Cassie

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DAILY

Court Digest

The day's most significant judgments from India's courts.

IN TODAY'S DIGEST

- **S.2(j) ID Act | Definition of 'industry' recalibrated : SC**
- **GST Act | Orders citing fake AI-generated rulings quashed : Gujarat HC**
- **Art.21 | Rs 25L awarded for undertrial custodial death : Rajasthan HC**
- **S.166 MV Act | Quadriplegia counts as 100% disability : All. HC**
- **Contractual venue clause doesn't determine seat of arbitration : JHC**

23	1	20	2
JUDGMENTS IN ALL	SUPREME COURT	HIGH COURTS	TRIBUNALS

Swipe to read all 23 judgments >>>

Inside this digest

23 judgments reported in full on cassie.in

SUPREME COURT

Commercial character is now required alongside the Triple Test for industry 4

HIGH COURTS

Tax orders based on unverified AI-generated citations are legally void 6

State is strictly liable under Article 21 for deaths in judicial custody 7

Quadriplegia warrants full functional disability in motor accident claims 8

Contractual venue clause does not determine the seat of arbitration 9

Government cannot retrospectively cancel accrued export incentive benefits 10

Default on loan repayment undertaking does not warrant bail cancellation 11

Electricity arrears limitation runs from first billing not consumption 12

First appellate courts must decide all contested issues raised in appeal 13

Prior bona fide litigation time is excluded from arbitration limitation 14

Magistrates cannot direct FIR registration for non-cognizable offences 17

Temporary acquisition of land requires prior written statutory notice 17

Onerous cash deposit cannot be demanded for releasing seized vehicles 17

Two-year live-in relationship negates rape charges after marriage refusal 18

Loan liabilities cannot bar family pension or compassionate appointment 18

Wildlife offences require statutory complaint by authorised officer 18

FCRA renewal refusal without recorded satisfaction or hearing is void 19

Demand for environmental compensation requires prior notice and hearing 19

Discharge voucher signed under protest does not extinguish balance claim 19

Preventive detention based on stale FIRs without proximate nexus is void 20

Arbitral award rewriting partnership agreement violates public policy 20

TRIBUNALS

Harvesters do not need inspection certificates for insurance claim payouts 16

Non-standard insurance deduction upheld with interest from untrace report 20

Supreme Court

1 judgment in this edition

KEEP SWIPING >>>

Work & Employment Issues
Workplace Rights & Unions

SUPREME COURT

Commercial character is now mandatory alongside the Triple Test to qualify as an industry

The dispute. The State of Uttar Pradesh contested whether its Social Forestry Department, established as a welfare initiative, constituted an industry under industrial law. The reference arose from state appeals challenging whether the Bangalore Water Supply standard applied to public welfare departments without requiring.

The reasoning. The Supreme Court retained the Triple Test but made commercial character an indispensable qualifying factor to distinguish economic undertakings from charitable or sovereign functions.

For your practice. Parties asserting or disputing labour tribunal jurisdiction over statutory bodies must now establish a discernible commercial nexus rather than relying solely on systematic.

The order. The Nine-Judge Bench recalibrated the definition of industry by mandating commercial character alongside systematic activity, ruling that this modified standard applies prospectively to proceedings under the Industrial Relations Code.

§ Section 2(j), Industrial Disputes Act, 1947

STATE OF U.P. vs JAI BIR SINGH

COURT	DECIDED	CASE NO.	CITATION
Supreme Court of India	20.08.2026	C.A. No.-000897-000897 - 2002	2026 INSC 897

BENCH
of India

High Courts

9 judgments in this edition

KEEP SWIPING >>>

Government & Public Body Interactions
Administrative & Disciplinary Proceedings against Public Servants

GUJARAT HC

Tax orders based exclusively on non-existent AI-generated case law citations are invalid

The dispute. The State Tax Officer cancelled a proprietary firm's GST registration and rejected its revocation plea by relying exclusively on fictitious, AI-generated case law. The dealer approached the Gujarat High Court under Article 226 challenging the cancellation, revocation rejection.

The reasoning. The High Court held that quasi-judicial orders cannot rely on unverified AI outputs or non-existent authorities.

For your practice. Adjudicating authorities using artificial intelligence must independently verify all cited precedents against official reports to avoid orders being quashed for lack of legal.

The order. The High Court quashed the show-cause notice, cancellation, revocation rejection, and appellate orders.

