Cassie

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4 SEPTEMBER 2026

DAILY

Court Digest

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

IN TODAY'S DIGEST

- **S.47 BNSS | Arrest defects override commercial NDPS bar : Gauhati HC**
- **Deficit stamp duty requires impoundment not suit dismissal : Calcutta HC**
- **S.60(5) IBC | Clean slate extends to going-concern sales : NCLAT**
- **Rule 86A CGST | Blocked ITC cannot satisfy appeal deposit : Delhi HC**

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Supreme Court

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Banking Law, Debt & Money Matters

SUPREME COURT

Central bank supersession of multi-state co-op boards is not capped at six months

The dispute. The Reserve Bank of India superseded the board of a multi-State co-operative bank and repeatedly extended the takeover. Ousted directors challenged the prolonged administrator control, alleging breach of statutory limits and lack of state consultation. The High Court upheld all three supersession orders, prompting the ousted directors to appeal to the Supreme Court.

The reasoning. The six-month constitutional cap excludes multi-State co-operative banks because banking statutes permit takeovers up to five years. Successive supersession orders may outlast the board's term without requiring consultation with State governments.

For your practice. Litigation challenging central bank takeovers of multi-State lenders cannot rely on constitutional time caps or lack of provincial government consultation.

The order. Civil appeals are dismissed without costs, affirming the High Court judgment. The three successive central bank supersession orders extending the administrator's tenure are declared legal and valid.

§ Section 36AAA, Banking Regulation Act, 1949

SANDEEP S. GHANDAT vs RESERVE BANK OF INDIA

COURT	DECIDED	CASE NO.	CITATION
Supreme Court of India	03.09.2026	C.A. No.-005351-005352 - 2025	2026 INSC 955

BENCH

Pamidighantam Sri Narasimha, Alok Aradhe

Government & Public Body Interactions

SUPREME COURT

Regulator can mandate annual performance appraisal reports through its executive arm

The dispute. The national education council required recognised colleges to submit annual performance reports with processing fees. An approved colleges trust challenged the mandate, arguing the executive committee lacked delegated authority to demand filings. After the Division Bench quashed the notice for lack of delegation, the regulatory council appealed to the Supreme Court.

The reasoning. Governing body approval authorised the executive arm to implement performance reporting without separate delegation. Demanding compliance data and levying process fees are inherent regulatory powers immune from pedantic challenges.

For your practice. Regulatory challenges based solely on lack of sub-delegation will fail where the parent body has approved the underlying compliance framework.

The order. The appeal is allowed, restoring the public notice. Institutions must submit appraisal reports paying fees of Rs 5,000 for government and Rs 15,000 for private colleges.

§ Section 12(k), National Council for Teacher Education Act, 1993

THE NATIONAL COUNCIL FOR TEACHERS EDUCATION vs ASSOCIATION OF NCTE APPROVED COLLEGES TRUST

COURT	DECIDED	CASE NO.	CITATION
Supreme Court of India	03.09.2026	C.A. No.-012179-012179 - 2026	2026 INSC 953

BENCH

Pamidighantam Sri Narasimha, Alok Aradhe

High Courts

5 judgments in this edition

KEEP SWIPING >>>

Property & Asset Disputes
Property Ownership, Title, Registration, Mutation, Division

CALCUTTA HC

Deficit stamp duty on sale agreements requires impoundment rather than suit dismissal

The dispute. Amarendra Nath Mitra sued to enforce an agreement for sale of a one-seventh property share evidenced by a money receipt. The defendants did not appear, but the trial court dismissed the suit ex parte for stamp deficiency, lack of attestation, and missing signature. The Civil Judge at Sealdah dismissed the title suit on 24 July 2023, leading to the plaintiff's first appeal before the High Court.

The reasoning. Insufficient stamp duty is a curable defect mandating impoundment to allow payment of deficit duty rather than suit dismissal. Sale agreements require neither statutory attestation nor the purchaser's signature where conduct establishes mutual assent.

For your practice. Plead impoundment to cure stamp defects in specific performance suits, and resist dismissals based on non-mandatory attestation or missing signatures.

The order. Appeal allowed and dismissal set aside. The suit is remanded to the trial court to impound the agreement, assess deficit stamp duty, and pass a decree upon deposit within two months.

