Lexport Interpreting India for commerce

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LEXPORT NEWSLETTER

NOVEMBER 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

Dyeing and Bleaching of Fabrics on Job-Work Basis Not Liable to Textile Cess: Supreme Court

The Supreme Court held that dyeing, bleaching and processing of fabrics received from handloom and powerloom manufacturers on a job-work basis do not amount to manufacture under the Textiles Committee Act, 1963, and therefore do not attract textile cess under Section 5A.

The dispute arose from a cess demand of ₹2,68,293 raised against Premium Suiting Pvt. Ltd. for processing fabrics supplied by handloom and powerloom units. The Textiles Committee argued that such activities constituted manufacture by relying on the definition under the Central Excise Act, 1944.

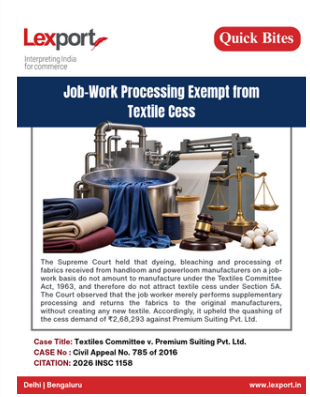
Rejecting this contention, the Court observed that the term 'manufacture' is not defined under the Textiles Committee Act and its meaning cannot be imported from another statute. Since the company merely carried out supplementary processing and returned the fabrics to the original manufacturers, it functioned as an extended arm of the handloom and powerloom industry.

Accordingly, the Court held that no new textile was manufactured by the job worker and upheld the quashing of the cess demand by the Allahabad High Court.

The Assessing Officer, Textiles Committee v. M/s. Premium Suiting Pvt. Ltd. & Anr., Civil Appeal No. 785 of 2016, 2026 INSC 1158 (decided on 26 October 2026).



Soumya Shrivastava







Indirect Tax

Allahabad High Court Dismisses PIL Challenging 18% GST on Online Legal Research Services

The Allahabad High Court dismissed a Public Interest Litigation (PIL) challenging the levy of 18% GST on online legal research and legal educational database services classified under SAC 998431.

The petitioner argued that platforms such as SCC Online and Manupatra are essential professional tools for advocates to verify the authenticity and validity of judgments before citing them in court. He contended that such services should not be treated as luxury services and sought a distinct classification or concessional GST rate.

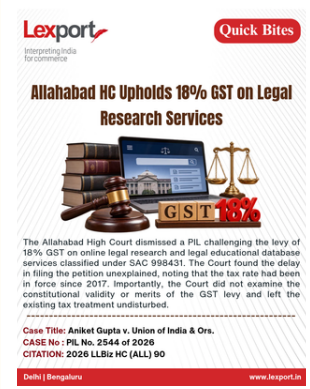
The Court observed that the impugned tax rate had been in force since 2017 and questioned why the petitioner, who had been enrolled as an advocate in 2020, had not explained the reason for challenging it only in 2026. Finding the delay unexplained, the Court dismissed the PIL.

Notably, the Court did not examine the constitutional validity or substantive merits of the 18% GST levy, leaving the existing tax treatment undisturbed.

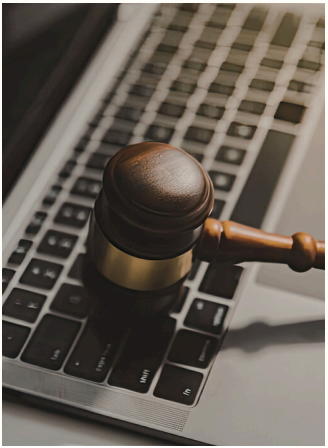
Aniket Gupta v. Union of India & Ors., PIL No. 2544 of 2026, 2026 LLBiz HC (ALL) 90.



Soumya Shrivastava







Indirect Tax

No Pre-Deposit of Disputed GST Interest Required When Entire Tax Is Paid: Bombay High Court

The Bombay High Court held that where the entire tax liability has been paid and only the interest component is disputed, no percentage-based pre-deposit of interest is required for filing an appeal under Sections 107(6) and 112(8) of the CGST/MGST Act, 2017.

The case concerned Roadway Solutions India Infra Ltd., which challenged recovery proceedings involving approximately ₹22.12 crore towards interest on delayed GST payments. Despite the pendency of appeals before the GST Appellate Tribunal (GSTAT), the Department initiated recovery proceedings and issued notices to the company's banks under Section 79(1)(c).

The Court observed that the statutory pre-deposit provisions require payment of the admitted dues and a specified percentage of the disputed tax, but do not prescribe any percentage-based deposit where only interest is disputed and the entire tax has already been paid.

Further, relying on Sections 107(7) and 112(9), the Court held that recovery of the balance disputed amount is deemed to be stayed once the applicable pre-deposit requirements are fulfilled. Accordingly, it quashed the recovery proceedings and bank notices relating to the disputed interest and directed the authorities to lift the consequential debit restrictions.

The Court clarified that the merits and computation of the interest demand would remain open for consideration by the Tribunal.

Roadway Solutions India Infra Ltd. v. State of Maharashtra & Ors., Writ Petition Nos. 14038, 14039 and 14040 of 2026, decided on 27 October 2026 (2026 LLBiz HC (BOM) 611).



Soumya Shrivastava





Indirect Tax

Chhattisgarh High Court Allows Delayed GST Appeal Subject to 50% Deposit of Assessed Liability

The Chhattisgarh High Court permitted Korba Steel Castings to file a statutory appeal against an ex parte GST assessment order beyond the prescribed limitation period, subject to depositing 50% of the assessed liability.

The dispute arose from an assessment order dated 13 December 2023, raising a demand of ₹8,17,771.69, inclusive of interest and penalty. The petitioner contended that the order was passed without issuing a show cause notice or providing an effective opportunity of hearing, and challenged the subsequent recovery proceedings initiated against its supplier.

