



JUSTICEWINGS LEXEDGE SOLUTIONS LLP

Justicewings Lexedge Legal Landscape
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Justicewings Lexedge

ABOUT US

ABOUT THE FIRM

Justicewings Lexedge Solutions LLP is a boutique, full-service law firm headquartered in Noida with a branch office in Bengaluru, serving clients across Delhi NCR and India. Founded by professionals with experience at India's leading Tier-1 law firms and global consulting organisations, we combine sophisticated legal expertise with practical commercial insight to deliver legally sound, business-oriented, and commercially viable solutions. Our lean, partner-driven model enables us to provide Tier-1 quality legal services at a significantly more competitive cost, offering exceptional value without compromising on quality or personalised attention.

Our multidisciplinary team of Advocates, Company Secretaries, Chartered Accountants, and domain specialists advises clients across the entire business lifecycle from incorporation, commercial contracts, corporate advisory, M&A, insolvency and restructuring, employment matters, and regulatory compliance to dispute resolution and litigation. In 2025, the Firm was recognised among India's leading law firms by The Prime Today and Law Outlook.

ABOUT OUR FOUNDER

Avdhesh Kr. Varshney is an Advocate, qualified Company Secretary, and Independent Director registered with the IICA, with over 12 years of experience in corporate and commercial law, transactions, dispute resolution, and regulatory advisory. Before founding Justicewings Lexedge Solutions LLP, he worked with India's leading Tier-1 law firms and global consulting organisations, including PwC India, Trilegal, Dhir & Dhir Associates, and Fox Mandal & Co. He presently serves as Category-A Panel Counsel to GAIL (India) Limited, President (Uttar Pradesh) of the First-Generation Lawyers Association (FGLA), mentors entrepreneurs through The Founders Accelerator Program, and is a member of the Supreme Court Bar Association and the Delhi High Court Bar Association, and is frequently invited to speak at legal and business forums.

His work has been recognised with the Strategic Legal Advisor of the Year Bharat Nyaya Puraskar 2025, and he has been featured by The Prime Today *among The 5 Most Influential Legal Minds – 2025* and on the cover of Law Outlook as one of *The 5 Most Trusted Corporate Lawyers in India 2025*.



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POSH REPORTING ENTERS THE BOARDROOM



Workplace Safety is now a Governance Responsibility

Since 2013, compliance under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH Act") was largely viewed as an HR function. With the FY 2025–26 Board Report season now underway, this reporting cycle assumes unprecedented significance. As companies prepare for their September AGMs, Boards across the country are finalising their reports during August. This is the first financial year in which companies are required to comply with the enhanced disclosure requirements introduced under **The Companies (Accounts) Second Amendment Rules, 2025.**

Under the revised reporting framework, companies are now required to disclose in their Board's Report:

- the number of sexual harassment complaints received during the financial year;
- the number of complaints disposed of;
- the number of cases pending for more than 90 days; and
- the gender composition of their workforce, including the number of women, men and transgender employees.

These enhanced disclosures reflect the Government's objective of promoting transparency, accountability and Board-level oversight of workplace safety. Companies should therefore ensure compliance with the following key checkpoints:

- ✓ POSH Policy updated and effectively implemented;
- ✓ Internal Committee duly constituted (mandatory where ten or more employees are employed);
- ✓ Independent External Member appointed to the Internal Committee;
- ✓ Regular employee awareness and sensitisation programmes conducted;
- ✓ Proper records maintained for complaints, inquiries and resolutions;
- ✓ Board Report disclosures reviewed before approval of the annual report.

Justicewings Insight

In our view, POSH compliance is no longer merely an HR function but a core governance responsibility. Since the Board's Report is a public document accessible through the MCA portal, Board must exercise greater care and diligence in making POSH-related disclosures.





DPDP 2026: THE DATA PROTECTION ERA HAS OFFICIALLY ARRIVED



Data Privacy is now a Business Responsibility

The Digital Personal Data Protection (DPDP) Act, 2023, together with the **DPDP Rules, 2025**, marks India's most significant privacy reform. Data protection is no longer a concern only for technology companies every business that collects customer or employee information is now expected to manage personal data responsibly.

