

ALBA LAW OFFICES

Newsletter | February 2026

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HIGHLIGHTS OF THE MONTH

- **Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Amendment Rules, 2026**

The Ministry of Electronics and Information Technology on February 10, 2026 notified the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Amendment Rules, 2026 (“Amendment Rules”) introducing a significant regulatory update in the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021 for obligations of intermediaries to address AI-generated and synthetic content. The Amendment Rules came into force on February 20, 2026.

Key changes in the Amendment Rules include defining "synthetically-generated information" aimed at regulating content created or altered through algorithmic or artificial means in a manner that may appear realistic or indistinguishable from real events or persons; tighter timelines for takedown actions; and enhanced due diligence standards. However, ordinary editing, formatting or *bona fide* technical enhancement will not be treated as synthetically generated content.

As per the Amendment Rules, platforms must ensure prominent labelling of artificially generated content, embed permanent metadata or unique identifiers for traceability where technically feasible, and prevent removal or suppression of these labels. Users may be required to declare if uploaded content is AI-generated or altered, with platforms deploying verification tools and issuing periodic reminders (at least every three months) about compliance obligations. Significant social media intermediaries face new due diligence obligations under Rules 3 and 4 under Amendment Rules. Platforms must deploy reasonable technical measures, including automated tools, to identify and prevent synthetically generated information that violates applicable laws, such as the Information Technology Act, 2000, the Bharatiya Nyaya Sanhita, 2023, or provisions on child exploitation.

Social media intermediaries must also require users to declare whether uploaded content is synthetically generated, verify such declarations using technical measures, and ensure prominent labelling of confirmed synthetic content. Intermediaries are now required to disable access to unlawful content, including synthetically generated material, within three hours (which was earlier 36 hours) of receiving a lawful order from a competent authority or court. For certain urgent cases, such as non-consensual intimate imagery, timelines are further reduced to two hours in specific sub-clauses.

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○	Delhi High Court grants interim injunction protecting personality rights against AI-generated deepfake content <i>[Akira Desai alias Akira Nandan v. Sambhawaami Studios LLP & Ors. CS(COMM) 68/2026]</i> The Delhi High Court granted an <i>ex parte ad interim</i> injunction in favour of the Plaintiff, Akira Desai alias Akira Nandan, restraining the Defendant, Sambhawaami Studios LLP, and unidentified parties from exploiting his personality rights through AI-generated content. The Plaintiff (who is son of Mr. Pawan Kalyan, an actor and Deputy Chief Minister of Andhra Pradesh), alleged that the Defendant created and disseminated an AI-generated film titled “AI Love Story” along with derivative videos, shorts, and promotional material. These incorporated deepfake technology, morphed visuals, fabricated scenes, and impersonation to replicate his name, image, likeness, voice, mannerisms, and overall persona without consent, for commercial gain. The Plaintiff contended that this unauthorized use violated his right to privacy and publicity under Article 21 of the Constitution of India, causing irreparable harm to his dignity, reputation, and goodwill. He sought urgent relief to prevent further dissemination on digital platforms like YouTube. The Court found a <i>prima facie</i> case of infringement as it was observed that the Plaintiff possesses a distinct public persona and recognizable identity, and the content clearly exploited his attributes through AI tools, leading to a likelihood of confusion and unlawful enrichment. Relying on established precedents on personality and publicity rights, the Court held that such misuse warranted immediate protection to avert irreparable injury, as monetary damages alone would be inadequate. Accordingly, the injunction restrains the Defendant from creating, publishing, disseminating, or exploiting any AI-generated, morphed, or deepfake content using the Plaintiff’s traits. The Court directed intermediaries to take down specified infringing links within 24 hours, disclose account details of uploaders, and assist with compliance for any additional grievances. <u>Read Here</u>
○	Delhi High Court issues dynamic injunction against illegal streaming of ICC Cricket events <i>[JioStar India (P) Ltd. v. GHD Sports & Ors., CS(COMM) 89/2026]</i> The Delhi High Court granted an <i>ex parte ad interim</i> injunction in favour of the Plaintiff, JioStar India Private Limited, restraining the Defendants (including GHD Sports and associated rogue mobile applications and websites) from unlawfully streaming, broadcasting, hosting, reproducing,

distributing, or communicating content from International Cricket Council (“ICC”) cricket events. The Plaintiff holds exclusive television and digital media rights in India for ICC tournaments under a Media Rights Agreement dated August 27, 2022, with the ICC. These rights cover the ICC Under-19 Men's Cricket World Cup 2026 (January 15 to February 6, 2026) and the ongoing ICC Men's T20 Cricket World Cup 2026 (February 7 to March 8, 2026), monetised through platforms like JioHotstar.

The Plaintiff alleged that the Defendants were operating rogue Android-based applications and websites that provided unauthorised live streams of ICC events; infringing broadcast reproduction rights under Section 37 of the Copyright Act, 1957. Such piracy causes substantial revenue loss, dilutes exclusive rights, and harms viewership value during time sensitive live events. Rogue platforms often use mirror sites or variant domains to evade enforcement.

The Court found a *prima facie* case of infringement. It observed that Plaintiff had established enforceable broadcast reproduction rights and that the Defendants' unauthorised dissemination posed a recurring threat requiring strong measures. Delay in blocking would cause irreparable harm and revenue loss, as these live tournaments are highly time-bound. The balance of convenience favoured the Plaintiff.

The Court issued a dynamic injunction, permitting Plaintiff to notify internet service providers, domain name registrars, government departments, and intermediaries of newly discovered infringing sites/apps for immediate blocking without fresh court orders. Directions were given to block specified and future infringing URLs. The order covers both the ongoing Under-19 World Cup and the upcoming T20 World Cup, emphasizing swift action to prevent further violations.