Exercising its jurisdiction under Article 226 of the Constitution, the Court accepted the petitioner's offer to deposit ₹4,08,885.84, representing 50% of the assessed liability. It condoned the delay and directed the petitioner to file the statutory appeal within one month from receipt of the Court's order.

The Court further directed the appellate authority to decide the appeal on merits without raising an objection regarding limitation. The petitioner was permitted to raise all available legal defences, including its challenge to the ex parte assessment.

Korba Steel Castings v. State of Chhattisgarh & Anr., WPT No. 58 of 2026, decided on 30 October 2026.



Soumya Shrivastava







Indirect Tax

GST Department Cannot Bypass ₹2-Crore Appeal Limit Citing Cascading Effects: Delhi High Court

The Delhi High Court dismissed a batch of appeals filed by the GST Department against travel companies, holding that the Department cannot circumvent the prescribed monetary threshold for filing appeals merely by citing the cascading effect of the issues involved.

The dispute arose from appeals challenging a CESTAT order that had set aside service tax demands against travel companies for services rendered as air travel agents. The Department argued that although the amounts involved were below ₹2 crore, the appeals should be entertained because the issues raised had a cascading effect and involved recurring questions of law.

Rejecting this contention, the Court observed that the applicable CBIC instructions prescribe specific exceptions to the monetary limits, namely, cases involving constitutional validity of statutory provisions or where any notification, instruction, order or circular has been held illegal or ultra vires. Cascading effects and bunch matters do not constitute additional exceptions under these instructions.

The Court accordingly held that appeals involving amounts below ₹2 crore were not maintainable and dismissed the Department's appeals. It also suggested that the Department approach the Board to ensure uniform implementation of the monetary-limit instructions and avoid unnecessary litigation.

Principal Commissioner of GST and Central Excise & Ors. v. Riya Travel and Tours India Pvt. Ltd. & Ors., SERTA 21/2025 & connected matters, 2026 LLBiz HC (DEL) 1171.



Soumya Shrivastava







Indirect Tax

GST Show Cause Notice Generated Within Time but Uploaded After Deadline Is Time-Barred: Delhi High Court

The Delhi High Court held that a GST show cause notice generated within the prescribed limitation period but uploaded on the GST portal after the statutory deadline is time-barred if it was neither confirmed on the system nor communicated to the taxpayer.

The case concerned Sikka Motors Pvt. Ltd., which challenged a show cause notice dated 30 May 2024, uploaded on the GST portal only on 8 August 2024, along with the consequential demand order. The Department alleged wrongful availment of ITC and other GST discrepancies for FY 2019–20, contending that the notice had been generated on its internal system within time but could not be transferred due to a technical glitch.

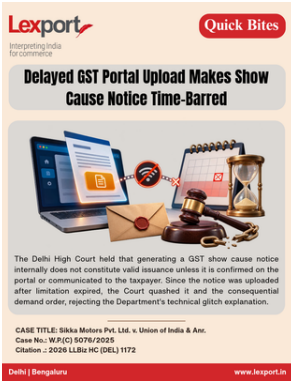
Interpreting Sections 73(2) and 169 of the CGST Act, 2017, the Court held that mere generation of a notice on an internal departmental system does not amount to valid issuance. The portal reflected the notice as "awaiting GSTN confirmation" and it did not carry a Common Reference Number (CRN), indicating that it had not been communicated to the taxpayer.

The Court further observed that a technical glitch or administrative lapse cannot extend a statutory limitation period. Accordingly, it quashed the show cause notice and the consequential demand order.

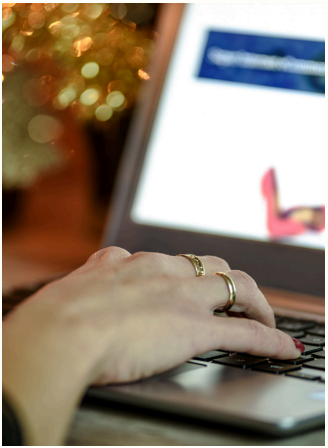
Sikka Motors Pvt. Ltd. v. Union of India & Anr., W.P.(C) 5076/2025, decided on 27 October 2026 (2026 LLBiz HC (DEL) 1172).



Soumya Shrivastava







Intellectual Property Rights

Delhi High Court Grants Interim Protection to Kriti Sanon Against AI-Generated Deepfakes and Impersonation

The Delhi High Court granted ad interim protection to actor Kriti Sanon against the unauthorised use of her name, image, likeness and voice. The suit concerned fake social media accounts impersonating her, AI-generated and morphed images, sexually explicit deepfakes, synthetic voice models, chatbots and merchandise exploiting her identity.

The Court observed that personality rights are not a single, standalone cause of action but comprise distinct claims relating to privacy, publicity, passing off, defamation and intellectual property. It clarified that these rights are available to every individual, and not merely celebrities. While fame may determine the commercial value of an individual's identity and the extent of loss caused by its misuse, it is not a prerequisite for claiming such rights. The Court also cautioned that the mere use of a person's identity is not, by itself, unlawful. The legality of such use must be assessed in context, particularly keeping in mind legitimate forms of expression such as criticism, satire, parody and caricature.

The Court directed intermediaries to take down identified URLs, ordered the blocking of websites hosting pornographic deepfakes and restrained the defendants from further impersonation, dissemination of sexually explicit or morphed content, use of AI-generated representations, and unauthorised commercial exploitation of the plaintiff's identity. The order expressly preserved news, criticism, commentary, satire, parody, caricature and legitimate fan expression.

