



ALBA LAW
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Newsletter

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MONTHLY ROUND-UP

(1) Draft Advocates (Amendment) Bill, 2026

The Bar Council of India released the **Draft Advocates (Amendment) Bill, 2026** on **18 July 2026** for public consultation, describing it as a comprehensive overhaul of the legal profession's regulatory framework since the enactment of the Advocates Act, 1961. The draft, prepared in consultation with the Ministry of Law and Justice and other stakeholders, invites public comments until **31 July 2026** and will require approval by the Central Government and enactment by Parliament before coming into force.

Key proposals under this Bill include the following:

- Statutory welfare measures for advocates through insurance, pension, medical and social security schemes;
- Recognition of Indian law firms under the Advocates Act for the first time;
- Expansion of women's representation in State Bar Councils;
- Strengthening of legal education through a reconstituted Legal Education Committee and continuing professional development programmes; and
- Revision of advocate enrolment fees with concessional rates for eligible Scheduled Castes, Scheduled Tribes and persons with benchmark disabilities.

The draft also formally recognises Bar Associations under the Act and seeks to strengthen their institutional role. It further seeks to regulate the entry of foreign lawyers while preserving the exclusive right of Indian advocates to practice before Indian courts and tribunals, except in limited circumstances relating to international commercial arbitration involving foreign law. It also removes several contentious provisions contained in the earlier draft, including those relating to penalties for strikes, heavy disciplinary fines and Government nominees in the Bar Council of India and State Bar Councils.

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(2) Madhya Pradesh Uniform Civil Code Bill, 2026

The Madhya Pradesh Uniform Civil Code Bill, 2026 ("the Bill") was approved by the State Cabinet on 19 July 2026 and introduced during the Monsoon Session of the Madhya Pradesh Legislative Assembly. The Assembly passed the Bill on 21 July 2026, and it is currently awaiting the Governor's assent, after which it will come into force on a date notified by the State Government.

The Bill introduces several significant reforms to personal laws. It mandates monogamy, prohibiting polygamy and practices such as Nikah Halala, and provides for a uniform framework governing marriage and divorce across communities. Marriage registration is proposed to be compulsory, while dissolution of marriage can take place only in accordance with the procedure prescribed under the Bill. The Bill also seeks to provide equal inheritance and succession rights irrespective of religion, ensuring equal treatment of legal heirs under a common succession framework.

The Bill further regulates live-in relationships by requiring partners to register the relationship within one month of its commencement and prescribes penalties for non-compliance. It also recognises the rights of women and children born from such relationships. Notably, a married person entering into a live-in relationship may face penal consequences under the Bill.

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(3) Ministry of Road Transport and Highways revises National Highway Fee Rules, NHAI directed to recalculate tolls using the lower of two formulas, cutting toll rates on stretches with long bridges, tunnels and elevated structures by up to 40% (*Ministry of Road Transport and Highways- National Highway Fee (Determination of Rates and Collection) Rules, amendment, July 2026*)

The Ministry of Road Transport and Highways notified substantial amendments to the National Highway Fee Rules governing the calculation of toll rates on stretches featuring long bridges, tunnels, flyovers, and other elevated structures. Pursuant to the amendment, the National Highways Authority of India directed all regional offices to reassess tolls in accordance with the revised rates and to initiate the revision process without delay.

Under the earlier regime, the length of a special structure such as a bridge or tunnel was multiplied by a factor of ten and added to the length of the ordinary carriageway for the purpose of computing chargeable distance, resulting in disproportionately high tolls on stretches with substantial elevated sections. Under the amended Rules, NHAI must now apply whichever of two prescribed formulae yields the lower chargeable distance: multiplying the length of the special structure by ten and adding the length of the ordinary road or multiplying the entire length of the highway section by five. Bridges of 60 metres or less are excluded from the special-structure calculation altogether.

Applying the new formula, a 40-kilometre highway comprising 30 kilometres of elevated road and 10 kilometres of ordinary road, which would previously have been charged as though it were 310 kilometres long, will now be charged as though it were 200 kilometres long, a reduction of close to 40%. The Ministry has stated that the object of the revised Rules is to reduce the financial burden of tolls on commuters and transporters while preserving a transparent basis for fee determination.

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(4) Supreme Court upholds constitutional validity of Section 16(2)(c) of the CGST Act, holding Input Tax Credit can be denied to a buyer where the supplier has not deposited the tax with the Government (*Bhandari Scrap Traders v. Union of India & Ors. and connected matters; SLP (C) No. 23931/2026*)

The Supreme Court, in a batch of Special Leave Petitions filed by Bhandari Scrap Traders and other purchasing dealers ("Petitioners") challenging the constitutional validity of Section 16(2)(c) of the Central Goods and Services Tax Act, 2017 ("CGST Act"). The bench dismissed the petitions, holding that a registered purchaser cannot claim Input Tax Credit ("ITC") unless the supplier has actually deposited the corresponding tax with the government even if the purchaser holds a valid invoice, received the goods, and the transaction reflects in GSTR-2A/2B. The petitioners (Bhandari Scrap Traders), a group of purchasing dealers, had argued that the provision was arbitrary and violated Articles 14, 19(1)(g), 265 and 300A of the Constitution, since bona fide buyers had no way to verify whether their suppliers had actually paid GST, and urged that ITC should be denied only in cases of fraud or collusion, relying on earlier Delhi VAT era rulings favouring innocent purchasers.

Rejecting these arguments, the Gujarat High Court who's reasoning the Supreme Court fully endorsed, held that actual payment of tax is the very foundation of the ITC mechanism under GST, and that Section 16(2)(c) must be read alongside Sections 41 and 53 governing the flow of credit. It distinguished the GST regime from the older VAT system, noting that GST allows credit to move across states via the IGST settlement mechanism, so permitting ITC without actual tax payment would force the originating state to transfer revenue it never received, undermining GST's destination based structure. The Supreme Court further noted that under Sections 41, 73 and 74, purchasers aren't left without remedy they can re-avail reversed ITC once the supplier eventually pays the outstanding tax, a safeguard absent under the old VAT framework.

The Court also clarified that a separate SLP against a Tripura High Court ruling in *Sahil Enterprises v. Union of India*, though admitted, could not be treated as comparable since it lacked the detailed statutory analysis done by the Gujarat High Court.

With this, the Supreme Court dismissed the entire batch of petitions filed against the Union of India (Respondent), affirming that ITC remains conditional on the supplier's actual tax payment, while preserving the purchaser's right to reclaim credit once dues are cleared.