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○ **Delhi High Court grants interim relief to Emami Limited in trade dress infringement dispute**

[Emami Limited v. Dabur India Limited CS(COMM) 532/2023]

The Delhi High Court granted an interim injunction in favour of the Plaintiff, Emami Limited, restraining the Defendant, Dabur India Limited, from selling or distributing its product “Cool King Thanda Tael” in the impugned trade dress or any deceptively similar trade dress to that of Emami’s “Navratna Ayurvedic Oil”. The Plaintiff, a leading manufacturer of personal care products, alleged that Dabur had deliberately imitated the distinctive trade dress of Navratna oil, which has been in continuous use since 1989 and enjoys substantial goodwill and market recognition as a cooling ayurvedic hair oil. Reference:



The Plaintiff claimed that Dabur's packaging copied essential visual elements, including the red colour scheme, transparent bottle design, specific colour combination, placement of distinctive features, and overall get-up, creating a likelihood of confusion among consumers and amounting to passing off. Emami sought interim relief to protect its goodwill and prevent irreparable harm.

Dabur contested the application, arguing that individual elements like red packaging or bottle shape were common to the trade and not protectable, and that its house mark "Dabur" sufficiently distinguished the product.

The Court, in a judgment by Justice Tejas Karia, held that while no monopoly exists over individual features, the unique combination of elements in Navratna's trade dress had acquired distinctiveness and secondary meaning through long-standing use. The Court found a prima facie case of passing off, noting a striking resemblance in nearly every essential aspect that was likely to mislead an average consumer of imperfect recollection into believing an association with Emami. The Court rejected Dabur's defence, observing that reliance on the house mark alone could not dispel confusion given the overall deceptive similarity and intent to imitate. Accordingly, the Court restrained Dabur from using the impugned trade dress pending disposal of the suit, emphasising protection against unfair competition in trade dress disputes.

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- **Delhi High Court Grants Interim Injunction Restraining Use of "LOTUS SPLASH" Mark for Face Cleanser by Deepika Padukone's Company**

[Lotus Herbals Private Limited v. DPKA Universal Consumer Ventures Private Limited & Ors. [FAO(OS) (COMM) 45/2024]

The Delhi High Court has granted an interim injunction in a trademark infringement suit filed by Lotus Herbals Private Limited ("Appellant"), restraining DPKA Universal Consumer Ventures Pvt. Ltd. ("Respondents") from using the mark "Lotus Splash" for its face cleanser.

The Appellant, a proprietor of 55 registered trademarks incorporating "LOTUS" in Classes 3 and 5 under the Trade Marks Act, 1999 ("the Act"),

alleged that the Respondents were infringing its marks by using “LOTUS SPLASH” for a face cleanser under their umbrella brand “82°E”. The Appellant claimed this caused confusion, dilution of goodwill from extensive sales and promotion, and amounted to passing off.

The court held that the dominant component of the term “Lotus Splash” is the word “Lotus”, which is identical to the registered formative marks of the Appellant in Classes 3 and 5 under the Act, and is being used on identical cosmetics goods, giving rise to a likelihood of confusion among the average consumer. The bench rejected Respondents’ plea that the use of word “Lotus” as descriptive of the product’s lotus-based ingredients falls under the exception under Section 30(2)(a) of the Act and no deceptive similarity existed given their distinct house mark.

The Court held that “LOTUS SPLASH” required imagination to associate with a face cleanser and was not inherently descriptive, rejecting the Respondents’ plea as it projected the phrase as a mark rather than a mere descriptor. Applying the anti-dissection rule, dominant feature test, and overall similarity from the average consumer’s perspective, the Court found *prima facie* infringement under Section 29 of the Act and passing off, as initial interest confusion arose from the common “LOTUS” element.

Accordingly, the Court granted an interim injunction restraining the Respondents from using “LOTUS SPLASH” or similar “LOTUS” derivatives for cosmetics till suit disposal, emphasizing protection for established marks against unfair exploitation.

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○ **Madras High Court Dismisses 7-Eleven’s Appeals in “Big Bite” Trademark Dispute**

[7-Eleven International LLC v. Deputy Registrar of Trade Marks & Ors., (T) CMA (TM) Nos.110 & 157]

The Madras High Court dismissed appeals filed by 7-Eleven International LLC (“Appellant”), under Section 91 of the Trade Marks Act, 1999 (“the Act”), against a common order dated July 18, 2014, passed by the Deputy Registrar of Trade Marks. The order rejected the Appellant’s application for “Big Bite” in Class 30 and allowed the Respondent’s application for the same mark in Class 30, dismissing mutual oppositions.

The Appellant, a global convenience store chain, claimed prior international use of “Big Bite” since August 1988 for savoury foods, with registrations in Classes 29, 30, and 43 in multiple jurisdictions. Appellant argued that its transborder reputation extended to India, rendering the Respondent’s 2004 adoption dishonest and likely to cause confusion. Whereas, the Respondent asserted honest adoption in 2004 for chocolates, biscuits, and confectionery,

	with substantial Indian sales and advertising since then, establishing prior local use and reputation. The Appellant’s contention that the Registrar erred in applying the prior user test limited to India, ignoring global goodwill was not accepted. The Court held that transborder reputation requires demonstrable percolation into India through actual sales or significant consumer awareness, not mere website accessibility or isolated promotions. The Court found no evidence of the Appellant’s sales in India prior to opposition proceedings, failing to prove goodwill. The Respondent’s documented sales from 2004 established prior use. Additionally, the Appellant’s 1994 application lacked proof of definite intention to use the mark in India under Section 18 of the Act. Accordingly, the appeals were dismissed without costs. Read Here
○	Delhi High Court Clarifies Maintainability of Patent Revocation Despite Expiry <i>[Boehringer Ingelheim Pharma GmbH v. Controller of Patents (LPA 129/2025)]</i> The Delhi High Court’s Division Bench addressed two significant questions: whether a revocation petition under Section 64 of the Patents Act, 1970 (“Patents Act”) can survive when invalidity is already raised as a defense under Section 107 of the Patents Act in an infringement suit, and whether revocation proceedings abate upon expiry of the patent. The Court answered both in the negative, holding that revocation proceedings and invalidity defenses operate in distinct legal domains. Further, expiry of a patent does not render revocation proceedings infructuous, as adjudication on validity may carry legal consequences beyond the patent term. The ruling clarifies procedural independence of revocation jurisdiction. The Division Bench further observed that permitting revocation proceedings to continue serves an important public function, as patent validity is a matter of public interest and not merely a dispute inter se private parties. A declaration of invalidity in revocation proceedings operates in rem and ensures that the patent register reflects only legally sustainable monopolies. The Court also noted that the mere availability of an invalidity defense in an infringement suit does not oust the statutory remedy of revocation, which is an independent and substantive right conferred by Section 64 of the Patents Act. Read Here
○	Finance Bill, 2026: Key Amendments in Indirect Tax Laws The Finance Bill, 2026, introduced in Lok Sabha on February 1, 2026, proposes several amendments to indirect tax laws, including the Customs

