Cassie

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DAILY

Court Digest

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

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- **RBI Master Directions | Bank fraud tag requires audit report : P&H HC**
- **O.XII R.6 CPC | Tenancy admission yields summary eviction decree : DHC**
- **S.35 BNSS | Parental POCSO mandates psychological review : SC**

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Supreme Court

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Relationships & Family Matters
Custody, Adoption and Guardianship

SUPREME COURT

Parental POCSO charges during custody disputes require psychological evaluation by child experts before arrest

The dispute. A mother entangled in an acrimonious matrimonial battle filed a POCSO complaint against her estranged husband. She alleged sexual assault of their nine-year-old daughter shortly after family courts granted custody to the father. The father approached the Supreme Court challenging criminal proceedings and seeking execution of family court custody directions.

The reasoning. Allegations of sexual assault raised by one parent against another during matrimonial custody disputes must be subjected to independent psychological evaluation by child experts before taking coercive steps or effecting an arrest.

For your practice. Provides matrimonial litigators with an immediate shield against retaliatory POCSO FIRs filed to frustrate family court custody decrees.

The order. The Supreme Court quashed the criminal proceedings, confirmed absolute custody with the father, and instituted a court-monitored reintegration schedule.

§ **Section 35, Bharatiya Nagarik Suraksha Sanhita, 2023**

R. G. vs E. S.

COURT	DECIDED	CASE NO.	CITATION
Supreme Court of India	24.09.2026	C.A. No.-013119-013119 - 2026	2026 INSC 1049

BENCH
K.V. Viswanathan, Arun Palli

High Courts

6 judgments in this edition

KEEP SWIPING >>>

Criminal Issues
Financial & Economic Offences

DELHI HC

Absence of document-making authorship vitiates forgery charges but permits trial for conspiracy

The dispute. Corporate directors were charged with cheating, criminal conspiracy, and forgery in securing lease finance through fabricated invoices and fictitious bank accounts. The documents did not bear their signatures, and no witness alleged that the directors personally created or altered the records. The directors petitioned the High Court in revision against a sessions court order framing substantive forgery and conspiracy charges.

The reasoning. Substantive charges of forgery under Sections 467 and 468 require proof of making or altering a false document within Section 464 IPC.

For your practice. Clarifies the precise evidentiary threshold required to sustain individual forgery charges against corporate executives in institutional financing frauds.

The order. The High Court partly allowed the revision, discharging the directors from substantive forgery charges while sustaining conspiracy and cheating counts.

§ Section 120B, Indian Penal Code, 1860

RITA SINGH & ors. vs CENTRAL BUREAU OF INVESTIGATION

COURT	DECIDED	CASE NO.	CITATION	BENCH
Delhi High Court	24.09.2026	CRL.M.C.-589/2023	2026:DHC:8242	Madhu Jain



Banking Law, Debt & Money Matters
Cheque Bounce

DELHI HC

Parties cannot resile from settlement statements made by authorized counsel before Lok Adalat

The dispute. A small finance bank filed a cheque dishonour complaint after a loan default, but its retained advocate stated before the magistrate that the matter was resolved. The Lok Adalat recorded the settlement and disposed of the complaint as compounded. The bank filed a writ petition seeking to revive the criminal complaint, pleading lack of express instructions to its advocate.

The reasoning. A litigant is bound by the statements and admissions made by its duly engaged advocate acting under a valid vakalatnama.

For your practice. Affirms the binding authority of counsel appearances in settlement forums and warns institutional lenders against repudiating advocate commitments.

The order. The High Court dismissed the writ petition in limine, affirming the finality of the Lok Adalat compounding award.

§ **Section 138, Negotiable Instruments Act, 1881**

EQUITAS SMALL FINANCE BANK LTD vs MRS NIRMALA BAI SHANTHILAL & ors.

