Cassie

FRIDAY
16 OCTOBER 2026

DAILY

Court Digest

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

IN TODAY'S DIGEST

- **S.70 BNS | Woman liable for gang rape on common intention : Delhi HC**
- **S.7 IBC | Information Utility record presumes default for CIRP : SC**
- **Art.16(4) | Conversion to Islam confers no backward class quota : SC**
- **S.45 PMLA | Pre-offence assets cannot be proceeds of crime : Delhi HC**
- **S.51 ICA | No developer termination without site access : Bombay HC**

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Supreme Court

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Government & Public Body Interactions
Caste, Income & Domicile Certificate Disputes

SUPREME COURT

Conversion from Hinduism to Islam does not confer backward class reservation benefits

The dispute. A Hindu man converted to Islam, changed his name, and sought a Backward Class Muslim certificate for public employment quotas. Revenue authorities rejected the application, holding that religious conversion alone cannot confer membership in a notified backward caste. The High Court dismissed his writ petition and struck down an executive order enabling such certificates, prompting the State to appeal.

The reasoning. Article 16(4) reservations address disabilities originating in the Hindu social order that cease upon embracing an egalitarian faith. Backward class Muslim status requires historical community lineage, which executive orders cannot artificially create.

For your practice. Post-conversion reservation claims require independent proof of current social backwardness rather than reliance on antecedent Hindu caste status.

The order. The Supreme Court dismissed the appeal and upheld the quashing of Government Order No. 314 dated 09.03.2024. The rejection of the community certificate application was affirmed, with no costs or monetary relief ordered.

§ Article 16(4) of the Constitution

THE SECRETARY TO GOVERNMENT vs SAMEER AHAMED N

COURT	DECIDED	CASE NO.	CITATION
Supreme Court of India	15.10.2026	SLP(C) No.-025507 - 2026	2026 INSC 1129

BENCH
Prashant Kumar Mishra, Shree Chandrashekhar

Banking Law, Debt & Money Matters

SUPREME COURT

Information Utility records presume default and render debt quantum disputes irrelevant

The dispute. An asset reconstruction company initiated insolvency against two hotel debtors over credit defaults exceeding six hundred crore rupees. The debtors resisted admission, arguing that escrow mechanisms serviced the facilities and that hotel profitability negated default. The company law tribunal admitted both insolvency petitions and the appellate tribunal affirmed, prompting the debtors to appeal.

The reasoning. Default crystallises once an unpaid debt falls due, rendering quantum disputes irrelevant to Section 7 admission. Information Utility records carry a strong evidentiary presumption, while profitability does not prove debt service capacity under the Code.

For your practice. Creditors can secure insolvency admission on Information Utility records alone, as quantum disputes and commercial profitability cannot avert default.

The order. The Supreme Court dismissed the appeals and affirmed the tribunal orders admitting both hotel companies into corporate insolvency. The resolution process shall proceed in accordance with law, with no order as to costs.

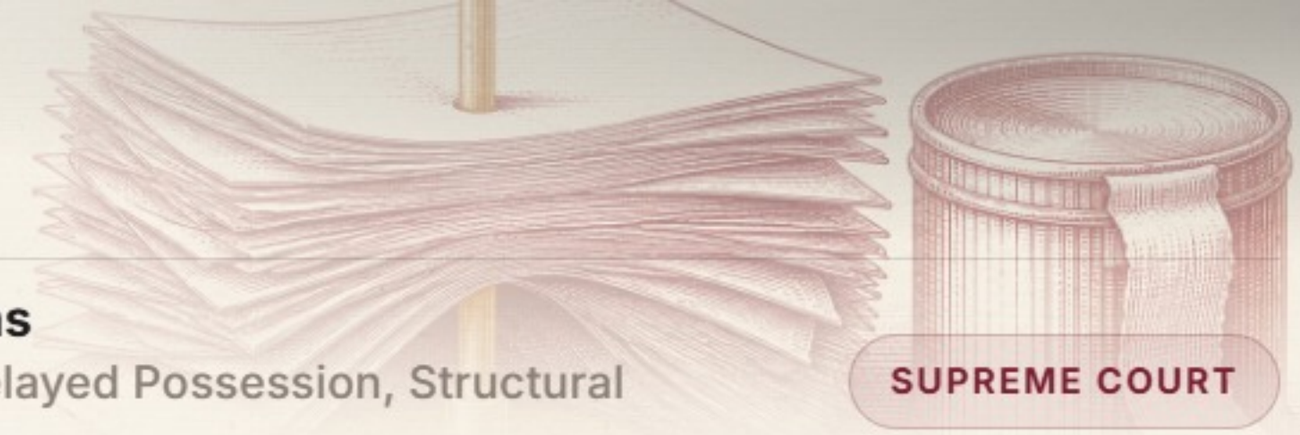
§ Section 7, Insolvency and Bankruptcy Code, 2016

DEEPAK RAHEJA vs OMKARA ASSETS RECONSTRUCTION PRIVATE LTD.