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(5) Supreme Court upholds SEBI action against Kotak entities and senior executives for regulatory violations despite absence of investor loss (*Mr. Nilesh Shah & Ors. v. Securities and Exchange Board of India & Anr.*, Civil Appeal No. 6529 of 2026)

The Supreme Court considered appeals filed under Section 15Z of the Securities and Exchange Board of India Act, 1992 ("SEBI Act") by Mr. Nilesh Shah and other senior executives of Kotak Mahindra Trustee Company Limited ("Appellants"), along with connected appeals filed by Kotak Mahindra Asset Management Company Limited ("Kotak AMC") and Kotak Mahindra Trustee Company Limited ("Kotak Trustee"), challenging the Securities Appellate Tribunal's decision upholding regulatory action initiated by the Securities and Exchange Board of India ("SEBI"). The proceedings arose from SEBI's findings that the Appellants had violated the SEBI (Mutual Funds) Regulations, 1996 ("Mutual Fund Regulations") while managing six Fixed Maturity Plan ("FMP") schemes by investing in debt securities of Essel Group entities, extending the maturity of such investments, and failing to make adequate disclosures to investors and SEBI.

The Appellants contended that the impugned transactions were undertaken bona fide to safeguard investors' interests and prevent losses that would have resulted from immediate liquidation of the pledged securities. It was argued that the unitholders ultimately suffered no financial loss and, in fact, received higher returns, thereby demonstrating that the regulatory action and penalties were unwarranted. The Appellants further challenged the findings relating to due diligence, disclosure obligations and extension of maturity of the schemes.

SEBI opposed the appeals, contending that the regulatory framework governing mutual funds mandates strict compliance irrespective of the eventual financial outcome for investors. It was submitted that Kotak AMC had failed to exercise due diligence while investing in financially distressed entities, had impermissibly withheld redemption amounts after the maturity of the schemes without following the statutory procedure for rollover, and had failed to make complete disclosures to investors and the regulator. SEBI further argued that once a statutory violation is established, absence of investor loss does not constitute a valid defence against regulatory action or monetary penalties.

Upon examining the statutory scheme, the Mutual Fund Regulations and the earlier decision in *Chairman, SEBI v. Shriram Mutual Fund*, the Court reiterated that penalties under the SEBI Act are attracted upon proof of a regulatory breach and do not require proof of mens rea unless expressly provided by statute. The Court held that the securities regulatory framework is designed to preserve market integrity and ensure strict compliance, irrespective of whether the impugned conduct ultimately results in profit or loss to investors. The Court observed that permitting regulatory breaches merely because investors eventually benefited would undermine the legislative framework governing mutual funds and encourage future non-compliance. The Court further found no perversity in the findings recorded by SEBI or the Securities Appellate Tribunal regarding lack of due diligence, extension of maturity of the schemes and inadequate disclosures.

Accordingly, the Court dismissed the appeals, upheld the penalties imposed upon Kotak AMC, Kotak Trustee and the senior executives, including Mr. Nilesh Shah, and directed Kotak AMC and Kotak Trustee to deposit costs of ₹30 lakh and ₹20 lakh respectively for distribution amongst charitable organisations identified by the Registry of the Supreme Court.

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(6) CCI approves amalgamation of Go Digit Infoworks Services, holding company of Go Digit General Insurance, with Go Digit General Insurance (*Competition Commission of India, Combination Registration No. — Go Digit Infoworks Services Private Limited / Go Digit General Insurance Limited*)

The Competition Commission of India approved a proposed combination involving the amalgamation of Go Digit Infoworks Services Private Limited ("Infoworks"), the holding company of Go Digit General Insurance Limited ("Digit General"), with Digit General, such that Digit General would be the surviving entity.

The Commission noted that Infoworks is not engaged in any market-facing business activities, whether in India or abroad, and functions purely as an investment holding company. Digit General, on the other hand, is a public limited company engaged in providing general and health insurance products and services in India, with a specialised focus on general insurance.

Having examined the structure and effect of the proposed amalgamation, the Commission approved the combination under the Competition Act, 2002, and indicated that a detailed order would follow.

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(7) Delhi High Court protects content creator against fraudulent copyright strikes ***(Pushkar Raj Thakur v. John Doe & Ors., CS(COMM) 647/2026)***

The Delhi High Court considered a suit filed by Pushkar Raj Thakur ("Plaintiff"), a financial educator, entrepreneur and digital content creator, against John Doe/Ashok Kumar and various online intermediaries ("Defendants"), seeking protection against the misuse of copyright enforcement mechanisms in relation to his original digital content. The suit was instituted under the provisions of the Copyright Act, 1957 and the Information Technology Act, 2000, inter alia, seeking protection against fraudulent copyright claims and unlawful takedowns of the Plaintiff's original content hosted on various online platforms.

The Plaintiff asserted that he had created and published original educational content relating to finance, investments, entrepreneurship and business coaching across multiple digital platforms, thereby establishing a substantial online presence. It was alleged that unknown persons had copied the Plaintiff's original videos, uploaded them on various platforms using forged and back-dated timestamps, and thereafter issued false copyright complaints against the Plaintiff's own content. According to the Plaintiff, the fraudulent copyright strikes resulted in the removal of his original videos and exposed his social media accounts to the risk of suspension on account of repeated copyright violations.

During the hearing, counsel for the Plaintiff submitted that despite an earlier order dated May 29, 2026, the Plaintiff's videos continued to be taken down pursuant to copyright strikes initiated by the alleged bad actors. Defendant No. 2, an online intermediary, submitted that it was willing to cooperate with the Plaintiff in preventing unlawful takedowns. It assured the Court that the Plaintiff's videos would not be removed on the basis of copyright strikes until the next date of hearing, that the Plaintiff's account would not be disabled on account of repeated copyright strikes, and that, upon the Plaintiff furnishing the relevant URLs, the videos that had already been removed would be restored.

Recording the aforesaid assurances, the Court directed that the same shall remain operative until the next date of hearing. The Court also permitted deletion of Telegram FZ LLC (Defendant No. 10) from the array of parties upon the Plaintiff's request, directed the Plaintiff to file an amended memo of parties, and listed the matter for further proceedings.

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(8) Delhi High Court restrains use of deceptively similar 'N' device marks on footwear ***(New Balance Athletics Inc. v. Astormueller AG & Ors., CS(COMM) 962/2025)***

The Delhi High Court considered an application filed by New Balance Athletics Inc. ("Plaintiff") under Order XXXIX Rules 1 and 2 of the Code of Civil Procedure, 1908, seeking an interim injunction against Astormueller AG and its Indian subsidiaries ("Defendants") in a suit for infringement and passing off under the Trade Marks Act, 1999 ("TM Act"). The Plaintiff asserted that it had adopted and extensively used its distinctive "N" device marks globally since the 1970s and in India for several decades in relation to footwear and allied goods. It contended that the Defendants had adopted deceptively similar "N" device marks in relation to identical goods, namely footwear, thereby infringing its statutory rights under Sections 28 and 29 of the TM Act and passing off their goods as those of the Plaintiff.

Illustrative representation of the Plaintiff's Marks and Defendant's Marks is as follows:

Plaintiff's Marks	Defendant's Marks
	

The Defendants opposed the application, contending that they had independently adopted its marks as part of their nu:beat product line and that the competing marks, when viewed as a whole, were sufficiently distinguishable. They further argued that the Plaintiff could not claim a monopoly over the alphabet "N" and relied upon various judicial precedents dealing with single-letter marks and composite trademarks.