COURT	DECIDED	CASE NO.	CITATION	BENCH
Delhi High Court	24.09.2026	W.P.(CRL)-2380/2026	2026:DHC:8249	Saurabh Banerjee

Contracts & Business Disputes
Arbitration Agreements, Proceedings & Enforcement

CALCUTTA HC

Arbitral tribunals may grant Section 17 interim relief before deciding jurisdiction

The dispute. Apartment sub-lessees in a luxury condominium initiated arbitration against the developer over unauthorized alterations to common terrace areas and penthouses. The developer raised preliminary objections to arbitral jurisdiction under Section 16 and opposed interim directions. The developer filed an appeal under Section 37 challenging the arbitral tribunal order appointing a surveyor and directing status quo.

The reasoning. An arbitral tribunal possesses jurisdiction to grant preservative interim measures under Section 17 before finally deciding jurisdictional objections under Section 16.

For your practice. Allows commercial arbitration counsel to secure urgent status quo orders protecting disputed assets without waiting for preliminary jurisdictional trials.

The order. The High Court dismissed the appeal and affirmed the arbitral directions appointing an independent surveyor.

§ Section 17, Arbitration and Conciliation Act, 1996

Forum Projects Private Limited vs Gaurav Karnani & ors.

COURT	DECIDED	CASE NO.	CITATION	BENCH
Calcutta High Court	24.09.2026	APO/11/2026	2026:CHC-OS:413	Gaurang Kanth

Banking Law, Debt & Money Matters
Recovery Suits, Notices & Legal Pressure

PUNJAB AND HARYANA HC

Classifying loan accounts as fraud requires disclosure of forensic audit reports

The dispute. Lenders initiated fraud classification against a director of an insolvent corporate borrower based on an adverse forensic audit report. The director submitted written explanations after receiving the report and challenged the resultant fraud declaration for breach of natural justice. The director filed a writ petition challenging the consortium bank orders classifying the credit facility as fraud.

The reasoning. The requirement of audi alteram partem mandates furnishing the complete forensic audit report and affording reasonable opportunity to submit written representation before declaring an account fraudulent.

For your practice. Sets the procedural benchmark for corporate borrowers challenging arbitrary bank fraud declarations under the RBI Master Directions.

The order. The High Court dismissed the writ petition, finding that the bank strictly complied with natural justice guidelines.

§ **Clause 8.9.4 and 8.9.5 of the Master Directions on Frauds issued by Reserve Bank of India, 2016**

RAKESH NAYYAR vs THE STATE BANK OF INDIA & ors.

COURT	DECIDED	CASE NO.	CITATION
Punjab and Haryana High Court	24.09.2026	CWP/20643/2026	2026:PHHC:137722-DB

BENCH
Jasgurpreet Singh Puri, Sanjiv Berry

Property & Asset Disputes
Tenancy and Lease Matters

DELHI HC

Tenancy admissions in written statements justify eviction decrees without formal notice to quit

The dispute. A commercial tenant occupied prime commercial premises for decades, paying monthly rent of nine thousand rupees under an unregistered arrangement. In an eviction suit, the tenant admitted the landlord-tenant relationship and rent remittances while alleging an unproven agreement to sell. The tenant filed a second appeal against concurrent decrees granting possession to the landlady on an Order XII Rule 6 application.

The reasoning. Clear and unequivocal admissions of the landlord-tenant relationship and monthly rent in a written statement entitle the owner to a summary possession decree.

For your practice. Enables property litigators to secure swift eviction decrees under Order XII Rule 6 whenever the tenant admits tenancy and monthly rent payments.

The order. The High Court dismissed the second appeal and upheld the summary decree for possession against the tenant.

§ Order XII Rule 6 of the Code of Civil Procedure, 1908

M/S RONUK INDUSTRIES LTD vs MANJU KHANNA

COURT	DECIDED	CASE NO.	CITATION	BENCH
Delhi High Court	23.09.2026	RSA-48/2019	2026:DHC:8194	Neena Bansal Krishna

Property & Asset Disputes
Co-operative Housing Society Property Disputes

BOMBAY HC

Housing societies cannot divert member-allotted flats to contractor directors

The dispute. A cooperative housing society resolved to construct additional floors and allotted specific flats to existing members against stage-wise construction contributions. The member-allottees filed writ petitions challenging cooperative court orders that upheld the diversion of flats to the building contractor.