Act, 1962 (“the Customs Act”); the Customs Tariff Act, 1975; the Central Goods and Services Tax Act, 2017 (“the CGST Act”); and the Integrated Goods and Services Tax Act, 2017 (“the IGST Act”). These changes primarily aim to simplify compliance, reduce litigation, ease cash flow for businesses, and provide clarity in trade and tax administration. Most indirect tax amendments will take effect upon enactment or from notified dates, with some tariff changes operative from April 1, 2026, or May 1, 2026.

Under the Customs Act, a new provision extends regulatory jurisdiction beyond territorial waters for fishing and related activities by Indian-flagged fishing vessels (new Section 56A). Fish harvested in international waters may be imported free of duty, and catches landed at foreign ports may be treated as exports (subject to regulations). Advance ruling validity is extended from three to five years, with provisions for the extension of existing rulings. Penalties paid during investigation under Section 28(5) are deemed a charge for non-payment of duty upon final determination. Warehouse to warehouse movement of goods is simplified by removing the need for prior officer permission, and custody regulations for postal/courier imports are clarified.

The Customs Tariff Act, 1975 sees amendments to the First Schedule through multiple schedules. Tariff rates are revised and simplified for various goods, including umbrella parts (higher specific duties), project imports (10%), certain fish and fishery products, fruits/nuts, chemicals, steel pipes, air-conditioning parts, and battery components. Some changes take effect on April 1, 2026, while others (including new tariff entries and rate revisions) take effect on May 1, 2026.

Under GST law, Section 15(3)(b) of the CGST Act is amended to remove the requirement that post sale discounts be linked to a pre-existing agreement or specific invoices. Such discounts are now excludable from taxable value if a credit note is issued under Section 34 with proportionate input tax credit reversal by the recipient. This aligns valuation with commercial practices and reduces disputes over discounts. Section 54(6) extends a provisional refund of 90% to claims arising from an inverted duty structure, similar to zero rated supplies. Section 54(14) removes the threshold limit for refund sanction on exports with payment of tax. Section 101A introduces transitional provisions: until the National Appellate Authority for Advance Rulings is constituted, the government may notify an existing authority to hear appeals.

Under the IGST Act, Section 13(8)(b) omits the supplier-based place of supply rule for intermediary services, shifting it to the default recipient location rule, potentially enabling export benefits.

No major excise duty changes are proposed in the Finance Bill, 2026 beyond minor reliefs (e.g., for biogas-blended CNG). These indirect tax measures reduce compliance burden, improve liquidity through faster refunds, limit litigation on valuation and advance rulings, and support trade facilitation.

	Read Here
○	Supreme Court holds disputes Non-Arbitrable where Arbitration Agreement is alleged to be forged <i>[Rajia Begum v. Barnali Mukherjee & Ors., 2026 INSC 106]</i> The Supreme Court allowed the appeal by the Appellant, Rajia Begum, and set aside the Calcutta High Court's order referring the suit to arbitration under Section 8 of the Arbitration and Conciliation Act, 1996 (“the Act”). The Court also affirmed the High Court's refusal to appoint an arbitrator under Section 11 of the Act. The dispute concerned an alleged “Admission and Retirement Deed” dated April 17, 2007, in respect of a partnership firm, M/s RDDHI Gold, where the Respondent claimed admission as a partner with a majority stake and sought resolution of related disputes through arbitration based on the clause in the deed. The Appellant denied executing the deed, alleging it was forged and fabricated, with no privity of contract between the parties. She contended that the existence of the arbitration agreement itself was under serious doubt due to grave allegations of fraud permeating the deed. The Supreme Court held that when the very existence of the arbitration agreement is challenged on grounds of forgery or fabrication, the dispute ceases to be merely contractual and strikes at the root of arbitral jurisdiction. Such serious allegations of fraud render the matter non-arbitrable at that stage, requiring adjudication by a civil court rather than referral to arbitration or appointment of an arbitrator. The Supreme Court clarified that while minor fraud claims may be arbitrable, allegations that go to the root of the arbitration agreement itself make the dispute non-arbitrable. The Supreme Court quashed the High Court's Section 8 referral order as unsustainable and upheld the rejection of the Section 11 application. It emphasized that parties cannot be compelled into arbitration absent a valid, undisputed arbitration agreement. Read Here
○	Delhi High Court Upholds Arbitrator’s Power to Grant Interim Usage Charges <i>[Khurana Educational Society v. Shashi Bala (ARB. A. (COMM.) 71/2025)]</i> The Delhi High Court dismissed an appeal under Section 37 of the Arbitration and Conciliation Act, 1996 (“Arbitration Act”) challenging an interim order directing deposit of ₹3,00,000 per month as usage charges during pendency of arbitration. The Appellant contended that such fixation amounted to grant of final relief without trial.

The Court held that Section 17 of the Arbitration Act empowers arbitrators to grant interim measures necessary to protect subject matter of dispute, including determination of reasonable occupation charges on a prima facie basis. Reiterating the limited scope of interference under Section 37 of the Arbitration Act, the Court observed that appellate review does not permit reappreciation of evidence unless patent illegality or perversity is shown. The appeal was accordingly dismissed.

