

LEXPORT NEWSLETTER

SEPTEMBER 2026 | WEEK 1

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

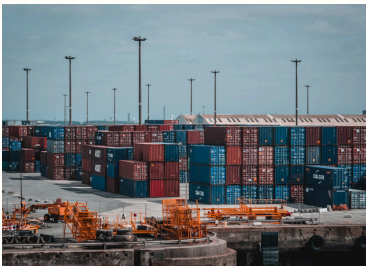
Port Trust liable to pay customs duty on pilfered imported goods after approval as custodian: Supreme Court

The Supreme Court held that the Mumbai Port Trust was liable to pay customs duty on imported goods pilfered while in its custody after it had been approved as a custodian under Section 45(1) of the Customs Act, 1962. The Court examined the interplay between Sections 13, 23 and 45 of the Customs Act and Sections 42 and 43 of the Major Port Trusts Act. It observed that while the Major Port Trusts Act dealt with loss, destruction or deterioration of goods, pilferage was specifically governed by the Customs Act. Since Section 45(3) expressly fastens liability for duty on pilfered goods upon the person approved under Section 45(1), the Commissioner of Customs was justified in approving the Mumbai Port Trust as custodian. The Court further held that there was no conflict between the Customs Act and the Major Port Trusts Act and that the non obstante clause in Section 45(3) operated in respect of pilfered goods. Accordingly, the Supreme Court held that the notification approving Mumbai Port Trust as custodian was valid. However, since the instances of pilferage forming the subject matter of the original demands had occurred prior to the notification dated 11.10.2000, the liability under Section 45(3) could not be fastened for that pre-notification period.

Union of India & Others Versus The Board of Trustees of the Port of Bombay, Civil Appeal No. 4477 of 2010, 2026 INSC 919 (Supreme Court)



Soumya Shrivastava



Quick Bites

**PORT TRUST LIABLE FOR CUSTOMS DUTY ON
PILFERED GOODS AFTER CUSTODIAN APPROVAL**



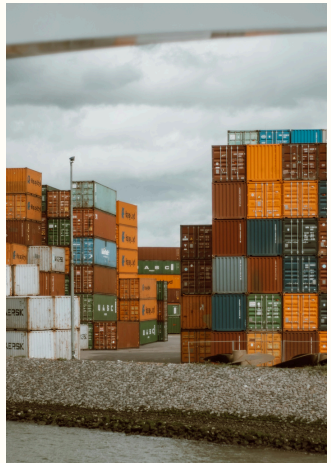
The Supreme Court held that a Port Trust approved as a custodian under Section 45(1) of the Customs Act can be liable for customs duty on imported goods pilfered while in its custody.

However, the Court clarified that this liability under Section 45(3) could not be imposed for pilferage occurring before the custodian notification came into force.

CASE TITLE: Union of India & Others Versus The Board of Trustees of the Port of Bombay, Civil Appeal No. 4477 of 2010, 2026 INSC 919 (Supreme Court)

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Indirect Tax

Rejected tender cannot be reopened on account of GST ambiguity or a subsequent lower offer: Chhattisgarh HC

The petitioner, a catering service provider, participated in a tender issued by State Bank of India for supply of breakfast, lunch and dinner to trainees, wherein the prescribed base price was Rs.140 per person per day and both the petitioner and respondent No.2 quoted Rs.140.01. The petitioner contended that the tender conditions were ambiguous as to whether the base price was inclusive or exclusive of GST and, based on his understanding, indicated that the GST component would be borne by respondent No.1; his bid was subsequently rejected and respondent No.2's bid was accepted. The petitioner thereafter submitted a representation offering to supply food at the earlier rate of Rs.109 per plate and also relied upon alleged outstanding contractual dues of Rs.11,28,236/- and the delay between publication and opening of the fresh tender. The High Court, considering the scope of judicial review under Article 226 of the Constitution of India and the principles laid down in *Banshidhar Construction Pvt. Ltd. v. Bharat Coking Coal Ltd.*, *Sterling Computers Ltd. v. M & N Publications Ltd.*, *Tata Cellular v. Union of India*, *ABL International Ltd. v. Export Credit Guarantee Corporation of India Ltd.* and *Jagdish Mandal v. State of Orissa*, held that judicial review in tender matters is confined primarily to the legality, fairness and reasonableness of the decision-making process and does not permit the Court to sit as an appellate authority over the tendering authority's decision. The Court found that the petitioner, having participated in the tender without seeking clarification regarding the GST treatment, could not subsequently seek alteration of his bid or reopening of the tender on the ground of an alleged misunderstanding regarding GST. The subsequent representation offering to supply at Rs.109 per plate did not create any enforceable or vested right to have the concluded tender process reopened or to claim continuation of the earlier contract. The Court further found no material establishing discriminatory treatment, favouritism, arbitrariness or mala fides in the evaluation of the petitioner's and respondent No.2's bids. The alleged outstanding dues under the earlier contract and the petitioner's previous engagement also did not invalidate the fresh tender or confer any right to its award in his favour, though he remained at liberty to pursue recovery of any legally due contractual amount before the competent authority/forum. Similarly, the delay between publication of the tender notice and opening of the tender, and the absence of a specific time limit in the tender document, were held insufficient, in the absence of further material showing prejudice or an intention to favour respondent No.2, to establish arbitrariness or mala fides. Accordingly, the Court held that no ground for interference under Article 226 was made

out and dismissed the writ petition, while preserving the petitioner's right to pursue his independent claim for outstanding contractual dues, if any.

Bhartiya Caterers and Enterprises v. State Bank of India, WPC No. 4234 of 2026, High Court of Chhattisgarh at Bilaspur



Soumya Shrivastava

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A Lower Offer Doesn't Reopen a Concluded Tender.

The Chhattisgarh High Court held that a bidder cannot seek reopening of a concluded tender merely because of an alleged GST ambiguity or a subsequent lower offer.

Having participated without seeking clarification on GST treatment, the petitioner could not later alter its bid or claim a right to the contract. The Court also reiterated that judicial review under Article 226 examines the legality, fairness and reasonableness of the tender process, not the commercial decision itself.

CASE TITLE: *Bhartiya Caterers and Enterprises v. State Bank of India*, WPC No. 4234 of 2026, High Court of Chhattisgarh at Bilaspur

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Indirect Tax

Customs notification amendment cannot apply to imports covered by a Bill of Lading issued before the amendment came into force: Madras High Court

The petitioner imported 109 used Digital Multifunction Print, Copying and Scanning Machines and sought their provisional release under Section 110A of the Customs Act, 1962. The respondents opposed the request by relying on an amendment to the applicable customs notification, which came into force on 15.06.2026, and contended that the date of the Bill of Lading was relevant for determining the applicability of the amended provisions under Section 15 of the Customs Act. In the present case, however, the Bill of Lading had been issued on 15.04.2026, i.e., before the amendment came into force. The Court held that, unless a statutory notification expressly provides for retrospective operation, it operates prospectively and, therefore, the amendment could not govern imports covered by a Bill of Lading issued before its commencement. Consequently, the respondents could not refuse to consider the petitioner's request for provisional release on the basis of the amended notification. The Court also noted that the issue of provisional release of similar goods had previously been considered by it and that the respondents had not pointed out any distinguishing feature warranting a different view. Accordingly, the Court directed the respondents to consider the petitioner's request for provisional release under Section 110A and pass appropriate orders, subject to such conditions as may be imposed in accordance with law. Upon compliance with those conditions, the goods were directed to be provisionally released. The Court clarified that the provisional release would remain subject to the outcome of the adjudication proceedings, which were to be decided independently on their own merits and in accordance with law.

S.P. Associates v. Commissioner of Customs, Chennai, W.P. No. 27880 of 2026, Madras High Court



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A New Customs Rule Cannot Rewrite an Earlier Import

The Madras High Court held that the 15.06.2026 amendment could not be applied to imports covered by a Bill of Lading dated 15.04.2026, as the notification did not operate retrospectively.

The Court therefore directed Customs authorities to consider provisional release under Section 110A of the Customs Act, subject to lawful conditions.