Upon examining the rival marks, the Court observed that the Plaintiff had established extensive goodwill and reputation in its stylised "N" device marks through decades of continuous global and Indian use, substantial sales, advertising, retail presence and judicial recognition of certain New Balance marks as well-known trademarks.

The Court found that the Defendants had commenced use of the impugned marks in India only in 2024, long after the Plaintiff had acquired substantial goodwill in the market.

The Court held that although no monopoly could ordinarily be claimed over a single letter of the alphabet, the Plaintiff's stylised "N" device marks had acquired distinctiveness and secondary meaning through long, extensive and exclusive use. Considering the overall visual impression of the rival marks, identical nature of the goods, overlapping trade channels and class of consumers, the Court concluded that the Defendants' marks were likely to create an unwarranted association with the Plaintiff and deceive consumers into believing that the impugned products originated from, or were associated with, New Balance. The Court further held that the Plaintiff had established all the essential ingredients of passing off, namely goodwill, misrepresentation and likelihood of damage.

Accordingly, the Court held that the Plaintiff had established a prima facie case and that the balance of convenience and irreparable injury also favoured grant of interim relief. The Defendants were restrained from manufacturing, selling, offering for sale, advertising or marketing footwear under the impugned stylised "N" device marks or any other deceptively similar mark amounting to passing off, pending disposal of the suit.

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(9) Madras High Court sets aside patent rejection for lack of reasoned analysis (*Elanco US Inc. v. Assistant Controller of Patents and Designs, CMA(PT) No. 37 of 2024*)

The Madras High Court considered an appeal filed by Elanco US Inc. ("Appellant") under Section 117A of the Patents Act, 1970, challenging an order passed by the Assistant Controller of Patents and Designs ("Respondent") rejecting the Appellant's patent application under Section 2(1)(ja) of the Patents Act on the ground of lack of inventive step. The Appellant sought setting aside of the impugned order and grant of the patent in respect of its invention.

The Appellant contended that the Respondent had rejected the patent application without adequately considering the submissions and material placed on record. It was argued that while the impugned order discussed certain aspects of the invention, it failed to provide any reasoned analysis explaining how the claimed invention lacked an inventive step, thereby rendering the decision arbitrary and unsustainable.

Upon examining the impugned order, the Court observed that although certain reasons had been recorded by the Respondent, the ultimate conclusion rejecting the application for lack of inventive step was unsupported by any substantive analysis. The Court held that an order rejecting a patent application must disclose clear reasons demonstrating how the statutory requirements under the Patents Act have not been satisfied. In the absence of such reasoning, the rejection could not be sustained.

Accordingly, the Court set aside the impugned order and remanded the matter for fresh consideration by a different officer. The Court directed that the Appellant be afforded a reasonable opportunity of hearing and that a reasoned decision be passed within four months. It further clarified that it had expressed no opinion on the merits of the patent application.

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(10) Bombay High Court permits transfer and consolidation of trademark rectification proceedings (*Institute for Technology and Management Trust & Anr. v. Putch Venkata Ramana & Ors.*, Interim Application No. 3128 of 2025 in Commercial IP Suit No. 102 of 2015)

The Bombay High Court considered an application filed by Institute for Technology and Management Trust ("ITM") under Sections 24 and 151 of the Code of Civil Procedure, 1908 ("CPC"), seeking transfer of three trademark rectification proceedings pending before the Registrar of Trade Marks ("Registrar") to the High Court for consolidation with a pending commercial IP suit and seventeen connected rectification proceedings instituted by Samata Lok Sansthan Trust ("Samata") under Sections 47 and 57 of the Trade Marks Act, 1999 ("TM Act"). ITM contended that all the proceedings involved the same parties, competing trademark rights and overlapping issues, and that consolidation would avoid inconsistent findings and ensure efficient adjudication.

Samata opposed the application, contending that the Registrar could not be regarded as a court subordinate to the High Court for the purposes of Section 24 of the CPC, and therefore the High Court lacked jurisdiction to transfer the pending rectification proceedings. It was further argued that the transfer application, having been filed as an interim application in the commercial suit, was procedurally misconceived.

Upon examining the statutory framework under the TM Act, the CPC and the Intellectual Property Division Rules, the Court observed that the Registrar exercises adjudicatory functions concurrent with those of the High Court in rectification proceedings under Sections 47 and 57 of the TM Act, with appeals from the Registrar's decisions lying before the High Court under Section 91 of the TM Act. The Court further held that for the purposes of Section 24 of the CPC, the Registrar possesses the trappings of a court and may therefore be regarded as a court subordinate to the High Court. The Court also observed that its powers to order transfer and consolidation were traceable not only to Section 24 but also to its inherent powers under Section 151 of the CPC, particularly where consolidation would prevent conflicting decisions and facilitate efficient adjudication of interconnected disputes.

Accordingly, the Court allowed the transfer application and directed that the three rectification proceedings pending before the Registrar be transferred to the High Court and heard together with the pending commercial suit and the seventeen connected rectification proceedings. The Registrar was directed to transmit the records within six weeks, following which all proceedings would be tagged together for consolidated adjudication before the Court.

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(11) Kerala High Court holds Trademarks Registry cannot remove a registered trademark without issuing mandatory expiry notice (*S. Prasannan v. Controller General of Patents, Designs and Trademarks & Anr. (WP(C) NO. 7528 OF 2018)*)

The Kerala High Court considered a writ petition filed by S. Prasannan ("Petitioner"), seeking a writ of mandamus directing the Controller General of Patents, Designs and Trade Marks and the Assistant Registrar of Trade Marks ("Respondents") to renew Trademark "VIC" under the Application No. 1368879 under Section 25 of the Trade Marks Act, 1999 ("TM Act"). The Petitioner's trademark had been registered on February 26, 2008, with the registration taking effect from the date of application, July 5, 2005, and valid for ten years. The dispute arose after the Respondents removed the mark from the register on the grounds that it expired on July 5, 2017, and returned the Petitioner's subsequent renewal application as time barred.

The Petitioner contended that the Respondents failed to comply with the mandatory requirement under Section 25(3) of the TM Act read with Rule 58 of the Trade Marks Rules, 2017 ("TM Rules"), which obligates the Registrar to issue a notice informing the registered proprietor of the approaching expiry of the registration before removing the mark from the Register. The Petitioner further submitted that upon checking the online status of his mark on August 31, 2017, it was still shown as "Registered", albeit with an alert that it was likely to be removed for non-filing of a renewal request. He submitted a renewal application along with the prescribed fee on the same day, which the Respondents declined to process.

The Respondents submitted that the Petitioner had not filed his renewal application within the period prescribed under the TM Act and that the return of the application was accordingly justified, as the trademark registration had already expired.

The Court examined Section 25(3) of the TM Act along with Rule 58 of the TM Rules, and held that the Registrar is required to issue a notice in Form O-3/RG-3 informing the registered proprietor of the approaching expiry of the registration before removing the mark from the register. The Court found that no such notice had been issued in the present case and held that in the absence of compliance with this mandatory requirement, the Respondents could not be permitted to remove the trademark from the Register.