Kriti Sanon v. BBE Marketing Inc. & Ors., CS(COMM) 1132/2026



Anushka Tripathi







Intellectual Property Rights

Bombay High Court Grants Dynamic Anti-Piracy Injunction to Protect 'Namit Malhotra's Ramayana'

The Bombay High Court granted ad interim protection to Godpower Media Private Limited against the unauthorised recording, reproduction and online dissemination of its upcoming film Namit Malhotra's Ramayana. The suit was filed apprehending large-scale piracy ahead of the film's theatrical release on 5 November 2026. The Plaintiff relied on earlier leaks of portions of both trailers, over 4,500 infringing links identified by its anti-piracy agency, and the emergence of websites claiming to offer the film for free.

The Court found that the Plaintiff had a real and well-founded apprehension that the film or parts of it would be recorded, uploaded and circulated without authorisation. It accordingly granted ad interim relief restraining unidentified persons (John Does) from infringing the Plaintiff's copyright in the film and its underlying works, including by recording, copying, uploading, streaming or otherwise making the film available to the public.

The Court also directed internet service providers to block infringing URLs and social media platforms to take down or disable access to infringing content. The Plaintiff may notify further infringing websites, URLs and content in writing, with the concerned intermediaries retaining the right to raise reasoned objections. The Government Defendants were directed to issue necessary blocking directions to all ISPs and telecom service providers within 36 hours of notification.

Godpower Media Private Limited v. John Does & Ors., Interim Application (L) No. 37234 of 2026 in Commercial IP Suit (L) No. 37230 of 2026



Anushka Tripathi







Intellectual Property Rights

Delhi High Court Decrees Hermès' Trademark Infringement Suit After Defendant Gives Undertaking to Cease Sale of Counterfeit Products

The Delhi High Court decreed a trademark infringement and passing off suit filed by Hermès International against Eziere Technologies Private Limited concerning unauthorised replicas and lookalikes of its BIRKIN, PICOTIN and BOLIDE bags, H ORAN sandals, ORAN Nano and RODEO bag charms, and silk ribbons. The Defendant acknowledged Hermès' proprietary rights in the suit trademarks and products and undertook to cease dealing in the impugned products, remove the offending listings and refrain from any further infringement or passing off.

The Defendant also undertook to hand over the remaining eight damaged units of the impugned products and disclosed that the infringing goods had been purchased through Alibaba.com. The Court accepted the undertakings, recording that any breach would expose the Defendant to contempt proceedings. In view of the undertaking, Hermès agreed not to press for damages and the suit was decreed in terms of the specified prayers. The Court also directed a refund of the entire court fee under Section 16 of the Court Fees Act, 1870.

Hermès International v. Eziere Technologies Private Limited, CS(COMM) 1085/2026



Anushka Tripathi







Intellectual Property Rights

Delhi High Court Sets Out Strict Principles for Territorial Jurisdiction in IP Infringement Suits

The Delhi High Court, while deciding a batch of 17 commercial suits, clarified that mere accessibility of a defendant's website or online listing in Delhi, or the plaintiff's purchase of an allegedly infringing product through an e-commerce platform for delivery in Delhi, does not automatically confer territorial jurisdiction under Section 20(c) CPC. For online infringement, the plaintiff must establish that the defendant specifically targeted customers within the forum and that commercial transactions were concluded with persons in that jurisdiction.

The Court further held that the mere assertion of a pan-India presence or the alleged "dynamic effect" of infringement at the plaintiff's location cannot independently confer jurisdiction. Investigators engaged by plaintiffs to create jurisdiction would ordinarily not be relied upon, except in limited circumstances. The Court also recognised the applicability of the doctrine of forum non conveniens, permitting a court to decline to entertain a suit even where jurisdiction technically exists, if another forum is more appropriate.

Applying these principles, the Court directed that several plaints in the batch be returned for presentation before courts having the requisite territorial jurisdiction. In the present matter, the Court held that jurisdiction was not made out in Delhi, inter alia, since the defendant's product was restricted for sale in Madhya Pradesh and no qualifying online transaction or other basis for Delhi jurisdiction was established.

ABD Maestro Private Limited v. Great Galleon Ventures Ltd. & Connected Matters, CS(COMM) 987/2026



Anushka Tripathi







Litigation

Arbitration / Commercial Disputes / Interim Relief

Delhi High Court Refers JW Marriott Aerocity Commercial Space Dispute To Arbitration; Allows Temporary Kitchen Access

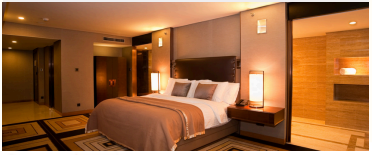
The Delhi High Court has referred a commercial dispute between M/s Light Lake Enterprises Pvt. Ltd. and M/s Aria Hotels and Consultancy Services Pvt. Ltd., concerning commercial premises at the JW Marriott Hotel, Aerocity, New Delhi, to arbitration. Justice Manoj Jain appointed former Delhi High Court Judge Justice Chander Shekhar as the Sole Arbitrator to adjudicate the parties' claims and counterclaims under the Arbitration and Conciliation Act, 1996.

The dispute arose from multiple licence agreements between the parties concerning a 2,005 sq. ft. commercial space intended for use as a high-energy bar/discotheque and an additional 200 sq. ft. area used for kitchen activities. While the agreement relating to the 2,005 sq. ft. premises was terminated by Aria Hotels on 21 September 2026, the immediate dispute concerned restrictions on access to the 200 sq. ft. kitchen area. Light Lake approached the High Court under Section 9 of the Act, seeking protection of its access and possession pending arbitration.

During the proceedings, Aria Hotels agreed, without prejudice to its rights and contentions, that access to the kitchen area would continue without obstruction until the Sole Arbitrator decided the interim application. The parties also agreed to waive the requirements relating to amicable settlement efforts and notice under Section 21 of the Act. Aria Hotels claimed that ₹51,69,376 was outstanding in arrears; although the petitioners disputed the amount, they undertook to deposit it with the Court Registry within four weeks. The amount is to be kept in an interest-bearing fixed deposit and released to the rightful claimant in accordance with the Arbitrator's directions.