Whether you collect names, phone numbers, email addresses, employee records or customer databases, your organisation is now part of India's evolving data protection framework. The final DPDP Rules were notified in November 2025 -full compliance is due on May 13, 2027, with no grace period expected.

What's Changing?

The Rules introduce a structured compliance framework requiring organisations to:

- Issue clear and transparent privacy notices through visible access, encryption, obfuscation etc;
- Obtain free, informed and verifiable consent before processing personal data of a child;
- Implement Consent Management mechanisms for managing user permissions;
- Establish grievance redressal on websites under 90 days;
- Report personal data breaches within 72 hours;
- Maintain appropriate security safeguards through Board established by Central government further by appellate tribunal.

These measures represent a significant shift from informal data collection practices to a consent-driven compliance regime.





DPDP 2026: THE DATA PROTECTION ERA HAS OFFICIALLY ARRIVED



Why It Matters

Data privacy has become a key governance and business risk. Regulatory penalties, customer complaints, data breaches and reputational damage can significantly impact business continuity.

Business Checklist

- ✓ Identify the personal data collected by your organisation;
- ✓ Update privacy policies in plain language and consent notices;
- ✓ Review vendor and employee data handling practices with data protection Impact assessment and audits;
- ✓ Establish grievance redressal and breach response mechanisms by publishing contact of DPO;
- ✓ Implement appropriate data security and retention practices;
- ✓ Train employees on data protection responsibilities.

Justicewings Insight

The DPDP framework represents a fundamental shift in how Indian businesses collect, use and protect personal data. Organisations should view compliance not merely as a legal requirement but as an opportunity to strengthen customer trust and corporate governance. Legal or Corporate professional can assist organisations with DPDP readiness, including privacy audits, policy drafting, consent framework implementation, vendor documentation, employee awareness programmes and end-to-end data governance advisory.





SUPREME COURT REFORMS: A NEW ERA OF PROCEDURAL DISCIPLINE



Streamlining Supreme Court Procedures Takes Centre Stage

The Supreme Court of India has initiated a significant phase of administrative reform under the leadership of Hon'ble Chief Justice of India Justice Surya Kant. A key reform replaces the long-standing practice of routine oral mentioning for urgent case listings with a structured, rule-based mechanism, aiming to enhance judicial efficiency, transparency, and fairness by ensuring that urgent listings are determined on objective criteria rather than seniority or influence.

A Landmark Shift in Court Procedure

A formal circular issued by the Supreme Court Registry has introduced a structured framework for urgent case listings by prescribing the following procedural norms:

- Oral mentioning before the CJI is prohibited for Senior Counsel.
- Requests for urgent interim orders must be submitted through a Mentioning Proforma, along with a letter of urgency, to the Mentioning Officer by 3:00 p.m. on the previous working day.
- Oral mentioning will be entertained only in "extraordinary circumstances", such as matters involving personal liberty, habeas corpus, eviction, demolition, or the death penalty.
- Junior counsel are actively encouraged to make oral mentions, thereby promoting greater opportunities for the junior Bar.

Other Key Administrative Reforms

In addition to the revised mentioning procedure, the Supreme Court has introduced several administrative reforms aimed at enhancing judicial efficiency and institutional discipline:

- **Capping Arguments:** Standard Operating Procedures (SOPs) have been introduced prescribing limits on the length of written submissions and oral arguments.





SUPREME COURT REFORMS: A NEW ERA OF PROCEDURAL DISCIPLINE



- **Digital Infrastructure:** The CJI launched the "One Case One Data" initiative and an online administrative payment system to improve efficiency. The eCourts network has also been integrated across High Courts to enable unified tracking of case pendency.
- **Prioritized Hearings:** A structured scheduling mechanism has been adopted to prioritize matters involving Senior Citizens aged above 80 years, persons below the poverty line (BPL), acid attack survivors, and persons with disabilities (PwDs).
- **AI & Security Reforms:** The AI-powered translation tool SUVAS has been expanded to translate judgments into regional languages, while the PARK application has been introduced to automate security and vehicle permissions within the Supreme Court complex.
- **Focus on "Swadeshi" Jurisprudence:** The CJI has advocated the development of indigenous jurisprudence that remains rooted in India's constitutional values, linguistic diversity, and social realities.