§ Section 108, Goods and Services Tax Act, 2017

FAIZ ENTERPRISE THRU PROPRIETOR MAHETAR MAHIR FARUKBHAI v. STATE TAX OFFICER, UNIT-67, SURAT & ors.

COURT	DECIDED	CASE NO.	CITATION
Gujarat High Court	20.08.2026	R/SCA/10123/2026	2026:GUJHC:53490-DB

BENCH
A.s. Supehia, Vaibhavi D. Nanavati

Criminal Issues
Custodial Violence & Fake Encounter Allegations

RAJASTHAN HC

The State is strictly liable under Article 21 to pay compensation for custodial deaths

The dispute. An under-trial prisoner lodged at Central Jail, Jodhpur died after suffering multiple ante-mortem incised and blunt injuries that contradicted official assertions of cardiac arrest. The deceased inmate's widow filed a writ petition under Article 226 seeking an independent criminal investigation, mandatory FIR registration.

The reasoning. The High Court held that the State bears constitutional liability under Article 21 for preserving inmate life and dignity during exclusive custody.

For your practice. Custodial death claims under Article 21 can secure immediate public-law compensation and institutional reform directions without awaiting the completion of criminal.

The order. The High Court awarded Rs 25 lakh compensation to the deceased's family payable within sixty days. It ordered FIR registration within forty-eight hours and mandated comprehensive jail surveillance and medical infrastructure improvements.

§ Article 21, Constitution of India

LILA vs STATE OF RAJASTHAN

COURT	DECIDED	CASE NO.	CITATION	BENCH
Rajasthan High Court	20.08.2026	CRLW / 2290 / 2025	2026:RJ-JD:39492	Farjand Ali

Tort and Personal Injury
Road Accidents

ALLAHABAD HC

Quadriplegia warrants hundred percent functional disability in motor accident claims

The dispute. A twenty-two-year-old conductor suffered severe cervical spine dislocation in a highway vehicular collision, resulting in permanent quadriplegia, incontinence, and total bedridden confinement. The injured claimant appealed to the Allahabad High Court seeking compensation enhancement on grounds of total loss of earning capacity.

The reasoning. The High Court held that medical disability certificates do not limit economic loss when injuries extinguish all earning capacity, warranting a hundred percent functional disability assessment.

For your practice. Claimants rendered permanently bedridden are entitled to hundred percent functional disability assessments and multiplier-based attendant allowances regardless of lower medical.

The order. The High Court enhanced total compensation from Rs 15.28 lakh to Rs 28.84 lakh with seven percent annual interest from the date of filing.

§ Section 166, Motor Vehicles Act, 1988

Muzahid vs Shahnwaz & ors.

COURT	DECIDED	CASE NO.
Allahabad High Court	20.08.2026	FIRST APPEAL FROM ORDER No. - 2154 of 2022

CITATION	BENCH
2026:AHC:175702	Sudhanshu Chauhan

Contracts & Business Disputes
Arbitration Agreements, Proceedings & Enforcement

JHARKHAND HC

Designation of an arbitral venue does not determine the juridical seat of arbitration

The dispute. A state department contracted an infrastructure company under an agreement specifying Ranchi as the arbitration venue without designating a juridical seat. Following the arbitral tribunal's dismissal of its Section 16 objection maintaining Delhi as the seat, the department filed a writ petition under Article 226.

The reasoning. The Court held that an agreement specifying only venue empowers the tribunal to fix the seat under Section 20(2), which remains static.

> *The seat of arbitration is an anchor and determines the procedural law and the Courts that will exercise supervisory jurisdiction over the arbitration.*
>
> FROM THE JUDGMENT

For your practice. Arbitration agreements must explicitly designate the seat distinct from venue.

The order. Dismissing the writ petition as non-maintainable against a Section 16 order, the High Court upheld the tribunal's procedural order confirming Delhi as the seat of arbitration. No costs were awarded.

§ Section 20, Arbitration and Conciliation Act, 1996

Road Construction Department, Government of Jharkhand v. Ramky Infrastructure Limited

COURT	DECIDED	CASE NO.	CITATION	BENCH
Jharkhand High Court	20.08.2026	WPC/4806/2026	2026:JHHC:25095	Ananda Sen

Government & Public Body Interactions

GUJARAT HC

Government cannot retrospectively withdraw accrued export benefits under foreign trade policy

The dispute. An Indian marine service provider earned foreign exchange under the Foreign Trade Policy 2015-20 and claimed incentive benefits under the Service Exports from India Scheme. The exporter filed a writ petition before the Gujarat High Court challenging the retrospective withdrawal of the incentive scheme as ultra vires Section 5.