Meyank Pandey



The Court disposed of the petition by referring the disputes to arbitration under the aegis of the Delhi International Arbitration Centre (DIAC). Importantly, the petition was also treated as an application under Section 17 of the Act, with the Arbitrator requested to decide the interim relief application expeditiously. The Court expressly left all rights and contentions open, including objections concerning arbitrability, other preliminary issues and the merits of the claims and counterclaims. Thus, the temporary kitchen-access arrangement does not amount to a final determination of the parties' contractual rights.

M/s Light Lake Enterprises Pvt. Ltd. & Anr. v. M/s Aria Hotels and Consultancy Services Pvt. Ltd.

Case No.: O.M.P.(I) (COMM.) 492/2026
Forum: Delhi High Court





Litigation

M/s Winner Construction Pvt. Ltd. v. Agricultural Produce Marketing Committee, O.M.P. (COMM) 13/2015 (Delhi High Court, 03.11.2026)

The Petitioner challenged the arbitral award dated 28.09.2015 under Section 34 of the Arbitration and Conciliation Act, 1996, insofar as the Sole Arbitrator had rejected Claims Nos. 1, 4, 5, 6 and 7. The dispute arose from a contract for construction of the Respondent's New Office Building at Azadpur, Delhi. Although the work was completed beyond the stipulated period, the Respondent had granted extension of time without levying compensation. The Arbitrator had allowed ₹22,37,935 towards statutory increase in minimum wages and ₹2,32,474 towards labour cess, but rejected claims for interest on delayed final bill payment, prolongation costs, material escalation and enhanced interest.

The Delhi High Court dismissed the Section 34 petition, reiterating that interference with an arbitral award is confined to the statutory grounds under Section 34. The Court held that the Arbitrator's interpretation of the contractual provisions and appreciation of evidence could not be substituted merely because another view was possible. In particular, the final bill had been prepared by the Engineer-in-Charge after the contractor failed to submit it; consequently, Clause 7 barred claims for interest arising from delayed payment. The six-month payment period under Clause 9 was not attracted in the absence of submission of the final bill by the contractor.

On prolongation claims, the Court held that establishing the occurrence of hindrances alone was insufficient. The contractor had to establish that the hindrances were attributable to the Respondent, identify the period of delay caused, and demonstrate the resulting entitlement to compensation. Grant of extension without levy of compensation did not, by itself, amount to an admission of responsibility. The nine letters relied upon did not establish the requisite causal connection or contemporaneous intention to claim compensation. The challenge to the rejection of material escalation and pre-reference interest also failed.

Law: Under Section 34, an arbitral award cannot be set aside merely for an alternative interpretation of the contract or a different appreciation of evidence; patent illegality requires a fundamental error, such as disregard of vital evidence, absence of relevant evidence or an irrational conclusion beyond permissible views.





Hardik Jain



Litigation

M/s Swami Seeds Agencies v. Uttar Pradesh Seed Development Corporation & Ors., W.P.(C) 16466/2026 (Delhi High Court, 04.11.2026)

The Petitioner, a sole proprietorship engaged in the supply of certified seeds, sought recovery of ₹16,10,123, comprising an alleged outstanding amount of ₹15,11,123 against supplies made in 2003 and refund of a security deposit of ₹99,000, along with interest. The Petitioner contended that the supplies had been acknowledged by the Respondents and that its repeated representations seeking payment had remained unresolved.

The Delhi High Court dismissed the writ petition on the ground of inordinate delay and laches. The Court noted that the amount had allegedly become due in 2003, whereas the writ petition was instituted only on 30.06.2026, after a delay of more than 23 years, without any satisfactory explanation. The first representation relied upon by the Petitioner was itself made on 19.07.2017, more than 14 years after the claim allegedly arose. The Court further observed that the Petitioner's blacklisting in 2010, subsequently set aside by the Allahabad High Court, did not explain the inaction either before the blacklisting or thereafter.

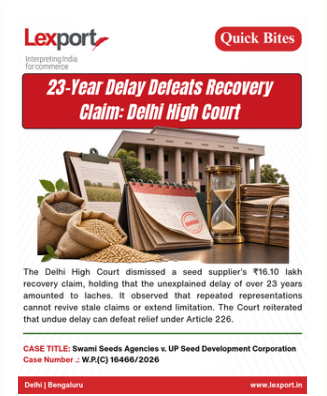
Relying upon Chennai Metropolitan Water Supply & Sewerage Board v. T.T. Murali Babu, (2014) 4 SCC 108, the Court reiterated that although no statutory limitation period governs writ petitions under Article 226, undue delay and laches may defeat a claim. Repeated representations neither extend limitation nor revive a stale claim. Accordingly, the petition and pending application were dismissed.

Law: A claim that has become stale due to prolonged and unexplained inaction cannot be revived through repeated representations or entertained under Article 226 merely because no statutory limitation period is prescribed for filing a writ petition.



Hardik Jain







Litigation

Mahender @ Dabbu v. State (Govt. of NCT of Delhi), W.P.(CRL.) 2943/2026 – Delhi High Court (04.11.2026)

The Delhi High Court dismissed a writ petition seeking reconsideration of the sentence imposed upon the Petitioner, who had been convicted under Section 302 IPC for the acid attack on his wife, which resulted in her death. The Trial Court had sentenced him to rigorous imprisonment for life, with a direction that he undergo an actual sentence of 35 years without consideration of remission until completion of that period. The conviction and sentence were subsequently upheld by the Delhi High Court in appeal on 01.11.2013, and the Supreme Court dismissed his SLP on 01.08.2014.