Exploring Different Perspectives

The administrative reforms have elicited mixed responses from the legal fraternity. Supporters contend that the prohibition on routine oral mentioning promotes transparency, curbs the disproportionate use of the Court's time by influential Senior Counsel, and creates a more level playing field based on merit. Conversely, some practitioners have expressed concern that the mandatory written Proforma system may introduce procedural rigidity and, in certain cases, delay urgent judicial intervention where the matter does not strictly fall within the limited categories of "extraordinary circumstances."





THE COMPLIANCE REVOLUTION IN 2026



India is gradually replacing Criminal Prosecution with Trust-Based Regulation

For decades, businesses in India operated under a regulatory framework where even minor procedural lapses could expose companies and their officers to criminal prosecution. The Government has now accelerated its shift towards a trust-based compliance regime that emphasises proportionate civil penalties, administrative enforcement, and voluntary compliance, while reserving criminal sanctions for serious, fraudulent, or wilful misconduct. The Central Government has introduced two key reforms:

- Jan Vishwas (Amendment of Provisions) Act, 2026, which received the President's assent on 7 April 2026. The Act amends 784 provisions across 79 Central Acts administered by 23 Ministries, decriminalises 717 provisions, and rationalises more than 1,000 offences. By replacing criminal prosecution for numerous minor and technical violations with proportionate civil and administrative enforcement mechanisms, the Act seeks to promote trust-based governance while reserving criminal sanctions for serious and wilful misconduct.
- Corporate Laws (Amendment) Bill, 2026, presently under examination by a Joint Parliamentary Committee, proposes further decriminalisation of several procedural and technical defaults under the Companies Act, 2013 and the Limited Liability Partnership Act, 2008. If enacted, specified technical non-compliances would be dealt with through civil penalties and in-house adjudication, while stringent consequences would continue to apply in cases involving fraud, misrepresentation, or other serious violations.

What this means for Your Business

Decriminalisation should not be mistaken for deregulation. While these reforms reduce criminal liability for technical and procedural defaults, they introduce a more efficient administrative enforcement framework driven by adjudicating authorities and civil penalties. Regulatory scrutiny is therefore expected to become faster and more governance-focused. Businesses should use this transition to strengthen their compliance frameworks through regular statutory audits, timely rectification of defaults, accurate record-keeping, and robust governance practices, thereby reducing regulatory risks and enhancing preparedness for inspections, due diligence, fundraising, and strategic transactions.





DEMATERIALISATION 2.0: IS YOUR PRIVATE COMPANY READY FOR THE ISIN ERA?



India's Shift towards a Fully Digital Ownership Regime

The era of physical share certificates is gradually coming to an end. Through Rule 9B of the Companies (Prospectus and Allotment of Securities) Rules, 2014 the Ministry of Corporate Affairs has extended mandatory dematerialisation to specified private companies.

Companies exempted from this rule	This rule is applicable to following companies:
• Nidhi companies • Government companies • Wholly-owned subsidiaries of unlisted public companies • Small private limited companies	• Public limited and Section 8 companies • Non-small private limited companies • Subsidiaries of foreign or Indian companies • Producer companies (non-small) • WoS of private limited companies & NBFCs

Where things stand Today

The MCA extended the compliance deadline to 30 June 2025 for companies incorporated before FY 2024-25, and no further extension has been notified. Eligible private companies incorporated during FY 2024-25 are required to complete dematerialisation by 30 September 2026.

Further, the revised definition of a "Small Company", notified in December 2025, has increased the eligibility thresholds. As a result, certain companies that were earlier covered under Rule 9B may now qualify for exemption, making a fresh applicability assessment essential.

- As per the amended Rule 2(1)(t) of the Companies (Specification of Definitions Details) Rules, 2014 [as substituted by the Amendment Rules, 2025], a "small company" means a private company (other than a public company).
 - (i) whose paid-up share capital does not exceed ₹10 crore;
 - (ii) whose turnover, as per the profit and loss account for the immediately preceding financial year, does not exceed ₹100 crore.





DEMATERIALIZATION 2.0: IS YOUR PRIVATE COMPANY READY FOR THE ISIN ERA?



Why It Matters

For companies covered under the threshold, non-compliance may result in restrictions on issuing securities, undertaking bonus or rights issues, or carrying out buybacks. Shareholders holding physical share certificates may also be unable to transfer their shares or participate in future issuances.

