Cassie

THURSDAY
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DAILY

Court Digest

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

IN TODAY'S DIGEST

- **S.193(9) BNSS | Victim can seek further investigation : HP HC**
- **Partnership Act | Dissolved firm assets valued at liquidation : SC**
- **S.32A IBC | Clean slate extends to going-concern liquidation : NCLAT**
- **SEBI Buyback | Escrow release does not bar fraud inquiry : SC**
- **S.406/420 IPC | Breach of trust and cheating cannot co-exist : Guj HC**

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Supreme Court

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Contracts & Business Disputes
Internal (Business and Partnership) Conflicts

SUPREME COURT

Outgoing partners in a dissolved partnership are entitled to asset value at liquidation

The dispute. A partnership firm at will owning valuable real estate in Begumpet was dissolved by notice in 1983. The legal heir of a deceased partner claimed a twenty-five percent share in the firm's land during final decree proceedings. The trial court limited the share to the 1983 valuation, but the High Court ordered a public auction of the land to distribute current proceeds.

The reasoning. Although partnership profits and losses are fixed at dissolution, asset valuation occurs at actual liquidation. Continuing partners cannot retain firm assets without paying outgoing partners their share of the realised market value.

For your practice. Partnership dissolution claims must seek asset liquidation rather than historical book values to capture intervening real estate appreciation.

The order. The Supreme Court dismissed the appeal and directed an Advocate Commissioner to auction the land, with twenty-five percent of net proceeds payable to the respondent.

§ **Section 43, Section 46, Section 48, Indian Partnership Act, 1932**

V. SUMITRA REDDY vs K. RANGANADHA REDDY .

COURT	DECIDED	CASE NO.	CITATION
Supreme Court of India	09.09.2026	C.A. No.-008167 - 2017	2026:INSC:979

BENCH
Ujjal Bhuyan, Atul S. Chandurkar

Criminal Issues
White Collar Crimes (Money laundering, Insider Trading, Financial Frauds, Tax Evasion, Foreign exchange, etc.)

SUPREME COURT

Escrow release under buyback regulations does not bar an independent fraud inquiry

The dispute. Vedanta Limited announced a public buyback of 17.09 crore shares for Rs 5,725 crore but purchased only 3.67 crore shares during the offer period. The company sought the release of its Rs 143.12 crore escrow deposit after failing to achieve the minimum statutory threshold. SEBI penalised the company for fraud, but the appellate tribunal set aside the penalties on the ground that escrow release negated fraudulent intent.

The reasoning. Escrow release and fraud inquiries operate in distinct fields, so fund clearance does not negate fraudulent intent. Without evidence of investor inducement, proving fraud requires conduct admitting of no explanation other than fraud.

For your practice. Parties facing unfulfilled buyback targets cannot rely on escrow discharge to shield themselves from market manipulation investigations.

The order. The Supreme Court partly allowed the appeals and remanded the matter to the tribunal to resolve trading data discrepancies and re-adjudicate fraud within six months.

§ **Regulation 15B(8), SEBI (Buyback of Securities) Regulations, 1998**

SECURITIES AND EXCHANGE BOARD OF INDIA vs VEDANTA LIMITED

COURT	DECIDED	CASE NO.	CITATION
Supreme Court of India	09.09.2026	C.A. No.-000025-000026 - 2024	2026:INSC:978

BENCH
J.B. Pardiwala, K. Vinod Chandran

High Courts

3 judgments in this edition

KEEP SWIPING >>>

Criminal Issues
Quashing of Cases

GUJARAT HC

Charges of criminal breach of trust and cheating cannot co-exist on identical facts

The dispute. Following a marriage against parental wishes, a woman alleged that her relatives retained her gold jewellery and identity documents entrusted for safekeeping. The police filed a charge-sheet roping in extended family members without attributing any specific overt criminal acts to them. The implicated relatives approached the High Court seeking to quash the criminal proceedings against them under Section 482 of the Code.

The reasoning. Offences of criminal breach of trust and cheating are mutually exclusive and cannot co-exist on identical facts. Vague domestic dispute allegations lacking specific overt acts or intentional provocation cannot sustain criminal prosecution.