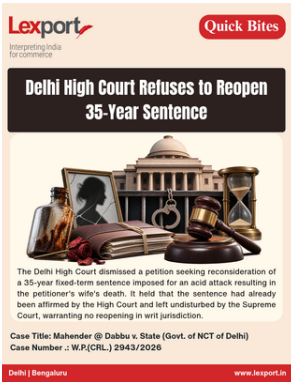
The Petitioner contended that, in view of the Constitution Bench judgment in Union of India v. V. Sriharan @ Murugan, the Trial Court lacked jurisdiction to impose a fixed-term or modified life sentence beyond the ordinary remission regime. Relying on subsequent decisions, including Shiva Kumar v. State of Karnataka, Vikas Chaudhary v. State (NCT of Delhi) and Ravinder Singh v. State (GNCTD), he argued that such a sentence could be imposed only by the High Court or the Supreme Court and sought remand for fresh consideration of sentence. He further submitted that the law laid down in V. Sriharan operated retrospectively.

The Court acknowledged that the power to impose a special or fixed-term sentence beyond the ordinary remission regime is vested in Constitutional Courts and not subordinate criminal courts. However, it noted that the sentence in the present case had already been affirmed by the High Court, which itself possesses the requisite jurisdiction, and that the Supreme Court had subsequently dismissed the challenge to that judgment. The Court therefore found no ground to reopen the concluded sentencing proceedings in writ jurisdiction.

Law: The power to impose a special-category or fixed-term sentence beyond the ordinary remission regime is vested exclusively in the High Courts and the Supreme Court; however, a sentence affirmed by the High Court and left undisturbed by the Supreme Court cannot be reopened merely by invoking the subsequent clarification of that legal position.



Hardik Jain





Litigation

Amit Kumar v. Union of India & Ors., W.P.(C) 16988/2022 – Delhi High Court (05.11.2026)

The Delhi High Court dismissed a writ petition challenging the removal of a CISF Constable from service on the basis of six charges of misconduct. The allegations included assaulting and misbehaving with a police officer, reporting for duty under the influence of alcohol, abusing and threatening superior officers and a fellow force member, interfering with a colleague's weapon, and failing to cooperate with directions for a medical examination. The disciplinary authority found all six charges proved and imposed the penalty of removal from service, which was subsequently affirmed by the appellate and revisional authorities.

The Petitioner contended that the findings were based on hearsay evidence and that no independent witnesses had been examined. He also claimed that his alcohol dependency and depression, allegedly arising from difficult family circumstances, attracted protection under the Rights of Persons with Disabilities Act, 2016, the Mental Healthcare Act, 2017 and Rule 91-B of the CISF Rules, 2001. Relying on Ravinder Kumar Dhariwal v. Union of India, he argued that the disciplinary proceedings ought to have taken his alleged mental health condition into account.

The Court held that no medical report, diagnosis, treatment record or other cogent material had been produced to establish alcohol dependency or any relevant mental illness during the period in question. Further, the Petitioner had not demonstrated that any such condition impaired his ability to participate in the inquiry or that the authorities had violated any statutory obligation. Applying B.C. Chaturvedi v. Union of India, the Court reiterated that judicial review does not permit reappreciation of evidence or substitution of the disciplinary authority's findings, and interference with punishment is warranted only in exceptional cases where it shocks the conscience of the Court.

Finding no procedural illegality, perversity or disproportionality, the Court dismissed the writ petition.

Law: Judicial review of disciplinary proceedings is confined to examining procedural fairness, statutory compliance and whether findings are based on some evidence; the High Court will not reappreciate evidence or substitute its view on punishment unless recognised grounds for interference are established.



Hardik Jain





Litigation

Unity Small Finance Bank v. Resilient Innovations Pvt. Ltd. & Ors., FAO(OS) (COMM) 221/2026 – Delhi High Court (05.11.2026)

The Delhi High Court dismissed Unity Small Finance Bank's appeal under Section 37 of the Arbitration and Conciliation Act, 1996, affirming the ad interim injunction granted by the learned Single Judge under Section 9. The injunction restrained Unity from tabling, considering, deliberating upon or approving Agenda Item 18, which proposed an increase in the Bank's authorised share capital from ₹4,000 crore to ₹4,900 crore and a consequential amendment to its Memorandum of Association. The dispute arose under the Shareholders' Agreement dated 26.10.2021 executed between Unity, Resilient Innovations Pvt. Ltd. and Centrum Financial Services Ltd.

The Court held that the proposed increase in authorised share capital and consequent change in capital structure constituted a "Reserved Matter" under Schedule 2(f) of the SHA. Under Clauses 6.11(d) and 8, no Reserved Matter could even be taken up for discussion by the Board without prior written consent of both Resilient and Centrum. Significantly, Unity had itself acknowledged the reserved nature of the proposal in Agenda Item 18 and in three prior communications seeking Resilient's consent, which had been expressly refused. The Court further held that Clause 8, which contained a non obstante clause, prevailed notwithstanding the deletion of the Reserved Matters provisions from the Bank's Articles of Association pursuant to RBI directions.

The Court also held that Clause 5.2 independently required consent for the proposed induction of additional capital and issuance of securities to third parties. The injunction did not violate RBI directions, as it did not prohibit enforcement of the warrants but required such action to comply with the SHA. Applying Wander Ltd. v. Antox India Pvt. Ltd., the Division Bench reiterated that appellate interference with discretionary interim orders is limited to cases of arbitrariness, perversity or disregard of settled principles.

Law: Where a Shareholders' Agreement expressly subjects specified corporate actions to prior written consent, the company cannot bypass that contractual restriction by placing the matter before its Board; appellate courts will ordinarily not interfere with a discretionary interim injunction unless it is arbitrary, perverse or contrary to settled principles.