Accordingly, the Court allowed the writ petition and directed the Respondents to issue a fresh notice under Section 25(3) and Rule 58, and to consider the Petitioner's renewal application afresh, after affording him an opportunity of being heard, and dispose of it in accordance with law.

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(12) Delhi High Court Restrains 14 More Websites from Using 'BETWAY' Trademark ***(Merryvale Limited v. John Doe and Ors. (CS(COM) 678/2024)***

The Delhi High Court, in *Merryvale Limited v. John Doe & Ors.*, granted an interim injunction restraining fourteen newly impleaded rogue websites from using the registered trademark BETWAY or any deceptively similar mark in connection with betting services. The plaintiff contended that the impugned websites were fraudulently operating under domain names incorporating the BETWAY mark, imitating the plaintiff's branding and website layout to mislead unsuspecting users into believing that the services originated from or were associated with the plaintiff. The Court also noted that similar injunctions had previously been granted against other infringing websites in the same suit.

Observing that continued operation of the impugned websites would not only infringe the plaintiff's statutory trademark rights but also deceive the public, the Court restrained the defendants, including all persons acting on their behalf, from directly or indirectly using the BETWAY mark or any deceptively similar mark as a trademark, trade name, corporate name, domain name, web address, email address or social media handle, or in any other manner likely to cause confusion or amount to passing off.

The Court further directed the concerned Domain Name Registrars, including GoDaddy, NameCheap, Dynadot, Hostinger, Wild West Domains and Namemart, to lock and suspend the identified infringing domain names within 36 hours of receiving the order. The registrars were also directed to disclose details of the domain registrants, including their names, contact information, addresses and payment details, to the plaintiff within six weeks. Additionally, the Ministry of Electronics and Information Technology and the Department of Telecommunications were directed to issue necessary notifications to internet and telecom service providers within 36 hours to block access to the infringing websites across India.

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(13) Delhi High Court upholds arbitral tribunal's refusal to rely on confidential material from separate arbitration proceedings (*JPC Infrastructure and Constructions Private Limited v. Alstom Transport India Limited*, 2026:DHC:5370)

The Delhi High Court considered a petition filed by JPC Infrastructure and Constructions Private Limited ("Petitioner") under Section 34 of the Arbitration and Conciliation Act, 1996 ("Arbitration Act"), seeking to set aside an arbitral award rendered in favour of Alstom Transport India Limited ("Respondent") in relation to disputes arising out of a back-to-back subcontract executed for works forming part of the Eastern Dedicated Freight Corridor Project. During the hearing, the Petitioner confined its challenge to the Tribunal's findings on Claim Nos. 2, 3, 13 and 16.

The Petitioner contended that the Arbitral Tribunal had erroneously rejected its claims by refusing to consider certain material generated during separate arbitral proceedings involving the Respondent. It was argued that the Tribunal had adopted an unduly restrictive interpretation of Section 42A of the Arbitration Act governing confidentiality in arbitral proceedings, resulting in an award that was contrary to the fundamental policy of Indian law, conflicted with the public policy of India and suffered from patent illegality under Section 34 of the Arbitration Act.

The Respondent opposed the petition, contending that Section 42A embodies the legislative mandate of maintaining confidentiality of arbitral proceedings and that material arising out of a separate arbitration could not be relied upon in the absence of any statutory exception. It was further submitted that the Tribunal had rendered a reasoned award based on the evidence placed before it and that the Petitioner was merely seeking a re-appreciation of evidence, which falls outside the limited scope of judicial interference under Section 34 of the Arbitration Act.

Upon examining the statutory framework and the settled principles governing interference with arbitral awards, the Court reiterated that proceedings under Section 34 are supervisory in nature and do not permit reassessment of evidence or substitution of the Tribunal's view with that of the Court. The Court held that the Tribunal's interpretation of Section 42A was consistent with the legislative object of preserving confidentiality in

arbitration proceedings and that permitting reliance upon confidential communications from separate arbitral proceedings would dilute the statutory protection afforded by Parliament. The Court further held that the impugned award neither contravened the public policy of India nor suffered from any patent illegality warranting interference under Section 34.

Accordingly, the Court dismissed the petition and upheld the arbitral award, holding that the Petitioner had failed to establish any ground falling within the limited scope of judicial review under Section 34 of the Arbitration Act.

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(14) Delhi High Court upholds partial arbitral award directing hospital operator to hand over possession, holds oral claim of collaborative venture cannot override registered lease deed (*Getwell Healthcare Private Limited v. Dr. Santosh Sahi & Ors. (O.M.P. (COMM) 321/2026; I.A. 18842/2026 & I.A. 18843/2026*)

The Delhi High Court considered a petition filed by Getwell Healthcare Private Limited ("Petitioner") under Section 34 of the Arbitration and Conciliation Act, 1996 ("the Act"), challenging a partial arbitral award that directing it to hand over vacant and peaceful possession of leased hospital premises to Dr. Santosh Sahi and the other owners ("Respondents"). The dispute arose from a registered lease deed executed in December 2015, which the Respondents later terminated before invoking arbitration. The award had been passed under Section 17 of the Act on an application seeking interim measures, following termination of a registered lease deed governing the parties' relationship.

The Petitioner contended that the Arbitral Tribunal effectively granted final relief at an interim stage by directing delivery of possession. It argued that the registered lease deed merely reflected the commercial structure adopted by the parties for tax purposes, whereas the true intention was to jointly develop and operate a hospital. Petitioner further submitted that it had invested around ₹65 crore in the project and that several issues remained to be decided in the arbitration proceedings.

The Respondents submitted that the relationship between the parties was governed entirely by the registered lease deed and pointed out that the Petitioner had repeatedly admitted the deed and its existence and validity during the arbitral proceedings, including the admission that no written document existed to support the alleged collaborative arrangement.

The Court held that Clause 10.4 of the lease deed expressly defined the relationship between the parties as that of lessor and lessee, expressly excluding any partnership, joint venture, or joint undertaking between the parties. It observed that while an Arbitral Tribunal is not bound by the Indian Evidence Act, 1872, it may draw guidance from the its underlying principles while assessing evidence. Therefore, the Petitioner's oral claim of a collaborative relationship could not be accepted in the absence of any written document, particularly given the explicit documentary evidence of the lease deed and the Petitioner's own admissions.

The Court further noted that the Petitioner had not challenged the validity of the termination of the lease deed and had consequently become an illegal occupant of the premises, and that such occupation could not be allowed to continue merely because arbitration proceedings remained pending. Accordingly, finding no patent illegality or other ground warranting interference, the Court dismissed the petition and upheld the partial arbitral award.

Read [Here](#)



(15) Delhi High Court Upholds an Arbitral Award Granting Possession, Reiterates Narrow Scope of Judicial Review Under Section 34 (*Getwell Healthcare Private Limited v. Dr. Santosh Sahi & Ors. (2026:DHC:5975)*)

The Delhi High Court, in this matter, dismissed a petition under Section 34 of the Arbitration and Conciliation Act, 1996 ("Arbitration Act") challenging a partial arbitral award directing the petitioner to hand over possession of leased premises to the lessors. The dispute arose out of a lease arrangement for a hospital property, which the lessors terminated on account of non-payment of rent. The petitioner contended that the lease deeds were, in substance, part of a collaborative venture for developing and operating a hospital and that it had invested substantial amounts in the project. It further argued that the arbitral tribunal exceeded its jurisdiction by granting what was effectively a final relief under Section 17 of the Arbitration Act while the arbitration proceedings were still pending.