The Court further clarified that an interim direction to deposit usage charges does not conclusively determine the rights of the parties but merely secures the disputed amount pending final adjudication. It observed that such measures are intended to balance equities and prevent unjust enrichment during the pendency of proceedings. The fixation of a provisional amount, based on material placed before the Arbitrator, cannot be equated with a final award on mesne profits. Unless the order is shown to be manifestly arbitrary or beyond jurisdiction, courts exercising appellate powers under Section 37 must refrain from interfering with the discretionary exercise of interim powers by the Arbitral Tribunal.

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○ **Contractual Prohibition on Interest Binding on Arbitrator: Supreme Court Clarifies Scope of Section 31(7) of the Arbitration Act**

[Union of India & Ors. v. Larsen and Turbo Limited (L&T) in SLP (C) No. 14989 of 2023]

The Supreme Court, in the present matter, examined whether the arbitral tribunal could award pre-award or pendente lite interest in a dispute arising from a turnkey contract between Petitioners and Respondents concerning modernization works at a Jhansi Workshop. The arbitral tribunal had awarded various sums to the Respondent, including amounts described as financing charges and interest, which were upheld by the Commercial Court under Section 34 of the Arbitration and Conciliation Act, 1996 (“Act”) and later by the Allahabad High Court under Section 37 of the Act.

The Supreme Court held that the arbitral tribunal erred in awarding pre-award and pendente lite interest in view of the express contractual prohibition. Interpreting Section 31(7)(a) of the Act, the Apex Court reiterated that the arbitrator’s power to award interest is subject to party autonomy and must yield to contractual stipulations expressly barring such interest. Consequently, the arbitral tribunal could not circumvent the contractual bar by characterizing interest as “compensation,” and the award granting such amounts was liable to be set aside.

The Apex Court further clarified that the prohibition contained in contract between the parties applied only to interest accruing until the date of the arbitral award and did not extend to post-award interest. Referring to Section 31(7)(b) of the Act, the Court observed that post-award interest operates in a

	distinct statutory domain and ordinarily follows as a matter of law unless expressly excluded by the parties. Accordingly, while setting aside the award of pre-award and pendente lite interest, the Court upheld the grant of post-award interest but modified the rate from 12% per annum to 8% per annum, holding that the higher rate was excessive in the contemporary economic context. Read Here
○	Kerala High Court rules that employer cannot refuse resignation of an employee on grounds of financial distress of the company <i>[Greevas Job Panakkal v. Traco Cable Company Ltd. & Ors., WP(C) Nos. 5132/2025 & 33223/2025]</i> The issue before the Kerala High Court in this case was whether an employer, particularly a State Public Sector Undertaking, could lawfully refuse to accept the resignation of its employee on the ground of financial crisis and administrative necessity, and whether such refusal would violate the employee's rights, including protection against forced labour under Article 23 of the Constitution of India. The Petitioner was working as a Company Secretary in Traco Cable Company Limited (the "Respondent"), a State Public Sector Undertaking, since 2012. From October 2022 onwards, the Respondent defaulted in payment of salary for a prolonged period. Citing persistent non-payment of salary and pressing personal circumstances, Greevas Job Panakkal, the Petitioner tendered his resignation on 18.03.2024 and sought to be relieved from service. The resignation was rejected by the Board of the Respondent on the ground that the Company was undergoing severe financial distress, and that no other qualified personnel was available, and that his presence was essential for regulatory compliance and revival efforts. He was directed to resume duties. Subsequently, the Petitioner was issued memoranda calling upon him to explain why disciplinary action should not be initiated for failing to report to duty. He submitted replies reiterating his request to be relieved. Aggrieved by the rejection of his resignation and the issuance of coercive memoranda, he filed W.P.(C) No. 5132/2025 seeking to quash the Board's decision and consequential communications and to direct acceptance of his resignation. During the pendency of the said writ petition, the Respondent issued a further show-cause notice alleging unauthorised retention of a company-issued laptop and SIM card. The Petitioner denied the allegations and contended that the notice was retaliatory and an attempt to pressurise him during the pendency of judicial proceedings. He thereupon filed W.P.(C) No. 33223/2025 challenging the subsequent memo.

The High Court while allowing both writ petitions, observed that when an employee submits his resignation, the employer has a duty to accept the same and relieve the employee from his duties, subject only to any conditions that may be stipulated in the contract of employment, including any stipulation as regards notice period, or if resignation does not follow procedure if any, outlined in the employment contract, or when disciplinary proceedings are contemplated against the employee for grave misconduct or for causing monetary loss to the establishment.

The Court also observed that in case of “Heat of the moment” resignations, the employer may be justified in delaying its acceptance, giving the employee a chance to rescind it. The Court emphasised that financial issues or financial emergency cannot be a reason to force an employee to work for an incorporated company against his will and without his consent.

The High Court held that if the employer refuses to accept resignation of an employee, it would amount to bonded labour prohibited under Article 23 of the Constitution of India. The Court observed that in the present case, due to the provisions of the Companies Act, 2013, if any company secretary is attached to any corporate body, the company has to register the engagement with the registrar of companies. Therefor unless the Respondent sends a statutory request, the name of the Petitioner will always remain linked to the Respondent which may cause difficulty for the Petitioner from seeking appointment elsewhere as a Company Secretary.

