

LEXPORT NEWSLETTER

SEPTEMBER 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

Pre-GST services completed before 1 July 2017 remain governed by Service Tax despite post-facto approval and subsequent billing: Calcutta High Court

M/s Goutam Engineering Concern, a company provisionally enlisted as an erection contractor with West Bengal State Electricity Distribution Company Limited ("WBSEDCL"), had undertaken work involving deployment of technical personnel for repair and maintenance of feeder lines for the period from 1 January 2015 to 31 December 2015. Although the work was subsequently granted post-facto approval on 26 February 2018 and the petitioner submitted twelve monthly bills on 22 February 2019, payment was withheld on the ground of non-compliance with GST formalities and alleged GST liability. The petitioner contended that the services had been completely rendered in 2015, before the GST regime came into force on 1 July 2017, and therefore could not be subjected to GST merely because approval was granted subsequently and the bills were raised later; the respondents, on the other hand, contended that the post-facto approval was granted only on 26 February 2018 and that the petitioner had not complied with the requisite GST formalities. The Court considered Section 2(102), Sections 13(1) and 13(2), and Section 142(1)(b) of the GST Act, and noted that although deployment of technical personnel for repair and maintenance would ordinarily constitute a supply of services, Section 142(1)(b) provides that no tax is payable under the GST Act to the extent tax was leviable under Chapter V of the Finance Act, 1994. The Court also considered Memorandum No. 5050-F(Y) dated 16 August 2017 issued by the Audit Branch, Finance Department, Government of West Bengal, which clarified that where services had been supplied before 1 July 2017 but the invoice/bill was raised thereafter, after expiry of thirty days from the date of supply, Service Tax would be applicable and not CGST/WBGST. The Court held that the service in question had been rendered and completed during 2015, much before 1 July 2017, and that the subsequent post-facto approval could not alter the date on which the service was actually supplied or bring the completed service within the GST regime; similarly, the fact that the bill was raised on 22 February 2019 could not determine the taxability of a service already rendered and completed in 2015. Accordingly, the liability arising from the service was governed by the erstwhile Service Tax regime and not the GST Act. On the claim for interest, while the petitioner had sought interest at 12% per annum, the Court held that, considering the pending writ petition and civil suit and the dispute regarding taxability, the delay could not be fully attributed to the respondents and awarded interest at 8% per annum. The Court accordingly directed respondent no. 3 to release and pay Rs.19,91,148/- to the petitioner together with interest at 8% per annum

from 22 February 2019 until actual payment, after deducting such tax, if any, applicable under the pre-GST regime, provided the amount was otherwise taxable having regard to the order dated 26 February 2018; payment was directed to be made within four weeks from communication of the order.

M/s Goutam Engineering Concern v. West Bengal State Electricity Distribution Company Limited & Ors., WPA 5150 of 2022, High Court at Calcutta.



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Pre-GST Service, Pre-GST Tax Regime

The Calcutta High Court held that services completed before 1 July 2017 remain governed by the erstwhile Service Tax regime. Subsequent approval or delayed billing cannot change the date of supply or shift the completed service into GST.

CASE TITLE: M/s Goutam Engineering Concern v. West Bengal State Electricity Distribution Company Limited & Ors., WPA 5150 of 2022, High Court at Calcutta.

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Indirect Tax

Licensing of copyright in cinematographic films is not "Information Technology Software" merely because film content is delivered digitally: Bombay High Court

Dharma Productions Pvt. Ltd. and Dharmatic Entertainment Pvt. Ltd., producers and original copyright holders of cinematographic films, challenged the tax demands arising from the classification of their licensing of copyright in cinematographic films for FYs 2017-18 to 2020-21, a period prior to 1 October 2021 when Entry 17(i) and Entry 17(ii) of Notification No. 11/2017-Central Tax (Rate) carried differential rates of 12% and 18% respectively. The controversy was whether licensing of copyright in cinematographic films was classifiable as licensing of intellectual property rights in goods other than Information Technology Software under Entry 17(i), taxable at 12%, or as licensing of Information Technology Software under Entry 17(ii), taxable at 18%. The petitioners, who owned copyrights in cinematographic films and licensed theatrical, sound, satellite, digital and other rights to distributors, submitted that the transactions involved temporary transfer or permitting the use or enjoyment of intellectual property rights and were appropriately classified under SAC 997332, covering licensing services for the right to broadcast and show original films, sound recordings, radio and television programmes and the like. The films were, in most cases, transferred by loading the movie content onto hard disks physically delivered to distributors, while in some cases the films were transferred electronically; the petitioners maintained that no software was supplied. The respondents contended, inter alia, that the licensing was liable to GST at 18% as Information Technology Software and relied upon the mode of transmission and a statement attributed to the petitioner's Post-Production Head. The Court examined the relevant statutory definitions, the Rate Notification and the Scheme of Classification of Services and noted that SAC 99733 separately contains SAC 997331 for licensing services relating to computer software and databases and SAC 997332 for licensing services relating to the right to broadcast and show original films, sound recordings and television programmes. The Court held that the impugned orders failed to explain how a cinematographic film, described in the judgment as a passive audio-visual work incapable of execution, manipulation or interactivity, could satisfy the statutory definition of "information technology software"; the existence of a separate and specific SAC for cinematographic films was also found to distinguish such licensing from software licensing. The Court further held that whether the content was transmitted physically through encrypted hard disks or electronically could not determine classification, which had to turn on the essential character of the supply, and that equating "digital content" with "software" had no statutory basis. The Court also

noted that the respondents' reliance on an alleged statement of the petitioner's Post-Production Head could not cure the absence of technical material, expert evidence, executable programme or software architecture, and that the statement had not been furnished to the petitioner. A contention raised for the first time in the affidavit-in-reply that the services constituted Online Information Database Access and Retrieval ("OIDAR") services was also not accepted for purposes of sustaining the impugned orders, since the show cause notices and orders contained no discussion or finding on that issue. The Court further found that the Orders-in-Original substantially reproduced the allegations in the show cause notices without independent analysis of the petitioner's submissions and that the Orders-in-Appeal did not cure the defect. Treating these as jurisdictional errors apparent on the face of the record, the Court entertained the writ petitions despite the availability of an appellate remedy and allowed the writ petitions in terms of prayer clause (a).

Dharma Productions Pvt. Ltd. & Dharmatic Entertainment Pvt. Ltd. v. State of Maharashtra & Ors., Writ Petition Nos. 2029 of 2025 and 2184 of 2025, High Court of Judicature at Bombay.



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Quick Bites

Digital Transmission Does Not Turn a Film Into Software



The Bombay High Court held that a cinematographic film remains audio-visual content even when delivered digitally. Mere electronic transmission does not make it executable software or change its applicable GST classification.

CASE TITLE: Dharma Productions Pvt. Ltd. & Dharmatic Entertainment Pvt. Ltd. v. State of Maharashtra & Ors., Writ Petition Nos. 2029 of 2025 and 2184 of 2025, High Court of Judicature at Bombay.

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Indirect Tax

Adjudicating authority cannot use rectification under Section 161 to conduct a merit review of an ex-parte order without affording a fresh hearing: Allahabad High Court

A show cause notice under Section 74 of the U.P. GST Act, 2017 was issued to M/s Wonder Enterprises on 17 June 2021, to which the petitioner submitted replies dated 13 July 2021 and 18 July 2021; however, an ex-parte adjudication order was subsequently passed on 30 January 2025 without consideration of those replies. Thereafter, without issuing notice to the petitioner, the Adjudicating Authority passed a further order dated 5 February 2025 under Section 161 of the Act, acknowledging that the earlier order had failed to consider the two replies but proceeding itself to consider those replies ex-parte rather than recalling the earlier order and fixing another hearing. The Court considered whether the Adjudicating Authority could pass the order dated 5 February 2025 in such circumstances. It noted that there was no general jurisdiction or power of review with the Adjudicating Authority and examined Section 161, which confers power to rectify an error apparent on the face of the record, subject to the statutory limitations and the requirement to follow principles of natural justice where rectification adversely affects a person. The Court observed that the suo motu exercise of jurisdiction under Section 161 within one week did not raise an issue of limitation and that the failure to consider the petitioner's two replies was an error which could fall within the scope of rectification. However, relying on the distinction between procedural review and review on merits, including the principle recognised in *Grindlays Bank Ltd. v. Central Government Industrial Tribunal*, the Court held that the admitted non-consideration of the replies and denial of consideration of the petitioner's case went to the root of the adjudication. While procedural review could be undertaken to correct such an inadvertent procedural defect, the authority could not, under the guise of rectification, undertake a merit review of the earlier order. The Court further rejected the State's contention that the order dated 5 February 2025 was not prejudicial merely because part of the demand had been reduced, observing that where the fundamental error consisted of complete non-consideration of the assessee's replies, the proper course was to recall the earlier order and pass a fresh order after issuing another notice and affording an opportunity of personal hearing. The Court clarified that the third proviso to Section 161 may apply where the authority merely notices an error in computation and suo motu rectifies it by reducing the demand, but would not apply where a de novo order is passed following recall of an order that had completely failed to consider the assessee's reply. Consequently, the Court set aside the order dated 5 February 2025 and remitted the matter to the Adjudicating Authority to pass a fresh order after affording an opportunity of hearing to the petitioner;

the writ petition was accordingly allowed with no order as to costs.

