Cassie

TUESDAY
8 SEPTEMBER 2026

DAILY

Court Digest

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

IN TODAY'S DIGEST

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- **S.138 NI Act | Complaint before 15-day notice window is void : HP HC**
- **S.31 IBC | Approved plan clears tax dues and pre-deposit : Bombay HC**
- **S.2(7) CPA | PSU qualifies as consumer for insurance : Delhi SCDRC**

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Supreme Court

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Criminal Issues
Corporate Criminal Liability

SUPREME COURT

Absence of arraigned natural persons is no ground to quash corporate criminal proceedings

The dispute. The CBI prosecuted Sanofi India Ltd. for allegedly supplying medicines to BARC at inflated rates. The company sought quashing on the ground that no individual employee or officer had been arraigned alongside it. The Karnataka High Court refused to quash the special court proceedings under Section 482 CrPC, prompting the company's appeal.

The reasoning. Corporate mens rea is determined hierarchically via constitutional documents, delegated authority, or statutory purpose. Quashing under Section 482 CrPC cannot be granted merely because no natural person is arraigned alongside the company.

> *The inquiry into attribution is not concerned with corporate metaphysics, i.e., with locating some abstract 'directing mind and will' or 'brain' of the corporation.*
>
> FROM THE JUDGMENT

For your practice. Corporate quashing pleas cannot succeed on omission of individual officers, shifting the defence focus to whether allegations substantiate statutory mens rea.

The order. The Supreme Court dismissed the appeal and affirmed the High Court's refusal to quash proceedings in Special C.C. No. 226/2017.

§ Section 482, Code of Criminal Procedure, 1973

SANOFI INDIA LTD. vs CENTRAL BUREAU OF INVESTIGATION

COURT	DECIDED	CASE NO.	CITATION
Supreme Court of India	07.09.2026	Crl.A. No.-004250-004250 - 2026	2026:INSC:957

BENCH
J.b. Pardiwala, K. Vinod Chandran

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

SUPREME COURT

Larger bench to decide whether stamp duty valuation references require fraudulent intent

The dispute. BPCL purchased central government land in 2014, paid consideration fully by cheque, and registered the deed in 2016. The registering authority initiated undervaluation proceedings because the circle rate exceeded the declared consideration. A Single Judge quashed the notice, but the Madras High Court Division Bench reversed the decision and restored the reference.

The reasoning. The Court doubted the V.N. Devadoss precedent for importing a culpable mindset into a market value inquiry. The statutory text requires only reason to believe consideration is untruly set forth, not proof of wilful evasion.

> *The ratio of V. N. Devadoss (supra), by importing culpable mindset into a provision which, on its own terms, is about true market value, converts a market value enquiry into a quasi-criminal enquiry.*
>
> FROM THE JUDGMENT

For your practice. Parties facing valuation notices must establish market value before the collector instead of seeking writ quashing for lack of fraudulent intent.

The order. The Court referred the questions to the Chief Justice for a larger bench, leaving the Division Bench's restoration order in effect.

§ **Section 47-A, Indian Stamp Act, 1899**

BHARAT PETROLEUM CORPORATION LIMITED vs THE DISTRICT REVENUE OFFICER (STAMPS)

COURT	DECIDED	CASE NO.	CITATION
Supreme Court of India	07.09.2026	SLP(C) No.-037096 - 2025	2026:INSC:963

BENCH
Dipankar Datta, Sheel Nagu

High Courts

8 judgments in this edition

KEEP SWIPING >>>

Government & Public Body Interactions
Tenders, Blacklisting & Debarment by Government Bodies

JHARKHAND HC

Jurisdiction clauses cannot oust writ review, and debarment requires specific notice

The dispute. RITES awarded M/s SK Electricals a Rs 6.4 crore railway siding electrification contract in Dumka, Jharkhand. Following site execution delays, RITES terminated the contract, forfeited Rs 45.5 lakh in guarantees, and debarred the contractor for two years. The contractor filed an Article 226 petition before the Jharkhand High Court despite a clause vesting jurisdiction in Kolkata.