Rejecting these contentions, the High Court held that the arbitral tribunal had rightly concluded, on the basis of the registered lease deed, that the relationship between the parties was purely that of a lessor and lessee. The Court observed that the lease deed expressly excluded any partnership or joint venture and that the petitioner had admitted there was no written agreement evidencing the alleged collaborative arrangement. Referring to Sections 91 and 92 of the Indian Evidence Act, 1872, the Court held that oral assertions contrary to the express terms of a written contract could not be relied upon to alter the legal relationship between the parties.

The Court also reiterated that the scope of interference under Section 34 of the Arbitration Act is extremely limited and does not permit a re-appreciation of evidence or substitution of the arbitrator's findings merely because another view is possible. It held that the arbitral tribunal was empowered under Section 19 of the Arbitration Act to determine the admissibility and weight of evidence and had relied upon the petitioner's clear admissions in granting possession. As no patent illegality, procedural irregularity or conflict with the public policy of India could be found, the partial award was upheld.

Read [Here](#)

(16) Arbitration Can Be Revived Even After Arbitrator's Mandate Ends: Jammu & Kashmir and Ladakh High Court (*M/s Ali Mohammad Baba UT of J&K and Ors. v. State of J&K and Ors. Ali Mohammad Baba & Sons (WP(C)No. 2654/2024*)

The High Court considered two connected proceedings arising out of an arbitration relating to a government contract for the design, supply, installation and maintenance of street lighting on the Srinagar National Highway Bypass. The arbitral proceedings, which commenced in November 2018, continued for several years without any extension of the arbitrator's mandate under Section 29A of the Arbitration and Conciliation Act, 1996 ("Arbitration Act"). In 2024, after the statutory period had long expired, the employer sought termination of the arbitral proceedings, while the contractor approached the High Court seeking extension of time for making the arbitral award. Meanwhile, despite acknowledging that his mandate had expired, the arbitrator passed an order keeping the proceedings on hold and simultaneously rejected the employer's objection regarding the maintainability of the contractor's claim.

The High Court held that once the statutory period prescribed under Section 29A of the Arbitration Act expires, the arbitrator's mandate automatically terminates unless extended by the Court. Consequently, although the arbitrator could acknowledge the expiry of his mandate and await appropriate orders from the Court, he had no jurisdiction to adjudicate any substantive objection thereafter. The Court therefore set aside that part of the arbitrator's order which had overruled the employer's objection regarding the maintainability of the claim and directed the arbitrator to decide the issue afresh after restoration of the mandate. At the same time, relying on the Supreme Court's decisions in *Rohan Builders (India) Pvt. Ltd. v. Berger Paints India Ltd.* and *Jagdeep Chowgule v. Sheel Chowgule*, the Court reiterated that an application for extension of time under Section 29A(5) of the Arbitration Act remains maintainable even after expiry of the arbitrator's mandate and that the Commercial Court retains the power to revive the mandate upon showing sufficient cause.

Read [Here](#)

(17) Allahabad High Court quashes PMLA proceedings arising from disputes found to be predominantly civil in nature (*Tulsiani Construction and Developers Ltd. v. State of Uttar Pradesh & Anr.*, Application under Section 482 Cr.P.C. No. 3198 of 2026)

The Allahabad High Court considered an application filed by Tulsiani Construction and Developers Ltd. and its Directors ("Applicants") under Section 482 of the Code of Criminal Procedure, 1973, seeking quashing of an order taking cognizance of offences under Sections 3 and 4 of the Prevention of Money Laundering Act, 2002 ("PMLA"), as well as the consequential proceedings arising out of an Enforcement Case Information Report ("ECIR"). The proceedings were initiated pursuant to allegations that the Applicants had diverted funds obtained through home loans sanctioned by Punjab National Bank and had committed money laundering in relation to the alleged scheduled offences.

The Applicants contended that the predicate offences stemmed from disputes relating to delayed completion of real estate projects, execution of sale deeds and repayment of loans, which were essentially contractual and commercial in nature. It was submitted that one of the loan accounts had never become a non-performing asset, two loan accounts had been fully settled with No Due Certificates, and the remaining account had been resolved through a One Time Settlement. The Applicants further argued that the Enforcement Directorate had improperly aggregated amounts from several criminal cases, many of which had already been quashed or settled, and had illegally attached properties acquired long before the alleged commission of the scheduled offences.

The Enforcement Directorate opposed the application, contending that investigation had revealed diversion of proceeds of crime into other projects and personal gains, thereby attracting the provisions of the PMLA. It was further argued that the expression "value of such property" under Section 2(u) of the PMLA and the statutory presumption relating to interconnected transactions justified the attachment of properties and continuation of prosecution.

Upon examining the material on record, the Court observed that the disputes underlying the scheduled offences had consistently been found to be predominantly civil and commercial in nature, with the criminal process being invoked to compel settlement of contractual claims. The Court held that the object of the PMLA is to prosecute genuine offences of money laundering and not to facilitate recovery of contractual or commercial claims. The Court further held that properties acquired long before the alleged commission of the scheduled offences could not be treated as “proceeds of crime” under Section 2(u) of the PMLA, and that the Enforcement Directorate had improperly included amounts relating to settled or quashed proceedings while computing the alleged proceeds of crime.

Accordingly, the Court held that the PMLA proceedings had been instituted with an ulterior motive to coerce the Applicants into resolving civil disputes and constituted an abuse of the process of law. The Court quashed the order taking cognizance under Sections 3 and 4 of the PMLA as well as the entire proceedings arising out of the ECIR.

Read [Here](#)

(18) Patna High Court quashes certificate proceedings initiated against a deceased person (*Manju Devi v. State of Bihar & Anr.*, CWJC No. 10929 of 2025)

The Patna High Court considered a writ petition filed by Manju Devi ("Petitioner") seeking quashing of Certificate Case No. 10 of 2006-07, the consequential recovery warrant and coercive proceedings initiated under the Bihar and Orissa Public Demand Recovery Act, 1914 ("PDR Act") for recovery of alleged dues payable by her deceased husband. The Petitioner challenged the proceedings on the ground that the certificate case had been instituted against a person who had already passed away and that the recovery was otherwise barred by limitation.

The Petitioner contended that her husband had died in 2003, whereas the certificate proceedings were initiated thereafter against him in 2006-07, rendering the entire proceedings void ab initio and without jurisdiction. It was further submitted that the original recoverable amount was only ₹56,500, whereas the authorities sought to recover ₹3,36,275 from the Petitioner, who was never impleaded as a party in the certificate proceedings. Reliance was also placed upon earlier decisions of the High Court holding that recovery proceedings initiated against deceased persons or barred by limitation are legally unsustainable.

