of SpiceClub membership. The CCPA observed that such interface design manipulated consumer behaviour and undermined informed consent by nudging users towards unintended enrolment.

The Authority held that the practice violated the provisions relating to misleading advertisements, unfair trade practices, and unfair contracts under the Consumer Protection Act, 2019, in addition to the Consumer Protection (E-Commerce) Rules, 2020 and the Guidelines for Prevention and Regulation of Dark Patterns, 2023. Although SpiceJet subsequently rectified the interface and furnished an undertaking confirming compliance, the CCPA nevertheless imposed the monetary penalty and directed the airline to submit periodic compliance reports.

The order reiterates the CCPA's expectation that digital platforms provide consumers with transparent and unbiased interface designs that facilitate informed decision-making, rather than using design features that manipulate or influence consumer choices. The action also follows the CCPA's June 2025 advisory directing e-commerce platforms to conduct self-audits to identify and eliminate dark patterns.

Akshita Agarwal





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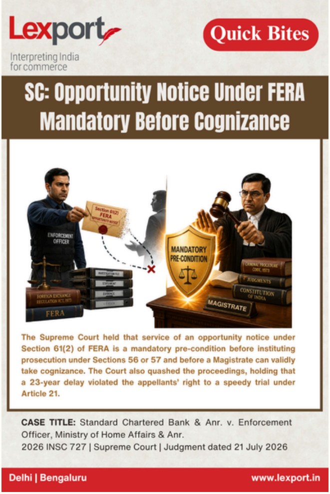
Supreme Court: Opportunity Notice Under Section 61(2) FERA Mandatory Before Taking Cognizance; Proceedings Quashed for Non-Compliance and Inordinate Delay

In Standard Chartered Bank & Anr. v. Enforcement Officer, Ministry of Home Affairs & Anr., 2026 INSC 727 (Judgment dated 21 July 2026), the Supreme Court dealt with criminal proceedings initiated under the Foreign Exchange Regulation Act, 1973 ("FERA") against Standard Chartered Bank and its officer in relation to an alleged unauthorised credit of approximately ₹30 lakh to the benefit of a person resident outside India. The appellants challenged the proceedings on the ground that the mandatory opportunity notice under Section 61(2) of FERA had never been served, the High Court had erroneously declined to entertain their petition under Section 482 CrPC, and the prosecution had remained pending for over two decades.

Allowing the appeals, the Supreme Court held that service of an opportunity notice under the proviso to Section 61(2) of FERA is a mandatory pre-condition for instituting a complaint under Sections 56 or 57 of FERA and for a Magistrate to validly take cognizance. The Court held that the notice must provide a meaningful opportunity to the proposed accused and that the Magistrate must satisfy himself that this statutory requirement has been complied with before taking cognizance. The Court further reiterated that the availability of a revision under Section 397 CrPC does not bar the High Court from exercising its inherent jurisdiction under Section 482 CrPC. Considering that the prosecution had remained pending for over 23 years, primarily due to the prosecution's own inaction, the Court also held that the appellants' right to a speedy trial under Article 21 had been violated and accordingly quashed the criminal complaints and summoning orders.

Akshita Agarwal



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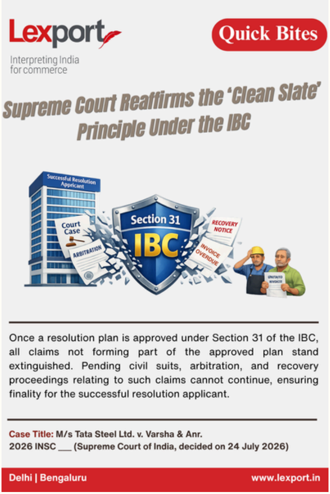
M/s Tata Steel Ltd. v. Varsha & Anr.