M/s Wonder Enterprises v. State of U.P. and Another, Writ Tax No. 3203 of 2026, High Court of Judicature at Allahabad.



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Section 161 Cannot Become a Backdoor Merit Review



The Allahabad High Court held that rectification under Section 161 cannot be used to re-examine the merits of an ex-parte order without a fresh hearing. Where the assessee's replies were not considered, the proper course is to recall the order, provide an opportunity of hearing, and pass a fresh order.

Cause Title: M/s Wonder Enterprises v. State of U.P. and Another, Writ Tax No. 3203 of 2026, High Court of Judicature at Allahabad.

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Indirect Tax

Supreme Court stays Delhi High Court judgment upholding GST search and seizure of Advocate's Office

The Supreme Court has stayed the Delhi High Court judgment that had upheld the search and seizure conducted by the GST Department at the office of Advocate Puneet Batra and his law firm, Bass Legal LLP. The Supreme Court Bench comprising Justice Dipankar Datta and Justice Sheel Nagu is hearing the Special Leave Petition challenging the High Court's decision.

The Delhi High Court had held that advocate client privilege cannot operate as an absolute bar against an investigation into an advocate's own conduct where there is prima facie material suggesting that the advocate may have gone beyond the role of a legal adviser and become involved in the affairs under investigation. The High Court had also held that the search was conducted pursuant to a valid authorisation under Section 67(2) of the CGST Act, 2017.

Before the Supreme Court, the petitioner challenged the legality of the search and seizure and raised concerns regarding the access to confidential and privileged information relating to other clients stored on the seized computer. It was also argued that the GST Department had not disclosed the reasons forming the basis for the search and that the statutory requirement of "reason to believe" under Section 67 of the CGST Act had not been properly satisfied.

The Supreme Court questioned the GST Department regarding the basis of the search and also raised concerns regarding the handling and segregation of confidential or privileged material. The Court further questioned why the power under Section 67(11) of the CGST Act had not been invoked in the circumstances.

The Supreme Court has issued notice to the respondents and granted three weeks' time to file a response. Pending further proceedings, the Court has stayed the Delhi High Court's judgment. The petitioner has also been directed to appear before the investigating authorities on 30 September 2026 at 12 noon.

Case: Puneet Batra v. Union of India, Diary No. 59119/2026

Source: <https://shorturl.at/LGASl>



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SUPREME COURT STAYS DELHI HC JUDGMENT ON GST SEARCH OF ADVOCATE'S OFFICE



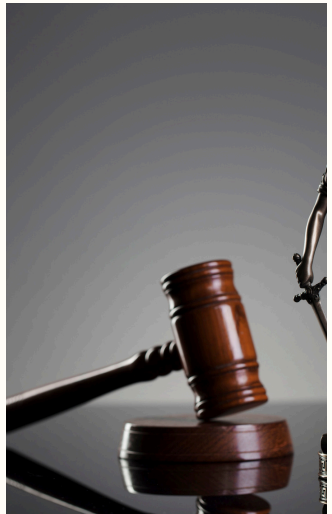
The Supreme Court has stayed the Delhi High Court judgment upholding the GST Department's search and seizure at the office of Advocate Puneet Batra and Bass Legal LLP.

The case raises important questions concerning advocate-client privilege, confidential client information, and the "reason to believe" requirement under Section 67 of the CGST Act, 2017.

Cause Title: Puneet Batra v. Union of India, Diary No. 59119/2026 | **Source:** Live Law

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Indirect Tax

Common Adjudicating Authority validly empowered to adjudicate composite GST SCNs based on the highest amount of demand: Delhi High Court

The petitioners challenged the validity of the mechanism for appointment of a Common Adjudicating Authority (CAA) for adjudication of composite show cause notices (SCNs) arising out of a common investigation and, in particular, questioned the criterion under which the authority having jurisdiction over the notice involving the highest amount of demand would adjudicate the connected SCNs. The petitioners contended, inter alia, that such allocation of jurisdiction was arbitrary and that the relevant circular/notifications could not validly confer such jurisdiction or alter the ordinary adjudicatory and appellate framework under the GST enactments. The Hon'ble Delhi High Court examined the statutory scheme governing appointment and jurisdiction of adjudicating authorities and the mechanism for composite adjudication of matters arising from a common investigation. It held that where multiple SCNs arise from substantially the same investigation and involve a common cause of action, providing for adjudication by a single authority serves the purpose of avoiding conflicting findings on the same set of facts and ensuring consistency in adjudication. It further rejected the challenge to the use of the "highest amount of demand" as the criterion for determining the Common Adjudicating Authority, holding that the criterion is objective, quantifiable and uniformly applicable and bears a rational nexus with the legitimate object of ensuring a single and consistent adjudication of matters arising from one investigation. The Court also considered the challenge concerning the appellate forum and held that the appellate forum was not created by the impugned clarification but was already notified under the applicable GST framework; the clarification merely addressed the position arising from the appointment of the Common Adjudicating Authority. It therefore upheld the validity of the mechanism for common adjudication and rejected the challenge to the impugned circular/notifications.

Katyani Exports Through Its Proprietor & Ors. v. Union of India & Ors., W.P.(C.) No. 10607/2025 and connected matters, High Court of Delhi.



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**ONE INVESTIGATION. ONE COMMON
ADJUDICATING AUTHORITY**

The Delhi High Court upheld the mechanism for appointing a Common Adjudicating Authority where multiple GST show cause notices arise from a common investigation. The Court held that using the highest amount of demand as the allocation criterion is objective, uniformly applicable and promotes consistent adjudication while avoiding conflicting findings.

Case Title: Katyani Exports Through Its Proprietor & Ors. v. Union of India & Ors., W.P.(C.) No. 10607/2025 & Connected Matters, Delhi High Court

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Indirect Tax

Recipient seeking ITC must establish actual payment of tax by supplier; Delhi High Court upholds validity of Section 16(2)(c) of CGST Act

The petitioner challenged the constitutional validity of Section 16(2)(c) of the Central Goods and Services Tax Act, 2017, insofar as it makes payment of the tax charged on a supply to the Government by the supplier a condition for availment of Input Tax Credit (ITC), while also challenging the consequential GST demand of approximately ₹7.26 crore. The proceedings arose after the Directorate General of Goods and Services Tax Intelligence conducted a search at the petitioner's premises pursuant to information concerning fraudulent availment of ITC on the basis of fake and goods-less invoices, followed by proceedings alleging wrongful availment of ITC from certain suppliers whose GST registrations had subsequently been cancelled. The petitioner contended that a bona fide recipient could not reasonably be expected to monitor or ensure the tax compliance of an independent supplier and that Section 16(2)(c) should not be mechanically applied in the absence of fraud, collusion or lack of bona fides on the recipient's part. The Hon'ble Delhi High Court rejected the constitutional challenge, observing that the issue was no longer *res integra* in view of the Supreme Court's decision in *Bhandari Scrap Traders v. Union of India*, wherein the validity of Section 16(2)(c) had been upheld and the argument that the provision should be read down merely because the supplier may default had been rejected. It held that the statutory condition requires the recipient seeking ITC to establish, through cogent material, that the tax charged on the relevant supply was actually deposited by the supplier. On the facts of the case, the Court noted that the impugned proceedings were based upon the petitioner's GSTR-1, GSTR-3B, GSTR-2A and e-way bill data, which indicated availment of ITC from suppliers whose registrations had been cancelled prior to the dates of the relevant invoices. However, whether the petitioner had discharged its burden of establishing receipt of the goods and actual payment of tax by the suppliers would require examination of factual material including transport records, delivery challans and payment trails. It therefore declined to adjudicate these factual issues in writ jurisdiction and relegated the petitioner to the statutory appellate remedy under Section 107 of the CGST Act.