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○	Supreme Court Upholds Maintainability of Simultaneous CIRP Proceedings Against Principal Debtor and Corporate Guarantor <i>[ICICI Bank Limited v. Era Infrastructure (India) Limited, 2026 SCC OnLine SC 314]</i> The Hon'ble Supreme Court considered a batch of appeals raising a common question under the Insolvency and Bankruptcy Code, 2016 (IBC) whether Corporate Insolvency Resolution Process (CIRP) can be initiated simultaneously against a principal borrower and its corporate guarantor for the same debt. The appeals arose from conflicting decisions of the National Company Law Tribunal and the National Company Law Appellate Tribunal, to hold that once CIRP is admitted against one entity, a second application for the same claim cannot be admitted against another. The Apex Court held that IBC permits separate or simultaneous insolvency proceedings against the principal debtor and the corporate guarantor. Interpreting Sections 5(8) and 60(2) of IBC in light of the principle under Section 128 of the Indian Contract Act, 1872 that the liability of a guarantor is co-extensive with that of the principal debtor, the Court reiterated that a creditor is entitled to proceed against both entities. The Court rejected arguments that simultaneous proceedings would convert IBC into a recovery mechanism or result in duplication of claims. It observed that insolvency proceedings are primarily aimed at resolution and value maximization, but the creditor's statutory right to initiate CIRP cannot be curtailed merely on apprehensions of multiple recoveries. Read Here
○	Calcutta High Court held that failure of perform obligations under joint development agreement does not per se attract cheating or criminal breach of trust <i>[Siddharth Sethia & Ors. v. State of West Bengal & Anr., C.R.R. 3637 of 2022]</i> In this case, the Petitioners, being landowners, executed a Memorandum of Understanding (MoU) dated 29.04.2014 with the complainant for the development of their land. Pursuant thereto, approximately ₹2.01 crore was paid by the complainant's company through cheques in 2014 as part of the refundable security deposit linked to development milestones and revenue sharing. However, when the development did not materialise, the Petitioners subsequently transferred or exchanged portions of the land, first with West Bengal Housing Infrastructure Development Corporation (HIDCO) in 2020 to facilitate development and later allegedly by sale to third parties, without

informing the complainant and without refunding the ₹2.01 crore. On this basis, it was alleged that the Petitioners had falsely represented themselves as owners, induced the complainant to part with money, misappropriated the deposit, and committed offences of cheating and criminal breach of trust, and filed a complaint under Sections 420/406/120B/34 of the Indian Penal Code, 1860 (the “IPC”).

Simultaneously, the complainant had instituted a commercial civil suit (CS No. 200 of 2022) before the Calcutta High Court seeking recovery of the same ₹2.01 crore along with interest, which remained pending.

The Petitioners, on the other hand, contended that the complainant had failed to perform its reciprocal obligations under the MOU, resulting in the project not commencing. They asserted that the exchange of land with HIDCO was undertaken to enable development after the project stalled. It was further contended that the amount of ₹2.01 crore had been refunded, thereby negating any allegation of misappropriation.

The Petitioners argued that the criminal complaint was filed as a pressure tactic after breakdown of a commercial arrangement. It was submitted that there was no dishonest intention at the inception of the MOU. The payments were made as part of a contractual security deposit under a development agreement and did not amount to “entrustment” in a fiduciary capacity so as to attract Section 406 of IPC.

The High Court allowed the revision petition and quashed the criminal proceedings against the Petitioners and observed that the complaint did not disclose the essential ingredients of the alleged offences.

In respect of Section 406 of IPC, the Court found that the payment of ₹2.01 crore was made pursuant to a commercial development arrangement and not by way of entrustment in trust. There was no allegation of fiduciary holding or dominion over property independent of contractual obligations. Even if the security deposit had not been refunded, the same would at best constitute breach of contractual terms giving rise to civil liability.

On the allegation of cheating under Section 420 of IPC, the Court reiterated that fraudulent or dishonest intention must exist from the very inception of the transaction. The complaint did not contain specific averments demonstrating that, at the time of entering into the MOU in 2014, the Petitioners never intended to honour their commitments. On the contrary, subsequent steps, such as exchange of land with HIDCO to facilitate development were inconsistent with a design to defraud from the outset.

The Court observed that the core issues of the complaint relate to alleged non-performance of contractual obligations and non-refund of the security deposit, for which the complainant had already availed civil remedies.

	Accordingly, the proceedings pending before the Metropolitan Magistrate under Sections 406/420/120B/34 of the IPC, including the order issuing process, were quashed insofar as the Petitioners were concerned. Read Here
○	The Calcutta High Court rules that a decree in a suit for partition satisfies the definition of a “final order for effecting a partition” and would therefore be chargeable with stamp duty <i>[Subrata Nundy v. The Collector of Kolkata, Stamp and Revenue, Office of the Collector & Ors., WPO 506 of 2025]</i> The background of the present case stems from a partition suit (C.S. No. 91 of 2013) which was instituted on the Original Side of the Calcutta High Court, wherein the current Petitioner, Subrata Nundy, was arrayed as a defendant. In the said partition suit, a preliminary decree was passed by the Court, and the Petitioner was declared to be the owner of 12.5% of the 3/4th share of the suit property, along with the respective shares of all other parties. A Commissioner was appointed to prepare a partition plan. However, a structural engineer’s report indicated that the building was in a dilapidated condition and incapable of withstanding the construction necessary for physical division. During the pendency of proceedings, the Petitioner purchased the share of other parties in the original partition suit by a registered conveyance on payment of stamp duty. Ultimately, the Court disposed of the suit by directing that the Commissioner’s partition plan and the conveyance deed be made part of the final decree. Upon submission of the draft decree for assessment, the Collector imposed stamp duty treating the decree and conveyance deed as an instrument of partition under Article 45 of Schedule 1A of the Indian Stamp Act, 1899 (the “Stamp Act”) and Article 23 of Schedule 1A of the Stamp Act for sale. Though the component relating to conveyance was subsequently withdrawn, the levy for partition was retained, prompting the present writ petition. The Petitioner contended that stamp duty under Section 2(15) read with Article 45 of the Stamp Act is attracted only where a decree actually effects partition by metes and bounds. Since physical partition had been held impossible and no fresh rights were created, it was argued that the decree did not qualify as a “final order for effecting partition.” The High Court while rejecting the Petitioner’s submission, observed that, in cases like partition, stamp duty is levied as tax on the instrument of partition irrespective of the fact whether the transaction creates new rights or not. Moreover, the final decree is a formal record of the division of shares of the parties.