Case Title: S.P. Associates v. Commissioner of Customs, Chennai, W.P. No. 27880 of 2026, Madras High Court

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Indirect Tax

Unassembled CTV chassis and cabinet sub-assemblies supplied with accessories to OEMs without prior assembly and testing are classifiable as TV parts under Heading 8529, not as complete CTVs under Heading 8528: CESTAT

The appellant, registered under the Central Excise Department and engaged in manufacturing Colour Televisions (CTVs), VCD players, and computer systems, supplied chassis sub-assemblies, cabinet sub-assemblies, remote control units, Colour Picture Tubes (CPTs), and packing materials to Original Equipment Manufacturers (OEMs) and a sister concern to assemble complete CTVs. The appellant classified these assemblies as parts of TVs under chapter sub-heading No. 8529.00 of the Central Excise Tariff Act, 1985 (CETA). Following investigations, the Revenue issued show cause notices alleging that on given dates, equal numbers of chassis and cabinet assemblies along with remote controls, CPTs, and packing materials were cleared to OEMs to assemble an equivalent number of CTVs, thereby possessing the essential character of complete CTVs. The adjudicating authority, relying on Section Notes 4 and 5 of Section XVI read with Rule 2(a) of the General Rules for Interpretation to CETA and the decision in *Salora International Ltd. v. Commissioner*, confirmed Central Excise duty demands along with interest and penalties against the appellant, its Chief Operating Officer, and Manager Accounts, holding that the clearances merited classification under Heading 8528 as complete CTVs. The adjudicating authority reasoned that the OEMs performed no vital manufacturing process, and complete kits were supplied matching pre-decided CTV quantities. Upon dynamic appeal following a de novo remand, the Customs, Excise and Service Tax Appellate Tribunal (CESTAT) examined the statutory provisions—specifically Section Note 2 to Section XVI of the Tariff read with Rule 1 and Rule 2(a) of the Interpretative Rules—and distinguished the precedent in *Salora International Ltd.*. The Tribunal found that unlike *Salora International Ltd.*, where components were first assembled into complete CTVs, tested, and subsequently disassembled before dispatch, there was not an iota of finding or evidence that the appellant ever assembled the sub-assemblies into complete CTVs for testing prior to clearance. Following the legal principles in *Commissioner v. Sony India Ltd.* and its own prior decision in *L.G. Electronics India Pvt. Ltd. v. Commissioner*, the Tribunal held that when sub-assemblies and parts are cleared without being first assembled and tested as complete units, Interpretative Rule 2(a) cannot override Section Note 2 to Section XVI, and the items remain classifiable as parts under Heading 8529. Consequently, the CESTAT set aside the impugned demand of excise duty, interest, and all consequential penalties, allowing the appeals in favor of the assessee.

Kevin Infotech Pvt. Ltd. v. Commissioner, CGST & Central Excise, Noida (Final Order Nos. 70739-70741/2025 in Appeal Nos. E/70159-70161/2016; (2026) 45 Centax 301 (Tri.-All)), CESTAT, Regional Bench, Allahabad



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A TV KIT ISN'T ALWAYS A TV.

CESTAT held that unassembled and untested TV sub-assemblies supplied to OEMs remain classifiable as TV parts under Heading 8529, rather than complete CTVs under Heading 8528.

The Tribunal found no evidence that the components had been assembled and tested as complete TVs before clearance. Accordingly, Rule 2(a) could not override Section Note 2 to Section XVI.

Case Title: Kevin Infotech Pvt. Ltd. v. Commissioner, CGST & Central Excise, Noida (Final Order Nos. 70739-70741/2025 in Appeal Nos. E/70159-70161/2016; (2026) 45 Centax 301 (Tri.-All)), CESTAT, Regional Bench, Allahabad

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Intellectual Property Right

Delhi High Court Protects HCL Trademarks Against Fraudulent Recruitment Scam

The Delhi High Court granted an ex parte ad interim injunction restraining the Defendants from using HCL's trademarks, including "HCL" and "HCL Healthcare", or any deceptively/confusingly similar marks. The Plaintiff had identified the defendants as persons allegedly impersonating HCL's employees or agents and using fraudulent emails, messages and calls to lure members of the public with purported employment opportunities and appointments, while demanding money by falsely representing an association with HCL. The Court held that HCL had established a prima facie case, that the balance of convenience lay in its favour and that it would suffer irreparable harm if protection was not granted. The defendants were restrained from using the impugned marks in any manner, including in relation to healthcare services and related products, and were directed to destroy all infringing physical and digital material bearing the marks. Defendants Nos. 21 to 24 were also restrained from using specified email addresses.

HCL Corporation Pvt. Ltd. v. John Does & Ors.,
CS(COMM) 127/2026



Anushka Tripathi



Quick Bites

A Brand Name Cannot Be Used as a Recruitment Trap.



The Delhi High Court restrained persons allegedly impersonating HCL employees/agents and using HCL trademarks to offer fraudulent employment opportunities and demand money.

The Court found a prima facie case, directing the defendants to stop using the impugned marks and destroy infringing physical and digital material.

Case Title: HCL Corporation Pvt. Ltd. v. John Does & Ors., CS(COMM) 127/2026

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Intellectual Property Right

Madras High Court Clarifies Scope of Copyright Assignment in “Karathey Babu”

The Madras High Court partly modified an interim injunction concerning the Tamil film “Karathey Babu”, holding that the Plaintiff was entitled to protection only in respect of the rights actually assigned to it under the parties’ agreements. The Plaintiff relied on sale and amendment agreements under which the Defendant had assigned various copyright and exploitation rights in the film, including television, satellite, OTT, digital, internet, audio, dubbing, remake, publishing and other rights. Although the Defendant disputed the assignment and alleged that the agreements had been created using blank signed papers provided as collateral for a financial arrangement, the Court noted that the Defendant had not disputed the signatures on the agreements. The Court also relied on the minutes of a meeting and a letter issued by the Defendant to the film laboratory acknowledging the assignment. It therefore found, prima facie, that the Plaintiff was entitled to an injunction for violation of the assigned rights. However, theatrical rights had not been assigned to the Plaintiff. The Court accordingly restricted the injunction to the rights specified in Schedule B of the Assignment Agreement and clarified that the Defendant remained entitled to theatrically release “Karathey Babu”. The applications to vacate the injunction were disposed of accordingly, with no order as to costs.

M/s. Screen Scene Media Entertainment Pvt. Ltd. v. Dr. S. Venkatesh, C.S.(Comm.Div) No.177 of 2026



Anushka Tripathi





Quick Bites

Copyright Assignment Has Its Limits.



The Madras High Court held that an assignee can claim protection only over the rights actually transferred under the assignment agreement.

While the Plaintiff was entitled to protection over several exploitation rights, theatrical rights were not assigned and therefore remained with the original owner.

Case Title: M/s. Screen Scene Media Entertainment Pvt. Ltd. v. Dr. S. Venkatesh, C.S. (Comm.Div) No.177 of 2026

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Intellectual Property Right

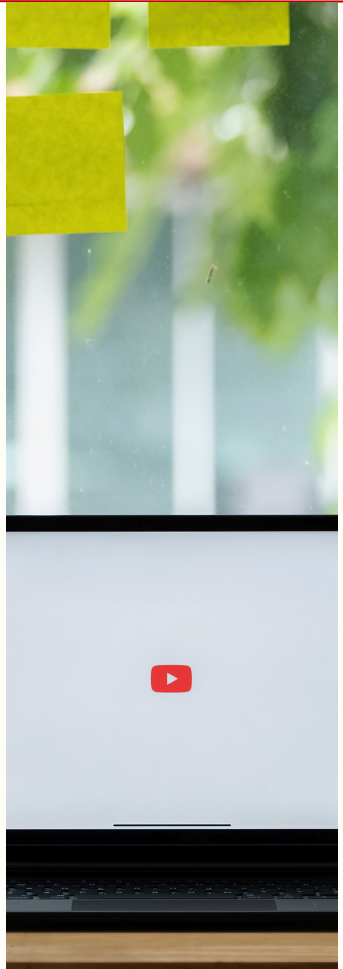
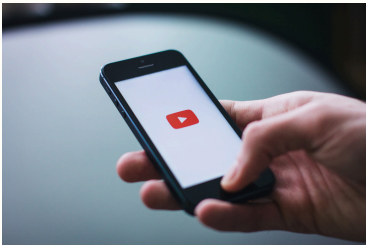
Madras High Court Refuses Summary Dismissal in YouTube Disparagement Suit

The Madras High Court refused to summarily dismiss a suit filed by Sri Eshwar College of Engineering against YouTube (Google LLC) concerning allegedly disparaging videos posted on the platform. YouTube, as an intermediary, argued that the suit was liable to be dismissed for lack of territorial jurisdiction, absence of a cause of action and non-joinder of the persons who had originated the videos. The Court rejected the territorial jurisdiction objection, holding that since the allegedly disparaging posts had been viewed in Chennai, a part of the cause of action had arisen within its jurisdiction. On non-joinder, the Court noted that the Plaintiff had already sought disclosure of identifying information of the persons behind the videos and that such disclosure could enable their subsequent impleadment. It therefore held that the issue could not be used to summarily dismiss the suit at this stage. However, in the interest of justice, the Court directed the Plaintiff to take necessary steps to implead the originators of the videos as party defendants within eight weeks. The application for summary judgment was accordingly dismissed.