Hardik Jain





Litigation

Company Law / Share Valuation / Oppression and Mismanagement

NCLAT: Shareholder Cannot Seek Revaluation After Failing to Challenge Valuer's Report at Appropriate stage

The dispute arose from oppression and mismanagement proceedings brought by Shefali Agarwal against Stone Age Pvt. Ltd. under Sections 241 and 242 of the Companies Act, 2013. In October 2023, the NCLT Jaipur directed the appointment of an independent registered valuer to determine the fair value of the company's shares and ordered a buyout of Agarwal's shareholding. Although she was given opportunities to make submissions before the valuer and the NCLT, she did not avail herself of them.

The NCLAT had previously upheld the valuation mechanism on 14 May 2026, holding that the valuation could not be challenged belatedly. The Supreme Court subsequently declined to interfere with that decision on 4 August 2026. Despite this, Agarwal approached the NCLT Jaipur through a fresh application seeking rectification of alleged mathematical errors and a fresh valuation after considering the company's complete asset base. The NCLT rejected the application, prompting the present appeal.

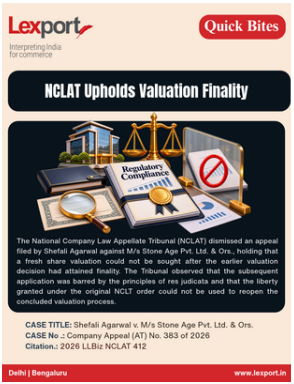
The NCLAT held that the earlier decision had attained finality and that the subsequent application was barred by the principles of res judicata. It rejected Agarwal's argument that the Supreme Court's non-speaking order did not amount to an adjudication on merits. The Tribunal further observed that the liberty granted under the original NCLT order to seek further directions was confined to enforcement of that order and could not be used to reopen the valuation itself.

Holding that permitting a fresh valuation at this stage would amount to an abuse of process, the NCLAT dismissed the appeal and upheld the NCLT's rejection of the application. The decision underscores that parties must raise objections to a valuation at the appropriate stage and cannot seek a fresh assessment after exhausting their judicial remedies and allowing the valuation to attain finality.

Shefali Agarwal v. M/s Stone Age Pvt. Ltd. & Ors.
Case No.: Company Appeal (AT) No. 383 of 2026
Citation: 2026 LLBiz NCLAT 412



Meyank Pandey





Litigation

Company Law / Mergers and Amalgamations / Sections 230–232

NCLT Mumbai Sanctions Merger Of Hinduja Leyland Finance Into NDL Ventures

The National Company Law Tribunal (NCLT), Mumbai Bench-I, has approved the merger of Hinduja Leyland Finance Limited (HLFL) into NDL Ventures Limited under Sections 230-232 of the Companies Act, 2013. The Bench comprising Judicial Member Sushil Mahadeorao Kochey and Technical Member Prabhat Kumar held that the Scheme was fair and reasonable, did not violate any provision of law and was not contrary to public policy.

The Scheme, approved by the boards of both companies on 25 November 2025, has an appointed date of 1 April 2026. Its stated rationale is to enable NDL Ventures to enter and expand in the NBFC sector, improve access to growth capital, reduce duplication of administrative functions and regulatory compliances, and strengthen the merged entity's financial position.

Under the share exchange ratio, NDL Ventures will issue 25 fully paid-up equity shares of ₹10 each for every 10 fully paid-up equity shares of ₹10 each held in HLFL. The Scheme received unanimous approval from HLFL shareholders, while shareholders representing 99.99% in value and 97.87% in number of those present and voting approved it in NDL Ventures. The Official Liquidator had raised concerns regarding HLFL's overdue loan portfolio, repayment obligations and valuation of certain loan assets; HLFL responded that its expected credit loss provisions were adequate and that it was positioned to meet its repayment obligations.

Sanctioning the Scheme, the Tribunal directed that HLFL be dissolved without winding up, with all its liabilities transferred to NDL Ventures. HLFL employees will become employees of NDL Ventures without any break in service and on terms no less favourable than their existing conditions. The companies must file the order and Scheme with the Registrar of Companies in Form INC-28 within 30 days of receiving the order. The Tribunal also clarified that liabilities arising from offences committed by officers in default before the merger will continue in accordance with Section 240 of the Companies Act, 2013.

Hinduja Leyland Finance Limited and NDL Ventures Limited

Case No.: C.P. (CAA) No. 120/MB/2026 in C.A. (CAA) No. 107/MB/2026
Citation: 2026 LLBiz NCLT (MUM) 108**9**





Meyank Pandey



Litigation

Preventive Detention / Judicial Remarks / Expunction

Supreme Court Expunges Adverse Remarks Against IPS Officer After Unconditional Apology; Says Apology Is No Substitute For Due Care In Preventive Detention

The Supreme Court has expunged adverse remarks made by the Madras High Court against an IPS officer who, as Greater Chennai Police Commissioner, had ordered a preventive detention. A Bench of Justice Vikram Nath, Justice R. Mahadevan and Justice Aparesh Kumar Singh accepted the officer's unconditional apology but cautioned him.

The officer had classified a man as a "Goonda" and ordered his detention under Section 3(1) of the Tamil Nadu Act 14 of 1982 on 22.09.2025. The High Court set aside the detention in H.C.P. No. 2066 of 2025 on 29.05.2026 and made adverse observations against the officer in paragraphs 6, 8, 10 and 19 to 23. In the Supreme Court he said he should have accepted his error when summoned by the High Court, and he gave an assurance of greater care in future.

The Court observed that power affecting personal liberty in preventive detention must be exercised with utmost circumspection and in strict conformity with law. It cautioned that senior police officers are expected to appreciate the responsibility that comes with statutory powers, and that an apology cannot substitute for due care. It directed the expunction of the remarks and clarified that the order does not affect the High Court's decision setting aside the detention.