	The High Court, therefore, while dismissing the writ petition, held that the decree satisfies the definition of a “final order for effecting a partition” and would therefore be chargeable with stamp duty. Read Here
○	Rajasthan High Court hold that legal heirs of deceased tenant succeed as joint tenants; eviction against one binds all <i>[Smt. Chaya Sethi and others v. Jitendra Bohra and others, S.B. Civil Writ Petition No. 5320/2020]</i> In the present case, the property in question had been rented out in 1949 to two tenants. Following their demise, their respective family members continued in occupation of the premises but were neither paying the rent nor were delivering the possession of the property. The landlords (Respondents) initiated eviction proceedings before the Rent Tribunal under Section 9 of the Rajasthan Rent Control Act, 2001 on grounds including material damage, sub-letting and denial of title. The eviction petition was allowed and an eviction decree was passed thereof in favour of the Respondents, on the grounds of substantial damage to the property, sub-letting and denial of title of the landlords. During execution, the present Petitioners, i.e, successors of one of the original tenants, filed objections under Section 47 read with Order XXI Rules 97, 101 and 104 Civil Procedure Code, 1908, contending that since their predecessor had not been impleaded in the eviction proceedings, the decree could not be executed against them. The Rent Tribunal rejected the objections, and the Appellate Rent Tribunal affirmed the order, leading to the present writ petition. The principal issue before the Rajasthan High Court was whether the successors of one of the original co-tenants could resist execution of an eviction decree on the ground that they were not individually impleaded in the eviction proceedings, by asserting that they were co-tenants entitled to separate notice and independent participation in the suit. The High Court dismissed the writ petition, holding that upon the death of the original tenant, the tenancy devolves upon the heirs as joint tenants and remains a single, indivisible tenancy. The High Court reiterated that legal heirs do not acquire independent or separate tenancy rights but collectively represent the same tenancy. Consequently, service of notice or institution of eviction proceedings against one joint tenant is sufficient, and any decree passed therein binds all joint tenants. The Court also observed that such joint tenancy is indivisible in nature and does not result in the creation of multiple co-tenancies, each having an independent or exclusive right in the tenanted premises. Further, the distinction between 'co-tenants' and 'joint tenants' is well established as co-tenants derive their rights independently, joint tenants derive their rights

	collectively and represent a single tenancy. In cases of joint tenancy, service of notice upon or institution of eviction proceedings against one joint tenant is sufficient, and any decree passed therein binds all joint tenants. Accordingly, writ petition was dismissed. Read Here
○	Supreme Court rules that a developer compelling a homeowner to take possession of the flats without an occupancy certificate amounts to a deficiency in service <i>[Parsvnath Developers Ltd. v. Mohit Khirbat & Ors., Civil Appeal Nos. 5289 of 2022, 5290 of 2022 & 11047 of 2025]</i> The Respondents, also the homebuyers, had booked residential flats in the project “Parsvnath Exotica” at Sector 53, Gurgaon, under Flat Buyer Agreements executed between 2007 and 2011. In each case, nearly the entire sale consideration was paid by the Respondents prior to or around the committed date of possession. The agreements stipulated that possession would be delivered within 36 months from the commencement of construction of the respective blocks, with a grace period of six months. Despite receipt of substantial consideration, the developer, Parsvnath Developers Ltd., (the “Appellant”) failed to complete construction and deliver possession within the stipulated or extended period. The homebuyers were constrained to approach the National Consumer Disputes Redressal Commission (“NCDRC”), which, by orders dated 30.07.2018, 30.07.2018 and 21.11.2019, directed the developer to complete construction, obtain the Occupancy Certificate (“OC”), and hand over possession within a time-bound schedule. The NCDRC further awarded compensation by way of simple interest at 8% per annum from specified cut-off dates till delivery of possession, directed payment of rebate, litigation costs of ₹25,000 in each case, and required the Appellant to bear increased stamp duty arising due to delay. Aggrieved by the NCDRC’s directions, the Appellant preferred the present appeals. The Appellant contended that the NCDRC exceeded its jurisdiction under Section 14 of the Consumer Protection Act, 1986, by granting compensation beyond the terms of the Flat Buyer Agreements. The Supreme Court dismissed the appeals and affirmed the NCDRC’s orders. The Court held that housing construction constitutes “service” under the Consumer Protection Act, 1986, and failure to deliver possession within the stipulated period amounts to a deficiency in service. The Court observed that the statute does not impose any embargo on the grant of higher or reasonable compensation merely because the parties have agreed to a particular clause, especially where such a clause is found to be unfair or oppressive.

	The Court held that obtaining the OC is a statutory precondition integral to lawful delivery of possession and failure to obtain the requisite OC constitutes a deficiency in service entitling consumers to compensation. Accordingly, the developer was directed to obtain the OC and hand over possession in the pending matters within six months. Until such time, it was directed to continue paying compensation as determined by the NCDRC. Read Here
○	Madras High Court observed that what is defined as a 'family' in the Explanation to Article 58(a)(i) of the Indian Stamp Act, 1899, is, and alone, the family, and the meaning of the same can neither be restricted nor expanded <i>[V. Shiva v. The Inspector General of Registration & Ors., W.P. Nos. 24173 of 2019 & 3480 of 2021]</i> The Full Bench of the Madras High Court was called upon to determine whether the term “family” as defined in the explanation to Article 58(a)(i) of the Indian Stamp Act, 1899 (as amended by the Tamil Nadu Amendment Act, 1981) (the “Stamp Act”), includes grandparents, thereby entitling settlements executed by grandchildren in favour of grandparents to concessional stamp duty. The reference arose in the context of two writ petitions challenging the refusal of registration authorities to treat settlement deeds executed by grandchildren in favour of their grandparents as settlements “in favour of a member of a family” under Article 58(a)(i) of the Stamp Act, which prescribes a concessional rate of stamp duty. The explanation defines “family” to mean father, mother, husband, wife, son, daughter, grandchild, brother or sister, with inclusive references to adoptive relations where permitted by personal law. The petitioners contended that the term “family” should be given a broader and purposive interpretation. It was argued that once “grandchild” is included in the definition, a corresponding inclusion of “grandparent” must logically follow, and that settlements within such close blood relations are ordinarily motivated by love and affection. The Court held that the Stamp Act, being the fiscal and revenue generation law, gives its own definition for the term 'Family'. It is a legal fiction that is created by law. When fiscal statutes create legal fiction for their purposes, there is no scope for advertent to, or importing the common meaning or logical interpretation or extension of the meaning assigned in other statutes. Thus, what is defined as a 'family' is, and alone, the family, and the meaning of the same can neither be restricted nor expanded.