YouTube (Google LLC) v. Sri Eshwar College of Engineering, C.S.(Comm Div) No. 253 of 2024



Anushka Tripathi



Intellectual Property Right

Delhi High Court Restrains Use of “SCHEZWAN CHUTNEY” by Patson Foods

The Delhi High Court granted an ex parte ad interim injunction in favour of Capital Foods, restraining Patson Foods (India) Pvt. Ltd. from directly or indirectly selling, marketing or offering for sale the impugned products under the mark “RASANAND SCHEZWAN CHUTNEY” or using any other mark identical or deceptively similar to the Plaintiff’s registered mark “SCHEZWAN CHUTNEY”. The Court noted that the Plaintiff had used the mark continuously, extensively and uninterruptedly since 2012, resulting in the mark acquiring secondary significance, and had established formidable goodwill and reputation through substantial sales and promotional expenditure. The Defendants were using “SCHEZWAN CHUTNEY” for identical goods. The Court observed that the use of “RASANAND” in smaller font was insufficient to distinguish the rival products, particularly as the Defendants’ adoption was dishonest and Defendant No. 1 had previously acknowledged the Plaintiff’s proprietary right in the mark and undertaken to cease its use. The Court held that the Defendants were prima facie infringing the SCHEZWAN CHUTNEY mark and passing off their goods, causing irreparable harm to the Plaintiff’s goodwill and reputation.

Capital Foods Private Limited v. Patson Foods (India) Private Limited & Anr., CS(COMM) 936/2026



Anushka Tripathi



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Delhi HC Restrains “RASANAND SCHEZWAN CHUTNEY” Over Trademark Infringement

The Delhi High Court restrained the use of “RASANAND SCHEZWAN CHUTNEY”, finding prima facie infringement and passing off of Capital Foods’ “SCHEZWAN CHUTNEY” mark.

The Court noted the Plaintiff’s continuous use since 2012, extensive goodwill and secondary significance attached to the mark.

CASE TITLE: Capital Foods Private Limited v. Patson Foods (India) Private Limited & Anr., CS(COMM) 936/2026

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Litigation

Supreme Court Clarifies Limits of an Agent's Authority to Bind the Principal

The Supreme Court has held that an agent's implied or apparent authority cannot extend to creating a new liability or dispensing with a statutory requirement which the principal itself is legally incapable of avoiding. The Court clarified that an employee's designation alone does not confer authority to alter the principal's contractual obligations.

The dispute arose from a marine cargo insurance policy issued by New India Assurance to Louis Dreyfus Commodities. A Divisional Manager had emailed the insured stating that coverage would continue even if its turnover exceeded the insured amount of ₹1,200 crore. The insured relied on this assurance after its turnover exceeded the policy limit, but the additional premium was paid only after the loss had occurred.

In examining whether the Divisional Manager's communication bound the insurer, the Court considered Sections 182, 186, 187, 188, 226 and 237 of the Indian Contract Act, 1872. It held that while an agent may possess express or implied authority to administer and explain an existing policy, such authority does not automatically extend to enlarging the sum insured, creating a new risk or increasing the principal's liability.

The Court further distinguished actual authority from apparent authority. Apparent authority must arise from a representation made by the principal to the third party; an agent cannot create such authority merely through his own assertion. The burden is on the party seeking to bind the principal to establish the requisite authority or holding out.

Importantly, the Court held that the principle of agency cannot be used to circumvent a statutory restriction. Since Section 64VB of the Insurance Act, 1938 prohibits an insurer from assuming risk unless the requisite premium has been received or guaranteed in accordance with law, the Divisional Manager could not, through his communication, create coverage that the statute itself did not permit. The subsequent payment of premium also could not retrospectively validate the risk.

The appeals were accordingly allowed and the NCDRC's order directing the insurer to honour the claim was set aside.

The New India Assurance Company Limited & Ors.
v. M/s Louis Dreyfus Commodities India Pvt. Ltd.
— 2026 INSC 876.



Meyank Pandey



Litigation

Supreme Court clarifies interplay between TOLA and Finance Act 2021, upholding extended limitation periods for income tax reassessment notices under specific conditions: Supreme Court

The Union of India and various tax authorities appealed against judicial rulings concerning the validity of reassessment notices issued under the Income Tax Act 1961. The core controversy revolved around whether the Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) Act 2020 (TOLA) could extend the time limits for issuing reassessment notices under the new regime introduced by the Finance Act 2021. The Supreme Court, headed by Chief Justice Dr. Dhananjaya Y. Chandrachud, examined the statutory provisions and held that TOLA continues to apply to the Income Tax Act even after April 1, 2021, effectively extending the time limits for issuing notices under both old and new regimes. The Court ruled that for assessment years where original time limits under Section 149 fell between March 20, 2020, and March 31, 2021, TOLA extended the limitation period up to June 30, 2021. Consequently, old-regime notices issued between April 1, 2021, and June 30, 2021—which were subsequently treated as show-cause notices under Section 148A(b) pursuant to the directions in Union of India v. Ashish Agarwal—fall within the permissible extended limitation period. Furthermore, the bench clarified that subsequent reassessment notices issued under Section 148 of the new regime between July and September 2022 are valid only if they satisfy these extended time limits read alongside TOLA and carry the proper sanction of the specified authority. Lastly, the Court noted the Revenue's specific concession that all notices issued on or after April 1, 2021, for the Assessment Year 2015–2016 had to be dropped as they exceeded the completion windows permitted under TOLA.

Union of India & Ors. v. Rajeev Bansal ((2024) INSC 754), Supreme Court of India



Maitreya Mahale



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The Reassessment Clock Didn't Stop at 31 March.

The Supreme Court held that TOLA continued to apply even after the Finance Act, 2021 introduced the new reassessment regime. Where the original limitation period fell within the specified COVID-19 period, TOLA extended the time for issuing reassessment notices up to 30 June 2021.

The Court also clarified that notices issued during this extended window could remain valid, subject to the applicable statutory conditions and required sanction.

CASE TITLE: Union of India & Ors. v. Rajeev Bansal (2024) INSC 754 | Supreme Court of India

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Litigation

Supreme Court lays down comprehensive nationwide guidelines to streamline maintenance laws, standardizing financial disclosures, overlapping jurisdictions, and the effective date of payment: Supreme Court

The landmark judgment in *Rajnish v. Neha* addressed systemic delays and complexities surrounding maintenance jurisprudence in India. The Supreme Court bench comprising Justice Indu Malhotra and Justice R. Subhash Reddy noted that while statutes like Section 125 of the CrPC, the Protection of Women from Domestic Violence Act (DV Act), and the Hindu Marriage Act (HMA) provide crucial social justice to prevent dependent spouses and children from falling into destitution, overlapping jurisdictions and hidden assets frequently resulted in prolonged litigation. To bring uniformity, efficiency, and fairness across all courts, the Supreme Court exercised its powers under Article 142 to establish binding guidelines covering key aspects of matrimonial maintenance:

Both parties are required to file a comprehensive Affidavit of Assets and Income in all maintenance proceedings, creating transparency regarding true financial status and preventing the concealment of income.

The Supreme Court ruled that maintenance—including interim maintenance—shall be made payable from the date of the application, rather than the date of the court's order, to prevent litigants from dragging out proceedings to avoid payments.

While a claimant is entitled to seek maintenance under multiple statutes, they must disclose any prior awards. Courts must factor in existing maintenance amounts granted under other forums to adjust or set off payments and avoid double benefits.

Courts must evaluate objective factors including the status of the parties, reasonable needs of the applicant, lifestyle, liabilities, and the claimant's sacrifices (such as giving up a career to manage the household). The Court clarified that an educated spouse's theoretical earning capacity cannot automatically be used to bar them from receiving maintenance unless they are actively and sufficiently earning.

Maintenance orders and arrears can be enforced under Section 128 of the CrPC or through civil contempt proceedings in cases of willful default. *Rajnish v. Neha* ((2021) 2 SCC 324), Supreme Court of India



Maitreya Mahaley



Quick Bites

MAINTENANCE STARTS FROM THE APPLICATION.



In *Rajnish v. Neha*, the Supreme Court laid down uniform guidelines for maintenance proceedings and held that maintenance, including interim maintenance, should ordinarily be payable from the date of the application, rather than waiting until the court passes an order.

The judgment also mandated Affidavits of Assets and Income, required disclosure of previous maintenance awards, and directed courts to account for existing payments to prevent overlapping benefits.