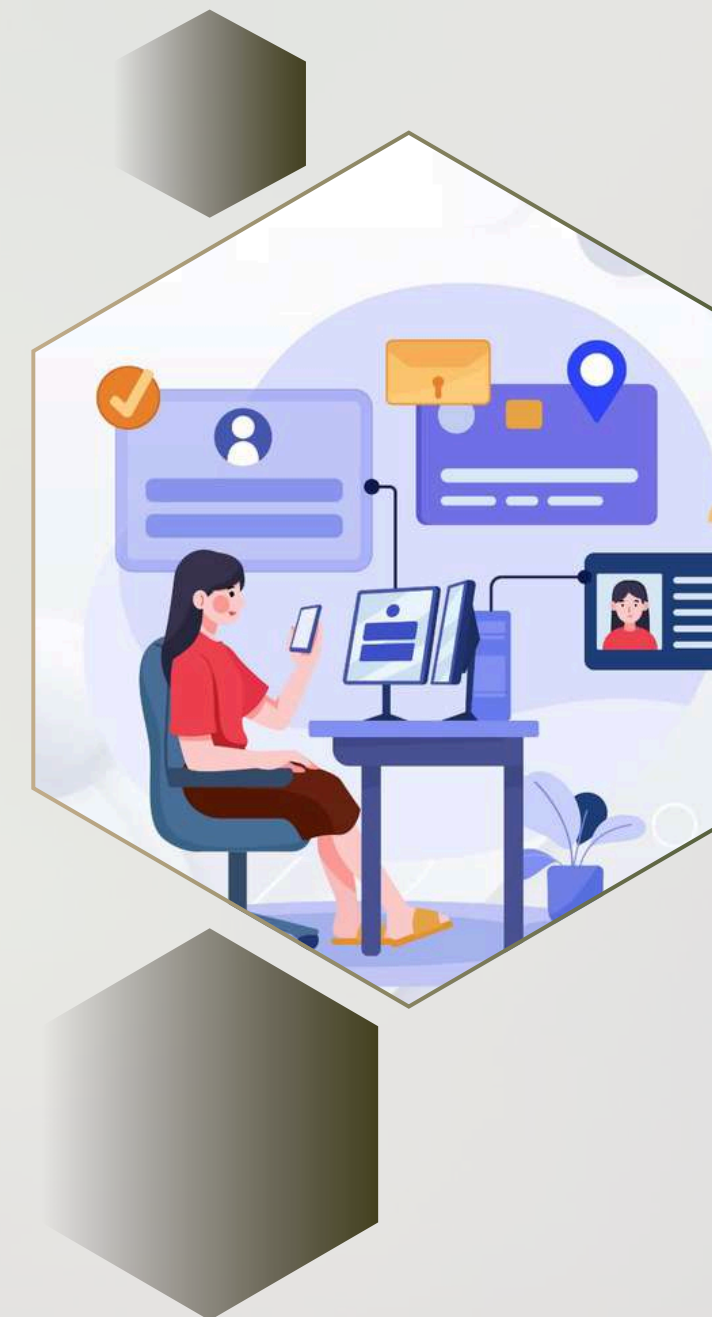
Increasingly, investors, lenders, and acquirers examine a company's dematerialization status during legal due diligence, making non compliance a potential hurdle in fundraising, M&A transactions, and strategic investments.

Compliance Checklist

- ✓ Determine whether Rule 9B applies to your company;
- ✓ Review eligibility under the revised "Small Company" criteria;
- ✓ Obtain ISIN and complete depository-related formalities;
- ✓ Dematerialise promoter, director and KMP shareholdings; and
- ✓ Complete the process well before the statutory deadline to avoid operational delays.

Justicewings Insight

Dematerialisation is rapidly becoming a business necessity rather than a regulatory formality. Given the procedural timelines involved in obtaining an ISIN and completing the dematerialisation process, companies should avoid waiting until the statutory deadline. Early compliance not only ensures regulatory readiness but also enhances investor confidence and facilitates future fundraising, restructuring and M&A transactions.