For your practice. Lawyers must now challenge dual invocation of Sections 406 and 420 on identical facts as legally impermissible. Section 504 requires proof of intentional insult calculated to provoke public disorder, not mere domestic abuse. At the Section 482 stage, courts will quash where charge-sheets lack specific overt acts against named accused, even without mini-trial.

The order. Petition allowed qua Petitioners 3 and 4 only. FIR No. I-21/2014 at B Division Police Station Bharuch and all consequential proceedings quashed and set aside.

§ Sections 406, 420, 504, Indian Penal Code, 1860

Madinaben Abdulbhai Patel & ors. Versus State of Gujarat & ors.

COURT	DECIDED	CASE NO.	CITATION	BENCH
Gujarat High Court	08.09.2026	R/CR.MA/6820/2014	2026:GUJHC:57092	P. M. Raval

Criminal Issues
Murder, Culpable Homicide & Attempt to Murder

HIMACHAL PRADESH HC

Complainants may seek further investigation before charges are framed despite a charge-sheet

The dispute. In a homicide case charge-sheeted as culpable homicide, the victim's brother sought further investigation into mobile phones allegedly capturing the incident. Police had omitted submitting the seized phones for forensic examination. The sessions court dismissed the application holding only police could seek post-cognizance probes, prompting this challenge.

The reasoning. Complainants may seek further investigation before charges are framed to cure grave lapses. Prior rulings barring victim applications stand overruled by precedents establishing that fair investigation is an integral facet of a fair trial.

For your practice. Complainants can directly petition trial courts for supplementary investigation before charge framing whenever police omit crucial forensic examination.

The order. The High Court set aside the dismissal and directed the investigating officer to complete forensic investigation of the mobile phones within ninety days.

§ Section 193(9), Bharatiya Nagarik Suraksha Sanhita, 2023

Arshad Ali v. State of H.P. & ors.

COURT	DECIDED	CASE NO.	CITATION
Himachal Pradesh High Court	09.09.2026	CRMMO/713/2026	2026:HHC:38340

BENCH
Sandeep Sharma

Tort and Personal Injury
Road Accidents

PUNJAB AND HARYANA HC

Superdar liability is limited to vehicle value or the superdari bond

The dispute. Claimants sought compensation after a fatal 1999 jeep accident. The tribunal awarded eight lakh sixty-eight thousand rupees, holding the driver and the vehicle's superdar jointly and severally liable. The superdar appealed, contending that an unregistered custodian cannot be held liable for compensation.

The reasoning. A superdar cannot replace the registered owner for full compensation. However, holding custody subject to the claimants' lien obliges the superdar to surrender the vehicle or pay its secured value.

For your practice. Claimants can enforce superdari bonds against custodians retaining vehicles while proceeding against registered owners for full compensation.

The order. Appeal partly allowed. The driver and owner remain jointly liable for eight lakh sixty-eight thousand rupees, while the superdar's liability is capped at the vehicle value or superdari bond.

§ Section 149, Motor Vehicles Act, 1988

RAM NIWAS vs DESH RAJ

COURT	DECIDED	CASE NO.	BENCH
Punjab and Haryana High Court	08.09.2026	FAO/4884/2002	Parmod Goyal

Tribunals

2 judgments in this edition

KEEP SWIPING →



Banking Law, Debt & Money Matters
Personal Bankruptcy & Insolvency

NCLAT

Clean slate immunity under insolvency law extends to going concern liquidation sales

The dispute. The appellants purchased a corporate debtor as a going concern in liquidation proceedings and obtained a sale certificate in August 2023. They subsequently sought statutory protection under Section 32A for liabilities and offences arising before the sale. The National Company Law Tribunal permitted the settlement of claims but declined to grant immunity from past actions and regulatory investigations.

The reasoning. The clean slate doctrine applies equally to going concern sales under liquidation as it does to resolution plans. Statutory immunity operates as a legal consequence of the sale and cannot be overridden by restrictive auction terms.

For your practice. Bidders acquiring companies in liquidation can enforce full immunity against past company offences, provided new management has no ties to previous promoters.

The order. The appellate tribunal allowed the appeal, set aside the order denying immunity, and extended Section 32A protections to the appellants without costs.

§ **Section 32A, Insolvency and Bankruptcy Code, 2016**

Mr. Amitkumar Rishi Kumar Bhabhda & ors. vs Amit Chandrashekhar Poddar & ors.