A. Arun v. Varsha Sharma & Ors.

Case No.: Criminal Appeal arising out of SLP (Crl.) No. 16725 of 2026
Citation: 2026 INSC 1186



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Quick Bites

PERSONAL LIBERTY DEMANDS STRICT LEGAL COMPLIANCE.



The Supreme Court emphasised that preventive detention powers must be exercised with utmost caution and strict adherence to law, as they directly affect an individual's personal liberty. It further clarified that an apology cannot substitute for the due care expected from senior police officers.

CASE TITLE: A. Arun v. Varsha Sharma & Ors.
CASE NO.: Criminal Appeal arising out of SLP (Crl.) No. 16725 of 2026
CITATION : 2026 INSC 1186

Delhi | Bengaluru www.lexport.in



Litigation

Criminal Law / Abetment of Suicide / Handwriting Expert / Section 306 IPC

Handwriting Expert's Report Cannot Prove Authorship Unless Expert Is Examined; Supreme Court Acquits Husband In Abetment Of Suicide Case

The Supreme Court has acquitted a husband convicted of abetting his wife's suicide, holding that the prosecution failed to prove his authorship of four threatening letters and that the letters in any case did not amount to abetment. A Bench of Justice Sandeep Mehta and Justice D.K. Upadhyaya set aside the Rajasthan High Court's affirmation of a ten-year sentence under Section 306 IPC.

The prosecution alleged that the appellant harassed his wife, who lived separately at her parental home for over two years and pursued multiple cases against him, and that she set herself on fire in January 2011 after receiving his letters. The prosecution relied mainly on the letters (Exhibits P-16 to P-19) and a handwriting expert's report. The Investigating Officer had not collected any specimen handwriting, and the expert was never examined.

The Court held that handwriting comparison is not a perfect science and that an expert's report is not admissible under Section 293 CrPC (now Section 329 BNSS). It must be proved by examining the expert so that cross-examination is possible. The Court also held that the accused's failure to specifically deny authorship under Section 313 CrPC cannot relieve the prosecution of its burden. It noted the 15-day delay in the complaint, the absence of any complaint about the letters in the inquest statements, and the fact that the letters also contained appeals for reconciliation. Even if the letters were his, they were not the immediate instigating cause and did not satisfy Section 107 IPC.

The appellant was acquitted and his bail bonds discharged.

Goverdhan v. State of Rajasthan

Case No.: Criminal Appeal No. 1394 of 2017
Citation: 2026 INSC 1190



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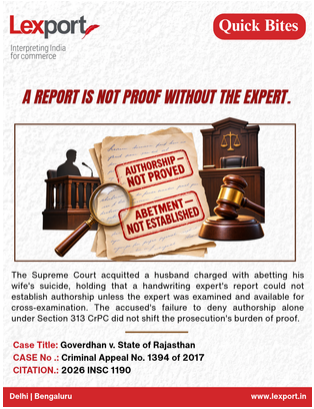




Litigation

Service Law / Police Recruitment / Medical Fitness

Supreme Court Directs Appointment Of Woman Constable Candidate Rejected For Squint After KGMU Board Certifies Normal Vision

The Supreme Court has set aside a High Court order and directed the Uttar Pradesh authorities to issue an appointment order to a candidate who was cleared for the post of Constable Civil Police but rejected on medical grounds. A Bench of Justice Aravind Kumar and Justice Vipul M. Pancholi allowed the appeal, noting that a medical board at King George's Medical University (KGMU), Lucknow, had certified her vision as normal.

The appellant had cleared the Document Verification and Physical Standard Test under the U.P. Police Constable Civil Direct Recruitment, 2023. She was declared unfit for a squint in the medical examination on 22.04.2025 and again on re-examination on 25.04.2025 under Rule 15(6)(d) of the UP Police Constable and Head Constable Service Rules, 2015. She said no rejection order was furnished to her. Two independent eye specialists found her vision normal. The High Court dismissed her plea for a fresh examination on the ground that the selection process had concluded.

By an order dated 15.09.2026, the Supreme Court directed KGMU to constitute a board of ophthalmology experts to examine her. The board's report showed best-corrected vision of 6/6 in both eyes. Persuaded by the report, the Court held that she had been wrongly deprived of appointment after clearing all the tests. It directed the respondents to issue an appointment order or call letter if she is otherwise entitled. It clarified that she cannot claim seniority over candidates already appointed.

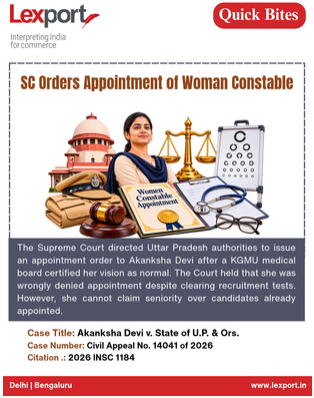
Akanksha Devi v. State of U.P. & Ors.

Case No.: Civil Appeal No. 14041 of 2026 (arising out of SLP (C) No. 14082 of 2026)
Citation: 2026 INSC 1184



Maitreya Mahaley







Litigation

Criminal Law / Appeal Against Acquittal / Eyewitness Testimony / Inquest Report

Inquest Report Omitting Eyewitness Names Cannot Discredit Their Testimony; Digestion-Based Time Gap Inconclusive: Supreme Court Upholds Conviction In Double Murder

The Supreme Court has upheld the Karnataka High Court's reversal of an acquittal in a 2001 double murder case. It held that the trial court had discarded crucial eyewitness evidence on non-essential grounds. A Bench of Justice K.V. Viswanathan and Justice Arun Palli dismissed the appeal of the accused, who had been convicted under Sections 143, 148, 302, 323 and 341 read with Section 149 IPC and sentenced to life imprisonment.