CASE TITLE: *Rajnish v. Neha* ((2021) 2 SCC 324), Supreme Court of India

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Litigation

Supreme Court upholds constitutional validity and applicability of the Special Intensive Revision (SIR) of electoral rolls by the Election Commission of India under statutory and constitutional frameworks: Supreme Court

The Election Commission of India and various state authorities defended the implementation of the Special Intensive Revision (SIR) following legal challenges questioning its procedural framework. The core controversy revolved around whether the Election Commission possesses the sweeping statutory and constitutional authority under Section 21(3) of the Representation of the People Act, 1950, and Article 324 of the Constitution to mandate a comprehensive revision of electoral rolls, potentially overriding ordinary summary revision timelines. The Supreme Court examined the statutory matrix and held that Section 21(3) read with Article 324 confers wide amplitude and an independent source of power upon the ECI to direct a special revision in a manner it deems fit to protect the purity of the electoral process. The Court ruled that while statutory rules must be respected, they cannot nullify the ECI's overarching constitutional mandate to ensure free and fair elections. Consequently, state-wide intensive revisions initiated to correct skewed electoral demographics and remove systemic anomalies fall well within the permissible administrative discretion of the ECI. Furthermore, the bench underscored that while the exercise of such power is valid, it remains subject to the four-pronged test of proportionality and must be balanced with robust procedural safeguards—such as accessible documentation requirements and adequate grievance redressal mechanisms—to prevent the disenfranchisement of genuine electors. Lastly, the Court acknowledged the institutional safeguards and intervening directions implemented during the process to protect eligible voters from arbitrary exclusion.

Association For Democratic Reforms & Ors. v. Election Commission of India & Ors. ((2026) INSC 564), Supreme Court of India



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ECI's Power to Revise, But With Safeguards

The Supreme Court upheld the Election Commission's power under Article 324 and Section 21(3) of the Representation of the People Act, 1950 to order a Special Intensive Revision of electoral rolls.

However, the Court clarified that this wide power must operate within the principle of proportionality and adequate procedural safeguards, ensuring that genuine electors are not arbitrarily excluded.

Case Title: Association For Democratic Reforms & Ors. v. Election Commission of India & Ors. ((2026) INSC 564), Supreme Court of India

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Litigation

Saiyyada Khatoon v. Commissioner of Customs

The present writ petition was filed before the Delhi High Court seeking unconditional release of a 100-gram gold bar detained by the Customs authorities on 19.12.2023. The Petitioner, an Indian citizen who had travelled to Saudi Arabia for Umrah, was intercepted by Customs authorities after crossing the Green Channel at the Indira Gandhi International Airport. A Detention Receipt was issued recording the seizure of a 100-gram gold bar bearing the marking "100 grams fine gold 999.9", with the reason for detention stated as "Green Channel Violation". On the same day, the Petitioner's statement was recorded under Section 108 of the Customs Act, 1962, in which she admitted the omission and commission on her part, agreed with the description, quantity and value assessed by Customs, expressed willingness to pay the applicable duty, fine and penalty, and stated that she did not require a Show Cause Notice or personal hearing.

The Petitioner's case was that the continued detention of the gold was illegal because no written Show Cause Notice under Section 124(a) had been issued within the six-month period prescribed under Section 110(2) of the Act. She contended that the first proviso to Section 124 permits an oral Show Cause Notice only at the request of the person concerned and that there was nothing on record establishing that she had made such a request. She also disputed the validity and voluntariness of her statement under Section 108, alleging that it had been prepared by Customs officials, that she had merely been made to sign it, and that its contents had not been properly explained to her. Relying upon the Supreme Court's decision in *Union of India v. Jatin Ahuja*, she argued that failure to issue the requisite notice within the statutory period results in the seizure ceasing to operate and the goods becoming liable to return.

The Customs Department, however, contended that the Petitioner's own statement constituted a voluntary admission of the contravention and expressly recorded that she did not require a Show Cause Notice or personal hearing. More importantly, the Department specifically asserted that an oral Show Cause Notice had in fact been issued on 19.12.2023 under the first proviso to Section 124. The Department therefore maintained that the foundational premise of the Petitioner's case—that no notice had been issued within the statutory period—was factually incorrect. It was also submitted that determining whether the statement was voluntary and what proceedings actually took place on 19.12.2023 would involve disputed questions of fact which ought not to be adjudicated in writ proceedings.

The Court first considered the statutory scheme and noted that Section 110(2) mandates return of seized goods where no notice under Section 124(a) is given within six months of seizure, subject to the permissible statutory extension. Relying upon *Jatin Ahuja*, the Court affirmed that the time limit under Section 110(2) is mandatory and that, in the absence of the requisite notice within the prescribed or duly extended period, the statutory consequence of return of the goods follows. However, the Court emphasised that the present case was materially different because the Department did not merely rely upon a waiver of the Show Cause Notice; it specifically asserted that an oral Show Cause Notice had been issued on the very date of seizure. Since the first proviso to Section 124 expressly permits the notice under Section 124(a) to be oral at the request of the person concerned, the absence of a written notice, by itself, could not establish non-compliance with Section 110(2).

The Court distinguished its earlier decision in *Shubhangi Gupta v. Commissioner of Customs*, where the Revenue had argued only that the requirement of a Show Cause Notice had been waived and had not asserted that an oral notice had actually been issued. In the present case, by contrast, the Department's chart specifically recorded 19.12.2023 as the date on which an oral Show Cause Notice was issued. The Court nevertheless clarified that the Petitioner's statement dated 19.12.2023 could not, by itself, be treated as constituting an oral Show Cause Notice. The significance of the statement was that, when read with the Department's specific assertion regarding the oral notice, it demonstrated that the Petitioner's contention of a complete absence of notice was itself seriously disputed.

The Court further observed that resolving this dispute would require a factual enquiry into the circumstances in which the statement was recorded, whether the Petitioner voluntarily made it, whether she actually requested oral proceedings, what was communicated to her by the Customs authorities, and whether the alleged oral proceedings satisfied Section 124(a). The Petitioner alleged coercion and relied upon CCTV footage, whereas the Department relied upon the contemporaneous statement, which itself recorded that it had been made voluntarily and that its contents had been understood by the Petitioner in the vernacular. The Court held that conducting such a roving factual enquiry and appreciating disputed evidence was inappropriate in the exercise of writ jurisdiction under Article 226.

The Court accordingly held that *Jatin Ahuja* did not assist the Petitioner beyond establishing the mandatory nature of Section 110(2). That judgment presupposes the absence of a Section 124(a) notice within the prescribed period; it does not eliminate the need to determine, where disputed, whether such notice was in fact given. Since the Department specifically asserted that an oral Show Cause Notice had been issued on 19.12.2023, the Petitioner could not claim automatic release merely because no written Show Cause Notice was produced. The Court also clarified that the absence of a personal hearing, the Petitioner's alleged admission, the alleged Green Channel violation, the ownership of the gold and the question of confiscability were not matters that required determination in the present proceedings.

An additional factor was that no Order-in-Original had yet been passed. The present petition was therefore essentially directed against the continued detention of the gold on the premise that the statutory period for issuance of notice had expired. In view of the Department's specific assertion that an oral Show Cause Notice had been issued on 19.12.2023, the Court found that the Petitioner had not established the basis for automatic release of the gold under Section 110(2). The Court expressly left open the ultimate liability of the Petitioner, the confiscability of the gold, and the validity and evidentiary value of the statement dated 19.12.2023. The writ petition was consequently dismissed, with the Court declining to issue the sought writ of mandamus for unconditional release of the gold bar.



Hardik Jain

Litigation

M/s Jindal ITF Limited v. NTPC Limited & Anr.

The present appeal before the Division Bench of the Delhi High Court arose under Section 37 of the Arbitration and Conciliation Act, 1996, against the judgment of the learned Single Judge which had substantially interfered with and set aside the arbitral award dated 27.01.2019. The dispute arose out of a Tripartite Agreement dated 11.08.2011 between NTPC Limited, Inland Waterways Authority of India (IWAI) and Jindal ITF Limited (JITF), under which JITF was required to design, construct, finance, operate and maintain the Coal Unloading and Material Handling System for transporting imported coal through inland waterways to NTPC's Farakka Thermal Power Plant. The project was to be completed in two phases, followed by an operation period of seven years. Crucially, NTPC undertook under Article 7.1 to provide 2 MMTPA of coal during Phase I and guarantee a minimum quantity of 3 MMT of coal per annum during the operation period. Article 7.3 further provided for payment to JITF where the coal made available by NTPC fell below 90% of the Minimum Guaranteed Quantity (MGQ).