The reasoning. The High Court held that Section 5 of the Foreign Trade Act authorises only prospective policy formulation and amendments.

For your practice. Subordinate notifications altering trade policy cannot extinguish accrued export incentives unless the parent statute explicitly confers retrospective rule-making power.

The order. The High Court quashed the retrospective withdrawal notifications as ultra vires Section 5. It directed the authorities to process the petitioner's pending SEIS applications and release the accrued incentive benefits within twelve weeks.

§ Section 5, Foreign Trade (Development and Regulation) Act, 1992

Oxane Partners India Pvt. Ltd. v. Union of India

COURT	DECIDED	CASE NO.	CITATION
Gujarat High Court	20.08.2026	R/SCA/20730/2022	2026:GUJHC:53472-DB

BENCH

A.s. Supehia, Vaibhavi D. Nanavati

Criminal Issues
Anticipatory Bail

PUNJAB AND HARYANA HC

Default in honouring a loan undertaking does not justify cancellation of pre-arrest bail

The dispute. An accused secured pre-arrest bail in a forgery case involving an allegedly fraudulent Rs. 1,75,000 bank loan obtained against agricultural land. Following the confirmation of anticipatory bail after the accused joined the investigation, the complainant filed a petition under Section 483(2) BNSS seeking.

The reasoning. The Court held that cancelling pre-arrest bail requires concrete evidence of misused liberty, witness intimidation, or breach of bail conditions.

> *An order for cancellation of bail can be made only where such order suffers from serious infirmities resulting in miscarriage of justice.*
>
> FROM THE JUDGMENT

For your practice. Bail cancellation petitions must be grounded on concrete evidence of procedural tampering or witness interference rather than using criminal courts to enforce civil financial.

The order. The High Court dismissed the cancellation petition, holding that the pre-arrest bail granted on 28 August 2023 and made absolute on 6 November 2023 remains in force. No costs were awarded.

§ Section 483(2), BNSS, 2023

GURMEJ SINGH vs STATE OF HARYANA & ors.

COURT	DECIDED	CASE NO.	CITATION
Punjab and Haryana High Court	20.08.2026	CRM-M/46394/2026	2026:PHHC:116473

BENCH
Manisha Batra



Consumer & Service Problems
Overcharging, Hidden Fees & Billing Disputes

PUNJAB AND HARYANA HC

Supplementary electricity demands are not barred when raised within two years of first billing

The dispute. A power distribution utility replaced a defective meter for a non-domestic consumer in 2012 but omitted to revise the billing account. The Permanent Lok Adalat restrained recovery citing statutory limitation and a Single Judge dismissed the utility's writ petition, triggering this intra-court.

The reasoning. The Court held that the statutory limitation clock under Section 56(2) begins when a bill quantifying charges is first raised, not upon actual consumption.

For your practice. Electricity dispute strategies must anchor limitation defences to the initial invoice date rather than the historical consumption period when challenging.

The order. Allowing the letters patent appeal, the High Court set aside the Single Judge's judgment and the Lok Adalat award. The utility was permitted to recover Rs. 2,26,830, subject to adjusting any sums already deposited by the consumer.

§ Section 56, Electricity Act, 2003

UTTAR HARYANA BIJLI VITRAN NIGAM LTD. & ors. vs PERMANENT LOK ADALAT FOR PUBLIC UTILITY SERVICES, YAMUNA NAGAR & ors.

COURT	DECIDED	CASE NO.	CITATION
Punjab and Haryana High Court	20.08.2026	LPA/216/2022	2026:PHHC:116502-DB

BENCH
Suvir Sehgal, Deepinder Singh Nalwa

Property & Asset Disputes
Ancestral Property & HUF Partition

PUNJAB AND HARYANA HC

First appellate court must independently adjudicate all contested issues raised in the appeal

The dispute. A son filed a civil suit challenging his father's sale of forty kanals of alleged coparcenary land, claiming the alienation lacked consideration and legal necessity. The First Appellate Court modified the decree by deciding only the issue of legal necessity, prompting both sides to file second appeals.

The reasoning. The Court held that first appellate jurisdiction under Section 96 CPC requires independent re-appreciation of the entire evidence across all contested issues.

> *It is well settled principle of law that a right to file first appeal against the judgment and decree passed by the trial Court under Section 96 of CPC is a valuable legal right of a litigant.*
>
> FROM THE JUDGMENT

For your practice. First-appeal memoranda and arguments must comprehensively address all framed issues to ensure complete evidentiary review and prevent subsequent remands from higher appellate.