Jain Cement Udyog (Through Proprietor Sh. Sanjay Jain) v. Union of India & Anr., W.P.(C) 13622/2026, High Court of Delhi.



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ITC NEEDS MORE THAN AN INVOICE



The Delhi High Court upheld Section 16(2)(c) of the CGST Act, holding that a recipient claiming ITC must establish that the supplier actually paid the tax to the Government. The Court declined to decide disputed factual issues in writ jurisdiction and directed the petitioner to pursue the statutory appellate remedy.

Case Title: Jain Cement Udyog v. Union of India & Anr., W.P.(C) 13622/2026, Delhi High Court

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Invoice

Invoice#:

Date:

Order #:

Terms:

Intellectual Property Right

Delhi High Court Restrains “HERBAWISH” Products in Herbalife Trade Dress Dispute

The Delhi High Court granted an ex parte ad interim injunction restraining the defendants from using “HERBAWISH”, “HERBAWISH NUTRITION” and deceptively similar marks, logos and trade dress in relation to nutritional products. The Court found a strong prima facie case of infringement and passing off, noting the similarity in the marks, the common “Herba” prefix, identical products, and overlapping consumers and trade channels. The Court also found that the defendants had copied key elements of Herbalife’s packaging, including the three-leaf device, green band, white container, colour combination and arrangement of product information. Since the products were nutritional products, the Court observed that inferior-quality products could also cause health risks and tarnish Herbalife’s reputation.

Accordingly, Defendants 1- 4 were restrained from using the impugned marks, three-leaf logos, trade dress/packaging and “Herbawish” as part of their domain name. Amazon, Flipkart and IndiaMART were directed to take down the identified listings within 36 hours and disclose available KYC and other identifying details of the sellers.

Herbalife International, Inc. v. Ashish Kumar & Ors., CS(COMM) 997/2026, Delhi High Court, decided on 15 September 2026.



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TRADE DRESS COPYING CAN TRIGGER AN INJUNCTION



The Delhi High Court restrained the use of “HERBAWISH” and similar marks and trade dress, finding a strong prima facie case of infringement and passing off. The Court noted similarities in the marks, products and packaging, including the three-leaf device, green band, white container and overall layout, creating a likelihood of confusion.

Case Title: Herbalife International, Inc. v. Ashish Kumar & Ors., CS(COMM) 997/2026, Delhi High Court, decided on 15 September 2026

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Intellectual Property Right

Delhi High Court Grants Injunction Against "SOCIAL CIRCLE" in "SOCIAL" Trademark Dispute

The Delhi High Court granted an ex parte ad interim injunction restraining the defendant from using "SOCIAL CIRCLE" or any other mark deceptively similar to Impresario's registered "SOCIAL" trademark in relation to restaurant/bar services. The Court noted that "SOCIAL" had been declared a well-known trademark and was supported by extensive use, registrations and substantial revenue and promotional expenditure.

The Court found the rival marks "SOCIAL CIRCLE" and "SOCIAL" to be identical/deceptively similar and held that the Plaintiff had established a strong prima facie case. The balance of convenience and likelihood of irreparable injury also favoured the Plaintiff. Accordingly, the defendant and persons acting through it were restrained, until the next date of hearing, from using, marketing, advertising or otherwise dealing in services under "SOCIAL CIRCLE" or any deceptively similar mark.

Impresario Entertainment and Hospitality Pvt. Ltd.
v. M/s Social Circle Through Its Proprietor,
CS(COMM) 1033/2026



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"SOCIAL CIRCLE" RESTRAINED IN "SOCIAL" TRADEMARK DISPUTE

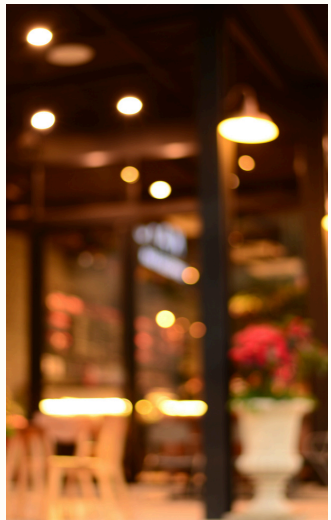
Trademark similarity under scrutiny.

The Delhi High Court restrained use of "SOCIAL CIRCLE" for restaurant and bar services, finding it deceptively similar to Impresario's registered and well-known "SOCIAL" mark. The Court noted extensive use, registrations and promotional investment, and found a strong prima facie case along with a likelihood of irreparable injury.

CASE TITLE: Impresario Entertainment and Hospitality Pvt. Ltd. v. M/s Social Circle Through Its Proprietor, CS(COMM) 1033/2026, Delhi High Court

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Intellectual Property Right

Bombay High Court Restrains “SURE” Water Sales in Parle Agro Franchise Dispute

The Bombay High Court partly allowed Parle Agro’s Section 9 petition seeking interim protection against its franchisees’ competing packaged drinking water business under the mark “SURE”. The Court found a prima facie breach of the 2014 Franchise Agreement, which prohibited the franchisee from carrying on competing activities directly or indirectly through associates or sister concerns.

The Court noted that “SURE” was being manufactured by Respondent No. 2, a connected entity operating from the same premises, with common ownership, personnel and operational arrangements. It held that the material prima facie established that the competing packaged drinking water activity fell within the contractual non-compete restriction. Accordingly, the Respondents and their affiliates, associates, sister concerns and group companies were restrained from manufacturing, distributing, marketing or selling “SURE” or other competing packaged drinking water in breach of the Franchise Agreements, and from using Parle Agro’s confidential information, know-how and business networks for such activity. The order expressly preserved independent lawful business activities and left the final contractual issues to the arbitral tribunal.

Parle Agro Private Limited v. Udayak Agro Products Pvt. Ltd. & Anr., Comm. Arbitration Petition (L) No. 25994 of 2026, Bombay High Court



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FRANCHISE AGREEMENT BLOCKS COMPETING “SURE” WATER BUSINESS



The Bombay High Court found a prima facie breach of a franchise agreement's non-compete clause, restraining the franchisees and connected entities from manufacturing, selling or marketing “SURE” packaged drinking water. The Court also restrained misuse of confidential information, know-how and business networks, while leaving final contractual issues to arbitration.

Case Title: Parle Agro Private Limited v. Udayak Agro Products Pvt. Ltd. & Anr., Comm. Arbitration Petition (L) No. 25994 of 2026, Bombay High Court

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Intellectual Property Right

Kerala High Court Holds Only Registered Trademark Proprietor Can Seek Company Name Rectification

The Kerala High Court quashed orders directing two companies containing the word “Kandamkulathi” in their names to change their names under Section 16(1)(b) of the Companies Act, 2013. The applications for rectification had been filed by a company whose director was the registered proprietor of the “Kandamkulathi” trademark.

The Court held that Section 16(1)(b) permits only the registered proprietor of a trademark to seek rectification of a company name on the ground that it is identical with or too nearly resembles the registered mark. The fact that the registered proprietor was a director of the applicant company did not cure the defect, as a company has a separate legal personality from its directors and shareholders. Accordingly, the impugned orders were quashed and both writ petitions were allowed. The Court clarified that the registered proprietor could file a proper application, while the Central Government could independently initiate proceedings under Section 16(1)(a), if warranted.

M/s. Kandamkulathi Ayurveda Vaidyasala (P) Ltd. & Anr. v. Regional Director, Southern Region, Ministry of Corporate Affairs & Ors., W.P.(C) Nos. 31973 of 2017 & 23427 of 2018



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TRADEMARK RIGHTS DON'T PASS THROUGH DIRECTORSHIP



The Kerala High Court held that only the registered proprietor of a trademark can seek company-name rectification under Section 16(1)(b) of the Companies Act, 2013. A director's ownership of the trademark does not confer that right on the company, as a company has a separate legal identity from its directors and shareholders.