The reasoning. Cooperative housing societies hold property for the mutual benefit of members and cannot execute preferential allotments to third-party building contractors to settle construction disputes.

For your practice. Provides cooperative society members with a powerful weapon to overturn illegal board diversions of developmental flats to third-party developers.

The order. The High Court set aside the cooperative court orders, cancelled third-party allotments, and restored flat entitlements to the members upon equitable payments.

§ Section 9, Maharashtra Co-operative Societies Act, 1960

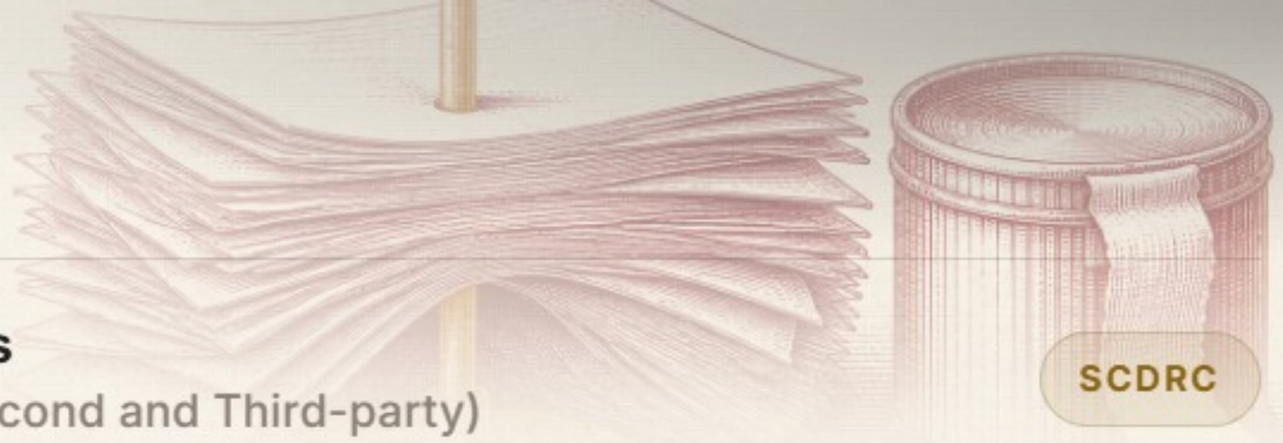
DR. OMPRAKASH BANKATLAL SONIMINDE AND ANR vs LE CHATEAU CO-OP HSG. SOC. LTD. & ors.

COURT	DECIDED	CASE NO.	CITATION	BENCH
Bombay High Court	24.09.2026	IA/15802/2024	2026:BHC-AS:39094	Sandeep V. Marne

Tribunals

1 judgment in this edition

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Consumer & Service Problems
Motor Insurance Claims (Own, Second and Third-party)

SCDRC

Insurers cannot introduce new grounds for repudiation not stated in the repudiation letter

The dispute. The nominee of a deceased vehicle owner claimed accident insurance for a newly purchased vehicle involved in a fatal crash on the day of delivery. The insurer repudiated the claim citing licence defects, but raised permit and registration grounds in consumer proceedings. The insurer appealed to the Uttarakhand SCDRC challenging the district commission order awarding full compensation to the nominee.

The reasoning. An insurance company defending a consumer claim is strictly confined to the specific reasons articulated in its repudiation letter.

For your practice. Practitioners must ensure repudiation letters comprehensively cover all intended defences; any omitted ground is waived. They should also verify temporary registration timing and vehicle classification under the Motor Vehicles Act to counter licence-based denials.

The order. The appeal was dismissed. The Commission affirmed the District Commission's, directing the appellant to pay IDV and Rs. 2 lakh towards personal accident cover, together with interest at 6% per annum from the date of filing the consumer complaint till actual payment. The appellant was held entitled to the salvage of the insured vehicle and could recover the same from the accident spot.