The project was affected by substantial delays attributable to NTPC, and the Arbitral Tribunal ultimately found NTPC responsible for delays under several heads. JITF consequently raised various claims, including Claim No. 1 for ₹424.08 crore towards delays and deviations in completion of the material handling system. Claims 3 and 3A for ₹158.50 crore and ₹197.81 crore respectively towards shortfall in the MGQ during the first and second years of operation, and Claim 5A for ₹1,108.93 crore towards the consequences of NTPC's termination of the agreement. The Arbitral Tribunal found that NTPC had failed to fulfil its contractual obligation to make the stipulated quantity of coal available. During the first year of operation, only 0.746 MMT of coal was made available against the contractual requirement, resulting in a shortfall of 1.9534 MMT, while during the second year only 0.2 MMT was made available, resulting in a shortfall of 2.408 MMT. JITF transported the entire quantity actually made available. The Tribunal therefore awarded the corresponding MGQ amounts under Article 7.3.

The learned Single Judge, however, set aside the arbitral award in respect of the principal claims. In relation to Claim No. 1, the Single Judge considered the award of ₹417.32 crore towards shortfall in coal supply to be patently illegal, principally because the Tribunal had awarded compensation even though the activity corresponding to the shortfall had not actually taken place and JITF had not incurred the corresponding operational expenses. The Single Judge also considered the Tribunal to have merely accepted the computation furnished by JITF without independently adjudicating the amount. In relation to Claims 3 and 3A, the Single Judge questioned whether the MGQ mechanism could be invoked in circumstances where the required quantity of coal had never been made available. In relation to Claim 5A, the Single Judge held that the award of ₹1,108.93 crore for the remaining five years of the seven-year operation period could not be sustained under Sections 73 and 74 of the Contract Act, particularly when JITF had not actually operated the project during those five years.

Justice C. Hari Shankar, writing the principal judgment, allowed JITF's appeal and held that the Single Judge had exceeded the limited scope of interference permissible under Sections 34 and 37 of the Arbitration Act. With respect to Claim No. 1, the Court held that the Tribunal had not mechanically accepted JITF's computation. The figure of ₹417.32 crore had been derived from the contractual obligation of NTPC to supply 2 MMTPA of coal, the actual quantity supplied, and the applicable rates based on invoices and other supporting material. The Court observed that the Tribunal had considered the evidence and cross-examination elsewhere in the award and was not required to reproduce all that material in the paragraph specifically recording its conclusion. The computation was therefore sufficiently reasoned and consistent with Section 73 of the Contract Act. The Court consequently upheld Claim No. 1.

In relation to Claims 3 and 3A, the Court found that Article 7.3 created a clear contractual mechanism for compensation where NTPC failed to provide the guaranteed quantity of coal. JITF had submitted the requisite Annual Statements within the stipulated period, identifying the shortfall and calculating the MGQ amount. NTPC had failed to establish that it had actually arranged for the stipulated 3 MMT per annum of imported coal to be delivered at the transfer point. Indeed, the documentary evidence showed that NTPC's arrangements for imported coal were substantially below the contractual MGQ. Since JITF had transported the entire quantity of coal actually made available, the Court held that the contractual trigger under Article 7.3 had been satisfied. The Tribunal's award of ₹158.50 crore for the first year and ₹197.81 crore for the second year was therefore found to be sustainable.

The most substantial controversy concerned Claim 5A, relating to NTPC's termination of the TPA and JITF's claim for the MGQ for the remaining five years of the seven-year operation period. The Tribunal had found that NTPC was in breach of its obligations and that, despite the termination being stayed by the Tribunal, NTPC did not resume the supply of the MGQ. According to the Tribunal, the entire commercial structure of the project was based upon JITF recovering its substantial investment through transportation charges over the seven-year period, with the MGQ guarantee forming the foundation of that revenue model. The Tribunal therefore treated the amount calculated under Article 7.3 for the remaining five years as a genuine pre-estimate of damages and awarded ₹1,108.93 crore.

Justice Hari Shankar agreed with the Tribunal. He held that NTPC could not rely upon its own termination and consequent failure to provide coal to defeat JITF's contractual entitlement. He further held that the Single Judge had effectively re-adjudicated the claim rather than examining whether the award suffered from patent illegality within the restricted scope of Section 34. The fact that JITF did not actually operate the project during the remaining five years was attributable to NTPC's conduct and termination, and could not by itself defeat the contractual measure of compensation. The Court found that Article 7.3 represented a genuine pre-estimate of the commercial consequences contemplated by the parties and that there was no sufficient basis to interfere with the Tribunal's conclusion under Section 34.

Litigation

Justice Hari Shankar also held that the Single Judge had erred in setting aside the entire arbitral award without independently examining the remaining claims. Even assuming that interference with some claims were justified, the other claims could not have been set aside without any discussion or finding. Accordingly, the principal judgment concluded that the Single Judge's decision could not be sustained, set aside the impugned judgment in its entirety, and upheld the arbitral award dated 27.01.2019 in full.

However, Justice Om Prakash Shukla delivered a dissenting judgment. He agreed with the learned Single Judge that the Tribunal's findings in respect of Claims 1, 3, 3A and 5A warranted interference. In relation to Claim No. 1, his concern was that the contractual mechanism under Article 3.2(b) contemplated compensation through extension of the COD, whereas the Tribunal had converted that mechanism into a monetary award after the contract had been terminated. In his view, the issue was not simply whether compensation was available under Section 73 of the Contract Act, but whether the Tribunal could disregard the specific contractual form and period of compensation agreed between the parties.

Justice Shukla was particularly critical of Claim 5A. He held that the TPA itself contained a specific mechanism governing compensation upon termination attributable to NTPC under Article 14.1(c), under which NTPC was required to buy back the Unloading Infrastructure and Material Handling System at the stipulated contractual formula. In his view, Article 14(a) expressly provided that, in case of ambiguity or discrepancy between provisions, the specific Article relevant to the issue would prevail. Therefore, Article 14.1(c), being specifically concerned with termination compensation, ought to prevail over Article 7.3. The Tribunal could not, according to the dissent, transform the MGQ payable for five future years into ₹1,108.93 crore of termination damages merely by treating the MGQ formula as a genuine pre-estimate, since doing so effectively rewrote the contractual allocation of consequences upon termination.

Justice Shukla further observed that JITF had not actually performed transportation services during the remaining five years and that the award effectively granted if the contractual revenue stream for a period during which no corresponding services were performed. In his view, the Tribunal had failed to undertake the necessary discipline under Sections 73 and 74 of the Contract Act before treating the contractual MGQ as the measure of damages. The defects identified by the Single Judge, according to him, went to the root of the award and constituted patent illegality warranting interference under Section 34.

The Division Bench therefore resulted in a split verdict. Justice C. Hari Shankar held that Claims 1, 3, 3A and 5A were validly awarded and that the entire arbitral award should be upheld, whereas Justice Om Prakash Shukla agreed with the Single Judge that the interference with those claims was justified. Since there was no majority view on these principal claims, the Bench framed the point of difference as "Whether the decision of the learned Single Judge, with respect to Claims 1, 3 and 3A and 5A is sustainable in law?" and directed the Registry

to place the matter before the Chief Justice for reference to a Third Judge or Larger Bench. Thus, unlike an ordinary dismissal or allowance, the final determination of the validity of the Single Judge's decision on these four claims remains to be resolved by the appropriate Third Judge/Larger Bench. *M/s Jindal ITF Limited v. NTPC Limited & Anr.*

The present appeal before the Division Bench of the Delhi High Court arose under Section 37 of the Arbitration and Conciliation Act, 1996, against the judgment of the learned Single Judge which had substantially interfered with and set aside the arbitral award dated 27.01.2019. The dispute arose out of a Tripartite Agreement dated 11.08.2011 between NTPC Limited, Inland Waterways Authority of India (IWAI) and Jindal ITF Limited (JITF), under which JITF was required to design, construct, finance, operate and maintain the Coal Unloading and Material Handling System for transporting imported coal through inland waterways to NTPC's Farakka Thermal Power Plant. The project was to be completed in two phases, followed by an operation period of seven years. Crucially, NTPC undertook under Article 7.1 to provide 2 MMTPA of coal during Phase I and guarantee a minimum quantity of 3 MMT of coal per annum during the operation period. Article 7.3 further provided for payment to JITF where the coal made available by NTPC fell below 90% of the Minimum Guaranteed Quantity (MGQ).

The project was affected by substantial delays attributable to NTPC, and the Arbitral Tribunal ultimately found NTPC responsible for delays under several heads. JITF consequently raised various claims, including Claim No. 1 for ₹424.08 crore towards delays and deviations in completion of the material handling system. Claims 3 and 3A for ₹158.50 crore and ₹197.81 crore respectively towards shortfall in the MGQ during the first and second years of operation, and Claim 5A for ₹1,108.93 crore towards the consequences of NTPC's termination of the agreement. The Arbitral Tribunal found that NTPC had failed to fulfil its contractual obligation to make the stipulated quantity of coal available. During the first year of operation, only 0.746 MMT of coal was made available against the contractual requirement, resulting in a shortfall of 1.9534 MMT, while during the second year only 0.2 MMT was made available, resulting in a shortfall of 2.408 MMT. JITF transported the entire quantity actually made available. The Tribunal therefore awarded the corresponding MGQ amounts under Article 7.3.