Case Title: Kandamkulathi Ayurveda Vaidyasala (P) Ltd. v. Regional Director, Southern Region, MCA, W.P.(C) Nos. 31973/2017 & 23427/2018

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Intellectual Property Right

Delhi High Court Grants Ex Parte Injunction Against Fake "PURPILLE" Franchise Scam

The Delhi High Court granted an ex parte ad interim injunction restraining Defendant No. 1 from operating or promoting any purported franchise, dealership or business opportunity under "PURPILLE" or deceptively similar marks. The defendant had used Purple's registered marks, logos, genuine store photographs and official email address to solicit franchise applications for ₹15 lakh through Facebook and WhatsApp. The Court found a prima facie case of trademark infringement and passing off, noting that the defendant had adopted the identical "PURPILLE" mark and associated branding as the central identifier of the purported franchise scheme. The Court also noted the plaintiff's substantial registrations, goodwill and commercial reputation. The Court directed Meta to take down the impugned Facebook content and disclose identifying details, WhatsApp to suspend the associated account and provide account information, Jio to block the mobile number and disclose available KYC details, and Truecaller to remove the unauthorised listing.

Manash Lifestyle Private Limited v. John Doe/Ashok Kumar & Ors., CS(COMM) 985/2026



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THE BRAND WAS REAL. THE FRANCHISE WASN'T.



The Delhi High Court restrained the use of "PURPILLE" and deceptively similar marks in a fake franchise scheme seeking ₹15 lakh from applicants. The defendant had used Purple's trademarks, logos, store photographs and official email address to solicit franchisees through social media. The Court also directed platforms and service providers to take down the infringing content.

CASE TITLE: Manash Lifestyle Pvt. Ltd. v. John Doe/Ashok Kumar & Ors., CS(COMM) 985/2026, Delhi High Court

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Litigation

Arbitration / Seat and Venue of Arbitration

High Court's Location Does Not Become the Seat of Arbitration Merely Because It Appointed the Arbitrator: Supreme Court

The Supreme Court has held that the location of a High Court that appoints an arbitrator under Section 11(6) of the Arbitration and Conciliation Act, 1996, does not automatically become the juridical seat of arbitration. The seat must be determined by an express designation, agreement between the parties, or a specific determination in the order appointing the arbitrator.

The dispute arose between Mahanadi Coalfields Ltd. and M/s GSCO (Gurmeet Singh and Company) Infrastructure Pvt. Ltd. in relation to a contract for works executed in Sundargarh, Odisha. The Orissa High Court at Cuttack appointed a sole arbitrator, and the arbitral proceedings were conducted at Cuttack for administrative convenience. Following the award, Mahanadi Coalfields filed petitions under Section 34 before the District Judge, Sundargarh.

The Supreme Court distinguished between the “seat” and “venue” of arbitration, observing that while the seat determines the courts exercising supervisory jurisdiction, the venue merely identifies the physical location of hearings. Since neither the parties’ agreement nor the High Court’s appointment order designated Cuttack as the seat, the conduct of proceedings there could not, by itself, confer exclusive jurisdiction on Cuttack courts. The Court further held that the mere filing of the Section 11(6) application before the High Court at Cuttack did not attract Section 42 of the Act.

Accordingly, the Supreme Court set aside the High Court’s decision holding the Section 34 petitions before the Sundargarh District Court to be non-maintainable and time-barred. It restored the petitions to the file of the District Judge, Sundargarh, for adjudication in accordance with law. The Court also noted that courts within the territorial jurisdiction of the concerned High Court may exercise jurisdiction unless the parties agree otherwise or the seat is specifically determined.

Mahanadi Coalfields Ltd. & Ors. v. M/s GSCO (Gurmeet Singh and Company) Infrastructure Pvt. Ltd. 2026 INSC 1038



Meyank Pandey



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A VENUE DOESN'T AUTOMATICALLY BECOME THE SEAT



The Supreme Court has clarified that the place where arbitration hearings are conducted does not automatically become the juridical seat of arbitration.

In *Mahanadi Coalfields Ltd. v. M/s GSCO Infrastructure Pvt. Ltd.*, the Court held that Cuttack was only the venue for the proceedings and did not become the seat merely because the arbitrator was appointed by the Orissa High Court at Cuttack or hearings were held there.

The Court restored the Section 34 petitions before the District Judge, Sundargarh, holding that the seat must be expressly designated, agreed upon by the parties, or specifically determined by the court.

CASE TITLE: Mahanadi Coalfields Ltd & Ors. v. M/s GSCO (Gurmeet Singh and Company) Infrastructure Pvt. Ltd. 2026 INSC 1038

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Litigation

Arbitration / Enforcement of Arbitral Awards

Conditional Deposit Does Not Stop Interest Unless Award-Holder Can Freely Withdraw the Amount: Supreme Court

The Supreme Court has held that an award-debtor's liability to pay interest on an arbitral award does not cease merely because the awarded amount has been deposited in court. For interest to stop under Order XXI Rule 1 of the Code of Civil Procedure, 1908, the deposit must be unconditional and available to the award-holder for withdrawal.

The dispute arose from an arbitral award directing National Seeds Corporation Ltd. to pay approximately ₹1.78 crore to National Agro Seed Corporation (India), along with interest. The award-debtor deposited 50% of the principal amount pursuant to an interim stay order. However, the award-holder was permitted to withdraw the deposited amount only upon furnishing security, including title deeds of immovable property. The award-holder was unable to furnish the security and could not access the money.

The Court distinguished between a deposit and payment, holding that a deposit made merely to secure a stay does not necessarily amount to satisfaction of the award. Where withdrawal is conditional upon furnishing security, the deposit is not in conformity with Order XXI Rule 1, and interest continues to accrue. However, the Court clarified that an award-holder cannot indefinitely claim interest where the deposited amount is freely available but the holder fails to take timely steps to withdraw it; such inaction may amount to deemed refusal of the tender.

Applying these principles, the Supreme Court held that the deposit made by National Seeds Corporation was not unconditional and that the award-holder was not free to withdraw it. Accordingly, the liability to pay interest did not cease. The Court affirmed the impugned order but also highlighted the lack of uniformity in the administration and investment of court deposits, requesting the Law Commission of India to examine the issue and consider appropriate legislative measures.

National Seeds Corporation Ltd. v. National Agro Seed Corporation (India) 2026 INSC 1017



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Quick Bites

DEPOSIT - PAYMENT: WHEN DOES INTEREST STOP?



A court deposit does not by itself stop interest on an arbitral award. Interest ceases only when the deposited amount is unconditional and freely available for withdrawal by the award-holder. If withdrawal is subject to furnishing security, the deposit does not amount to payment and interest continues to accrue.

CASE TITLE: National Seeds Corporation Ltd. v. National Agro Seed Corporation (India) 2026 INSC 1017

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Litigation

Consumer Protection

NCDRC Refuses Compensation Enhancement for Disconnected Mobile Connection due to Absent Proof of Lifetime Validity or Loss

The National Consumer Disputes Redressal Commission (NCDRC) has dismissed a revision petition seeking enhancement of compensation arising from the disconnection of a mobile connection. The Commission held that there was no material or valid reason to interfere with the concurrent findings of the lower consumer fora.

The complainant alleged that he had purchased a lifetime validity scheme from Idea Cellular for ₹975, but that his mobile connection was subsequently terminated and the number was allotted to another person. He sought compensation of ₹20 lakh, claiming mental agony and harassment. The respondents contended that the scheme provided validity for 999 days, with an additional 78 days, after which the connection was disconnected due to non-recharge. The State Commission refused to enhance the compensation, observing that the complainant had not produced documentary evidence establishing that he had purchased a lifetime validity scheme, that the disconnection was arbitrary, or that the terms of the plan had been violated. It further held that the alleged loss or damage caused by the unavailability of the connection had not been substantiated.

The NCDRC relied on the limited scope of revisional jurisdiction, as explained in Rubi (Chandra) Dutta v. United India Insurance Co. Ltd. and subsequent decisions, and found no illegality, material irregularity or valid ground for interference. Accordingly, the revision petition was dismissed, leaving undisturbed the District Commission's direction to restore the connection and pay INR5,000 as damages.

Sanjay Dutt Sharma v. Idea Cellular Ltd. & Ors.
Case No.: Revision Petition No. NC/RP/915/2026



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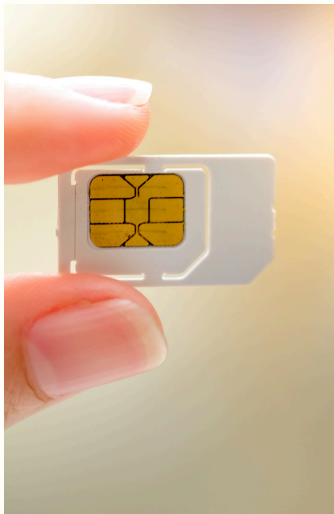
Lifetime Validity Must Be Proved

The NCDRC declined to enhance compensation, finding no documentary proof that a lifetime validity plan was purchased or that the disconnection was arbitrary. With no substantiated evidence of the claimed loss, the revision petition was dismissed.