The reasoning. A contractual forum clause cannot oust High Court writ jurisdiction where the cause of action arises territorially. Blacklisting cannot follow automatically from contract termination without a specific notice specifying the proposed debarment.

> *A decision of blacklisting is not automatic and certainly not a logical consequence of a decision of termination.*
>
> FROM THE JUDGMENT

For your practice. Contractors can seek writ relief at the project site despite forum clauses, while employers must issue specific show-cause notices before ordering debarment.

The order. The Court quashed the two-year debarment order for natural justice violations, leaving contract termination undisturbed with liberty to RITES to initiate fresh proceedings following due process.

§ **Article 226, Constitution of India**

M/s SK Electricals v. RITES Ltd. & ors.

COURT	DECIDED	CASE NO.	CITATION
Jharkhand High Court	07.09.2026	WPC/2527/2026	2026:JHHC:26889-DB

BENCH
Rajesh Shankar

Contracts & Business Disputes
Arbitration Agreements, Proceedings & Enforcement

CALCUTTA HC

Limitation to execute pre-2015 arbitral award runs from amendment date not award date

The dispute. In 2008, a public undertaking secured a 5.5-crore rupee arbitral award with compound interest upon terminating a mining contract. The award debtor filed a Section 34 challenge, under which binding precedent then automatically foreclosed execution. The award holder initiated execution in 2025, which the debtor opposed as time-barred by twelve-year limitation from the award date.

The reasoning. An award becomes enforceable under Article 136 only when execution is practically available in law. Periods judicially foreclosed by binding precedent stand excluded because per incuriam rulings do not retrospectively revive past remedies.

For your practice. Creditors holding pre-2015 arbitral awards stayed by pending challenges can execute within twelve years of 23 October 2015, pleading judicial foreclosure.

The order. Execution petition held maintainable. The High Court held limitation runs from 23 October 2015, rejected the objection, and directed the debtor to file an asset affidavit within four weeks.

§ Section 36, Arbitration and Conciliation Act, 1996

Steel Authority of India Limited v. M/s Eastern Minerals and Trading Agency

COURT	DECIDED	CASE NO.	BENCH
Calcutta High Court	07.09.2026	EC-COM/155/2025	Gaurang Kanth

Criminal Issues
Cheque Bounce

HIMACHAL PRADESH HC

Cheque bounce complaint filed before expiry of notice period is a jurisdictional nullity

The dispute. An apple buyer issued a four-lakh rupee cheque for fruit consignments, which dishonoured for insufficient funds. The seller sent a statutory demand notice by registered post, but filed a complaint before the mandatory fifteen-day payment window expired. The trial court convicted the buyer and the sessions court affirmed, prompting the accused to challenge cognisance in revision.

The reasoning. A complaint filed before fifteen days expire from notice service is legally non-existent and cannot sustain cognisance. Prematurity constitutes an incurable jurisdictional defect that an accused may raise for the first time in revision.

> *Any complaint filed before the expiry of 15 days from the date on which the notice has been served on the drawer/accused is no complaint at all in the eyes of the law.*
>
> FROM THE JUDGMENT

For your practice. Counsel must allow thirty days for deemed postal service plus fifteen days for payment before filing, as premature complaints cannot be cured.

The order. Revision allowed. The High Court set aside the conviction, one-year sentence, and 4.70 lakh rupee compensation order, dismissing the complaint as premature and directing records returned.