COURT	DECIDED	CASE NO.	CITATION
Supreme Court of India	15.10.2026	C.A. No.-012195 - 2025	2026 INSC 1134

BENCH

Dipankar Datta, Augustine George Masih



Consumer & Service Problems
Builder/Construction Matters, Delayed Possession, Structural Issues, etc.

SUPREME COURT

Homebuyers under tripartite loans can recover only personal contributions upon builder default

The dispute. A buyer booked a flat under a tripartite loan, paying twenty-two percent from savings while the bank disbursed the balance directly to the builder. When the builder failed to deliver possession, the buyer terminated the contract and sought a full refund of all disbursed sums. The National Consumer Commission ordered a total refund with nine percent interest, which both the buyer and the bank appealed to the Supreme Court.

The reasoning. Refunding bank disbursements to a borrower constitutes unjust enrichment as those sums were never paid from personal funds. Contractual interest rates govern delay, while awarding rent alongside interest constitutes impermissible double recovery.

For your practice. Tripartite refund claims must be limited to the borrower's actual out-of-pocket payments, while contractual interest clauses bar separate claims for rent.

The order. The Supreme Court ordered a refund of Rs 1,27,34,726 with twelve percent interest and Rs 15,00,000 compensation to the borrower. The bank's Rs 2,00,000 deficiency penalty was upheld, leaving loan recovery to the pending appeal.

§ **Section 70, Indian Contract Act, 1872**

K. MADHUSUDHAN RAO vs M/S LODHA HEALTHY CONSTRUCTIONS AND DEVELOPER PRIVATE LIMITED (LHCPL)

COURT	DECIDED	CASE NO.	CITATION
Supreme Court of India	15.10.2026	C.A. No.-008994 - 2022	2026 INSC 1131

BENCH
Pamidighantam Sri Narasimha, Alok Aradhe

High Courts

6 judgments in this edition

KEEP SWIPING >>>

Criminal Issues
Sexual Offences, POCSO & Domestic Crimes

DELHI HC

Women sharing common intention to facilitate rape can be charged with gang rape

The dispute. A mother allegedly coerced her minor daughter into sexual assault by a male co-accused, filming the acts and issuing death threats. Following investigation, the trial court framed charges against both individuals for aggravated gang rape under the penal code and POCSO Act. The accused challenged the charge order before the High Court, contending that a woman cannot legally commit the offence of gang rape.

The reasoning. The gang rape provision is an independent substantive offence applying to persons regardless of gender. The deeming clause operates disjunctively, making anyone acting in furtherance of common intention liable without personally committing the sexual act.

For your practice. Defence counsel must address shared criminal intention and active facilitation rather than relying on gender-based incapacity when opposing gang rape charges.

The order. The High Court dismissed the revision petition and upheld the framing of charges against both accused. The trial court was permitted to record the victim's deposition to consider pending bail applications.

§ Section 70, Bharatiya Nyaya Sanhita, 2023

A. & ors. v. State of NCT OF DELHI & ors.

COURT	DECIDED	CASE NO.	CITATION	BENCH
Delhi High Court	15.10.2026	CRL.REV.P.-37/2025	2026:DHC:9197	A. J. Bhambhani

Criminal Issues
Cheque Bounce

HIMACHAL PRADESH HC

Statutory demand notice omitting cheque amount is fatal to cheque dishonour complaint

The dispute. The complainant lent ₹45,000 to the accused, who issued a cheque with an altered date bearing his initials. When the cheque was dishonoured for insufficient funds, the complainant issued a statutory demand notice that omitted the cheque amount. The trial court acquitted the accused on grounds of material alteration and defective notice, prompting the complainant to file an appeal.

The reasoning. The Court held that specifying the exact cheque amount in the statutory notice is an inflexible prerequisite for prosecution. While drawer initials prove consent for alterations, the omission of the amount rendered the demand notice fatal to conviction.