COURT
National Company Law Appellate Tribunal

DECIDED
09.09.2026

CASE NO.
Company Appeal (AT) (Insolvency) No. 221 of 2026

BENCH
N. Seshasayee, Arun Baroka



Banking Law, Debt & Money Matters
Personal Bankruptcy & Insolvency

NCLAT

Personal guarantor insolvency must be heard by the bench seized of corporate debtor's CIRP

The dispute. While a corporate debtor's insolvency was pending before the Chandigarh bench, a creditor initiated proceedings against its personal guarantor in New Delhi. The guarantor sought transfer of the New Delhi proceedings to consolidate both matters before the same forum. The Principal Bench dismissed the transfer application on territorial grounds, prompting the personal guarantor to prefer this statutory appeal.

The reasoning. Insolvency applications against a personal guarantor must be filed before the bench hearing the corporate debtor's resolution process. The tribunal president may transfer proceedings across territorial boundaries to enforce this statutory consolidation.

For your practice. Lawyers must now verify corporate debtor's CIRP forum before filing Section 95 against guarantors. Filing in wrong bench renders proceedings void ab initio. Rule 16(d) enables inter-territorial transfers to enforce Section 60(2) - administrative precedents like Arcelor Mittal don't govern statutory jurisdictional defects.

The order. NCLAT allowed appeal. Set aside Impugned Order dated 05.12.2025 in TA(IBC)-50(PB)/2024. Quashed all proceedings in CP(IB) No. 419/ND/2023 (admitted 28.05.2024, debt ₹1,14,27,112). Respondents granted liberty to file Section 95 proceedings before NCLT Chandigarh Bench-II where corporate debtor's CIRP (CP (IB) No. 107/Chd/Hry/2023, admitted 17.05.2023) is pending. No costs awarded.

§ **Section 60(2), Insolvency and Bankruptcy Code, 2016**

Kamlesh Rani Singla vs Praveen Kumar Garg Proprietor M/S. Gsv ...

COURT
National Company Law Appellate Tribunal

DECIDED
09.09.2026

CASE NO.
Company Appeal (AT) (Insolvency) No. 275 of 2026

BENCH
Sharad Kumar Sharma, Arun Baroka

Also decided today

§ Article 58, Limitation Act, 1963 — MADRAS HC

Limitation to challenge registered deeds runs from the date of registration

Constructive notice imputes deemed knowledge from registration, running limitation for declaratory relief under Article 58. Litigants cannot evade statutory time-bars through clever drafting claiming belated discovery of registered instruments.

CRP.4690/2025 · 2026:MHC:3658 · 08.09.2026

§ Section 28, Karnataka Industrial Areas Development Act, 1966 — KARNATAKA HC

Acquisition delays invalidate proceedings only for contesting owners refusing compensation

Unexplained delay between notifications breaks statutory continuity, rendering acquisitions arbitrary against contesting owners. However, severability preserves completed acquisitions where landowners accepted compensation without timely demur.

WA/1518/2014 · 09.09.2026

§ Article 311, Constitution of India — PATNA HC

A genuine date of birth discrepancy cannot justify termination after nineteen years of service

Constitutional protection extends to appointments where age discrepancies arise from genuine records rather than established fraud or forgery.

LPA-1104/2023 · 09.09.2026

Also decided, continued

§ Section 18, Micro, Small and Medium Enterprises Development Act, 2006 DELHI HC

MSME registration operates prospectively and cannot sustain claims for prior supplies

MSME registration operates prospectively and confers statutory benefits only for supplies executed after registration. A supplier cannot retrospectively invoke facilitation council jurisdiction for prior transactions or revive abandoned arbitral claims.

ARB. A. (COMM.)-30/2024 · 2026:DHC:7628 · 08.09.2026

§ Modified Assured Career Progression (MACP) Scheme, Railway Services PATNA HC

Excess pay from departmental error cannot be recovered absent employee misrepresentation

Recovery of excess salary is barred in equity when overpayment stems from administrative error rather than employee fraud. Prolonged overpayments to Group C employees cause hardship that precludes the employer from enforcing retrospective recovery.