§ Section 4, Indian Stamp Act, 1899

Amarendra Nath Mitra v. Sm. Sudha Mitra & ors.

COURT	DECIDED	CASE NO.	CITATION
Calcutta High Court	03.09.2026	FA/120/2025	2026:CHC-AS:1431

BENCH
Sabyasachi Bhattacharyya, Sandip Kumar De

Criminal Issues
Bail, Arrest & Custody Issues

GAUHATI HC

Arrest is illegal without witness signatures, specific grounds, and timely family notice

The dispute. The Narcotics Control Bureau arrested an accused after seizing forty-eight kilograms of methamphetamine. Officials omitted witness signatures from the arrest memo, cited vague grounds of involvement, and mailed notice to his family weeks after remand. Remanded to custody without counsel, the accused filed a High Court bail petition challenging the legality of his arrest.

The reasoning. Mandatory arrest safeguards require an attesting witness, specific factual grounds, and prompt communication of reasons to family. Bare assertions of involvement coupled with unrepresented remand inflict demonstrable constitutional prejudice.

For your practice. Scrutinise arrest records for missing witness attestations and delayed family notices to secure bail on procedural non-compliance.

The order. Bail was granted on a personal bond of Rs 2,00,000 with two sureties, including a resident government servant. The agency remains at liberty to re-arrest after complying with statutory requirements.

§ **Section 36, Section 47, Section 48, Bharatiya Nagarik Suraksha Sanhita, 2023**

Lalhmingsanga v. Union of India

COURT	DECIDED	CASE NO.	CITATION
Gauhati High Court	03.09.2026	Bail Appln./64/2026	2026:GAU-MZ:481

BENCH
Sanjeev Kumar Sharma

Criminal Issues
Bail, Arrest & Custody Issues

ORISSA HC

Medical examination time cannot be excluded from the twenty-four-hour detention limit

The dispute. Police arrested the petitioner for allegedly transporting 51.4 kilograms of contraband ganja in a car under narcotics laws. The prosecution detained him across transit and medical examinations before producing him before the trial court. The trial court excluded medical hours to uphold custody within twenty-four hours, which the accused challenged in a bail petition.

The reasoning. Constitutional protections permit excluding only actual transit time evidenced by escort records, not medical examinations. Exceeding twenty-four hours vitiates both arrest and remand, leaving the court no option but to grant bail.

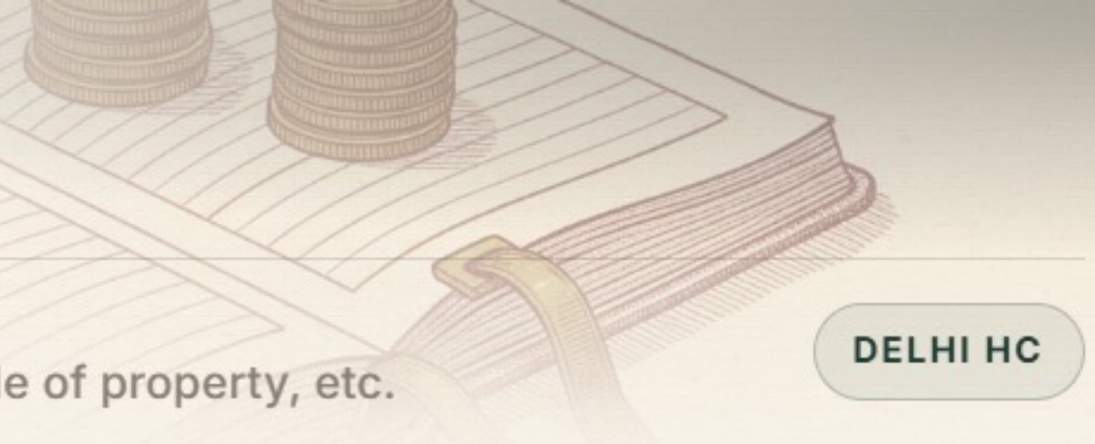
For your practice. Scrutinise command certificates to track actual transit, as medical procedures and unexplained gaps count against the State to compel bail.

The order. The petitioner is granted regular bail upon furnishing a personal bond of Rs 1,00,000 with two solvent sureties. The registry must transmit the order electronically to the trial court and jail immediately.