§ Section 138, Negotiable Instruments Act, 1881

Basant v. Virender Singh

COURT	DECIDED	CASE NO.	CITATION
Himachal Pradesh High Court	07.09.2026	CR.R/354/2025	2026:HHC:37620

BENCH
Rakesh Kainthla

Government & Public Body Interactions

BOMBAY HC

An approved resolution plan extinguishes past tax dues and mandates refund of pre-deposits

The dispute. A company faced a Value Added Tax demand of ₹6.2 crore and filed an appeal after paying a ₹32 lakh statutory pre-deposit. During the appeal's pendency, the company underwent insolvency resolution, culminating in NCLT approval of a clean-slate plan settling tax claims. Despite notice of the approved plan, the appellate tax authority confirmed the recovery, prompting the company to invoke writ jurisdiction.

The reasoning. Approval of an insolvency resolution plan extinguishes all past tax claims and strips authorities of jurisdiction. With the underlying liability extinguished, statutory appellate pre-deposits cannot be retained and must be refunded.

For your practice. Tax authorities cannot enforce pre-CIRP demands following plan approval, and practitioners should immediately seek refund of appellate pre-deposits.

The order. The High Court quashed the recovery order dated 31 May 2023 for ₹6.2 crore and directed the tax authority to refund the ₹31.99 lakh pre-deposit with applicable interest.

§ Section 31, Insolvency and Bankruptcy Code, 2016

Aarem Insights Private Limited Formerly known as Shop CJ Network Private Limited vs Joint Commissioner of State Tax Appeals VII

COURT	DECIDED	CASE NO.	CITATION
Bombay High Court	07.09.2026	WPL/36803/2025	2026:BHC-OS:19859-DB

BENCH

M. S. Karnik, Sandesh D. Patil

Work & Employment Issues
Disciplinary Proceedings & Domestic Enquiries

DELHI HC

Disciplinary authorities cannot upgrade inquiry findings without reasons and a fresh hearing

The dispute. IOCL dismissed a Chief Manager over alleged irregularities in awarding a Rs 60.35 lakh refinery contract. The Inquiry Officer found only backdating of proposals and shared negligence proved, exonerating him of fraud, dishonesty, and financial loss. The delinquent officer filed a writ petition before the Delhi High Court challenging his dismissal and the deprivation of an effective appeal.

The reasoning. A disciplinary authority cannot substitute findings more adverse than the inquiry report without recorded reasons and a hearing. Appointing the same official as disciplinary and appellate authority renders the statutory appeal illusory.

For your practice. Disciplinary orders must be checked for silent upgrades of inquiry findings, while multi-officer proceedings require a distinct notified appellate authority.

The order. The High Court set aside the dismissal order, substituted a minor penalty under Rule 29, and directed release of all consequential retiral and service benefits within three months, while denying back wages.

§ Rule 32(2) and Rule 34, Conduct, Discipline & Appeal Rules, 1980

K.P.SHARMA vs M/S INDIAN OILC CROPRATION LTD

COURT	DECIDED	CASE NO.	CITATION	BENCH
Delhi High Court	07.09.2026	W.P.(C)-8888/2004	2026:DHC:7585	Neena Bansal Krishna

Property & Asset Disputes
Tenancy and Lease Matters

PUNJAB AND HARYANA HC

NRI landlord cannot invoke repealed 1949 Rent Act for tenancy created after 2013

The dispute. An NRI landlord purchased a plot in 2012 and let out the constructed house to a tenant in January 2020 at twenty thousand rupees monthly. In April 2021, the landlord filed for summary ejectment under Section 13-B of the repealed 1949 Act. The Rent Controller recalled an order requiring statutory amendment and ordered eviction, which the tenant challenged in revision.

The reasoning. Exemption under Section 3(1)(c) of the 1995 Act turns on construction completion, not land acquisition. Repealed remedies cannot govern post-2013 tenancies because savings clauses preserve only accrued rights, not new tenancies.

For your practice. Counsel for NRI landlords must verify tenancy dates against the November 2013 cutoff and prove construction completion rather than relying on land purchase.

The order. Revision allowed. The High Court set aside the ejectment order dated 12 August 2021, holding the Section 13-B petition not maintainable and reserving liberty to seek remedies under applicable law.

