

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



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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



Quick Bites

CBIC EXAMINES CENTRALISED GST ADMINISTRATION FOR MULTI-GSTIN TAXPAYERS



CBIC has constituted a Working Group to examine the feasibility of centralised administration for taxpayers holding multiple GSTINs under the same PAN. The initiative aims to simplify tax administration, improve compliance, and enhance the ease of doing business through a more streamlined jurisdictional framework.

Case Title: CBIC Office Memorandum
F. No. 20019/2/2026-GST dated 18 July 2026

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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



Quick Bites

GSTAT: EARLIER PRE-DEPOSIT SATISFIES TRIBUNAL REQUIREMENT

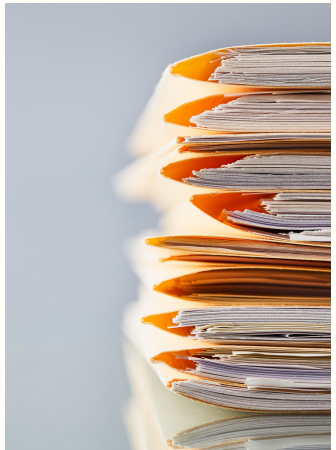


The GST Appellate Tribunal held that where the statutory pre-deposit made during the first appeal already satisfies the requirement under Section 112, no additional pre-deposit can be insisted upon for admission of the Tribunal appeal. Only the prescribed filing fee must be duly paid.

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

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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

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IMPORT POLICY
ALIGNED WITH FINANCE ACT

The DGFT has amended the ITC (HS) 2022 Import Policy Schedule to align it with the Finance Act, 2026, introducing revisions to tariff classifications through the insertion, deletion, amendment, splitting, and merging of ITC (HS) codes and related import policy conditions.

Reference: DGFT Notification No. 24/2026-27 dated 22 July 2026 - Amendment to ITC (HS) 2022 Schedule I (Import Policy) to align with the Finance Act, 2026.

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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



Quick Bites

DELHI HIGH COURT REJECTS ANI'S COPYRIGHT SUIT AGAINST OPENAI



The Delhi High Court has rejected ANI's copyright suit against OpenAI, marking a significant development in India's evolving AI and intellectual property landscape. The ruling highlights the complex balance between copyright protection, technological innovation, and the legal framework governing AI training and generated content.

Case: ANI Media Pvt. Ltd. v. Open AI OpCo LLC
CS(COMM) 1028/2024 | Delhi High Court | Justice Amit Bansal

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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

**Lexport**Interpreting India
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TWO LEGAL ROLES.**

GCAI has urged the Bar Council of India to recognise General Counsels and in-house lawyers as "legal practitioners" under the proposed Advocates (Amendment) Bill, 2026, seeking formal professional recognition and reforms to the regulatory framework governing in-house legal practice.

Reference: GCAI Representation on the Advocates (Amendment) Bill, 2026

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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.



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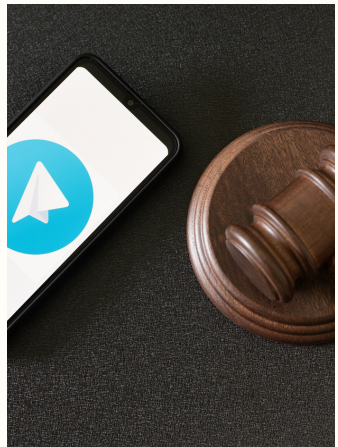
DELHI HC UPHOLDS PLATFORM-WIDE BLOCKING UNDER SECTION 69A



The Delhi High Court held that, in exceptional circumstances, Section 69A of the IT Act permits blocking of an entire intermediary platform where targeted removal of unlawful content proves ineffective. Applying the proportionality test, the Court upheld Telegram's temporary blocking, noting that mirror channels, reserve groups, and bots continued to facilitate dissemination despite repeated takedowns.

Case Title: Telegram FZ LLC & Anr. v. Union of India & Ors.
W.P.(C.) 8259/2026 | Delhi High Court | Judgment dated 24 July 2026

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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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CCPA Penalises SpiceJet ₹1 Lakh for ‘Dark Patterns’

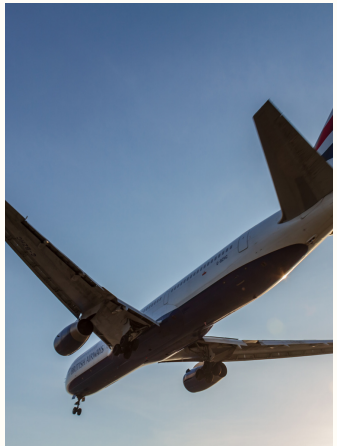


The CCPA held that SpiceJet’s online booking interface used prohibited dark patterns, including Trick Question, Interface Interference, and Forced Action, by nudging consumers towards SpiceClub membership through a pre-selected option. The Authority ruled that digital platforms must ensure transparent, unbiased interfaces that enable free and informed consumer choice.

CASE TITLE: Central Consumer Protection Authority v. SpiceJet Limited
CCPA Order dated 24 July 2026

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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.



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SC: Opportunity Notice Under FERA Mandatory Before Cognizance



The Supreme Court held that service of an opportunity notice under Section 61(2) of FERA is a mandatory pre-condition before instituting prosecution under Sections 56 or 57 and before a Magistrate can validly take cognizance. The Court also quashed the proceedings, holding that a 23-year delay violated the appellants' right to a speedy trial under Article 21.

CASE TITLE: *Standard Chartered Bank & Anr. v. Enforcement Officer, Ministry of Home Affairs & Anr.*

2026 INSC 727 | Supreme Court | Judgment dated 21 July 2026

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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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Supreme Court Reaffirms the 'Clean Slate' Principle Under the IBC



Once a resolution plan is approved under Section 31 of the IBC, all claims not forming part of the approved plan stand extinguished. Pending civil suits, arbitration, and recovery proceedings relating to such claims cannot continue, ensuring finality for the successful resolution applicant.

Case Title: M/s Tata Steel Ltd. v. Varsha & Anr.
2026 INSC ____ (Supreme Court of India, decided on 24 July 2026)

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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

RBI PROPOSES A SIMPLIFIED FOREIGN INVESTMENT FRAMEWORK



The RBI has released the Draft Foreign Exchange Management (Foreign Investment) Rules, 2026 to replace the 2019 framework. The proposed rules seek to simplify foreign investment regulations, clearly distinguish FDI and FPI, streamline pricing and reporting norms, and facilitate overseas listing of Indian companies while enhancing ease of doing business.

Citation: Reserve Bank of India
Draft Foreign Exchange Management (Foreign Investment) Rules, 2026 (Public Consultation Draft)

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Foreign investment

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.



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SEBI Simplifies Securities Transmission



SEBI has introduced a simplified and standardised framework for the transmission of securities, featuring streamlined documentation, digital verification, online tracking, and a 21-day processing timeline to ensure faster, transparent, and investor-friendly transfers.

Source: SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2026/116 | 22 July 2026

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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



Quick Bites

Tax Beyond Platform Revenue



The Supreme Court upheld the levy of 28% GST on the full face value of online gaming bets, affirming the constitutional validity and retrospective application of the 2023 GST amendments, significantly reshaping India's online gaming tax regime.

Case Title: Directorate General of GST Intelligence (HQS) & Ors. v. Gameskraft Technologies Pvt. Ltd. & Ors

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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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