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Litigation

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In relation to Claims 3 and 3A, the Court found that Article 7.3 created a clear contractual mechanism for compensation where NTPC failed to provide the guaranteed quantity of coal. JITF had submitted the requisite Annual Statements within the stipulated period, identifying the shortfall and calculating the MGQ amount. NTPC had failed to establish that it had actually arranged for the stipulated 3 MMT per annum of imported coal to be delivered at the transfer point. Indeed, the documentary evidence showed that NTPC's arrangements for imported coal were substantially below the contractual MGQ. Since JITF had transported the entire quantity of coal actually made available, the Court held that the contractual trigger under Article 7.3 had been satisfied. The Tribunal's award of ₹158.50 crore for the first year and ₹197.81 crore for the second year was therefore found to be sustainable.

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Justice Hari Shankar agreed with the Tribunal. He held that NTPC could not rely upon its own termination and consequent failure to provide coal to defeat JITF's contractual entitlement. He further held that the Single Judge had effectively re-adjudicated the claim rather than examining whether the award suffered from patent illegality within the restricted scope of Section 34. The fact that JITF did not actually operate the project during the remaining five years was attributable to NTPC's conduct and termination, and could not by itself defeat the contractual measure of compensation. The Court found that Article 7.3 represented a genuine pre-estimate of the commercial consequences contemplated by the parties and that there was no sufficient basis to interfere with the Tribunal's conclusion under Section 34.

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Justice Shukla was particularly critical of Claim 5A. He held that the TPA itself contained a specific mechanism governing compensation upon termination attributable to NTPC under Article 14.1(c) under which NTPC was required to buy back the Unloading Infrastructure and Material Handling System at the stipulated contractual formula. In his view, Article 1.4(a) expressly provided that, in case of ambiguity or discrepancy between provisions, the specific Article relevant to the issue would prevail. Therefore, Article 14.1(c), being specifically concerned with termination compensation, ought to prevail over Article 7.3. The Tribunal could not, according to the dissent, transform the MGQ payable for five future years into ₹1,108.93 crore of termination damages merely by treating the MGQ formula as a genuine pre-estimate since doing so effectively rewrote the contractual allocation of consequences upon termination.

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The Division Bench therefore resulted in a split verdict. Justice C. Hari Shankar held that Claims 1, 3, 3A and 5A were validly awarded and that the entire arbitral award should be upheld, whereas Justice Om Prakash Shukla agreed with the Single Judge that the interference with those claims was justified. Since there was no majority view on these principal claims, the Bench framed the point of difference as "Whether the decision of the learned Single Judge, with respect to Claims 1, 3 and 3A and 5A is sustainable in law?" and directed the Registry to place the matter before the Chief Justice for reference to a Third Judge or Larger Bench. Thus, unlike an ordinary dismissal or allowance, the final determination of the validity of the Single Judge's decision on these four claims remains to be resolved by the appropriate Third Judge/Larger Bench.



Hardik Jain

Litigation

University of Delhi & Anr. v. Deepak & Ors.

The present Letters Patent Appeal was preferred by the University of Delhi against the judgment dated 30.05.2025 of the learned Single Judge, whereby the writ petitions filed by 76 selected candidates were allowed and the University's Notifications dated 25.08.2023 and 29.08.2023, keeping their joining in abeyance, were quashed. The dispute arose from a recruitment examination conducted by the National Testing Agency (NTA) for various non-teaching posts in the University. Pursuant to the advertisement dated 23.02.2021, 151 candidates were selected for the post of Laboratory Attendant and 108 for Library Attendant. The University issued offers of appointment to the selected candidates. However, when nine candidates reported for joining on 24.08.2023, the University found, upon interacting with them, that they appeared to lack basic knowledge relevant to the posts despite having obtained exceptionally high marks in the NTA examination. This prompted the University to keep the joining of the selected candidates on hold and subsequently constitute Committees to examine whether the examination process had been compromised.

The University's preliminary investigation disclosed several circumstances which, according to it, raised serious doubts regarding the integrity of the examination. The 2024 Committee noticed an unusual concentration of successful candidates at certain examination centres, despite comparatively little representation from larger States. It also found that several candidates who had obtained only about 33%-50% marks in Classes X and XII had secured more than 90% in the NTA examination. More than 100 candidates had scored above 90%, with nearly 20 candidates securing approximately 95%, notwithstanding the fact that the examination involved negative marking and questions from varied subjects. Since the NTA's initial response merely stated that standard examination protocols had been followed, the University constituted a second Committee and obtained detailed data from the NTA, including question papers, response sheets and centre-wise information. The 2024 Report thereafter found matching response patterns among candidates from suspected centres, with similarity indices of up to 80%, including striking similarities in both correct and incorrect answers.

The selected candidates challenged the University's action before the Single Judge, contending that their selection had been made pursuant to a duly conducted examination and that they had acquired a right to appointment after being placed in the merit list and receiving appointment offers. They argued that the University had no basis to introduce an interview, interaction or personality assessment because the advertisement prescribed a written examination as the selection process. They further contended that there was no contemporaneous complaint of malpractice and that the University's subsequent data analysis amounted to an exercise in "reverse engineering" undertaken to justify its earlier decision to withhold their joining. The NTA supported the candidates and maintained that the examination had been conducted under extensive safeguards, including randomisation, CCTV surveillance, biometric verification, secured computer systems, independent observers and encrypted transmission of responses. It argued that the University's statistical methodology was selective and unreliable and that no candidate had actually been caught using unfair means.

The learned Single Judge accepted the challenge and held that the University had failed to establish that the examination process had been compromised. The Single Judge considered the interaction with the nine

candidates to be contrary to the selection procedure prescribed in the advertisement and found that the alleged incompetence of a few candidates could not justify an adverse conclusion against all selected candidates. The absence of any prior complaint of malpractice was also considered significant. The Court relied upon the NTA's explanation concerning its security protocols and concluded that the University's subsequent data analysis was insufficient to establish the use of unfair means. It accordingly quashed the Notifications and directed the University to complete document verification, appoint the selected candidates and permit them to join with consequential benefits.

The Division Bench disagreed with the Single Judge and emphasised that judicial review of a public recruitment examination does not permit the Court to substitute its own assessment for that of the competent recruiting authority. Where the employer reaches a bona fide conclusion, based upon relevant and credible material, that the integrity of an examination has been compromised at a systemic level, the Court's scrutiny is confined to examining whether that conclusion is arbitrary, perverse, unreasonable, mala fide or unsupported by material. The Court held that the University was entitled to investigate the examination after serious doubts arose at the stage of joining and was not required to possess direct evidence of malpractice before undertaking such an enquiry.

The Court found that the University's conclusion was supported by a cumulative body of evidence rather than mere suspicion arising from unusually high marks. The abnormal concentration of successful candidates at particular centres, the disparity between their earlier academic performance and examination scores, the similarity in their responses, and, most significantly, the recurring commonality in their incorrect answers, constituted material circumstances pointing towards a possible coordinated use of unfair means. The Court held that, particularly in a multiple-choice examination, repeated matching incorrect answers among clusters of successful candidates from the same centres have considerable evidentiary significance. Such patterns could not be disregarded merely because no candidate had been caught copying or because there was no direct evidence identifying the precise method of malpractice.

The Division Bench further rejected the NTA's reliance on its security protocols as conclusive proof that malpractice could not have occurred. While CCTV, biometric verification, randomisation, invigilators and secure computer systems were relevant safeguards, they could not override post-examination evidence showing consistent and abnormal response patterns. The responsibility for ensuring the fairness and integrity of the examination continued to rest with the NTA, even though an external Exam Delivery Agency had been engaged. The Court also rejected the contention that the University could not rely upon material gathered after the Notifications were issued. It held that, in cases of sophisticated examination malpractice, the relevant evidence may emerge only through post-result statistical and data analysis. The subsequent investigation therefore could not be characterised as mala fide or "reverse engineering" merely because it followed the decision to keep the joining in abeyance.



Litigation

The Court also relied upon the principle that inclusion in a select list or issuance of an appointment letter does not confer an indefeasible right to appointment. Applying *Shankarsan Dash v. Union of India*, the Court held that a public employer is not legally bound to make appointments merely because vacancies exist, particularly where it bona fide defers appointments in order to protect the integrity of the recruitment process. The University had also expressly reserved the right to modify, withdraw or cancel appointment-related communications if any irregularity in the selection process was subsequently detected. Its decision to keep the joining of the candidates in abeyance was therefore within its authority, particularly in light of the material subsequently unearthed by the Committees.