	Accordingly, the Court held that settlements executed by grandchildren in favour of grandparents are not eligible for the concessional rate under Article 58(a)(i) of the Stamp Act and would be chargeable under the appropriate higher rate provisions. Read Here
○	Supreme Court rules that limitation for enforcing mandatory injunction is three years commencing from the date of the decree or where a date is fixed for performance, such date <i>[Babu Singh (D) Thr. LRs & Anr. v. Jalandhar Improvement Trust & Anr., SLP (C) No. 4284 of 2023]</i> The background of the present case stems from the suit filed by the Petitioners against the Respondents for the cancellation of the allotment of plots in favour of the Petitioners. The suit was initially dismissed by the trial court, against which an appeal was preferred. The first appellate court reversed the findings of the trial court and granted relief in favour of the Petitioners. The appellate court declared the cancellation of allotment of certain plots by the Respondents as illegal and granted a mandatory injunction directing compliance with a prior order. It also granted an injunction against the Respondents, restraining them from demolishing the building and interfering with possession until compensation for construction was assessed and paid. However, the said decree did not stipulate any specific date for the performance of the mandatory injunction. The Petitioners filed an execution application seeking enforcement of the mandatory injunction. However, the executing court dismissed the application as time-barred, holding that under Article 135 of the Limitation Act, 1963 (the “Limitation Act”), the limitation period for enforcement of a decree granting a mandatory injunction is three years from the date of the decree, or where a date is fixed for performance, from such date. Subsequently, the High Court dismissed the revision petition against the said order of the executing court, upholding the decision of the executing court. Aggrieved by the order of the High Court, the Petitioners approached the Supreme Court by way of Special Leave Petition (SLP). The issue before the Supreme Court was whether an execution application seeking enforcement of a decree for mandatory injunction, which did not specify a date for performance, was barred by limitation under Article 135 of the Schedule to the Limitation Act, if filed beyond three years from the date of the decree. The Supreme Court, while dismissing the SLP, observed that there was no error in the reasoning of the executing court or the High Court, and reiterated that Article 135 of the Limitation Act prescribes a limitation period of three years for enforcement of a decree granting a mandatory injunction,

	commencing from the date of the decree or, where a date is fixed for performance, from such date. Read Here
○	Supreme Court Condemns Nepotism in Employee Housing Allotments; Upholds Judicial Review Over Welfare Societies <i>[Dinesh Kumar v. State of Haryana & Ors. (2026 INSC 163)]</i> The Supreme Court examined the legality of allotment of two residential flats by the HUDA Employees Welfare Society (“Welfare Society”), a society constituted for the welfare of employees of the Haryana Urban Development Authority (“HUDA”). The allotments were challenged by the Appellant, Dinesh Kumar, on the ground that they were made in an arbitrary manner and in favour of individuals closely connected with the management of the Welfare Society. The dispute concerned two “super deluxe” flats constructed on land allotted for the benefit of HUDA employees. It was alleged that one flat had been allotted to a member of the governing body of the Welfare Society and another to an employee on the basis of personal association rather than through any transparent or objective selection process. The Appellant contended that the allotments were made pursuant to internal resolutions of the Welfare Society which lacked transparency and fairness. The challenge to the allotments was not accepted by the High Court, leading the Appellant to approach the Supreme Court in appeal. The Welfare Society raised a preliminary objection that it was merely a registered society and therefore not “State” within the meaning of Article 12 of the Constitution of India. On this basis, it was argued that its internal decisions were not subject to judicial review. The Supreme Court rejected this contention and held that where public land or benefits linked to public employment are involved, courts can examine whether the decision-making process of such bodies can be examined by courts to ensure fairness and non-arbitrariness. The Court observed that organisations dealing with public resources cannot avoid judicial scrutiny merely because they are registered as societies. Upon examining the record, the Court found that the allotments were made pursuant to internal resolutions without any transparent or objective criteria. The Court therefore set aside the impugned allotments and emphasised that entities administering public resources must act in a fair, transparent and non-arbitrary manner consistent with the constitutional guarantee of equality under Article 14 of the Constitution. Read Here