For your practice. Complainants must state the exact cheque amount in statutory notices, as any omission is fatal even if the sum can be inferred from the cheque.

The order. The High Court dismissed the appeal and affirmed the acquittal. The respondent was directed to furnish a bail bond of ₹50,000 with one surety, effective for six months.

§ Section 138, Negotiable Instruments Act, 1881

Thakur Dutt Sharma (since deceased) through LRs v. Luder Mani

COURT	DECIDED	CASE NO.	CITATION
Himachal Pradesh High Court	15.10.2026	CR.A/289/2015	2026:HHC:45698

BENCH
Rakesh Kainthla

Criminal Issues
Bail, Arrest & Custody Issues

DELHI HC

Pre-offence assets cannot be treated as proceeds of crime without proven temporal nexus

The dispute. The Enforcement Directorate arrested the applicant for allegedly laundering loan funds through overseas purchases of a yacht and an apartment. The applicant showed that both assets were bought during 2008-2010, years before the alleged loan diversion period of 2013-2017. After the Special Judge rejected his bail application, he approached the High Court for regular bail under anti-money laundering law.

The reasoning. The Court held that pre-existing assets cannot be proceeds of crime without a direct temporal link to scheduled offences. Subsequent debt refinancing does not taint prior acquisitions, satisfying statutory bail conditions alongside prolonged custody.

For your practice. Defence counsel can rebut money laundering allegations by demonstrating a temporal disconnect between asset acquisition and the predicate offence period.

The order. The High Court granted regular bail on a personal bond of ₹1,00,000 with two sureties. The applicant was directed to surrender his passport, avoid witness contact, and obtain court approval before dealing with disputed assets.

§ Section 45, Prevention of Money Laundering Act, 2002

PUNIT NARENDRA GARG vs DIRECTORATE OF ENFORCEMENT

COURT	DECIDED	CASE NO.	CITATION	BENCH
Delhi High Court	15.10.2026	BAIL APPLN.-2495/2026	2026:DHC:9285	Sanjeev Narula

Contracts & Business Disputes
Arbitration Agreements, Proceedings & Enforcement

CALCUTTA HC

Developers may arbitrate independent contractual claims despite a consumer forum refund order

The dispute. A developer agreed to sell a residential plot for forty-three lakh rupees, substituting the land and receiving full payment. The purchasers later cancelled over title doubts, securing a partial refund while the developer retained remaining sums under contract. After the consumer forum ordered a full refund, the developer petitioned the High Court to arbitrate its independent contractual claims.

The reasoning. Referral courts examine only agreement existence and limitation, leaving arbitrability to the tribunal. A consumer's statutory remedy shields consumer grievances but does not bar arbitration of independent developer claims.

For your practice. Developers may arbitrate contractual claims despite consumer forum refund orders, allowing counsel to pursue commercial recoveries outside the consumer forum.

The order. The High Court appointed a sole arbitrator to adjudicate non-consumer contractual disputes. The consumer forum's order directing a refund of Rs 18,41,000 with nine percent interest remains unaffected.

§ **Section 11, Arbitration and Conciliation Act, 1996**

Leisure Country Club and Resorts Private Limited vs Asim Kumar Ray and Anr

COURT	DECIDED	CASE NO.	CITATION	BENCH
Calcutta High Court	15.10.2026	AP/406/2021	2026:CHC-OS:451	Gaurang Kanth

Property & Asset Disputes
Possession and Encroachment Issues

MADRAS HC

Plan-marked pathways cannot vest private patta land in the state without lawful acquisition

The dispute. The petitioners held agricultural lands in Salem under registered deeds, cultivating fruit-bearing groves for forty years. Citing a plan-marked pathway, the Tahsildar initiated summary eviction and destroyed one hundred trees without hearing their objections. The landowners filed a writ petition before the High Court challenging the eviction order and seeking compensation for the felled trees.

The reasoning. Administrative orders cannot override statutory provisions saving private patta land from government ownership. Revenue entries confer no title, and the state cannot seize land without statutory acquisition under Article 300-A.

> *The mere existence of an entry, made without notice and in violation of the principles of natural justice, cannot divest a lawful owner of title.*
>
> FROM THE JUDGMENT

For your practice. Counsel can rely on this ruling to defeat executive orders attempting to treat private patta pathways as government land without statutory acquisition.