§ Article 22(2), Constitution of India

Srikanta Dhadaka v. State of Odisha

COURT	DECIDED	CASE NO.	BENCH
Orissa High Court	03.09.2026	BLAPL/6986/2026	G. Satapathy



Banking Law, Debt & Money Matters
SARFAESI, Mortgage Suits, Lien, Attachment and Sale of property, etc.

DELHI HC

Full payment by an auction purchaser completes the sale despite pending registration

The dispute. IFCI Venture Capital Funds auctioned a borrower's mortgaged asset after loan default, and the buyer paid the full Rs 9.09 crore consideration on time. The borrower sought to reclaim the property, but its settlement cheque for Rs 9.92 crore bounced. After the writ court dismissed its challenge to the sale, the borrower appealed arguing that certificate registration remained pending.

The reasoning. An auction sale attains finality once the purchaser deposits the entire price within the statutory timeline. Pending certificate registration neither renders the sale incomplete nor revives the borrower's redemption right.

For your practice. Advise secured lenders that buyer rights crystallise upon timely full payment, preventing borrowers from using pending registration to reopen redemption.

The order. The Division Bench dismissed the appeal, confirming the Rs 9.09 crore auction sale. The order was made without prejudice to pending Debts Recovery Tribunal proceedings.

§ **Rule 9(4), Security Interest (Enforcement) Rules, 2002**

MS PATIL CONSTRUCTIONS AND INFRASTRUCTURE LIMITED vs IFCI VENTURE CAPITAL FUNDS LTD.

COURT	DECIDED	CASE NO.	CITATION	BENCH
Delhi High Court	03.09.2026	LPA-604/2026	2026:DHC:7469-DB	Tejas Karia

Contracts & Business Disputes
Franchise & Agency Agreement Disputes

DELHI HC

An unfiled internal account statement cannot be proved by confronting a defence witness

The dispute. A manufacturer engaged an agent to supply medical films to government departments on commission. When commission payments were withheld, the agent sued for recovery of dues relying on its internal statement of account. The trial court decreed the suit for Rs 8.40 lakh with interest, which the manufacturer challenged in a regular first appeal.

The reasoning. An unfiled internal record used in cross-examination can only confront a witness, not serve as affirmative evidence without court leave. Separately, a commission agent appointed for public procurement must prove actual delivery to sustain a recovery claim.

For your practice. File all internal statements of account with the plaint, because documents produced during cross-examination cannot later be converted into substantive evidence.

The order. The High Court allowed the appeal and set aside the trial court decree for Rs 8,40,982 with 12% interest. The Registry was directed to refund the deposited decretal sum with accrued interest to the appellant.

§ Order VII Rule 14, Code of Civil Procedure, 1908

M/S JINDAL PHOTO LTD vs M/S RAYS MEDICAL SERVICES (P) LTD

COURT	DECIDED	CASE NO.	CITATION	BENCH
Delhi High Court	03.09.2026	RFA-36/2016	2026:DHC:7454	Amit Bansal

Tribunals

2 judgments in this edition

KEEP SWIPING →



Banking Law, Debt & Money Matters
Personal Bankruptcy & Insolvency

NCLAT

Tribunals can grant consequential reliefs to implement going concern liquidation sales

The dispute. The appellant bought a fitness company in liquidation as a going concern for fifteen crore rupees. Upon receiving the sale certificate, he sought directions to restructure shareholding, update credit records, and continue operating licences. The NCLT refused reliefs on jurisdictional grounds and relegated him to sectoral regulators, prompting this appeal.

The reasoning. Insolvency tribunals possess broad residuary jurisdiction over issues directly linked to liquidation proceedings. The clean slate doctrine extends to liquidation sales, obliging regulators to recognise consequences of the transfer.

For your practice. Counsel can obtain composite implementation orders from insolvency tribunals instead of litigating separately before sectoral regulators.

The order. The tribunal partly allowed the appeal, granting shareholding restructuring, licence continuity, and MCA status restoration. Claims for tax waivers and receivables were rejected as outside auction terms.