The State opposed the writ petition, contending that the Petitioner had an alternative remedy under Section 9 of the PDR Act by filing objections before the Certificate Officer. It was further argued that recovery proceedings had commenced during the lifetime of the Petitioner's husband and that, under Section 52 of the PDR Act, the authorities were entitled to proceed against his legal heirs for recovery of the outstanding dues.

Upon examining the undisputed facts, the Court held that proceedings initiated against a deceased person are void ab initio, non est in the eyes of law and wholly without jurisdiction. The Court further observed that the Petitioner had never been substituted in the certificate proceedings and that the recovery sought was also barred by limitation. Relying upon its earlier precedents, the Court held that the statutory machinery under the PDR Act cannot be employed to circumvent the law of limitation or validate proceedings initiated against a deceased person.

Accordingly, the Court allowed the writ petition and quashed the recovery warrant as well as the entire certificate proceedings initiated against the deceased and his legal heirs.

Read [Here](#)

(19) Supreme Court reiterates that limitation for probate commences when the right to apply accrues, not from the testator's death

(Sanjay Sharma @ Sanjay Bhardwaj v. Krishnadhan Khaware & Ors., Civil Appeal arising out of SLP (C) No. 13473 of 2022)

The Supreme Court considered an appeal filed by Sanjay Sharma @ Sanjay Bhardwaj ("Appellant") challenging the rejection of an application for probate under Sections 222 and 276 of the Indian Succession Act, 1925 ("Succession Act"). The probate application had been rejected by the Trial Court under Order VII Rule 11 of the Code of Civil Procedure, 1908 ("CPC") on the ground that it was barred by limitation, which decision was affirmed by the High Court.

The Appellant contended that neither the Succession Act nor the Limitation Act, 1963 prescribes that the limitation period for seeking probate commences from the date of the testator's death. It was submitted that Article 137 of the Limitation Act applies to probate proceedings and the right to seek probate accrues only when it becomes necessary to assert rights under the Will. It was further argued that the probate application became necessary only after hostile claims were asserted against the estate and, therefore, the application was within limitation.

The Respondents supported the concurrent findings of the courts below and contended that the probate application, having been filed nearly ten years after the death of the testator, was hopelessly delayed and rightly rejected as barred by limitation.

Upon examining the statutory framework and its earlier decisions, the Court reiterated that probate proceedings involve a continuing right and that Article 137 of the Limitation Act applies only from the date on which the right to apply actually accrues. The Court held that such right does not automatically arise upon the death of the testator but when circumstances make it necessary to seek probate, such as when the Will is disputed or hostile claims are asserted. The Court further held that, while delay may constitute a suspicious circumstance requiring explanation during trial, it cannot by itself render a probate application barred by limitation. The Court also observed that proceedings under Order VII Rule 11 CPC are summary in nature and do not permit adjudication upon the merits or genuineness of the Will.

Accordingly, the Court allowed the appeal, held that the probate application was within limitation, set aside the judgments of the courts below and restored the probate proceedings for adjudication in accordance with law.

Read [Here](#)

(20) Supreme Court upholds contractual bar on interest over security deposit until expiry of agreed refund period (*State of Haryana & Ors. v. M/s Jai Durgaa Finvest Pvt. Ltd.*, Civil Appeal Nos. 3145-3146 of 2012)

The Supreme Court considered appeals filed by the State of Haryana ("Appellants") challenging the Punjab and Haryana High Court's judgment directing payment of interest on a security deposit furnished by M/s Jai Durgaa Finvest Pvt. Ltd. ("Respondent") under a mining contract executed pursuant to the Punjab Minor Minerals Concession Rules, 1964 framed under the Mines and Minerals (Regulation and Development) Act, 1957. The principal issue before the Court was whether the Respondent was entitled to interest on the security deposit despite Clause 19 of the statutory Form-L agreement expressly providing that the security deposit would not carry any interest and would be refunded within three months from expiry or earlier determination of the contract.

The Appellants contended that the High Court had impermissibly rewritten the contractual terms by declaring Clause 19 invalid and directing payment of interest from the date of deposit. It was submitted that the Respondent had voluntarily entered into the contract through an open commercial tender with full knowledge of its terms and that courts cannot substitute contractual stipulations merely on equitable considerations. The Appellants further argued that the security deposit was maintained under a non-interest-bearing government account and served solely as a performance security.

The Respondent opposed the appeals, contending that Clause 19 was unconscionable and one-sided, particularly when the State was entitled to recover interest from the contractor for delayed payments while simultaneously denying interest on the contractor's own security deposit. It was further argued that the contract had become unworkable owing to the State's failure to discharge its statutory obligations and that the High Court had rightly granted interest based on principles of equity and fairness.

Upon examining the contractual provisions and settled principles governing commercial contracts, the Court held that courts are required to enforce unambiguous contractual terms and cannot rewrite agreements voluntarily entered into between parties standing on an equal footing. The Court observed that Clause 19 expressly stipulated that the security deposit would not carry interest and would be refunded within three months

from determination of the contract. However, once the contractual period for refund expired and the State continued to retain or appropriate the security deposit, the Respondent became entitled to reasonable interest for the subsequent period. The Court therefore held that the High Court erred in directing payment of interest from the date of deposit but was justified in awarding interest after expiry of the three-month contractual period.

Accordingly, the Court partly allowed the appeals, upheld the validity of Clause 19, set aside the High Court's declaration that the clause was unenforceable, and held that no interest was payable on the security deposit until June 9, 2000. The Court further directed that the Respondent would be entitled to simple interest at the rate of 9% per annum from June 9, 2000 until the date on which the security deposit was refunded or appropriated towards outstanding dues.

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(21) Supreme Court holds bank amalgamation without landlord's consent amounts to assignment under Delhi Rent Control Act (*British Motor Car Company (1939) Ltd. v. M/s Hindustan Commercial Bank Ltd. (since merged into Punjab National Bank) & Anr., 2026 INSC 671*)

The Supreme Court considered an appeal filed by British Motor Car Company (1939) Ltd. ("Appellant"), the landlord, challenging the Delhi High Court's judgment setting aside an eviction decree passed in its favour against M/s Hindustan Commercial Bank Ltd. ("Respondent No. 1"), the original tenant, and Punjab National Bank ("Respondent No. 2"), into which Respondent No. 1 had amalgamated. The dispute arose under Section 14(1)(b) of the Delhi Rent Control Act, 1958 ("DRC Act"), which permits eviction where a tenant has sub-let, assigned or otherwise parted with possession of the tenanted premises without the landlord's written consent.

The Appellant contended that upon the amalgamation of Respondent No. 1 with Respondent No. 2 under Section 45 of the Banking Regulation Act, 1949 ("BR Act"), the tenancy rights and possession of the premises stood transferred to Respondent No. 2 without its written consent, thereby attracting Section 14(1)(b) of the DRC Act. It was further argued that the provision makes no distinction between voluntary and involuntary transfers and that every mode of parting with possession, including assignment pursuant to amalgamation, falls within its ambit.