The Court ultimately held that the circumstances, viewed cumulatively, provided a cogent and reasonable basis for the University to conclude that the sanctity of the examination had been compromised. It particularly relied upon the similarity indices and matching incorrect answers identified through the University's data analysis, and held that direct proof of the precise mechanism of malpractice was not indispensable. The Court further held that the larger public interest in preserving the purity of public recruitment examinations justified deference to the University's bona fide decision. Consequently, the Division Bench allowed the appeal, set aside the Single Judge's judgment, upheld the University's Notifications dated 25.08.2023 and 29.08.2023 keeping the joining of the selected candidates on hold, and rejected the writ petitions seeking appointment and consequential benefits.



Hardik Jain

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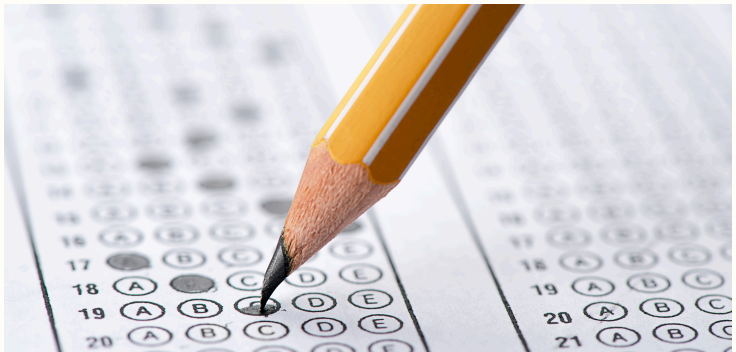


The Delhi High Court held that credible post-examination data can justify action where the integrity of a public recruitment examination is seriously questioned. Matching response patterns, including incorrect answers, centre-wise clusters and unusually high scores, constituted relevant material. The Court also reiterated that inclusion in a select list does not create an indefeasible right to appointment.

Cause Title: *University of Delhi & Anr. v. Deepak & Ors.* | LPA 1014/2025 |
Delhi High Court | Division Bench | Judgment dated 4 September 2026

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Litigation

LC Infra Projects Private Limited & Ors. v. Municipal Corporation of Delhi & Anr.

The present writ petition was filed before the Delhi High Court by LC Infra Projects Private Limited and the other members of a Consortium challenging the Tender Summary Report dated 20.08.2026, whereby the Municipal Corporation of Delhi (MCD) refused to admit their bid on the ground that the Earnest Money Deposit (EMD)/Bank Guarantee was "not in confirmation of RFP". The petitioners had formed a Consortium under an agreement dated 27.07.2026, with LC Infra Projects as the Lead Member, Radhika Opto Electronics Limited as Consortium Member No. 1 and Esmart Energy Solutions Limited as Consortium Member No. 2. The tender concerned replacement of existing public lights and comprehensive operation and maintenance across six MCD zones for a period of ten years, with an estimated tender value of approximately ₹1,367.50 crore. The prescribed EMD was ₹13.77 crore, of which ₹20 lakh was to be deposited online and the balance through a Bank Guarantee/e-Bank Guarantee in favour of the Commissioner, MCD. The Consortium duly deposited the ₹20 lakh online and furnished a Bank Guarantee for the balance amount issued by Union Bank of India on the application of Esmart Energy Solutions, i.e. Consortium Member No. 2.

The petitioners contended that the rejection of their bid was wholly unsustainable because the RFP did not stipulate that, in the case of a Consortium, the Bank Guarantee had to be furnished specifically by the Lead Member. The Bank Guarantee was issued in favour of the Commissioner, MCD for the entire prescribed amount and was valid for the required period. According to the petitioners, the essential purpose of the EMD was to secure the MCD against the contingencies contemplated under the tender, and that purpose stood fully satisfied irrespective of which member of the Consortium had procured the Bank Guarantee. They further argued that the rejection deprived an otherwise eligible Consortium of the opportunity to compete and distorted the level playing field by unnecessarily reducing competition.

The MCD, on the other hand, justified the rejection on the ground that there was a material mismatch between the bid documents and the covering letter identified LC Infra Projects, the Lead Member, as the bidder, whereas the Bank Guarantee identified Esmart Energy Solutions as the applicant and repeatedly described it as the "Contractor". Neither document expressly connected the Bank Guarantee with the Consortium or with LC Infra Projects. The MCD argued that the RFP, read with the Corrigendum, assigned primary responsibility for the tender obligations to the Lead Member and that the Bank Guarantee therefore had to be furnished by, or at least unequivocally relate to, the Lead Member. It was also contended that allowing the petitioners to subsequently obtain clarification or amendment from the bank would amount to impermissible post-bid curing of a material defect in an essential financial instrument. Reliance was placed on the principle that the tendering authority is ordinarily the best judge of the requirements of its tender and that courts should exercise restraint in matters of public procurement.

The Court, however, rejected the MCD's interpretation of the tender conditions. It examined Clause H.2(i) of the RFP, which required the balance EMD to be furnished through a Bank Guarantee or e-Bank Guarantee in favour of the Commissioner, MCD, and the relevant provisions of the Corrigendum dealing with Consortiums. The Court found that while the Corrigendum expressly distinguished between obligations to be fulfilled by "any one member", the Lead Member and all members individually, there was no stipulation requiring the Lead Member to furnish the Bank Guarantee. Significantly, the Court noted that the MCD itself had admitted in its counter-affidavit that it did not contend that the RFP expressly prohibited a Consortium member other than the Lead Member from arranging the Bank Guarantee; its objection was instead directed to what the Bank Guarantee actually guaranteed.

The Court also rejected the MCD's reliance upon the revised Clause J(D), which stated that the Lead Member would be "solely responsible and liable for meeting all obligations in relation to the agreement". According to the Court, this provision concerned obligations under the agreement to be entered into after award of the tender, and could not be read as imposing an additional requirement at the bidding stage that the Lead Member alone must furnish the EMD Bank Guarantee. If the MCD intended to impose such a condition, it ought to have expressly incorporated it into the RFP or Corrigendum, particularly since the Corrigendum had specifically clarified the respective obligations of Consortium members. The Court held that the MCD could not introduce, through interpretation, a condition which was neither stated nor contemplated by the tender documents.

In reaching this conclusion, the Court relied upon the Supreme Court's recent decision in *Kimberly Club Pvt. Ltd. v. Krishi Utpadan Mandi Parishad*, which emphasised that the terms of a tender must be clear and unambiguous and that a bidder cannot be disqualified on the basis of an unstated requirement. While acknowledging that the interpretation of tender conditions ordinarily falls within the domain of the tendering authority, the Court held that such interpretation must remain anchored to conditions actually contained in, or at least contemplated by, the RFP. The tendering authority cannot retrospectively impose a substantive condition merely because it considers that condition commercially desirable or because other bidders may have proceeded on that understanding.

The Court further observed that the RFP itself expressly permitted bids by a Consortium or Joint Venture and prescribed the documents and eligibility requirements applicable to such entities. The petitioners had submitted the Consortium Agreement and Power of Attorney along with the bid. Whether the Consortium otherwise satisfied the technical requirements of the RFP could only be determined through technical evaluation. By refusing to admit the bid at the threshold on the ground concerning the Bank Guarantee, the MCD had prevented such technical evaluation altogether. The Court therefore found no justification for treating the Bank Guarantee as non-conforming merely because it had been procured by one of the Consortium members rather than the Lead Member.

Litigation

Accordingly, the Court held that the MCD's decision not to admit the petitioners' bid on the ground that the Bank Guarantee was not in conformity with the RFP was not sustainable in law. The Court directed the respondents to admit the bid, technically evaluate it and proceed in accordance with the tender conditions. At the same time, the Court expressly clarified that it had examined only the limited issue arising from the impugned Tender Summary Report and had not adjudicated whether the Consortium ultimately satisfies the other technical or eligibility requirements of the RFP. Those matters were left to be considered by the MCD during the technical evaluation. The writ petition and pending application were accordingly disposed of in these terms.



Hardik Jain



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WHO MUST FURNISH THE EMD – LEAD MEMBER OR ANY CONSORTIUM MEMBER?



The Delhi High Court held that a tendering authority cannot disqualify a bidder on the basis of a condition that is neither expressly stated nor contemplated by the RFP. In the case of a consortium, the Bank Guarantee furnished by a consortium member could not be treated as non-conforming merely because it was not issued by the Lead Member, where the tender documents imposed no such requirement. The Court directed MCD to admit and technically evaluate the bid.

CASE TITLE: LC Infra Projects Private Limited & Ors. v. Municipal Corporation of Delhi & Anr. | W.P.(C) No. 13845/2026 | Delhi High Court | Judgment dated 4 September 2026

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Arbitration

Supreme Court Reaffirms Doctrine of No Reformatio in Peius: Appellant Cannot Be Worse Off for Exercising Right of Appeal

The Supreme Court has reiterated that a litigant should not be placed in a worse position merely because they exercise a statutory right of appeal. The Court recognised the doctrine of no reformatio in peius as a principle of fair procedure, natural justice and equity.