The prosecution case rested on the accounts of the two widows (PWs 17 and 18), who said the accused attacked their husbands with axes during the night, allegedly over a dispute that began when a bull belonging to one accused gored a goat. The trial court acquitted the accused, citing delay in the FIR, the omission of eyewitness names from the inquest report, the lack of independent witnesses and a doctor's opinion suggesting a four-hour gap between the two deaths.

Applying the principles in Arulvelu, the Court found that no two views were possible and that the trial court's reasoning was unsustainable. It held that the scope of an inquest under Section 174 CrPC (now Section 194 BNSS) is limited to the apparent cause of death, so an eyewitness's testimony cannot be discarded because the name is missing from the inquest report. It also observed that the digestive process cannot be the sole basis to reject reliable oral evidence. It held that the widows were natural witnesses, not interested ones, and that PW-18's injury and the medical evidence corroborated them. The delay in the FIR was held to be satisfactorily explained.

The Court dismissed the appeal and directed the appellants to surrender forthwith, failing which the trial court must take them into custody.

Shekappa & Ors. v. State of Karnataka

Case No.: Criminal Appeal No. 2102 of 2011
Citation: 2026 INSC 1189



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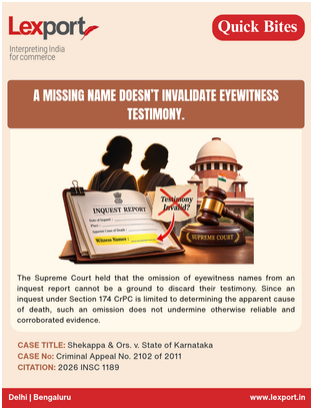
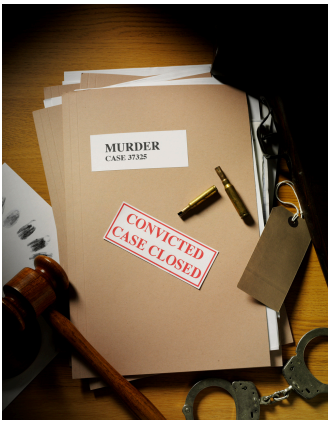




Corporate

SAT Sets Aside ₹26-Crore SEBI Penalty Against Coffee Day; Directs Fresh Probe Into ₹3,535-Crore Fund Diversion

The Securities Appellate Tribunal (SAT), by a 2:1 majority, set aside SEBI orders imposing penalties aggregating ₹26 crore on Coffee Day Enterprises Ltd. (CDEL) and directed the regulator to conduct a fresh investigation into the alleged diversion of ₹3,535 crore from seven subsidiaries to Mysore Amalgamated Coffee Estates Ltd. (MACEL), an entity linked to the promoters.

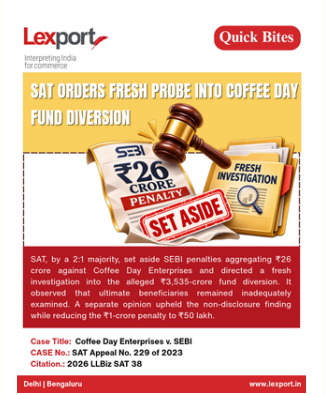
The investigation had revealed that funds transferred to MACEL were subsequently routed to entities associated with the group's former Chairman, V.G. Siddhartha, his family members and related entities. The majority observed that SEBI's investigation was incomplete as it had failed to adequately identify and examine the ultimate beneficiaries of the diverted funds.
The Tribunal directed SEBI to complete the fresh investigation within six months, including examining bank accounts, recording statements of concerned persons and exploring recovery of the diverted funds, including through disgorgement, to protect public shareholders.

In a separate opinion, the Presiding Officer set aside the ₹25-crore penalty imposed under Section 15HA of the SEBI Act but upheld the finding concerning non-disclosure of Coffee Day Trading Ltd. as a material subsidiary under the SEBI LODR Regulations. He also reduced the ₹1-crore penalty under Section 15HB to ₹50 lakh.
Coffee Day Enterprises Ltd. v. Securities and Exchange Board of India, SAT Appeal No. 229 of 2023, decided on 5 November 2026 (2026 LLBiz SAT 38).



Rishav Sagar







Corporate

NCLT Bengaluru Approves Transfer Of NH Integrated Care's Clinical Services To Narayana Hrudayalaya

The National Company Law Tribunal (NCLT), Bengaluru, approved a scheme of arrangement for the transfer of the clinical services undertaking of NH Integrated Care Private Limited, a wholly owned subsidiary of Narayana Hrudayalaya Limited, to its parent company, with effect from 1 April 2025.

Under the scheme, the clinical services undertaking will vest in Narayana Hrudayalaya Limited, while the remaining undertaking, along with its assets and liabilities, will continue with NH Integrated Care. The scheme had received the requisite approval from the concerned stakeholders.

The Regional Director had raised objections concerning compliance with the Companies Act, SEBI regulations, outstanding tax and statutory dues, MSME liabilities, FEMA requirements, protection of employees' interests and the transfer of assets and liabilities. The companies furnished their replies and requisite undertakings in response to these observations.

The Income Tax Department had separately sought compliance with Section 170A of the Income Tax Act, 1961. The companies undertook that Narayana Hrudayalaya would continue to contest pending income tax proceedings relating to the transferred undertaking and discharge any resulting tax demands in accordance with law.

After examining the pleadings and documents on record, the Tribunal noted that the statutory authorities were satisfied with the companies' responses and found no impediment to approving the scheme. Accordingly, the NCLT sanctioned the scheme of arrangement with an appointed date of 1 April 2025.

NH Integrated Care Private Limited and Narayana Hrudayalaya Limited, CP(CAA) No. 14/BB/2026 (2026 LLBiz NCLT (BEN) 1090).



Rishav Sagar





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