The Respondents opposed the appeal, contending that the amalgamation was effected pursuant to a statutory scheme framed by the Reserve Bank of India under Section 45 of the BR Act and sanctioned by the Central Government. It was submitted that the vesting of tenancy rights occurred by operation of law and not by any voluntary act of the tenant and, therefore, could not be treated as sub-letting, assignment or parting with possession under Section 14(1)(b) of the DRC Act.

Upon examining the statutory framework and earlier judicial precedents, the Court held that Section 14(1)(b) of the DRC Act is of wide amplitude and encompasses every mode by which tenancy rights and possession are transferred without the landlord's written consent. The Court observed that upon amalgamation, Respondent No. 1 ceased to exist

as a separate legal entity and all its rights, including the tenancy rights, stood vested in Respondent No. 2, resulting in Respondent No. 1 parting with possession of the premises. The Court further held that a scheme framed under Section 45 of the BR Act is administrative in nature and does not exclude the operation of Section 14(1)(b) of the DRC Act.

Accordingly, the Court allowed the appeal, set aside the Delhi High Court's judgment and restored the eviction decree passed by the Rent Control Tribunal. However, considering the Respondents' long-standing occupation of the premises, the Court granted time until January 31, 2027 to hand over vacant and peaceful possession of the premises to the Appellant, subject to filing the requisite undertaking and continuing to pay rent in accordance with the existing arrangement.

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(22) NCLAT holds PMLA proceedings are not overridden by IBC moratorium (*Value Wise Consultancy Private Limited v. Deputy Director, Directorate of Enforcement & Ors., Company Appeal (AT) (Ins.) Nos. 1226 & 1227 of 2022*)

The National Company Law Appellate Tribunal ("NCLAT") considered appeals filed by the Liquidator of Siddhi Vinayak Logistics Ltd. ("Appellant") challenging an order of the National Company Law Tribunal ("NCLT") refusing to interfere with actions taken by the Directorate of Enforcement ("ED") under the Prevention of Money Laundering Act, 2002 ("PMLA"). The Appellant sought, inter alia, refund of monies withdrawn by the ED from the Corporate Debtor's bank account during the Corporate Insolvency Resolution Process ("CIRP"), withdrawal of attachment orders, and quashing of communications issued by the ED under Section 50 of the PMLA restraining debtors of the Corporate Debtor from making payments, contending that such actions violated the moratorium under Section 14 of the Insolvency and Bankruptcy Code, 2016 ("IBC").

The Appellant contended that once CIRP commenced, all assets and receivables of the Corporate Debtor were protected under Section 14 of the IBC and, therefore, the ED could neither withdraw monies from the Corporate Debtor's bank account nor continue coercive measures under the PMLA. It was further argued that the proceedings did not challenge the legality of the PMLA proceedings themselves, but only the ED's actions during the subsistence of the moratorium, and that the NCLT had jurisdiction under Section 60(5) of the IBC to grant the reliefs sought.

The ED opposed the appeals, contending that proceedings under the PMLA are independent criminal proceedings concerning proceeds of crime and operate in a distinct field from the IBC. It was submitted that the tribunals constituted under the IBC have no jurisdiction to examine or interfere with actions taken under the PMLA, and that assets constituting proceeds of crime cannot become part of the insolvency estate merely because the Corporate Debtor has entered CIRP.

Upon examining the scheme and objectives of both enactments, the NCLAT observed that the PMLA serves the larger public purpose of preventing money laundering, confiscating proceeds of crime and protecting the integrity of the financial system,

whereas the IBC is intended to resolve insolvency of corporate debtors. The Tribunal held that Parliament did not intend the IBC to shield assets derived from criminal activity or legitimise proceeds of crime through the insolvency process. It further held that the moratorium under Sections 14 and 33(5) of the IBC is confined to proceedings capable of increasing the civil debt liability of the Corporate Debtor and does not extend to criminal proceedings under the PMLA. The Tribunal also reiterated that challenges to actions taken by the ED must be pursued before the forums constituted under the PMLA and not before the adjudicatory authorities under the IBC.

Accordingly, the NCLAT dismissed the appeals and upheld the NCLT's order, holding that the ED's actions under the PMLA were not barred by the moratorium under the IBC and that the reliefs sought could not be granted by the adjudicating authorities constituted under the IBC.

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(23) NCLT Kochi declines insolvency proceedings where Section 7 petition was used as a debt recovery mechanism (*Morgan Securities and Credits Private Limited v. BPL Limited, CP (IB) No. 10/KOB/2026*)

The National Company Law Tribunal, Kochi Bench, considered a petition filed by Morgan Securities and Credits Private Limited ("Financial Creditor") under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("IBC") seeking initiation of the Corporate Insolvency Resolution Process ("CIRP") against BPL Limited ("Corporate Debtor") on the basis of an alleged financial debt exceeding ₹1,323 crore arising from bill discounting transactions and an arbitral award that had subsequently been affirmed by the Supreme Court.

The Financial Creditor contended that the bill discounting facilities constituted "financial debt" under Sections 5(8)(e) and 5(8)(f) of the IBC and that the liability had attained finality following the arbitral award and the Supreme Court's judgment. It was further submitted that the Corporate Debtor had acknowledged the liability in its financial statements and SEBI disclosures, and that the outstanding adjudicated liability constituted a continuing default warranting commencement of CIRP.

The Corporate Debtor opposed the petition, contending that the principal amounts had already been discharged and that the surviving dispute substantially related to interest. It was further argued that the Financial Creditor had already pursued arbitration, execution proceedings and other recovery remedies, had recovered substantial amounts pursuant to judicial orders, and was impermissibly invoking the IBC as an additional debt recovery mechanism. The Corporate Debtor also raised objections on limitation and maintainability. Upon examining the record, the Tribunal held that the underlying bill discounting transactions constituted "financial debt" within the meaning of Sections 5(8)(e) and 5(8)(f) of the IBC. However, the Tribunal observed that the Financial Creditor had consciously elected to pursue arbitration and execution proceedings, had already realised substantial recoveries under the arbitral award, and was now seeking to invoke insolvency proceedings as an additional mode of enforcement. The Tribunal further held that the Section 7 petition was barred by limitation and that the requirements for exclusion of time under the Limitation Act were not satisfied. It also noted that the IBC is intended for insolvency resolution and not as a substitute for execution proceedings to recover adjudicated dues.

Accordingly, the Tribunal dismissed the petition, holding that although the transaction constituted a financial debt, the present proceedings were barred by limitation and amounted to an impermissible attempt to utilise the insolvency process as a debt recovery mechanism.