The order. Allowing the second appeals, the High Court set aside the 1995 appellate decree and remanded the matter to the Additional District Judge, Ludhiana for fresh determination on all issues, directing appearance on 30 September 2026.

§ **Section 96, Code of Civil Procedure, 1908**

GURDEV SINGH, ETC. vs JAGTAR SINGH

COURT	DECIDED	CASE NO.	CITATION
Punjab and Haryana High Court	20.08.2026	RSA/1834/1995	2026:PHHC:116886

BENCH
Yashvir Singh Rathor

Contracts & Business Disputes
Arbitration Agreements, Proceedings & Enforcement

JAMMU & KASHMIR AND LADAKH HC

Prior bona fide litigation time is excluded from arbitration limitation under Section 14

The dispute. LAWDA allotted a Dal Lake dredging contract to a contractor who completed the works after an eight-month delay. Following non-payment, the contractor pursued writ petitions and intra-court appeals for years before the authority itself sought an arbitration reference in civil proceedings. The Single Judge upheld the resulting arbitral award, and the authority appealed to the Division Bench challenging limitation, jurisdiction, and interest.

The reasoning. Section 14 of the Limitation Act applies to arbitration by virtue of Section 43, excluding time spent diligently in prior bona fide proceedings.

For your practice. Plead Section 14 to exclude prior good-faith litigation when calculating arbitration limitation.

The order. Appeal partly allowed. The Division Bench modified the award by reducing interest to 6% per annum across all periods, fixing total compensation at Rs 22,73,885 with post-award interest at 6% until payment.

§ **Section 14, Jammu & Kashmir Limitation Act; Section 31(7), J&K Arbitration and Conciliation Act, 1997**

Chairman, Lakes and Waterways Development Authority & ors. v. Ghulam Nabi Kraipak & ors.

COURT	DECIDED	CASE NO.
Jammu & Kashmir and Ladakh High Court	20.08.2026	Arb App/1/2024

CITATION	BENCH
2026:JKLHC-SGR:291	Rajnesh Oswal, Rahul Bharti

Tribunals

1 judgment in this edition

KEEP SWIPING →

Insurance Law & Claims
Motor Insurance Claims (Own, Second and Third-party)

SCDRC

Agricultural harvesters are exempt from inspection certificates for insurance claim recovery

The dispute. A sugar cooperative society insured its sugarcane harvester with The Oriental Insurance Company for an agreed declared value of Rs 79.35 lakh. The machinery was completely destroyed in an accidental fire, but the insurer repudiated the total loss claim citing a missing inspection certificate. The cooperative filed an original consumer complaint before the Gujarat SCDRC challenging the repudiation and seeking settlement of the full insured declared.

The reasoning. The Commission held that sugarcane harvesters qualify as special purpose agricultural vehicles expressly exempt from periodical inspection certificates under Rule 176.

For your practice. Insurers cannot repudiate agricultural equipment claims for technical inspection defaults where statutory exemptions apply, necessitating claim settlement on a non-standard basis.

The order. The Gujarat SCDRC directed the insurer to pay 75 percent of the insured value amounting to Rs 59,51,617 with eight percent annual interest from June 2017, alongside Rs 25,000 for harassment and Rs 10,000 costs.

§ **Rule 176, Gujarat Motor Vehicles Rules, 1989**

SHREE CHALTHAN VIBHAG KHAND UDHYOG SAHKARI MANDALI LTD vs THE ORIENTAL INS CO LTD

COURT	DECIDED	CASE NO.
State Consumer Disputes Redressal Commission	20.08.2026	SC/24/CC/73/2017

BENCH
I. D. Patel, In-charge President Hon'ble Dr

Also decided today

§ Section 156(3), Code of Criminal Procedure, 1973 — JAMMU & KASHMIR AND LADAKH HC

Magistrates cannot direct registration of an FIR for non-cognizable offences under Section

The High Court held that Section 156(3) applies strictly to cognizable offences and cannot override a non-cognizable police enquiry report without recorded reasons.

CRM(M)/756/2023 · 2026:JKLHC-JMU:2679 · 20.08.2026

§ Section 81(2), Right to Fair Compensation and Transparency in Land Acquisiti... — UTTARAKHAND HC

Prior written notice is mandatory for temporary land acquisition under the 2013 Act

Section 81(2) of the 2013 Act mandates prior written notice specifying purpose, duration, and compensation details before temporary occupation.