The order. The Court quashed the eviction notice and awarded Rs 10,000 costs against the Tahsildar personally. The petitioners were granted liberty to claim compensation for one hundred felled trees in the civil court.

§ Section 2, Tamil Nadu Land Encroachments Act, 1905

Periyasamy vs THE DISTRICT COLLECTOR

COURT	DECIDED	CASE NO.	CITATION
Madras High Court	15.10.2026	WP.23649/2026	2026:MHC:4244

BENCH
G. Jayachandran, E. Manoharan

Government & Public Body Interactions

CALCUTTA HC

Customs officers may draw food samples for tariff classification despite food safety laws

The dispute. Revenue authorities intercepted imported areca nuts, alleging the importer misdeclared dried nuts as roasted produce to evade duty. Customs officers sampled the consignment for testing and seized the cargo after reports confirmed tariff misdeclaration. A Single Judge quashed the sampling holding that food safety authorities held exclusive jurisdiction, prompting the revenue's appeal.

The reasoning. Customs and food safety statutes operate concurrently in distinct fields at the border without conflict. Ascertaining tariff classification is an antecedent customs function that food safety legislation cannot displace.

> *Food safety legislation cannot be invoked as a shield to oust or displace antecedent threshold investigations conducted by Customs authorities into tariff classification and fiscal fraud.*
>
> FROM THE JUDGMENT

For your practice. Importers cannot resist customs anti-fraud sampling by asserting exclusive food safety jurisdiction before tariff classification is determined.

The order. The Division Bench set aside the Single Judge's order and vacated directions for fresh sampling and cargo release. Customs authorities were directed to conclude show cause adjudication in accordance with law.

§ Section 144, Customs Act, 1962

Additional Director General, Directorate of Revenue Intelligence, Kolkata v. M/s. Credence International & ors.

COURT	DECIDED	CASE NO.	BENCH
Calcutta High Court	15.10.2026	APO/45/2026	Rajarshi Bharadwaj, Sudip Deb

Also decided today

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

Reproductive autonomy permits termination of pregnancy beyond statutory gestational limits

Constitutional courts exercising writ jurisdiction are not constrained by statutory gestational ceilings when safeguarding reproductive autonomy and bodily integrity.

W.P.(CRL)-3287/2026 · 2026:DHC:9223 · 15.10.2026

§ Section 304B, Indian Penal Code, 1860 — UTTARAKHAND HC

Proof of cruelty soon before death is essential to sustain dowry death prosecution

Section 304B of the Indian Penal Code mandates proof that the deceased suffered dowry-related cruelty or harassment soon before death.

C528/2263/2026 · 2026:UHC:9470 · 15.10.2026

§ Section 135, Electricity Act, 2003 — GUJARAT HC

A sentence of fine carrying default imprisonment cannot be coupled with probation

The core statutory purpose of the Probation of Offenders Act is to avoid the incarceration of reformed convict individuals.

R/CR.A/1394/2026 · 2026:GUJHC:65162 · 15.10.2026

Also decided, continued

§ Order IX Rule 13, Code of Civil Procedure, 1908 — DELHI HC

Unsubstantiated counsel negligence is not sufficient cause to set aside an ex-parte decree

Vague assertions of advocate negligence without contemporaneous communication logs or material particulars cannot establish sufficient cause for non-appearance.

FAO (COMM)-297/2025 · 2026:DHC:9215-DB · 15.10.2026

§ Section 2(7A), Railways Act, 1989 — RAJASTHAN HC

Authorisation of a competent authority survives subsequent acquisition notifications

A statutory authorisation of a competent authority survives subsequent acquisition notifications for the same project unless expressly revoked or superseded.

CW / 11742 / 2024 · 2026:RJ-JD:49857 · 15.10.2026

§ Section 15, Consumer Protection Act, 1986 — SCDRC

Medical negligence cannot be established on mere perception without expert medical evidence

A medical practitioner cannot be held liable for professional negligence based merely on adverse outcomes or subjective patient perception.

SC/5/A/209/2019 · 15.10.2026

By interpreting Section 70 of the Bharatiya Nyaya Sanhita to hold that a woman acting in furtherance of common intention can be charged with gang rape, has the Delhi High Court decisively closed an accountability loophole for facilitators of sexual violence, or does applying a statutory deeming fiction to non-perpetrators risk blurring the foundational penal distinction between principal liability and criminal abetment?

15 judgments **3** Supreme Court **11** High Courts **1** Tribunal

Every judgment here, analysed in full.

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

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