The Supreme Court has reaffirmed the "clean slate" principle under the Insolvency and Bankruptcy Code (IBC), holding that once a resolution plan is approved under Section 31, all claims not included in the plan stand extinguished. Consequently, operational creditors cannot pursue civil suits, arbitration, or other recovery proceedings for past dues if their claims had not crystallised before the resolution plan's approval. Allowing Tata Steel's appeal, the Court ruled that all pending legal proceedings relating to such claims abate upon approval of the resolution plan, ensuring certainty for the successful resolution applicant. At the same time, the Court expressed concern that the existing IBC framework disproportionately disadvantages Micro, Small and Medium Enterprises (MSMEs) and other small operational creditors by placing them at the bottom of the repayment waterfall. Observing that such entities often lack the financial resilience to absorb losses, the Court urged the Law Commission and the Legislature to examine amendments to create a more equitable repayment mechanism while preserving the efficiency and finality of the insolvency process.

Rishav Sagar



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RBI Releases Draft Foreign Exchange Management (Foreign Investment) Rules, 2026

The Reserve Bank of India (RBI) has released the draft Foreign Exchange Management (Foreign Investment) Rules, 2026 to replace the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, with the objective of creating a simplified, principle-based and future-ready framework for foreign investment in India. The draft consolidates the regulatory regime governing foreign investment in equity of companies, LLPs and investment vehicles, while clearly distinguishing between Foreign Direct Investment (FDI) and Foreign Portfolio Investment (FPI). It also introduces harmonised definitions, clarifies the concept of foreign-controlled entities, rationalises pricing guidelines, streamlines transfer and reporting requirements, and incorporates provisions relating to overseas listing of Indian companies on international stock exchanges. The framework seeks to reduce compliance burden, enhance operational flexibility, and improve ease of doing business without diluting sectoral caps or security safeguards. Public comments on the draft rules have been invited by the RBI before finalisation.

Rishav Sagar

Corporate

SEBI Simplifies and Standardises the Framework for Transmission of Securities

The Securities and Exchange Board of India (SEBI) has introduced a revised and standardised framework for the transmission of securities to make the process more efficient, transparent and investor-friendly. The framework introduces Quick Transmission Processing (QTP) for low-value claims, with simplified requirements for claims up to ₹10,000 for physical holdings and ₹30,000 for dematerialised holdings. It also increases the thresholds for simplified documentation to ₹10 lakh for physical securities and ₹30 lakh for dematerialised securities. Key reforms include the removal of the mandatory requirement of probate of a will, introduction of a combined affidavit-cum-No Objection Certificate, acceptance of QR code-enabled death certificates, and additional verification mechanisms for foreign death certificates. The framework prescribes standardised forms, enables online submission and tracking of claims, and requires processing entities to settle complete transmission requests within 21 calendar days. The revised framework is expected to reduce procedural delays while maintaining appropriate safeguards.

Rishav Sagar

Article of the Week

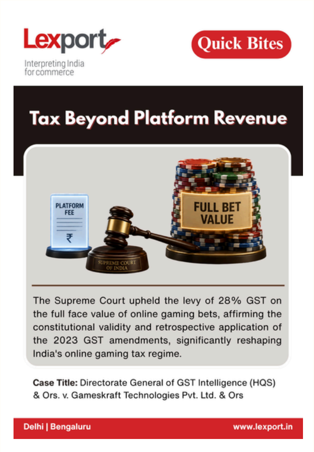
28% GST on Online Gaming: Supreme Court Ruling Reshapes the Industry

The Supreme Court's decision upholding 28% GST on the full face value of online gaming deposits brings legal certainty but raises critical concerns about commercial viability, retrospective taxation, and the future of India's gaming industry.

In this article, Lexport's Soumya Shrivastava highlights how the ruling prioritises statutory interpretation over commercial realities, examines its impact on the gaming ecosystem, and discusses the need for a balanced regulatory and taxation framework that supports responsible growth.

Read full article: https://shorturl.at/GNSBN

Soumya Shrivastava



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.

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