§ **Section 3(1)(c), Punjab Rent Act, 1995**

MANPREET KAUR vs JAI SINGH

COURT	DECIDED	CASE NO.	CITATION
Punjab and Haryana High Court	07.09.2026	CR/1884/2021	2026:PHHC:125165

BENCH
Deepak Gupta

Contracts & Business Disputes
Arbitration Agreements, Proceedings & Enforcement

BOMBAY HC

Acquiring leasehold rights does not bind an assignee to a prior arbitration clause

The dispute. Developers acquired redevelopment rights under a 2007 agreement before landowners terminated the contract. When the owners later transferred leasehold rights to a third party, the developers invoked arbitration against both the original owners and the assignee. The developers applied under Section 11 for an arbitrator, facing opposition on limitation from the owners and privity from the assignee.

The reasoning. Acquiring leasehold rights does not transfer arbitration obligations absent express assignment or conduct adopting the contract. Disputed limitation objections require evidentiary scrutiny and belong to the arbitral tribunal under Section 16.

For your practice. Binding property assignees requires express succession clauses, while limitation defences must be reserved for the tribunal rather than referral courts.

The order. The High Court appointed a sole arbitrator for disputes between the developers and original owners, leaving limitation to the tribunal, while dismissing the application against the assignee.

§ Section 11, Arbitration and Conciliation Act, 1996

Shree Satguru Developers vs Chandrashekhar Champalal Hingarh

COURT	DECIDED	CASE NO.	CITATION	BENCH
Bombay High Court	07.09.2026	ARBAPL/27816/2026	2026:BHC-OS:19815	Amit Borkar

Relationships & Family Matters
Maintenance for Spouse & Children

GAUHATI HC

Revision lies against dismissal of condonation of delay in a domestic violence appeal

The dispute. A wife obtained a monthly maintenance order of ₹1 lakh under the Domestic Violence Act, which the magistrate progressively reduced to ₹60,000. After engaging fresh counsel to obtain records, she appealed the reduction alongside pleas to condone 123 and 55 days of delay. The Sessions Judge dismissed the condonation plea for lack of sufficient cause, prompting the wife to challenge the rejection in revision.

The reasoning. Dismissing condonation terminates the statutory appeal, rendering the order final in effect and amenable to revision. Under the welfare-oriented Domestic Violence Act, bona fide delay from changing counsel warrants a liberal approach.

For your practice. Appellate condonation rejections in domestic violence disputes are revisable, while counsel transitions and file handovers support sufficient cause.

The order. The High Court quashed the order dated 15 December 2025, condoned the delays of 123 and 55 days, and directed the Sessions Judge, Dimapur to admit Criminal Appeal No. 09/2024 on merits.

§ **Section 29, Protection of Women from Domestic Violence Act, 2005**

Smt. Abigail Achiku Zeliang (Nee Yephthomi) v. Shri Hailungning Zeliang

COURT	DECIDED	CASE NO.	CITATION
Gauhati High Court	07.09.2026	CRL.REVN/5/2026	2026:GAU-NL:459

BENCH
Yarenjungla Longkumer

Tribunals

2 judgments in this edition

KEEP SWIPING →



Banking Law, Debt & Money Matters
Personal Bankruptcy & Insolvency

NCLAT

Continuing failure to hand over possession extends limitation daily for insolvency claims

The dispute. In August 2010, an allottee paid eighteen lakh rupees for a commercial unit in Vigneshwara Developers' project under an assured-return contract. The developer defaulted on returns from 2015, never delivered possession, and faced winding-up proceedings before the High Court. After the NCLT admitted the allottee's twenty-nine lakh rupee insolvency plea, the promoter appealed, arguing the debt was time-barred.

The reasoning. Failure to deliver possession is a continuing breach under Section 22 of the Limitation Act, renewing limitation daily. Scheme acknowledgments extend limitation under Section 18, while pending winding up cannot bar insolvency admission.