§ **Section 60(5), Insolvency and Bankruptcy Code, 2016**

Ravikumar Guarishankar Patel vs Gajesh Labhchand Jain

COURT
National Company Law Appellate Tribunal

DECIDED
03.09.2026

CASE NO.
Company Appeal (AT) (Insolvency) No. 710 of 2026

BENCH
Barun Mitra

Consumer & Service Problems
Defective/Poor Quality Products, Warranty/Guarantee & After-sales Service Issues

SCDRC

A company buying a vehicle for its director's personal use qualifies as a consumer

The dispute. Zeniak Innovation bought a Rs 53.72 lakh Land Rover from Lexus Motors for its director's personal use. The audio system malfunctioned immediately, and despite warranty repairs, the company noted persistent speaker distortion at redelivery and demanded a vehicle replacement or refund. The company filed a complaint before the West Bengal SCDRC seeking replacement, which the dealer contested citing an excluded commercial purpose.

The reasoning. The dominant purpose test requires proving a direct nexus to profit generation, not mere corporate identity. A vehicle acquired for a director's personal use is not commercial, while unverified warranty repair constitutes deficient service.

For your practice. Clarifies that corporate purchasers for director's personal use remain consumers under the Act. Separates dealer liability for after-sales service from manufacturer liability for inherent defects. Compensation for companies is restitutive (loss of utility, inconvenience) not for mental agony.

The order. Complaint allowed in part. Opposite Parties 1 and 2 jointly and severally to pay compensation for deficiency in after-sales service and litigation costs.

§ **Section 2(1)(d), Consumer Protection Act, 1986**

Zeniak Innovation India Ltd. vs Lexus Motors Ltd. & ors.

COURT	DECIDED	CASE NO.
State Consumer Disputes Redressal Commission	03.09.2026	SC/19/CC/1029/2019

BENCH
Rajes Guha Ray, Santanu Saha

Also decided today

§ Section 166, Motor Vehicles Act, 1988 SUPREME COURT

Bachelor multiplier follows deceased's age and blindness warrants full functional disability

Bachelor claim multipliers depend on the deceased's age rather than dependent parents under binding precedent. Functional disability assesses open-market employability rather than accommodated retention, warranting 100% disability for blindness.

C.A. No.-012085-012085 - 2026 · 2026 INSC 950 · 03.09.2026

§ Section 306, Indian Penal Code, 1860 SUPREME COURT

Reversing an acquittal requires finding the trial court view perverse or impossible

The Supreme Court held that reversing an acquittal requires a categorical finding that the trial view was perverse or impossible. General allegations cannot prove cruelty or suicide abetment where the accused actively attempted medical rescue.

Crl.A. No.-001108-001108 - 2016 · 2026 INSC 948 · 03.09.2026

§ Section 43D(5), Unlawful Activities (Prevention) Act, 1967 DELHI HC

Inordinate trial delay and prolonged pre-trial custody override statutory bail bars

Article 21 overrides statutory bail restrictions where detention is prolonged and trial conclusion is remote. Courts must assess individual culpability rather than denying bail collectively to peripheral accused.

CRL.A.-453/2023 · 2026:DHC:7447-DB · 03.09.2026

Also decided, continued

§ Section 107(6), Central Goods and Services Tax Act, 2017 DELHI HC

Blocked input tax credit cannot satisfy mandatory pre-deposit requirements on appeal

Restricting ledger credit under Rule 86A merely prevents debit and does not constitute payment towards an adjudicated demand. Section 107(6) pre-deposits require actual debit from lawfully available credit or cash.

W.P.(C)-3418/2026 · 2026:DHC:7442-DB · 03.09.2026

§ Section 2(s), Industrial Disputes Act, 1947; Section 25FF, Industrial Disputes Act, 19... MADRAS HC

Managerial staff cannot claim factory severance benefits absent proven functional integrality

Managerial designations and contract terms negate workman status despite assertions of routine clerical duties. Functional integrality cannot extend factory settlements to corporate staff without proof of operational interdependency and common seniority.

WA.2952/2023 · 03.09.2026

§ Section 142A, Income Tax Act, 1961 GUJARAT HC

A valuation reference made to avert limitation expiry is a colourable device

The reference was a colourable attempt to artificially extend statutory limitation. Having possessed records for months without questioning valuation, the assessing officer could not manufacture grounds to cover inaction.