CASE TITLE: Sanjay Dutt Sharma v. Idea Cellular Ltd. & Ors.
Case No.: Revision Petition No. NC/RP/915/2026

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Litigation

Rajasthan HC Permits Re-Exhibition of Bank Return Memo Bearing Authorised Seal and Signature

The Rajasthan High Court has held that a bank return memo initially exhibited as a computer-generated document may subsequently be exhibited with the bank's authenticated seal and authorised signature, where the subsequent production is intended to correct an inadvertent error and not to fill an inherent lacuna in the complainant's case.

The case arose from proceedings under Section 138 of the Negotiable Instruments Act, 1881, concerning a cheque for ₹3,90,000 dishonoured for insufficient funds. The complainant had initially produced an online-generated bank return memo, marked as Exhibit-2, which did not bear the bank's seal or authorised signature. During cross-examination, the complainant produced another return memo containing the requisite authentication, which was marked as Exhibit-9.

The Court, relying on *Rajendra Prasad v. Narcotic Cell, P. Chhaganlal Daga v. M. Sanjay Shaw* and *U.T. of Dadra & Nagar Haveli v. Fatehsinh Mohansinh Chauhan*, held that an inadvertent oversight in producing or proving relevant material should not automatically be treated as an incurable lacuna. It observed that the subsequent memo merely corrected the defect in the earlier computer-generated document and supported the case already advanced by the complainant.

The Court further clarified that marking a document as an exhibit does not amount to its admission or proof. The authenticity, execution and contents of Exhibit-9 remained subject to proof in accordance with law, and the accused was entitled to cross-examine the complainant and raise objections regarding admissibility. Finding that no substantial prejudice or failure of justice had been caused, the Court dismissed the petition under Section 528 of the *Bharatiya Nagarik Suraksha Sanhita, 2023*.

Gulam Mohd. v. Gopal Traders & Anr.
2026:RJ-JD:43648



Meyank Pandey



Quick Bites

CORRECTING AN ERROR / FILLING A LACUNA



The Rajasthan High Court permitted re-exhibition of a bank return memo bearing the authorised seal and signature, holding that the subsequent production corrected an inadvertent defect rather than filled an inherent lacuna. The Court clarified that marking a document as an exhibit does not establish its proof or admissibility, which remain subject to objections and cross-examination.

CASE TITLE: *Gulam Mohd. v. Gopal Traders & Anr.*, 2026:RJ-JD:43648, Rajasthan High Court

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Litigation

Criminal Law / Negotiable Instruments Act

Absence of a Plea of Prejudice by the Accused Fatal to Order Remanding NI Act Trial for Fresh Defence Evidence: Supreme Court

The Supreme Court has held that a remand of a completed trial under Section 138 of the Negotiable Instruments Act, 1881 to the stage of defence evidence, made solely on the basis of the ruling in *M/s Mandvi Cooperative Bank Limited v. Nimesh B. Thakore*, cannot be sustained where the accused never raised any plea of prejudice before the Trial Court or the First Appellate Court.

The dispute arose between Sanu Varghese, the complainant, and Shoukkathali, the accused, in a cheque dishonour case. The accused, examined as DW-1, contended that a signed blank cheque had been given as security for a loan and that the complainant was not in station on the relevant dates, but led no substantive evidence, such as Call Data Records, to establish this. The High Court, in revision, remanded the matter for fresh trial from the stage of defence evidence, relying on the distinction drawn in *Mandvi Cooperative Bank* between the complainant's evidence (which may be given on affidavit) and the accused's evidence (which may not necessarily be documentary in nature).

The Supreme Court held that this dictum had to be applied with reference to the prejudice actually caused to the accused in a completed trial, and found that no such prejudice was ever pleaded. It observed that the accused's signature on the cheque was admitted, the statutory presumption applied and remained un rebutted, and that the contention accepted by the High Court was merely a product of "the ingenuity of the lawyer." The Court set aside the High Court's order and restored the criminal revision petition to the High Court for consideration on its own merits, directing that if the Trial Court had examined the accused in person after the earlier resumption of trial, that evidence alone would be considered, and any other evidence led at the initial trial would be eschewed.

Case Title: Sanu Varghese v. Shoukkathali

Citation: 2026 INSC 1053

Coram: Justice J.B. Pardiwala and Justice K. Vinod Chandran



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NO AUTOMATIC REMAND.**

The Supreme Court has held that a completed Section 138 NI Act trial cannot be remanded for fresh defence evidence merely by relying on *Mandvi Cooperative Bank Ltd. v. Nimesh B. Thakore*, when the accused never pleaded that any prejudice was caused.

The Court noted that the accused had admitted the signature on the cheque and had not rebutted the statutory presumption. Accordingly, the High Court's remand order was set aside and the matter was restored for consideration on merits.

Case Title: Sanu Varghese v. Shoukkathali
Citation: 2026 INSC 1053
Coram: Justice J.B. Pardiwala and Justice K. Vinod Chandran

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Litigation

Private International Law / Anti-Suit Injunction

Anti-Suit Injunction Restraining Foreign Divorce Proceedings Not to Be Granted as a Matter of Routine, Especially When Foreign Proceedings Are Still Pending: Supreme Court

The Supreme Court has held that an anti-suit injunction restraining a spouse from prosecuting matrimonial proceedings before a foreign court is an extraordinary remedy to be exercised sparingly, and cannot be granted merely on the speculative ground that the foreign court may eventually pass a decree on a ground not recognised under Indian matrimonial law, particularly while the foreign proceedings, including the question of jurisdiction, remain undecided.

The dispute arose between Mihir Prakash Bajoria and Vidushi Jain Bajoria, married in Kolkata in 2018 but having spent substantial periods of their married life in London. The husband instituted divorce proceedings before the Alipore Family Court in India, while the wife initiated parallel divorce and maintenance proceedings before the UK Family Court on the ground of irretrievable breakdown of marriage. After the UK Family Court began determining the issue of appropriate forum, the husband obtained an ex-parte ad-interim anti-suit injunction from the Alipore Trial Court restraining the wife from continuing the UK proceedings, on the reasoning that a decree based on irretrievable breakdown would be unenforceable in India under Section 13 CPC. The High Court at Calcutta set aside this injunction, holding that the principle of forum non conveniens was for the UK Family Court itself to invoke, and that considerations of comity of courts under Sections 13 and 14 CPC counselled against interference.

The Supreme Court affirmed the High Court's view. Relying on *Modi Entertainment Network v. W.S.G. Cricket Pte. Ltd.* and its own recent decision in *Dinesh Singh Thakur v. Sonal Thakur*, the Court reiterated that anti-suit injunctions must be granted with circumspection, having regard to whether the party is amenable to the court's personal jurisdiction, whether refusal would defeat the ends of justice, and the overriding principle of comity of courts. It held that the doctrine of forum non conveniens favoured the UK Court as the parties' matrimonial home was substantially in London, and that the ground of irretrievable breakdown being unavailable under Indian law did not, by itself, mean the wife was likely to succeed on that ground before the foreign court. The Court also noted that anti-suit injunctions are generally inappropriate where the foreign proceedings have not concluded. The appeal was accordingly dismissed and the High Court's judgment upheld, though the Court clarified it had expressed no opinion on subsequent developments, including a conditional divorce decree passed by the UK court during the pendency of the appeal, leaving parties free to pursue their remedies in accordance with law.

Case Title: Mihir Prakash Bajoria v. Vidushi Jain Bajoria

Citation: 2026 INSC 1034

Coram: Justice S.V.N. Bhatti and Justice N.V. Anjaria (Author)



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WHEN TWO COURTS ARE INVOLVED, THE FORUM MATTERS

The Supreme Court has reiterated that an anti-suit injunction is an extraordinary remedy and cannot be granted routinely merely because a foreign proceeding may eventually create a conflict with Indian law.

In *Mihir Prakash Bajoria v. Vidushi Jain Bajoria*, the Court emphasised forum non conveniens and comity of courts, noting that the foreign proceedings were still pending, including the question of jurisdiction. The mere possibility that the foreign court could grant relief on a ground not recognised under Indian law was not, by itself, sufficient to restrain those proceedings.