For your practice. Pleading continuing non-delivery under Section 22 overcomes limitation bars, while failed court schemes can be cited as Section 18 debt acknowledgments.

The order. The NCLAT dismissed the appeal without costs, upholding the admission of Vigneshwara Developers into insolvency. The allottee's claim of twenty-nine lakh rupees for a 250-square-foot unit was held within limitation.

§ **Section 7, Insolvency and Bankruptcy Code, 2016**

Sunil Kumar Dahiya vs Lavkash Verma & ors.

COURT
National Company Law Appellate Tribunal

DECIDED
07.09.2026

CASE NO.
I.A. No. 6700 of 2025 in Company Appeal (AT) (Insolvency) No. 1375 of 2019

BENCH
Sharad Kumar Sharma, Arun Baroka

Insurance Law & Claims
Goods, Home, Fire & Other Insurance Claims

SCDRC

PSUs qualify as consumers and minor intimation delays do not justify insurance repudiation

The dispute. A power transmission joint venture insured its 215-kilometre project under an all-risk policy for 580 crore rupees. Following copper and conductor theft along two stretches, the insurer repudiated a fifty-four lakh rupee claim citing delayed intimation. The insured filed a consumer complaint for deficiency, while the insurer defended repudiation citing commercial purpose and delayed notice.

The reasoning. PSU status does not prove commercial purpose under Section 2(7)(ii) absent evidence that insurance was obtained for profit. Assessing widespread project theft takes time, and minor intimation delays do not justify claim repudiation.

For your practice. Insurers must prove profit motive to deny consumer status to PSUs, while claimants should document loss-assessment timelines to counter notice-delay defences.

The order. The Delhi SCDRC ordered the insurer to pay 25,61,229 rupees with six percent interest by 7 November 2026, rising to nine percent on default. It also awarded one lakh rupees for harassment and fifty thousand rupees in costs.

§ **Section 2(7)(ii), Consumer Protection Act, 2019**

M/S TEESTAVALLEY POWER TRANSMISSION LTD. vs NATIONAL INS. CO. LTD.

COURT
State Consumer Disputes Redressal Commission

DECIDED
07.09.2026

CASE NO.
SC/7/CC/133/2021

BENCH
Sangita Dhingra Sehgal, Bimla Kumari

Also decided today

§ Section 165, Indian Evidence Act, 1872

SUPREME COURT

Dock identification is substantive evidence and a test parade is merely corroborative

Identification of an accused in court constitutes substantive evidence, whereas a test identification parade serves merely as corroborative material. A conviction cannot stand solely on a test parade when the witness fails to identify the accused in the dock.

Crl.A. No.-000135-000135 - 2026 · 2026:INSC:958 · 07.09.2026

§ Article 5(g-a)(i), Schedule I, Maharashtra Stamp Act, 1958

BOMBAY HC

Stamp duty on development agreements cannot value contingent rights as presently vested

Stamp duty under Article 5(g-a)(i) anchors strictly to rights transferred on the execution date. Rights dependent on unexercised contingencies cannot be taxed as presently vested or valued on hypothetical building potential.

WP/11115/2016 · 2026:BHC-AS:36507 · 07.09.2026

§ Section 166, Motor Vehicles Act, 1988

PUNJAB AND HARYANA HC

Out-of-state driving licences cannot be presumed fake to grant insurer recovery rights

Notional income must reflect a victim's completed technical qualifications even absent specific employment records. Insurers cannot claim recovery rights on geographical suspicion without proving invalidity through the licensing authority.

FAO/2260/2018 · 2026:PHHC:124796 · 07.09.2026

Also decided, continued

§ Section 11(6), Arbitration and Conciliation Act, 1996 DELHI HC

Limitation for arbitration runs from claim rejection and excludes mediation periods

Preliminary letters proposing arbitration as a contingency do not trigger Section 21 invocation. Limitation commences only upon definitive claim rejection, and time spent in bona fide mediation must be excluded when calculating the referral period.