SUPREME COURT DRAFT FRAMEWORK ON AI IN JUDICIARY: SHAPING RESPONSIBLE DIGITAL TRANSFORMATION OF COURTS



The judge stays human. The tools are changing

On 3 June 2026, the Supreme Court of India released one of the most consequential documents in the country's judicial history not a judgment, but a governance framework. The draft Regulations for use of Artificial Intelligence in Courts, 2026, prepared under the supervision of the Supreme Court's AI Committee, represent the first comprehensive attempt to govern how artificial intelligence may be used across the entire Indian judicial system. The framework foregrounds five core principles: human primacy, transparency, accountability, data protection, and judicial independence. Its central message is unambiguous AI may assist the judiciary, but it can never replace it.

What AI can and cannot do in Court

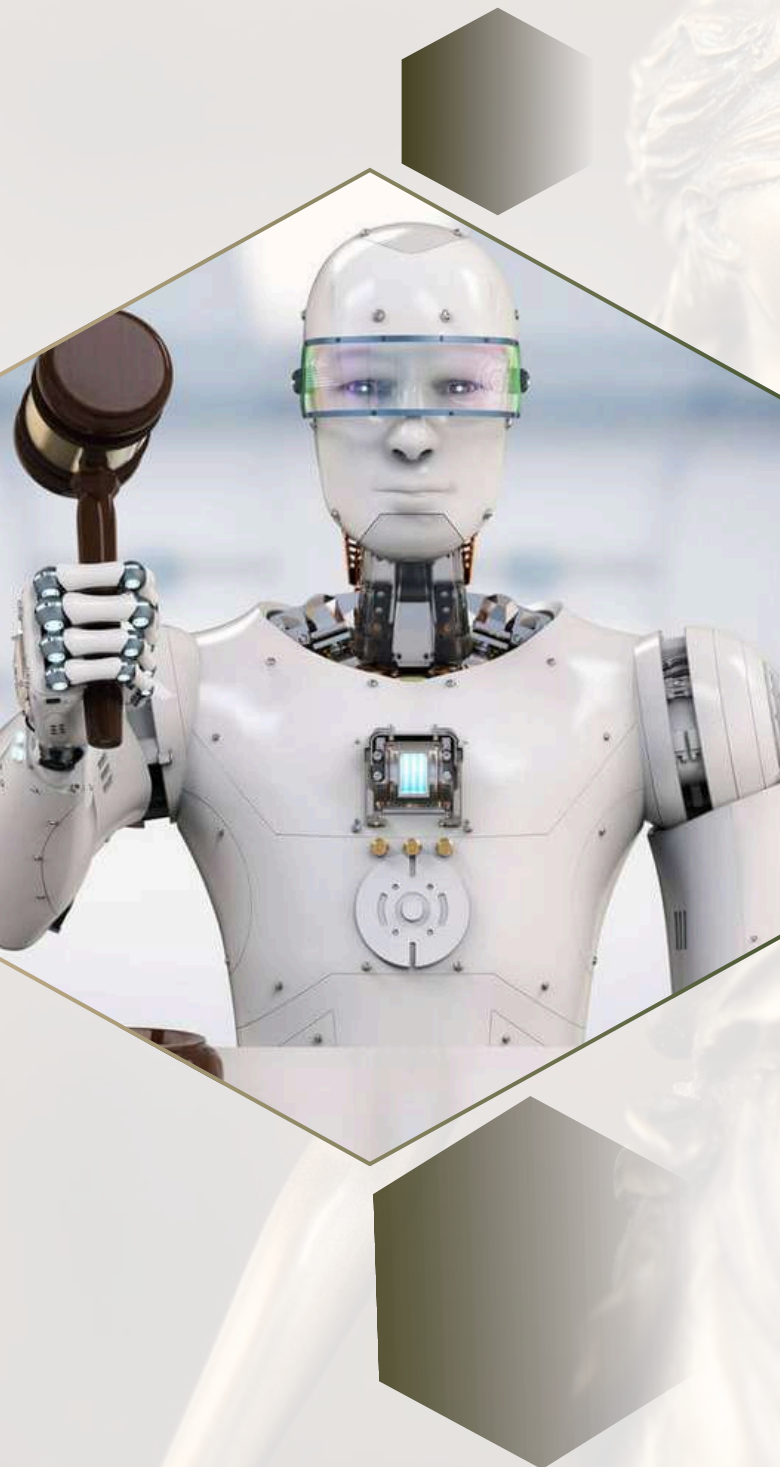
The draft regulations prohibit AI-driven judicial decision-making, bail-risk assessment, behavioural profiling, and outcome prediction, while encouraging courts to actively explore AI tools that improve efficiency and access to justice. Courts are also prohibited from using AI to predict future conduct of litigants or witnesses, evaluate witness credibility, or deploy opaque black-box algorithms in matters affecting rights or personal liberty. On the permitted side, AI may be used for transcription, translation, legal research, and case management all subject to human verification before reliance.