Case Title: Mihir Prakash Bajoria v. Vidushi Jain Bajoria
Citation: 2026 INSC 1034
Coram: Justice S.V.N. Bhatti and Justice N.V. Anjaria (Author)

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Litigation

Service Law / Constitution of India — Article 311

Delegation of Appointing Power Does Not Alter Rank Hierarchy, But Officer Actually Competent Under Rules to Appoint Is Not "Subordinate" for Article 311 Purposes: Supreme Court

The Supreme Court has held that in determining whether a dismissal or removal order violates Article 311(1) of the Constitution, courts must first correctly identify the authority that actually made the appointment from the contemporaneous documentary record, rather than treating a conditional call letter for training as an appointment order.

The dispute arose out of the removal of Ramdhani Prasad, a Rakshak in the Railway Protection Special Force, who had been called for initial training by the Commandant vide a letter dated 03.05.1979 expressly conditioning appointment on successful completion of training, and was thereafter appointed as a Rakshak with effect from 04.12.1979 by a Battalion Order issued by the Assistant Commandant. He was removed from service in 1983 by the Adjutant following a departmental enquiry for unauthorised overstay beyond sanctioned leave. The First Appellate Court and the High Court had both held the removal invalid, treating the 1979 call letter as the appointment order and holding that the Adjutant, being subordinate to the Commandant, could not validly pass the removal order.

The Supreme Court held that this was an erroneous reading of the documents: the call letter merely required candidates to report for training and made the "offer" of appointment conditional, whereas the Battalion Order dated 04.12.1979 was the operative order actually appointing the respondent, issued by the Assistant Commandant. Examining Sections 6 and 9 of the Railway Protection Force Act, 1957 read with Rules 20 and 43 and Schedules I and II of the Railway Protection Force Rules, 1959, and relying on its earlier decision in *Union of India v. Chandra Pal Pandey*, the Court held that the power of appointment does not rest exclusively with the Chief Security Officer and may validly be exercised by other superior officers under the Rules, including the Assistant Security Officer, who is also empowered to impose the penalty of removal on Rakshaks. Applying the principle in *Krishna Kumar v. Divisional Assistant Electrical Engineer, Central Railway* — that delegation of appointing power does not alter hierarchical rank — the Court found that the Adjutant who passed the removal order was not subordinate in rank to the Assistant Commandant who had appointed the respondent, and that Article 311(1) was therefore not violated. The Court further held the departmental enquiry was not vitiated for want of natural justice, since the respondent had been given due notice and opportunity. The appeal was allowed, the High Court's and First Appellate Court's judgments were set aside, and the original order of removal was restored.

Case Title: *Union of India & Ors. v. Ramdhani Prasad*

Citation: 2026 INSC 1047

Coram: Justice Aravind Kumar and Justice Vipul M. Pancholi (Author)



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POWER CAN BE DELEGATED. RANK DOESN'T CHANGE.

The Supreme Court has clarified that delegation of appointing power does not alter the hierarchical rank of the officer exercising that delegated authority.

In *Union of India & Ors. v. Ramdhani Prasad*, the Court held that the Adjutant who passed the removal order was not subordinate in rank to the Assistant Commandant who had actually appointed the employee. Therefore, the removal did not violate Article 311(1).

The Court also clarified that the contemporaneous appointment record must be examined to identify the authority that actually made the appointment.

Case Title: *Union of India & Ors. v. Ramdhani Prasad*
Citation: 2026 INSC 1047
Coram: Justice Aravind Kumar and Justice Vipul M. Pancholi (Author)

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Litigation

Public Health / Public Interest Litigation — Compliance Directions

Supreme Court Approves Time-Bound Compliance Framework for ICU Guidelines Across States, Fixes Nine-Month Outer Limit and Six-Month Deadline for Recruitment of ICU Personnel

In continuing proceedings monitoring the implementation of Guidelines for Organization and Delivery of Intensive Care Services notified pursuant to earlier orders of the Supreme Court, the Court has approved, with one modification, a Committee-recommended timeline for compliance by States and institutions, and issued a mandamus for time-bound implementation of Level I ICU infrastructure and staffing norms across the country.

The Committee, comprising the Additional Solicitor General and an Amicus Curiae, placed before the Court a graded timetable for compliance with various clauses of the Guidelines — ranging from immediate compliance for infection control, safety and documentation requirements, to three-month periods for procurement of non-emergency equipment and laboratory services, and longer periods for infrastructure-related changes such as ICU location, size and nursing stations. The Committee noted that deficits in specialist doctors, trained MBBS doctors, nurses and allied healthcare personnel were systemic, and that although States had sought 12–24 months for recruitment, this was considered excessive.

The Supreme Court broadly accepted the Committee's recommendations, but modified any period prescribed as "up to 12 months" to a maximum of 9 months. It issued a mandamus directing compliance with the modified timelines for Level I ICUs, and directed that hospitals claiming to be institutions of excellence or speciality hospitals — thereby required to maintain Level III ICU facilities — must simultaneously work towards compliance with the Level III requirements in addition to the mandatory Level I compliance. A separate mandamus was issued directing that the recruitment process for ICU personnel be commenced forthwith and completed within six months. The Union of India, States and Union Territories were directed to file status reports by 05.11.2026, with any request for extension of time on account of hilly, remote or special areas to be specifically supported by particulars, the Court cautioning that no unlimited or unreasonable extension would be granted. The Court further cautioned that any laxity or default in adherence to the Guidelines or the stipulated timelines may invite strict action against the defaulting authorities, including the concerned Chief Secretaries and Secretaries.

Matter Title: Asit Baran Mondal & Anr. v. Dr. Rita Sinha MBBS MS (Obst. & Gynae) & Ors.

Citation: M.A. No. 1364/2026 in C.A. No. 8402/2016

Coram: Justice Ahsanuddin Amanullah and Justice R. Mahadevan



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ICU COMPLIANCE NOW HAS A CLOCK

The Supreme Court has mandated time-bound implementation of the 2026 ICU Guidelines. ICU personnel recruitment must begin immediately and be completed within 6 months, while timelines originally extending up to 12 months have been capped at 9 months. Infection control, safety and documentation requirements are to be addressed immediately.

Case Title: Asit Baran Mondal & Anr. v. Dr. Rita Sinha MBBS MS (Obst. & Gynae) & Ors.
Coram: Justice Ahsanuddin Amanullah and Justice R. Mahadevan

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Litigation

Arbitration Law / Interest under Section 31(7) of the Arbitration and Conciliation Act, 1996

Contractual Clause Barring Interest for "Delay in Payment" as a Separate, Independent Ground Bars Pre-Reference Interest: Supreme Court

The Supreme Court has held that where a contract clause bars claims for interest not only on money withheld due to a dispute but also, as a separate and independent ground, on account of delay in making payments, such a clause constitutes a complete bar on the Arbitral Tribunal's power to award pre-reference interest under Section 31(7)(a) of the Arbitration and Conciliation Act, 1996.

The dispute arose between North Eastern Electric Power Corporation Limited (NEEPCO) and Astra Construction Private Limited under a 1996 contract for civil works of a Gas Turbine Power Project in Tripura. The Arbitral Tribunal, by its award dated 05.06.2015, held the delay attributable to NEEPCO and awarded a principal sum along with pre-reference interest at 12% per annum, besides pendente lite and future interest at 9%. The Commercial Court, relying on Sayeed Ahmed & Company v. State of U.P., set aside the pre-reference and pendente lite interest as barred by Clause 54 of the General Conditions of Contract read with Section 31(7). The High Court of Meghalaya, however, relying on the three-Judge Bench decision in State of U.P. v. Harish Chandra and Co. (rendered under the 1940 Act), held that Clause 54's bar was confined to interest on money withheld owing to a dispute and did not extend to interest generally, and restored the Tribunal's award in full.

The Supreme Court traced the evolution of the law on arbitral interest from the Constitution Bench decision in Secretary, Irrigation Department, State of Orissa v. G.C. Roy under the 1940 Act, through to Section 31(7) of the 1996 Act, and reaffirmed — following Pam Developments (P) Ltd. v. State of West Bengal — that pendente lite interest is procedural and governed by Section 31(7)(a), whereas pre-reference interest is substantive in character and must be sourced in agreement, statute, or mercantile usage, and cannot rest on Section 31(7)(a) alone. Comparing the language of Clause 54 with the clauses considered in Harish Chandra, Sayeed Ahmed, and Jaiprakash Associates Ltd. v. THDC (India) Ltd. (THDC-II), the Court held that unlike the clause in Harish Chandra — where the reference to delayed payments merely described the circumstances of the dispute-related bar — Clause 54 expressly barred interest for delay in payment as a distinct, free-standing ground joined by the word "or," making it structurally identical to the clauses in Sayeed Ahmed and THDC-II, both of which were held to be complete bars on arbitral interest. The Court further rejected the respondent's contention that NEEPCO had waived reliance on Clause 54, noting the plea had been specifically raised in the Statement of Defence before the Tribunal.