R/SCA/13575/2023 · 2026:GUJHC:56020-DB · 03.09.2026

Also decided, continued

§ Section 2(c), Commercial Courts Act, 2015 CALCUTTA HC

Oral land agreements proved by conduct warrant an injunction despite alternative damages claims

The High Court held that reciprocal conveyances executed on the same day demonstrated consensus ad idem, establishing a prima facie case for trial. It ruled that an alternative damages prayer never disentitles a plaintiff from seeking interim protection.

FMA/916/2025 · 2026:CHC-AS:1416-DB · 03.09.2026

§ Office Memorandum dated 07 June 1988, Ministry of Personnel, Public Grievance... CALCUTTA HC

Unsanctioned posts cannot bar regularisation review for regularly selected daily workers

The High Court held that competitive selection followed by a decade of essential service negates casual engagement. The State cannot invoke unsanctioned posts to deny regularisation review while extracting perennial labour integral to public administration.

MAT/75/2024 · 2026:CHC-PB:117-DB · 03.09.2026

§ Section 31, Representation of the People Act, 1950 DELHI HC

Booth level agents cannot be compelled to certify all particulars in enumeration forms

The High Court held that requiring agent undertakings is arbitrary where statutory verification is entrusted to government officers. Penal liability extends only to verifiable information, specifically matching an elector's photograph to their identity.

W.P.(C)-11278/2026 · 2026:DHC:7464 · 03.09.2026

Also decided, continued

§ Article 226, Constitution of India

PATNA HC

An inquiry officer acting as prosecutor and withholding documents vitiates employee dismissal

The High Court held that an inquiry officer assuming a prosecutorial role fundamentally violates the principles of natural justice. Withholding relied-upon documents caused demonstrable prejudice, vitiating the inquiry and rendering the dismissal void.

CWJC-996/2017 · 03.09.2026

§ Section 173, Motor Vehicles Act, 1988

GAUHATI HC

Insurers must pay accident victims and recover from owners when drivers lack valid licences

The High Court held that claims tribunals must apply the pay and recover principle when drivers lack valid licences.

MACApp./526/2025 · 2026:GAU-AS:12738 · 03.09.2026

§ Section 213(b), Companies Act, 2013

NCLAT

Investigative notices to external agencies require prior satisfaction and a hearing

Tribunals must record satisfaction on statutory grounds and hear parties before ordering an investigation. Involving external agencies carries serious civil consequences and cannot be directed without following statutory safeguards.

Company Appeal (AT) Nos. 55 & 137 of 2026 · 03.09.2026

Also decided, continued

§ Section 153C, Income Tax Act, 1961 ITAT

Third-party search assessments are void where satisfaction notes are recorded after April 2021

The Tribunal held that for a non-searched person, the date of recording satisfaction operates as the date of search. Because satisfaction was recorded after 1 April 2021, search assessment powers were barred and Revenue had to proceed under reassessment.

ITA Nos. 1992-1995/Del/2026 · 03.09.2026

§ Section 65(105)(k), Finance Act, 1994 CESTAT

Member-based worker collectives facilitating direct employment are not manpower supply agencies

The Tribunal held that workers were members constituting the collective rather than employees, negating an intermediary manpower supply role. Taxable value cannot be assessed on gross collections without deducting wages reimbursed to members.

ST/21333/2015 · 03.09.2026

§ Section 38, Consumer Protection Act, 2019 SCDRC

Extension to file a written statement is not automatic and requires sufficient cause

The statutory fifteen-day extension is discretionary, requiring proof that sufficient cause prevented timely filing. Internal departmental delays remain within a party's control and cannot justify condonation absent particularised, cogent explanations.

SC/7/RP/3/2025 · 03.09.2026

The Gauhati High Court held that total non-compliance with the mandatory arrest and intimation safeguards under Sections 36, 47, and 48 of the BNSS renders detention unlawful, overriding the statutory bail embargo even in commercial narcotics prosecutions. As investigating agencies navigate the procedural mandates of the new criminal code, will rigorous judicial enforcement of arrest protocols instil investigative discipline, or will administrative oversights create a recurring bypass around stringent statutory bail bars?

24 judgments **4** Supreme Court **14** High Courts **6** Tribunals

Every judgment here, analysed in full.

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

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