§ **Section 41 of the Consumer Protection Act, 2019**

National Insurance Company Ltd. vs Smt. Chander Kala Devi & ors.

COURT	DECIDED	CASE NO.
State Consumer Disputes Redressal Commission	24.09.2026	SC/5/A/59/2023

BENCH
Kumkum Rani, B.S. Manral

Also decided today

§ Section 482, Code of Criminal Procedure, 1973 — GUJARAT HC

Post-warranty quality disputes cannot be converted into criminal breach of trust or cheating

Breach of warranty obligations and quality disputes in commercial contracts do not disclose fraudulent intent at inception necessary to constitute cheating under Section 420.

R/CR.MA/19301/2018 · 2026:GUJHC:60092 · 23.09.2026

§ Section 147, Income Tax Act, 1961 — CHHATTISGARH HC

Income tax reassessment requires fresh tangible material and cannot rest on change of opinion

Initiation of reassessment proceedings under Section 147 requires fresh tangible material showing escapement of income and a live nexus between the material and the belief.

TAXC/15/2025 · 2026:CGHC:41477-DB · 24.09.2026

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

Prior court permission for foreign travel cannot be imposed absent summons or bail conditions

The constitutional right to travel abroad under Article 21 cannot be circumscribed by blanket permission requirements where investigation is complete, charge-sheets are filed without arrest, and no summons have been issued.

W.P.(CRL)-3004/2026 · 2026:DHC:8294 · 24.09.2026

Also decided, continued

§ Section 482, Code of Criminal Procedure, 1973

GUJARAT HC

Criminal proceedings against power of attorney holders lacking mens rea must be quashed

Criminal breach of trust under Section 406 and cheating under Section 420 cannot be sustained against power of attorney holders without specific averments of dishonest inducement or entrustment.

R/CR.MA/25683/2017 · 2026:GUJHC:60315 · 23.09.2026

§ Order XXII Rule 5 of the Code of Civil Procedure, 1908

MADHYA PRADESH HC

Claims tribunals cannot adjudicate the validity of disputed Wills under Order XXII Rule 5

Substitution of a legal representative under Order XXII Rule 5 CPC is intended solely for prosecuting the claim and does not constitute a judicial declaration of heirship.

MA 2338/2022 · 2026:MPHC-IND:27079 · 24.09.2026

§ Section 154, Income Tax Act, 1961

ITAT

Tax assessment and penalty framed against a dissolved entity are void ab initio

An assessment or rectification order passed against a non-existent entity is a nullity suffering from substantive illegality that cannot be cured under Section 292B.

ITA No.14/PAT/2023 · 24.09.2026

Also decided, continued

§ Section 269SS, Income Tax Act, 1961 — ITAT

Cash loans from spouses attract Section 269SS penalties without proof of contemporaneous cause

Each spouse constitutes an independent taxable entity under the Income Tax Act, and familial relationship affords no exemption from cash loan prohibitions under Section 269SS.

ITA No.501/PAT/2024 · 24.09.2026

§ Section 22, Insolvency and Bankruptcy Code, 2016 — NCLAT

Committee of Creditors may replace Resolution Professionals without proving misconduct

The Committee of Creditors possesses plenary commercial discretion under Section 22 of the IBC to replace an interim resolution professional.

Company Appeal (AT) (CH) (Ins) Nos. 191 & 231/2022 · 23.09.2026

§ Section 50, Motor Vehicle Act, 1988 — SCDRC

Insurers cannot repudiate theft claims for delayed registration after taking premium

An insurer that issues a comprehensive policy in the purchaser's name upon an undertaking and collects premium cannot repudiate a subsequent theft claim on technical grounds of pending registration transfer.

SC/7/A/348/2018 · 23.09.2026

When criminal machinery is weaponised in family custody or commercial warranty disputes, can early judicial scrutiny restore the balance before irreversible harm occurs?

17 judgments **1** Supreme Court **11** High Courts **5** Tribunals

Every judgment here, analysed in full.

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

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