The Court accordingly held that the High Court erred in equating Clause 54 with the clause in Harish Chandra, set aside the impugned judgment to the extent it restored pre-reference interest, and allowed the appeal, with no order as to costs.

Case Title: North Eastern Electric Power Corporation Limited (NEEPCO) v. Astra Construction Private Limited

Citation: 2026 INSC 1036

Coram: Justice Pamiidhantam Sri Narasimha and Justice Alok Aradhe (Author)



Maitreya Mahaley



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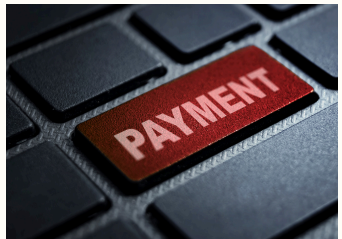


Where a contract independently bars interest for delay in payment, alongside interest on money withheld due to a dispute, the bar extends to pre-reference interest. The Supreme Court held that such a clause constitutes a complete bar on the Arbitral Tribunal's power to award pre-reference interest under Section 31(7)(a).

CASE TITLE: North Eastern Electric Power Corporation Limited (NEEPCO) v. Astra Construction Private Limited
Citation: 2026 INSC 1036
Coram: Justice Pamiidhantam Sri Narasimha and Justice Alok Aradhe (Author)

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Litigation

Surya Deep Garg @ Suraj Garg v. Neha Garg & Ors., RFA 674/2026

The Delhi High Court dismissed the appeal against rejection of the plaint under Order VII Rule 11 CPC, holding that the Appellant's claim to ownership of the suit property was barred by the Prohibition of Benami Property Transactions Act, 1988, limitation and Order IX Rule 9 CPC. The Appellant claimed that although the 2007 Sale Deed stood in the names of his wife and mother-in-law, the entire consideration had been paid by him and the property was held for his benefit.

On limitation, the Court held that the Appellant was admittedly aware of the 2007 Sale Deed and could have challenged it within the prescribed period. The subsequent Sale Deed of 2018 could not revive the already time-barred challenge to the original transaction. Further, the Appellant had previously instituted a suit challenging the same 2007 Sale Deed, which was dismissed for non-prosecution. The Court held that although such dismissal was not an adjudication on merits attracting res judicata, Order IX Rule 9 CPC expressly bars a fresh suit on the same cause of action.

On the Benami Act, the Court relied on *Manjula v. D.A. Srinivas* and held that the 2016 substituted Section 2(9), including its statutory exceptions, applies retrospectively for determining whether a transaction is benami. The exception for property purchased in the name of a spouse applies only where consideration is paid from the purchaser's known sources. Here, the consideration came partly from joint accounts, a proprietorship firm standing in the wife's name and a loan obtained in the mother-in-law's name, with no credible proof of repayment. Hence, the statutory exception was unavailable and Section 4(1) barred the Appellant's claim as the alleged real owner.

Law: A subsequent transaction cannot revive a time-barred challenge to the original benami transaction, and the spouse exception under Section 2(9) requires payment from the purchaser's known sources.



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Quick Bites

A Later Sale Deed Cannot Revive a Time-Barred Claim

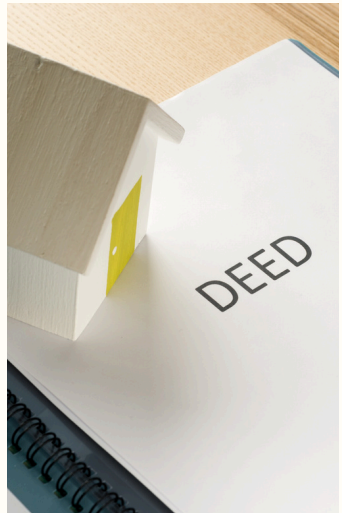


The Delhi High Court held that the ownership claim was barred by limitation, Order IX Rule 9 CPC and the Benami Act. A subsequent transaction cannot reopen a challenge that had already become time-barred.

Case Title: Surya Deep Garg @ Suraj Garg v. Neha Garg & Ors., RFA 674/2026

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Litigation

Master Shubh Chowdhari v. Equestrian Federation of India & Ors., LPA 761/2026

The Delhi High Court dismissed the appeal challenging the selection of the rider to represent India at the Youth Olympic Games 2026. The Appellant contended that the Selection Committee had departed from the notified criteria by ranking riders on the number of “qualifying performances” rather than average penalty points. The Court distinguished between the notified selection criteria and the methodology adopted to operationalise those criteria, which included assessing results between 08.05.2026 and 25.07.2026, giving equal weight to 130 cm and 135 cm results, excluding incomplete two phase rounds, and treating completed rounds with not more than eight penalties as qualifying performances.

The Court held that the eight penalty threshold was applied uniformly to all seven riders and was also a standard relied upon by the Appellant himself. It rejected the proposed average penalty methodology, observing that consistency requires repetition of a prescribed standard across results and cannot be reduced to an arithmetic average based on a limited number of results. The Selection Committee’s methodology therefore had a rational nexus with the notified criteria and did not amount to introducing a new selection criterion.

On judicial review, the Court reiterated that courts do not sit in appeal over expert selection committees or reassess comparative sporting merit. Interference is warranted only where the decision is mala fide, perverse, arbitrary, irrational, or contrary to binding criteria. Since none of these grounds was established, the appeal was dismissed.

Law: Courts exercising judicial review ordinarily cannot substitute their assessment for that of an expert sports selection committee where the adopted methodology rationally implements the notified criteria and is applied uniformly.



Hardik Jain



Quick Bites

Courts Cannot Reassess Sporting Merit



The Delhi High Court held that judicial review does not permit courts to substitute their assessment for that of an expert Selection Committee, where the selection methodology is rational, uniformly applied and consistent with the notified criteria.

CASE TITLE: Master Shubh Chowdhari v. Equestrian Federation of India & Ors., LPA 761/2026

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Litigation

**Aashiya v. National Medical Commission & Ors.
and Shivam Kumar v. Union of India & Ors.,
W.P.(C) 12368/2026 & W.P.(C) 12499/2026**

The Delhi High Court allowed both writ petitions concerning the assessment of Persons with Benchmark Disabilities (PwBD) for admission to MBBS. The Petitioners possessed valid Government issued UDID Cards recording disabilities above the 40% benchmark. However, the Medical Assessment Boards re assessed their disabilities at 16% and 30% respectively, while simultaneously finding them functionally capable of pursuing the MBBS course.

The Court held that under Clauses 9.2 and 9.3 of the 2026 Guidelines, the UDID Card is the primary documentary evidence of the existence, nature and extent of disability. The Medical Assessment Board is empowered to independently assess the candidate's functional competency, namely whether the candidate can acquire and perform the essential competencies required for the MBBS curriculum, but it has no authority to re quantify or reduce the percentage of disability recorded in the UDID Card.

Relying upon Sections 56, 57 and 59 of the RPwD Act, the Rules of 2017 and Om Rathod v. Director General of Health Services, the Court held that any challenge to the disability certification must be pursued through the statutory appellate mechanism and cannot be undertaken by the Medical Assessment Board during the admission process. Accordingly, the impugned assessments were set aside and the Petitioners were permitted to participate in the third and mop up counselling rounds under the PwBD category based on their UDID Cards.

Law: A Medical Assessment Board assessing MBBS eligibility may determine functional competency, but cannot re quantify or alter the percentage of disability recorded in a valid UDID Card.



Hardik Jain



Quick Bites

ASSESS FUNCTION. DON'T RE-QUANTIFY DISABILITY.



A Medical Assessment Board may assess a candidate's functional competency for MBBS, but cannot re-quantify or alter the disability percentage recorded in a valid UDID Card.