The issue arose in proceedings concerning penalties imposed on Saudi Arabian Airlines for delayed payment of Foreign Travel Tax ("FTT"). An initial order had imposed a penalty of ₹12,000 for six instances of delayed payment. Following the airline's appeal, the matter was remanded for de novo consideration, after which the penalty was drastically enhanced to ₹71,29,140. The appellate and revisional authorities, as well as the Bombay High Court, upheld the enhanced penalty on the ground that the initial penalty had been incorrectly calculated.

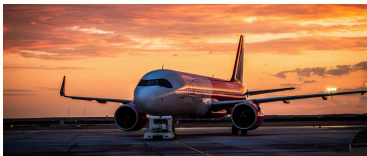
The Supreme Court rejected this approach, holding that the principle of reformatio in peius means that a person should not be placed in a worse position as a result of filing an appeal. Relying on *Jyoti Plastic Works Pvt. Ltd. v. Union of India*, *Jawal Neco Ltd. v. Commissioner of Customs and Nagarajan v. State of Tamil Nadu*, the Court affirmed that an appellant cannot be worse off than they were before invoking the appellate remedy.

Accordingly, the Court set aside the penalty imposed for the six instances of delayed FTT payment and directed refund of any amount paid towards the penalty, with 9% interest. The judgment reinforces that the exercise of a statutory appellate remedy should not expose a litigant to an adverse consequence that would not have arisen had the remedy not been pursued.

Case: *M/s. Saudi Arabian Airlines v. Union of India & Ors.* — 2026 INSC 933."



Mayank Pandey



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CAN FILING AN APPEAL MAKE YOU WORSE OFF?



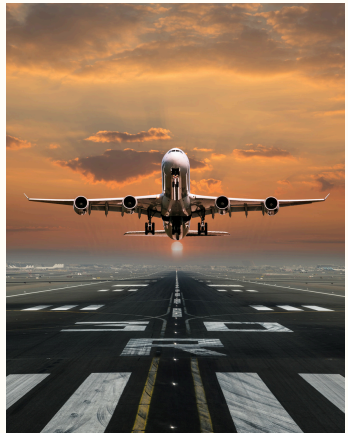
The Supreme Court reaffirmed the doctrine of no reformatio in peius, holding that a litigant cannot be placed in a worse position merely for exercising a statutory right of appeal. In the case, a ₹12,000 penalty imposed on Saudi Arabian Airlines was enhanced to ₹71,29,140 after remand. The Court set aside the enhanced penalty, reinforcing fairness, natural justice and the right to appeal.

Case Title: *M/s. Saudi Arabian Airlines v. Union of India & Ors.*

Citation: 2026 INSC 933 | Supreme Court of India

Delhi | Bengaluru

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Corporate

Supreme Court Clarifies SARFAESI Applicability to Assigned Loans

The Supreme Court, in *Kotak Mahindra Bank Limited v. Trupti Sanjay Mehta & Others*, has held that a bank can invoke the SARFAESI Act, 2002 for recovery of secured loans assigned to it by an NBFC, even if the NBFC was not covered under the Act when the loans were originally advanced.

The dispute concerned loan accounts originally granted by City Financial Consumer Finance Limited (CFCFL), an NBFC that was not a notified financial institution under Section 2(1)(m) of the SARFAESI Act at the relevant time. Kotak Mahindra Bank subsequently acquired these secured, non-performing loan accounts and initiated SARFAESI proceedings for recovery. The borrowers challenged the proceedings on the ground that the loans were outside the Act when created.

Setting aside the Bombay High Court's decision, the Supreme Court held that once a secured non-performing loan is acquired by a bank to which the SARFAESI Act applies, the loan immediately acquires the statutory attributes of a "secured debt" under the Act. The Court observed that the identity or status of the original lender cannot defeat SARFAESI enforcement after assignment to a covered bank.

The Court relied on its earlier decisions in *M.D. Frozen Foods Exports Pvt. Ltd. v. Hero Fincorp Ltd.* and *Indiabulls Housing Finance Ltd. v. Deccan Chronicle Holdings Ltd.*, and restored the bank's securitisation application before the DRT.



Rishav Sagar



Supreme Court Clarifies SARFAESI Applicability



The Supreme Court held that a bank can invoke the SARFAESI Act, 2002 for secured loans assigned to it by an NBFC, even where the original lender was not covered by the Act when the loan was granted. Once the secured NPA is acquired by a bank covered under SARFAESI, the debt acquires the statutory attributes necessary for enforcement under the Act.

Kotak Mahindra Bank Limited v. Trupti Sanjay Mehta & Others
Supreme Court of India
Relied upon: *M.D. Frozen Foods Exports Pvt. Ltd. v. Hero Fincorp Ltd.* & *Indiabulls Housing Finance Ltd. v. Deccan Chronicle Holdings Ltd.*



Corporate

Zerodha Receives SEBI Approval to Enter Investment Banking Business

Zerodha has received approval from the Securities and Exchange Board of India (SEBI) to enter the investment banking business through its subsidiary, Zerodha Corporate Advisors. The company had applied in April 2026 for a Category-I merchant banking licence, and the regulatory approval was granted on September 1, 2026. Zerodha is expected to commence its merchant banking operations within the next couple of months.

The approval will enable Zerodha Corporate Advisors to undertake a range of merchant banking and capital-market activities, including managing initial public offerings (IPOs), providing corporate finance and issue-related services, acting as an underwriter and advising on mergers and acquisitions and business valuations.

The move represents a significant expansion of Zerodha beyond its traditional discount-brokerage business. In recent years, the group has diversified into areas including asset management, lending through Zerodha Capital and investments through Rainmatter, while also obtaining a broker-dealer registration in GIFT City to facilitate overseas investments.

The entry into investment banking comes amid regulatory changes affecting brokerage revenues, including tighter derivatives-market regulations. Zerodha's expansion into merchant banking will allow it to participate more directly in India's growing primary and corporate finance markets, particularly the IPO segment. The development also reflects the company's broader strategy of building an integrated financial-services platform beyond brokerage.



Rishav Sagar



ZERODHA ENTERS INVESTMENT BANKING



Zerodha is moving beyond broking, receiving SEBI approval to enter investment banking through Zerodha Corporate Advisors. The Category-I merchant banking licence will enable the company to advise on IPOs, corporate finance, underwriting, M&A and valuations—strengthening its presence across India's expanding capital markets and marking a significant step in its broader financial-services expansion.

Zerodha Corporate Advisors – SEBI Approval for Category I Merchant Banking Licence

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Corporate

Supreme Court Retains Broad Definition of “Industry” Under Industrial Disputes Act

In a significant labour-law ruling, a nine-judge Constitution Bench of the Supreme Court has examined and clarified the scope of the term “industry” under Section 2(j) of the Industrial Disputes Act, 1947. The judgment arose from the reference concerning the landmark decision in *Bangalore Water Supply and Sewerage Board v. A. Rajappa* (1978), which had adopted a broad interpretation of “industry” and laid down the “Triple Test” for determining whether an activity falls within its scope.

The judgment in *State of Uttar Pradesh & Ors. v. Jai Bir Singh & Ors.* and connected matters was delivered by a nine-judge Bench headed by Chief Justice Surya Kant on August 20, 2026. The Bench comprised five separate opinions and differed on several aspects of the 1978 ruling. While the Court found that certain aspects of the Triple Test required refinement, it retained the broad framework laid down in *Bangalore Water Supply* for adjudicating pending disputes under the repealed Industrial Disputes Act, 1947.

The Court also clarified that the Industrial Relations Code, 2020, which replaced the Industrial Disputes Act with effect from November 21, 2025, contains its own definition of “industry”. Accordingly, the *Bangalore Water Supply* ruling will not govern the interpretation of the term under the new Code.

The decision is significant for employers and employees as it preserves the existing legal framework for disputes arising under the old labour legislation while leaving the interpretation of “industry” under the new labour regime to be developed independently.



Rishav Sagar



Same Word. Two Legal Regimes.



The Supreme Court's nine-judge Bench retained the broad framework of “industry” laid down in *Bangalore Water Supply* for pending disputes under the repealed Industrial Disputes Act, while refining aspects of the Triple Test.

However, the Industrial Relations Code, 2020 has its own definition of “industry” and will be interpreted independently.

Cause Title: *State of Uttar Pradesh & Ors. v. Jai Bir Singh & Ors. & Connected Matters 2026* | Nine-Judge Constitution Bench | Supreme Court of India



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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