WPMS/1401/2024 · 20.08.2026

§ Section 528, Bharatiya Nagarik Suraksha Sanhita, 2023 — JHARKHAND HC

Cash security for releasing seized vehicles cannot be demanded without assessing market value

Conditioning vehicle release on heavy cash deposits without assessing market value violates proportionality under Rule 6 of the Motor Vehicle Accident Claims Tribunal Rules.

Cr.M.P./2582/2026 · 2026:JHHC:25189 · 20.08.2026

Also decided, continued

§ Section 482, Code of Criminal Procedure, 1973

UTTARAKHAND HC

Prolonged voluntary live-in relationship negates rape charges brought after marriage refusal

Under the Sonu and Ravish Singh Rana precedents, prolonged voluntary cohabitation creates a strong presumption of implied consent between consenting adults.

C482/1826/2023 · 2026:UHC:7509 · 20.08.2026

§ CCS (Pension) Rules, 1972

TRIPURA HC

Personal loan liabilities cannot bar statutory family pension or compassionate appointment

Family pension under the CCS Pension Rules is an absolute statutory entitlement that cannot be curtailed by extraneous considerations such as personal debts.

WP(C)/120/2026 · 2026:THC:1156 · 20.08.2026

§ Section 55, Wildlife (Protection) Act, 1972

GUJARAT HC

Wildlife Act cognizance requires statutory complaint by authorised officer not police FIR

Section 55 of the Wildlife Protection Act contains an express bar against taking cognizance except upon a complaint by a designated wildlife officer.

R/CR.MA/14202/2017 · 2026:GUJHC:53807 · 20.08.2026

Also decided, continued

§ Section 16, Foreign Contribution (Regulation) Act, 2010

CALCUTTA HC

FCRA renewal refusal lacking recorded satisfaction or a hearing is jurisdictionally void

Section 16 obliges the Central Government to record subjective satisfaction based on concrete material before refusing renewal, embodying natural justice safeguards.

WPA/1736/2026 · 2026:CHC-JP:448 · 20.08.2026

§ Rule 46, Uttarakhand Pollution Control Board Rules

UTTARAKHAND HC

Pollution board cannot demand environmental compensation without statutory notice and hearing

Orders entailing civil consequences require compliance with natural justice and statutory procedure even when implementing tribunal directions.

WPMB/686/2026 · 2026:UHC:7520-DB · 20.08.2026

§ Consumer Protection Act, 1986

PUNJAB AND HARYANA HC

Discharge voucher signed under protest does not bar claim for balance insurance amount

Under established Supreme Court jurisprudence, a discharge voucher executed under economic constraint or explicit protest lacks free consent and cannot constitute accord and satisfaction.

CWP/13084/2025 · 2026:PHHC:116347-DB · 20.08.2026

Also decided, continued

§ Section 8(1)(a), Jammu and Kashmir Public Safety Act, 1978 — JAMMU & KASHMIR AND LADAKH HC

Preventive detention founded on stale FIRs lacking proximate nexus violates Article 22(5)

Preventive detention must rest on a live, proximate nexus with present public disorder rather than stale or resolved historical allegations.

HCP/33/2026 · 2026:JKLHC-JMU:2676 · 20.08.2026

§ Section 34, Arbitration and Conciliation Act, 1996 — CALCUTTA HC

Arbitral award rewriting partnership terms and exceeding reference violates public policy

An arbitrator is strictly bound by the original terms of reference and cannot create new contractual obligations or rewrite the underlying partnership agreement.

AO-COM/38/2026 · 20.08.2026

§ Section 41, Consumer Protection Act, 2019 — SCDRC

Non-standard insurance deduction is valid and interest runs from untrace report acceptance

Insurers may deduct up to twenty-five percent under NCDRC guidelines for negligence, absent proof that settlement papers were executed under coercion.

SC/3/FA/76/2025 · 20.08.2026

Today's lead judgment recalibrates the decades-old definition of 'industry' under Section 2(j) of the Industrial Disputes Act by incorporating commercial character into the Triple Test and narrowing sovereign immunity exemptions. The question that follows: as courts apply this prospective benchmark under the Industrial Relations Code, 2020, how will welfare and government departments establish which public functions remain truly sovereign and exempt from industrial adjudication?

23 judgments **1** Supreme Court **20** High Courts **2** Tribunals

Every judgment here, analysed in full.

The facts, the reasoning and the precedents each court engaged with.

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