CASE TITLE: Aashiya v. National Medical Commission & Ors. and Shivam Kumar v. Union of India & Ors., W.P.(C) 12368/2026 & W.P.(C) 12499/2026

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Litigation

DSC Ltd. (formerly D.S. Construction Ltd.) v. Praveen Sharma & Anr. and Praveen Sharma v. Darshan Singh & Anr., MAC.APP. 1128/2017 & MAC.APP. 499/2018

The Delhi High Court dealt with cross appeals arising from a motor accident claim. The Court held that an acquittal of the driver in criminal proceedings does not determine negligence in MACT proceedings, since criminal liability is assessed beyond reasonable doubt whereas negligence before the MACT is determined on the preponderance of probabilities. FIR and charge sheet constitute relevant prima facie material, and absence of independent eyewitnesses does not by itself defeat a claim.

On compensation, the Court relied upon the subsequent AIIMS assessments, which increased the claimant's permanent disability from the original 9% to 49%. Since the AIIMS assessments were not specifically challenged, the Court accepted them as persuasive. Considering the nature of the injuries, approximately 26 surgeries, serious impairment of the reproductive and urinary systems and the resulting impact on earning capacity, the Court assessed the claimant's functional disability at 80%. The Court further enhanced compensation by applying graduate minimum wages of Rs. 4,031/-, 40% future prospects and multiplier of 18, and awarded Rs. 10 lakh towards attendant charges and Rs. 5 lakh towards pain and suffering. The total compensation was enhanced from Rs. 37,19,000/- to Rs. 53,16,000/- with 9% interest.

Law: An acquittal in criminal proceedings does not displace negligence established on the preponderance of probabilities before the MACT, and functional disability for compensation must reflect the actual impact of injuries on the claimant's earning capacity.



Hardik Jain



Litigation

Steel Authority of India Ltd. v. Norvic Shipping North America Inc., O.M.P. (COMM) 260/2023

The Delhi High Court dismissed SAIL's petition under Section 34 challenging an arbitral award arising from disputes concerning laytime and demurrage for seven vessels under a Contract of Affreightment. The Court held that the arbitration was an international commercial arbitration since the respondent was a Canadian company and the seat was Delhi. Consequently, the additional ground of "patent illegality" under Section 34(2A), applicable to domestic awards, was unavailable. The Court emphasised that in Section 34 proceedings, particularly in international commercial arbitration, the Court cannot sit as an appellate court or reappreciate evidence.

On COVID-19 force majeure, the Court held that SAIL failed to establish that discharge of cargo was actually prevented or hindered. Government orders continued to treat loading and unloading of cargo as essential services. The contractual force majeure clauses therefore could not be invoked merely because the pandemic existed. The fact that SAIL was a "State" under Article 12 also did not confer any special contractual protection when it entered into a commercial agreement with a private party.

The Court further held that the award contained adequate reasons. An arbitral award need not resemble a detailed judicial judgment; intelligible and adequate reasoning is sufficient. The tribunal's factual findings, interpretation of the contractual clauses and assessment of evidence were not open to appellate reappreciation. The challenge to the interest clause also failed as "LIBOR + 3% or 12%, whichever is less" was held to be unambiguous.

Law: In an international commercial arbitration seated in India, Section 34 review is narrowly confined and "patent illegality" cannot be invoked; the Court will not reappreciate evidence or substitute a plausible arbitral view.



Hardik Jain



Corporate

Five Adani Group Firms Settle SEBI Proceedings Linked to Hindenburg Report for ₹1.51 Crore

Five Adani Group companies have settled adjudication proceedings initiated by the Securities and Exchange Board of India (SEBI) in connection with issues examined following allegations highlighted in the Hindenburg Report. The companies collectively paid ₹1.508 crore to settle the proceedings. SEBI passed the settlement order on September 22, 2026. The proceedings involved Adani Enterprises, Adani Total Gas, AWL Agri Business, Adani Green Energy and Adani Energy Solutions. SEBI's examination covered alleged non-disclosure of related-party transactions, corporate governance concerns and compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the erstwhile Equity Listing Agreement. The proceedings also concerned audit and limited-review reports allegedly signed by audit firms without valid Peer Review Certificates for specified periods. The companies applied for settlement without admitting or denying the findings. Following consideration by SEBI's Internal Committee and the High Powered Advisory Committee, settlement amounts were recommended and subsequently approved by SEBI's Whole Time Members. The companies paid the amounts in September 2026, following which SEBI disposed of the proceedings. The settlement order, however, preserves SEBI's power to take enforcement action in specified circumstances, including if representations or undertakings made during the settlement process are subsequently found to be untrue.



Rishav Sagar



Tata Sons' Listing Debate Deepens as Trusts Seek Alternatives to RBI Compliance

The debate over the future structure of Tata Sons has intensified following the Reserve Bank of India's (RBI) decision to reject the company's application for deregistration and require compliance with the regulatory framework applicable to upper-layer NBFCs. The development has brought the company's longstanding unlisted structure under renewed scrutiny. Tata Trusts, which collectively hold about 66% of Tata Sons, has opposed treating a public listing as the only route and has sought consideration of alternative structures. Reports indicate that Tata Trusts Chairman Noel Tata proposed exploring a restructuring, potentially involving the division of Tata Sons into multiple entities, at the September 17 board meeting. Such restructuring could potentially involve a demerger, transfer of assets to subsidiaries, merger or another scheme of arrangement. However, experts cited in reports have pointed to regulatory, tax, commercial and governance complexities associated with any such exercise. The issue has also exposed differences between Tata Trusts and the Tata Sons board over the appropriate course of action. While the board has moved towards preparing for a potential listing, Tata Trusts has maintained that all available alternatives should first be examined. Separately, reports have raised questions over whether Tata Trusts was adequately briefed about Tata Sons' submissions and discussions with the RBI during the regulatory process. The eventual structure of Tata Sons will therefore depend on the regulatory position, shareholder considerations and the feasibility of the alternatives under consideration.



Rishav Sagar



Corporate

SEBI Overhauls PMS Framework, Allows IPOs, Foreign Securities and Mutual Fund Investments

The Securities and Exchange Board of India (SEBI) has approved the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2026, replacing the existing 2020 framework and expanding the investment avenues available to portfolio managers. Under the revised framework, portfolio managers will be permitted to invest client funds in initial public offerings (IPOs), primary market debt issuances and specified overseas securities, including listed equity and debt, REITs, overseas mutual funds, ETFs, index funds and foreign government securities, subject to applicable FEMA and RBI requirements. SEBI has also introduced the Portfolio Managers Route for Investing in Mutual Fund Units (PRIM), enabling PMS managers to invest in direct mutual fund schemes, ETFs, index funds and specialised investment funds. The minimum investment under PRIM will be ₹25 lakh. Discretionary PMS managers may invest up to 10% of a client's assets under management in investment-grade unlisted debt securities, subject to client consent. The framework also introduces Independent Fund Managers, allowing eligible professionals to manage portfolios through registered portfolio managers. SEBI said the reforms seek to simplify regulations, remove redundant provisions and facilitate greater flexibility in portfolio management services.



Rishav Sagar



RBI Proposes 60-Day Cap on Temporary Debit Holds for Suspected Money Mule Accounts

The Reserve Bank of India (RBI) has proposed amendments to its Know Your Customer (KYC) Directions, 2025, introducing a uniform, time-bound framework for banks to place temporary debit holds on transactions or accounts suspected to be linked to money-mule activity and cyber-enabled financial fraud. The draft follows a Supreme Court order dated August 4, 2026, directing the RBI to formulate a standard operating procedure (SOP) for such cases. Under the proposed framework, transactions of ₹1,000 or above flagged by banks' monitoring systems, including AI/ML-based tools, may trigger a temporary debit hold where they appear unusual or are linked to accounts already identified as fraudulent or money-mule accounts. Banks would have to immediately notify customers, provide reasons for the hold and allow 20 days to submit an explanation. The bank must decide within 10 days of receiving the explanation, or within 30 days where no explanation is received. If the bank remains unsatisfied, the matter may be referred to the jurisdictional police through the NCRP-CFCFRMS. In the absence of contrary directions from law-enforcement or competent authorities, the temporary hold would be capped at 60 days. Account-level holds are proposed to be used only as a last resort and in exceptional circumstances. The proposed amendments are scheduled to take effect from April 1, 2027, or earlier if implemented by a bank.



Rishav Sagar

About Us

Lexport is a full-service Indian law firm offering consulting, litigation and representation services to a range of clients.

The core competencies of our firm's practice *inter alia* are Trade Laws (Customs, GST & Foreign Trade Policy), Corporate and Commercial Laws and Intellectual Property Rights.

The firm also provides Transaction, Regulatory and Compliance Services. Our detailed profile can be seen at our website www.lexport.in.

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