CWJC-12591/2026 · 08.09.2026

§ Section 2(b), U.P. Gangsters and Anti-Social Activities (Prevention) Act, 1986 UTTARAKHAND HC

Gambling offences do not trigger Gangsters Act and pre-FIR assets cannot be seized on surmise

Public gambling offences do not fall within the statutory definition of gang activity under the Gangsters Act. Assets acquired before the first information report cannot be confiscated on mere conjecture that loan repayments derived from crime proceeds.

CRLR/577/2026 · 2026:UHC:8070 · 08.09.2026

Also decided, continued

§ Section 304-B, Indian Penal Code, 1860 — ORISSA HC

Proximate Dowry Cruelty Must Be Proved Before Section 113-B Presumption

Reinforces that Section 113-B is not self-executing - prosecution must independently prove proximate cruelty. A 3-4 month gap without evidence of continuance is fatal. Suspicious circumstances (cremation, FIR delay) cannot shift burden. Defence counsel must attack the 'live link' requirement; prosecutors need corroboration of related witnesses on the specific window before death.

CRLA/433/2006 · 2026:OHC:109-DB · 08.09.2026

§ Section 34, Specific Relief Act, 1963 — GAUHATI HC

Mutation Without Registered Sale Deed Does Not Extinguish Title

Clarifies that mutation is not title; suits with consequential reliefs escape Section 34 bar; symbolic possession under CrPC 145 does not override civil title; unregistered agreements on plain paper with missing signatures are not enforceable for specific performance. Lawyers must plead refusal dates for limitation, prove agency for third-party payments, and ensure document consistency.

RSA/17/2010 · 2026:GAU-AS:13100 · 09.09.2026

Also decided, continued

§ Section 10(10AA), Income Tax Act, 1961 ITAT

Enhanced leave encashment exemption limit applies retrospectively to past retirees

A notification increasing the statutory exemption limit is remedial because it discharges a continuing obligation of pay parity. Denying enhanced limits to prior retirees would perpetuate the disparity the amendment intended to eliminate.

ITA No. 208/JPR/2026 · 09.09.2026

§ Section 47(1)(b), Consumer Protection Act, 2019 SCDRC

Limitation to file a written statement begins only on receiving complete annexures

Statutory limitation to file a written statement commences only upon receipt of the complete complaint with annexures. Mere service of notice without supporting documents cannot trigger the statutory period against an opposite party.

SC/5/RP/14/2025 · 09.09.2026

§ Article 11, India-Mauritius Double Taxation Avoidance Agreement; Section 194LD, Income T... ITAT

Demonstrated risk and fund control establish beneficial ownership for treaty interest relief

A foreign entity demonstrating commercial risk and fund control satisfies beneficial ownership requirements for tax treaty relief. Statutory withholding concessions for rupee-denominated bonds strictly exclude non-convertible debentures under tax law.

IT(IT)A Nos. 37/Del/2026 and 38/Del/2026 · 09.09.2026

Also decided, continued

§ Section 7, Insolvency and Bankruptcy Code, 2016

NCLAT

A debtor's without-prejudice deposit cannot dispense with adjudication of debt and default

A without-prejudice deposit cannot constitute an admission of liability, indicating at best that the debtor is solvent. The adjudicating authority must determine contested objections on maintainability and default before closing insolvency proceedings.

Company Appeal (AT) (Insolvency) No. 1610 of 2025 · 09.09.2026

§ Section 14, Consumer Protection Act, 1986

NCDRC

Third-party cheques cannot establish refund of consideration without proof of authorization

The burden of proving that payments by a third party constitute a refund lies squarely on the developer. Without documentary proof linking those cheques to the contract, their encashment cannot establish cancellation or defeat specific performance.

NC/FA/2275/2019 · 08.09.2026

The Himachal Pradesh High Court held that a complainant possesses a statutory right to seek further investigation under Section 193(9) of the Bharatiya Nagarik Suraksha Sanhita before charges are framed, departing from the restrictive procedural regime under the prior code. As trial courts implement the new criminal procedure framework, will recognising victim-initiated further investigation prevent perfunctory police inquiries, or will it enable private parties to delay trials by repeatedly reopening completed investigations?

20 judgments **2** Supreme Court **11** High Courts **7** Tribunals

Every judgment here, analysed in full.

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

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