A New Disclosure Obligation for Lawyers

The framework mandates that AI use in court filings must be disclosed and lawyers who sign pleadings remain professionally accountable for everything in them, whether drafted by a human or a machine.

Justicewings Insight

The Draft Regulations follow a series of judicial observations made over the past year, during which Indian courts confronted instances of AI-generated fictitious case citations and treated their use as a matter of professional misconduct upon the Advocates. The draft Regulations for Use of Artificial Intelligence in Courts, 2026, represent a pragmatic and highly cautious approach to judicial modernization.



MSME PAYMENT RECOVERY: TURNING STATUTORY RIGHTS INTO BUSINESS STRENGTH

MSME Payment Recovery: Turning Statutory Rights into Business Strength

Delayed Payments Are No Longer a Routine Commercial Issue

The MSME payment recovery framework has entered a new phase of enforcement. Delayed payments are no longer merely contractual defaults; they now carry significant tax, financial, and regulatory consequences. With the strict enforcement of Section 43B(h) of the Income Tax Act, coupled with the mandatory digital dispute resolution framework under the MSMED Act, payment discipline has become a board-level compliance issue.

The Government has further reinforced this framework by introducing the MSME Development (Amendment) Bill, 2026, which proposes to strengthen the functioning of MSEFCs, expedite dispute resolution, and improve enforcement of recovery awards. In parallel, Central Public Sector Enterprises are now required to route invoice payments through RBI-authorised TReDS platforms, enhancing liquidity and faster realisation of dues for MSMEs.

Key Compliance Developments

- **Section 43B(h):** Payments to registered Micro and Small Enterprises must be made within 15 days (where no written agreement exists) or 45 days (where agreed in writing). Delayed payments result in disallowance of the corresponding business expenditure for income tax purposes.
- **Mandatory MSME ODR Portal:** Recovery proceedings before the MSEFC are now processed through the digital MSME ODR Portal, enabling faster dispute resolution.
- **Statutory Interest:** Delayed payments attract compound interest at three times the RBI Bank Rate under Section 16 of the MSMED Act, which is not allowable as a tax deduction.
- **TReDS for CPSEs:** Mandatory invoice routing through RBI-authorized TReDS platforms is expected to significantly improve payment cycles for MSME suppliers dealing with public sector enterprises.



MSME PAYMENT RECOVERY: TURNING STATUTORY RIGHTS INTO BUSINESS STRENGTH



Judicial Developments

Recent decisions continue to strengthen the statutory framework:

- **India Glycols Ltd. v. MSEFC:** The Supreme Court reaffirmed the mandatory 75% pre-deposit requirement under Section 19 before challenging an MSME award.
- **Indian Oil Corporation Ltd. v. Adarsh Nobel Corporation Ltd.:** MSME Facilitation Councils do not have jurisdiction over disputes arising from works contracts.
- **M/s Sonali Power Equipments v. Chairman, MSEB:** Benefits under the MSMED Act are available only where the supplier possessed a valid Udyam Registration at the time of the underlying transaction.

Key Action Points

- ✓ Ensure valid Udyam Registration before entering into supply contracts, do the renewal as when required;
- ✓ Verify MSME status of vendors and incorporate payment terms not exceeding 45 days;
- ✓ Track MSME invoices separately and clear outstanding dues within statutory timelines;
- ✓ MSME suppliers dealing with CPSEs should explore **TReDS** to accelerate receivables and improve working capital.

Justicewings Insight

The regulatory landscape has decisively shifted in favour of timely MSME payments. The combined effect of Section **43B(h)**, statutory interest, digital dispute resolution, the proposed **MSME Development (Amendment) Bill, 2026** and expanded **TReDS** implementation has transformed delayed payments from a commercial practice into a significant compliance risk. Businesses should review vendor contracts, strengthen payment processes, and maintain valid Udyam registration to fully leverage the statutory protections while mitigating tax and regulatory exposure.