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(24) Supreme Court holds Section 14 IBC moratorium applies only to the corporate debtor, consumer complaints against co-respondent promoters and directors can proceed (*Tejas J. Shah & Amisha T. Shah & Ors. v. Mantri Technology Constellations Pvt. Ltd. (Civil Appeal Nos. 4289–4290 of 2025)*)

The Supreme Court considered civil appeals filed by Tejas J. Shah, Amisha T. Shah and other homebuyers of the “Mantri Manyata Energia” residential project (“Appellants”) against an order of the National Consumer Disputes Redressal Commission (“NCDRC”) rejecting their applications seeking continuation of a consumer complaint against Mantri Developers Pvt. Ltd., the promoters, directors and landowners (“Respondent Nos. 2 to 7”) on account of the Section 14 moratorium under the Insolvency and Bankruptcy Code, 2016 (“IBC”) imposed against Mantri Technology Constellations Pvt. Ltd. (“Respondent No. 1/Corporate Debtor”).

The Appellants had filed the complaint in 2023 against the Respondents, alleging deficiency in service and unfair trade practices arising from delay in handing over possession promised by December 31, 2018. During the pendency of the complaint, the National Company Law Tribunal, Bengaluru admitted an insolvency petition under Section 9 of the IBC against the Corporate Debtor on August 23, 2024, triggering the Corporate Insolvency Resolution Process (“CIRP”) and imposing moratorium, following which the NCDRC declined to proceed against any of the Respondents.

The Appellants contended that the moratorium under Section 14 of the IBC applies exclusively to the Corporate Debtor and does not extend to Respondent Nos. 2 to 7 such as promoters, directors, associated companies, or landowners, and sought continuation of the complaint against those parties.

Upon examining the scope of Section 14 of the IBC, the Court held that the moratorium operates only against the Corporate Debtor, and that courts or adjudicating authorities cannot enlarge its scope to cover directors, promoters, subsidiary companies, personal guarantors, or any other persons unless the statute expressly so provides. Referring to its earlier decision in *Ansal Crown Heights Flat Buyers Association v. Ansal Crown Infrabuild Pvt. Ltd.*, the Court reiterated that a moratorium against the Corporate Debtor does not shield its promoters or directors from proceedings.

The Court further held that the NCDRC had erroneously foreclosed the question of liability of Respondent Nos. 2 to 7 at the interlocutory stage instead of adjudicating the consumer complaint against them on merits.

Partly allowing the appeals, the Court set aside the NCDRC's order and directed the Commission to resume and hear the consumer complaint against the Respondent Nos. 2 to 7 in accordance with law, while clarifying that proceedings against the Corporate Debtor itself would remain governed by the Section 14 of the IBC.

Read [Here](#)



(25) Supreme Court holds elevator manufacturer OTIS liable for RAW officer's death due to lift malfunction, upholds ₹3.01 crore compensation and holds elevators are "common carriers" requiring heightened duty of care

(M/s Otis Elevator Co. (India) Ltd. v. Rashmi Handa & Ors. (CIVIL APPEAL NO. 4081 OF 2014)

The Supreme Court considered a batch of Special Leave Petitions filed by Bhandari Scrap Traders and other purchasing dealers ("Petitioners") challenging the constitutional validity of Section 16(2)(c) of the Central Goods and Services Tax Act, 2017 ("CGST Act"), which makes availment of Input Tax Credit ("ITC") conditional upon actual payment of tax by the supplier to the Government. The Petitioners challenged the Gujarat High Court's judgment upholding the provision, contending that it unjustly penalised bona fide purchasers despite compliance with all statutory requirements.

The Petitioners contended that they had valid tax invoices, had received the goods, and that the transactions stood duly reflected in their statements. It was argued that purchasers have no practical mechanism to verify whether the supplier has ultimately deposited the tax collected with the Government and that denial of ITC in such circumstances was arbitrary, violative of Articles 14, 19(1)(g), 265 and 300A of the Constitution. The Petitioners further relied upon decisions rendered under the erstwhile VAT regime to contend that bona fide purchasers ought not to suffer for defaults committed by suppliers.

The Union of India ("Respondents") opposed the petitions, contending that actual payment of tax by the supplier constitutes the very foundation of the GST credit mechanism. It was submitted that Section 16(2)(c) must be read harmoniously with Sections 41, 73 and 74 of the CGST Act and that permitting ITC without actual payment of tax would undermine the destination-based structure of GST and result in unjustified transfer of tax revenues between States.

Upon examining the statutory framework, the Court upheld the reasoning adopted by the Gujarat High Court and held that actual payment of tax by the supplier is an essential pre-condition for availment of ITC under Section 16(2)(c) of the CGST Act. The Court observed that the GST regime differs fundamentally from the earlier VAT regime and that the statutory scheme consciously makes ITC conditional upon actual realisation of tax by the Government. The Court further held that purchasers are not left remediless, since the CGST Act permits re-availment of ITC once the supplier subsequently deposits the outstanding tax.

Accordingly, the Court dismissed the batch of Special Leave Petitions and upheld the constitutional validity of Section 16(2)(c) of the CGST Act, affirming that ITC cannot be claimed unless the corresponding tax has been actually deposited with the Government by the supplier.

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(26) Delhi High Court holds contractual insurance claims under personal accident cover cannot be adjudicated by MACT (*Simbal Singh v. Amarjit Singh & Anr.*, 2026:DHC:5195)

The Delhi High Court considered an appeal filed by Simbal Singh ("Appellant") challenging the Motor Accident Claims Tribunal's ("MACT") dismissal of her claim petition under Section 166 of the Motor Vehicles Act, 1988 ("MV Act"). The claim arose from the death of the Appellant's son while driving a vehicle owned by his father and insured under a Comprehensive/Package Policy. The principal issue before the Court was whether the legal heirs of a deceased driver, who was neither the registered owner nor a paid driver but had borrowed the vehicle from its owner, could maintain a claim before the MACT by treating the deceased as a third party or occupant under the MV Act.

The Appellant contended that since the deceased was neither the owner nor the insured and the vehicle was covered under a Comprehensive/Package Policy, he qualified as an occupant or third party entitled to compensation under the policy. It was further argued that the policy extended coverage beyond the minimum statutory requirements and, therefore, the insurer was liable to compensate the legal heirs.

The insurer opposed the appeal, contending that a claim under Section 166 of the MV Act necessarily requires proof of negligence of a tortfeasor. It was submitted that the deceased himself was driving the vehicle at the time of the accident and had stepped into the shoes of the owner for the purpose of the claim. The insurer further argued that any entitlement under the personal accident component of the Comprehensive/Package Policy arose purely out of contract and could not be adjudicated by the MACT, whose jurisdiction is confined to statutory claims under the MV Act.

Upon examining the statutory scheme and the distinction between statutory liability and contractual liability under insurance policies, the Court held that proceedings under Section 166 of the MV Act are founded upon proof of negligence and require identification of a tortfeasor. In the present case, the deceased himself was driving the vehicle and no negligence could be attributed to the registered owner. The Court further

held that any benefit available under the personal accident cover of a Comprehensive/Package Policy constitutes a contractual right governed by the terms of the insurance policy and cannot be enforced before the MACT. Such claims must instead be pursued before the appropriate consumer forum or other competent civil forum.

Accordingly, the Court dismissed the appeal, holding that contractual claims arising under the personal accident component of an insurance policy fall outside the jurisdiction of the MACT and cannot be adjudicated in proceedings under Section 166 of the MV Act.

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