ARB.P.-853/2025 · 2026:DHC:7608 · 07.09.2026

§ Section 498A, Indian Penal Code, 1860 CALCUTTA HC

Omnibus allegations against in-laws filed as a counterblast to eviction warrant quashing

Omnibus cruelty allegations lacking specific dates or overt acts cannot sustain a prosecution against in-laws. Complaints filed immediately after adverse eviction orders constitute a mala fide counterblast warranting quashing under Section 482.

CRR/4968/2023 · 07.09.2026

§ Section 33, Insecticides Act, 1968 PUNJAB AND HARYANA HC

Nomination of a responsible person does not immunise other company officers from prosecution

Nominating a responsible person does not immunise other company officers facing specific allegations of statutory neglect. Factual defences regarding batch numbers and employment tenure require trial evidence and cannot be decided under Section 482.

CRM-M/19562/2022 · 07.09.2026

Also decided, continued

§ Section 12A, Insolvency and Bankruptcy Code, 2016 NCLAT

Insolvency proceedings may be closed under inherent powers once all creditors are settled

When all creditor claims stand satisfied, insolvency proceedings cannot continue solely over undetermined resolution costs. An appellate tribunal may exercise inherent powers to close the process despite procedural non-compliance in the withdrawal application.

Company Appeal (AT) (Ins.) No. 222 of 2025 · 07.09.2026

§ Section 205, Income-tax Act, 1961 ITAT

TDS credit cannot be denied on Form 26AS mismatch once actual deduction is established

Statutory protection against tax recovery operates immediately upon establishing actual deduction at source, irrespective of whether the deductor remitted the amount.

ITA No.4304/Mum/2026 · 07.09.2026

§ Section 2(1)(o), Consumer Protection Act, 1986 NCDRC

Error of judgment is not medical negligence when treatment adheres to accepted practice

A medical practitioner is not liable for negligence merely because a chosen treatment proves unsuccessful. Liability arises only when conduct falls below the standard of competence recognised by accepted medical opinion.

NC/FA/216/2020 · 07.09.2026

Also decided, continued

§ Section 94, Insolvency and Bankruptcy Code, 2016 NCLAT

A personal guarantor cannot invoke insolvency solely to stall SARFAESI recovery

Personal insolvency cannot be invoked merely to obtain an interim moratorium and stall lawful debt recovery. Filing successive petitions upon receiving possession notices without offering a repayment plan constitutes an abuse of process.

Comp. App. (AT) (Ins) No. 1335 of 2026 · 07.09.2026

§ Rule 54(6), Central Civil Services (Pension) Rules, 1972 CAT

Disability pension cannot be denied on conclusory medical opinions of employability

Denying a disability family pension requires an individualised assessment of the claimant's actual functional capacity to earn a livelihood. A conclusory medical assertion of employability cannot substitute for a reasoned vocational evaluation.

Original Application No. 1088 of 2024 · 07.09.2026

§ Section 2(1)(o), Consumer Protection Act, 2019 SCDRC

Insurers cannot reject theft claims on technical grounds when vehicle identity is established

An insurer cannot repudiate a theft claim for lack of a recovery memo when police records conclusively establish the vehicle's identity. Alterations such as repainting or forged plates by offenders do not defeat coverage when engine and chassis numbers match.

SC/7/A/498/2024 · 07.09.2026

The Supreme Court affirmed that a corporation can be prosecuted for offences requiring mens rea even when no individual employee is arraigned alongside it, establishing an attribution test anchored in delegated corporate authority. As enforcement agencies increasingly target institutional misconduct, will decoupling corporate liability from individual arraignment strengthen commercial accountability, or will it expose entities to protracted criminal trials without identifying the natural persons behind the alleged wrongdoing?

24 judgments **3** Supreme Court **13** High Courts **8** Tribunals

Every judgment here, analysed in full.

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

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