SATIRE AS DISSENT: THE RISE OF COCKROACH JANTA PARTY



Background

Ordinarily, a satirical social movement would find little place in a legal compendium. However, the emergence of the Cockroach Janta Party (CJP) deserves attention because it demonstrates how a passing judicial observation can rapidly evolve into a nationwide constitutional conversation on free speech, institutional trust, and digital political participation.

The controversy arose from a passing remark made by the Hon'ble Chief Justice during the hearing of Writ Petition (Civil) No. 403 of 2025, Sanjay Dubey v. The Full Court Reference of the Hon'ble Judges of High Court of Delhi, along with Contempt Petition (Civil) No. 858 of 2025, concerning individuals allegedly practising law on the basis of fake or bogus degrees. In this context, the Hon'ble Chief Justice orally made a passing reference to such persons as **"cockroaches"** and **"parasites"** as such people not able to find employment or anything productive start attacking on everyone through RTI, defamatory post and comments, etc. These video clips were widely circulated on social media and were interpreted by many as being directed at unemployed youth and critics, leading to public outrage. The Hon'ble Chief Justice later clarified that the comments were intended only for those holding fake or bogus qualifications and not for unemployed persons or the youth. By then, however, the remarks had already spread widely online.

Emergence of the Movement

Against this backdrop, political communications strategist Abhijeet Dipke launched the Cockroach Janta Party (CJP) on 16 May 2026 as a satirical digital movement. Adopting humour and symbolism as its principal tools of expression, the movement reportedly attracted substantial public engagement across digital platforms within a short period. The episode demonstrates the increasing role of satire as a medium through which younger citizens participate in constitutional and political discourse.





SATIRE AS DISSENT: THE RISE OF COCKROACH JANTA PARTY



Public Mobilisation

Within days, the platform reportedly attracted more than 350,000 online registrations and witnessed exponential growth across social media, illustrating how satire has increasingly become a vehicle for political expression and constitutional dissent among younger citizens.

Although the movement initially lost momentum, it regained prominence following the NEET-UG examination paper leak, which reignited public concerns over the integrity of the examination process. By then, however, the movement was no longer directed against the judiciary but had shifted its focus towards the Central Government. The movement gradually evolved into a broader platform for civic expression, highlighting concerns over youth unemployment, examination transparency, and institutional accountability. During this period, the Government successfully conducted the fresh NEET examination without any reported paper leak, helping restore confidence in the process. The episode nevertheless demonstrated how a digital campaign can quickly develop into a wider constitutional and governance discourse.

Institutional and Political Developments

The scale of the public protests, coupled with growing political support from opposition parties, reportedly compelled the Government to respond. In what has been described by many commentators as an unprecedented political development, Hon'ble Dharmendra Pradhan tendered his resignation, while the Government also accepted two of the movement's key demands. The Cockroach Janta Party has since publicly announced its intention to contest future elections, signalling its transition from a satirical movement to an organised political platform.

The controversy also had broader implications for the functioning of the judiciary. Amid growing concerns over the unauthorised recording, editing, and circulation of clips from live-streamed court proceedings on social media, the Supreme Court in Harshita Grover vs. Union Of India, issued interim directions dated 24th July 2026, restricting the unauthorised extraction, recording, dissemination, and monetisation of such recordings without prior permission. The Court, however, clarified that these directions would not affect fair and accurate reporting of judicial proceedings.





NATIONAL LEGAL ACADEMY: A NEW ERA FOR INDIAN LEGAL PROFESSIONALS



Continuing Legal Education is now a mandatory Professional Imperative

The landscape of legal education and professional development in India is set for a historic transformation following the Supreme Court's directives on July 7, 2026. Addressing the glaring gap in post-enrolment training, the Apex Court has mandated the establishment of a National Legal Academy for advocates, fundamentally shifting the focus from occasional seminars to structured, ongoing professional capacity building.