○	Supreme Court Rules Telecom Spectrum Cannot Be Treated as Asset in IBC Proceedings <i>[State Bank of India v. Union of India & Ors., 2026 INSC 153]</i> The Supreme Court dismissed appeals filed by State Bank of India (the “Appellant”), and other financial institutions, against orders of the National Company Law Appellate Tribunal upholding the Department of Telecommunications’ priority in telecom spectrum matters. The dispute arose from insolvency proceedings of Aircel Group companies, where the Appellant sought to treat spectrum as an asset of the corporate debtor under the Insolvency and Bankruptcy Code, 2016 (“IBC”), allowing restructuring or transfer in resolution plans. Union of India through Department of Telecommunication (the “Respondents”), argued that spectrum is a finite natural resource governed by the Indian Telegraph Act, 1885, and successive telecom policies, held in public trust under Article 39(b) of the Constitution of India, precluding private ownership or alteration without government consent. The Appellant contended that spectrum usage rights constitute intangible assets under Section 18(f) of the IBC, capable of monetization for creditor recovery, and tripartite agreements with lenders permitted security interests. The Respondents emphasized that licenses confer conditional usage rights, not ownership, and default on dues like adjusted gross revenue triggers revocation, overriding IBC moratoriums under Section 14 of IBC. The Supreme Court held that spectrum allocation is regulated by statutory and policy frameworks, including the 2015 Guidelines for Trading of Access Spectrum, which permit trading but affirm government dominion. Applying reconciliatory interpretation, the Supreme Court ruled that IBC cannot supersede telecom laws, as treating spectrum as an asset for restructuring would undermine public interest and constitutional mandates. Implications include extinction of rights upon default, survival of government dues outside resolution, and the necessity for Department of Telecommunication’s approval in transfers. Consequently, the appeals were dismissed, affirming that spectrum cannot be restructured under the IBC. Read Here
○	Supreme Court Clarifies Section 7 IBC Threshold; Restructuring Talks Do Not Erase Default <i>[Catalyst Trusteeship Ltd. v. Ecstasy Realty Pvt. Ltd. (2026 INSC 186) – Hon’ble Supreme Court]</i> The Hon’ble Supreme Court addressed whether refusal to initiate Corporate Insolvency Resolution Process (“CIRP”) under Section 7 of the Insolvency and Bankruptcy Code, 2016 (“IBC”) was justified where a debenture trustee alleged default in repayment of ₹600 crore worth of debentures. The NCLT

and NCLAT had declined admission of the petition, taking note of restructuring proposals and negotiations between the parties.

The Court reiterated that at the Section 7 stage, the NCLAT must confine itself to examining the existence of “*financial debt*” and “*default*”. Ongoing restructuring discussions do not *ipso facto* extinguish default unless the liability stands legally restructured or satisfied. The Court clarified that commercial negotiations cannot override statutory consequences of admitted financial default, thereby strengthening creditor remedies under the IBC framework.

The Court also emphasized that the summary nature of proceedings under Section 7 does not permit approving inquiry into disputed commercial arrangements once the foundational elements of “*financial debt*” and “*default*” are established from the record. It clarified that the NCLAT is not expected to adjudicate upon the viability of restructuring proposals or enter into questions of commercial wisdom at the admission stage. Where documentary evidence discloses a clear default, the statutory mandate to commence CIRP cannot be diluted on the basis of tentative negotiations or unfinalized restructuring proposals. The ruling thus reinforces the time-bound and creditor-centric framework of the IBC, ensuring that insolvency proceedings are not frustrated by protracted pre-admission stage.

Read [Here](#)

○ **Supreme Court Reduces Compensation for Deficient Haircut Service from ₹2 Crore to ₹25 Lakh**

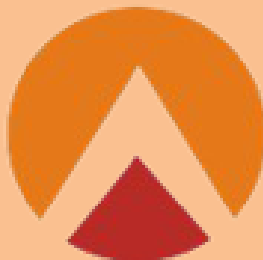
[ITC Limited v. Aashna Roy, 2026 INSC 135]

The Supreme Court of India allowed an appeal filed by ITC Limited (the “Appellant”), against the order dated April 25, 2023, passed by the National Consumer Disputes Redressal Commission (“the Commission”) in a complaint filed by Aashna Roy (the “Respondent”), under the Consumer Protection Act, 2019 (“the Act”). The Respondent, a professional model, visited the beauty salon in the Appellant’s ITC Maurya Hotel at New Delhi on April 12, 2018, for a haircut. Being dissatisfied with the service, she filed a complaint before the Commission in July 2018, alleging a deficiency in service and medical negligence. Vide order dated September 21, 2021, the Commission awarded to the Respondent a sum of ₹2,00,00,000/- as compensation.

The Appellant challenged the order before the Supreme Court in 2021. Vide judgment dated February 7, 2023, the Supreme Court upheld the finding of deficiency in service but set aside the compensation amount and remitted the matter to the Commission for determination of quantum, as no material was placed on record by the Respondent to justify her claim. A sum of ₹25,00,000/- deposited by the Appellant was directed to be transmitted to the

	Commission and Appellant's review petition against the judgment was dismissed. The Commission, after remand, awarded ₹25,00,000/- as compensation vide the impugned order. The Court observed that the Respondent had failed to produce any evidence of actual loss, such as cancellation of modelling assignments or medical records substantiating mental trauma. It was held that compensation under Section 14 of the Act must be reasonable and proportionate, based on established loss, and cannot be punitive or exemplary in nature for deficiency in service. While acknowledging emotional distress from the haircut, the Supreme Court found the awarded amount justified as lump sum compensation, covering mental agony and disruption in professional life. Read Here
○	Supreme Court Holds Landowners Jointly Liable for Builder Delay Under Consumer Law <i>[Sriganesh Chandrasekaran & Ors. v. Unishire Homes LLP (2026 INSC 172)]</i> The Supreme Court dealt with prolonged delay of over six years in handing over possession of residential flats under a Joint Development Agreement. The National Consumer Disputes Redressal Commission had directed completion of construction and payment of interest but had initially declined to fasten liability on landowners. The Court held that where landowners are integral to the development arrangement and benefit from the project structure, they may be held jointly and severally liable along with the developer. The judgment emphasizes that consumer protection jurisprudence prioritizes the rights of homebuyers and that contractual structuring between landowners and developers cannot be used as a shield against accountability for inordinate delay. The Court further observed that the liability of landowners cannot be determined in isolation from the overall scheme of the project and the representations made to purchasers. Where the landowners have executed powers of attorney, shared revenue, or otherwise enabled the developer to market and sell the flats, they cannot subsequently disassociate themselves from obligations arising out of delay. The Court underscored that homebuyers invest life savings based on the composite promise of the project, and internal arrangements between landowners and developers are irrelevant to consumer rights. Accordingly, accountability under the Consumer Protection Act, 2019 must reflect the economic realities of the transaction rather than its formal contractual structuring. Read Here

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