The Supreme Court's ruling in Ajay Vijh v. Indian Banks Association (2026) has initiated sweeping reforms for the Bar like;

- Formation of the National Legal Academy
- Institutionalizing CLE
- Performance Audit of Disciplinary Framework
- Protection of Professional Autonomy for lawyers

Exploring Different Perspectives

The Supreme Court's directive has been widely celebrated by the Bar Council of India, which hailed the judgment as "historic." Proponents argue that an institutionalized Academy will bridge regional disparities in legal training, enhance ethical standards, and equip young lawyers with advanced advocacy and technological skills. Conversely, some practitioners express apprehension regarding the mandatory nature of the proposed CLE requirements. Skeptics worry that rigorous CLE obligations could place an undue financial and time burden on grassroots litigators and junior advocates who are already struggling to sustain their practices. There is also debate over whether a single national academy can effectively address the diverse, localized needs of practitioners across different states and regional courts.





LANDMARK JUDGMENTS: DECISIONS EVERY BUSINESS LEADER SHOULD KNOW



Key Supreme Court and High Court Decisions with Practical Legal Impact

Pannalal Bhansali v. Bharti Telecom Ltd. (SC, 2026)

The Supreme Court reaffirmed that a company may undertake a selective reduction of share capital under Section 66 of the Companies Act, 2013, resulting in the exit of a class of shareholders, provided the scheme is fair, equitable, and supported by a credible and transparent valuation. The Court emphasised that the role of the Tribunal is to ensure that the reduction is not unfair, oppressive, or contrary to law. The decision provides greater certainty for companies undertaking restructuring and capital rationalisation while reinforcing the importance of fair valuation and protection of minority shareholder interests.

Catalyst Trusteeship Ltd. v. Ecstasy Realty Pvt. Ltd. (SC, 2026)

The Supreme Court held that while considering an application under Section 7 of the Insolvency and Bankruptcy Code, the adjudicating authority must determine whether a financial debt and default exist. The Court found that the NCLT and NCLAT had erroneously disregarded the binding terms of the Debenture Trust Deed and inferred a restructuring arrangement unsupported by the contractual documents. Accordingly, it set aside the impugned orders and directed admission of the CIRP application. The Court also reiterated that the concept of a "pre-existing dispute," applicable to Section 9 proceedings, has no relevance to applications under Section 7.

UV Asset Reconstruction Company Ltd. v. Electrosteel Castings Ltd.(SC,2026)

The Court held that a promoter's contractual undertaking to "arrange infusion of funds" into the borrowing company to enable it to meet its financial covenants did not constitute a contract of guarantee, as it contained no direct and unambiguous promise to discharge the borrowing company's debt to the creditor in the event of default. The Court further held that the approval of a Resolution Plan does not, by itself, extinguish the liability of third-party guarantors or security providers. Where the Resolution Plan expressly preserves the creditors' rights against such third parties, such rights remain enforceable. Accordingly, both appeals filed by UV Asset Reconstruction Company Ltd. were dismissed.





LANDMARK JUDGMENTS: DECISIONS EVERY BUSINESS LEADER SHOULD KNOW



Key Supreme Court and High Court Decisions with Practical Legal Impact

Alpha Corp Development Pvt. Ltd. v. GNIDA (SC, 2026)

The Supreme Court clarified the application of the Insolvency and Bankruptcy Code, 2016 to complex corporate structures, holding that the corporate veil can be lifted during a Corporate Insolvency Resolution Process (CIRP) to include the assets of inextricably connected subsidiary companies within a holding company's resolution estate. Furthermore, addressing the treatment of statutory authorities, the Court emphasized that authorities like GNIDA cannot claim penal interest or delay penalties if they have exhibited prolonged inaction and failed to monitor the projects. By restoring the resolution plans, the judgment prioritized the completion of stalled projects and the rights of innocent homebuyers over rigid corporate separations and the delayed financial claims of statutory bodies.

Nagreeka Indcon Products v. Cargocare Logistics (SC,2026)

The Supreme Court held that an arbitration clause must demonstrate a clear and binding intention of the parties to refer disputes to arbitration in order to satisfy Section 7 of the Arbitration and Conciliation Act, 1996. The Court observed that contractual language stating disputes "can" or "may" be referred to arbitration, without creating a mandatory obligation, is insufficient to constitute a valid arbitration agreement. Consequently, the Court declined to compel arbitration, reaffirming that arbitration is founded on unequivocal party consent rather than mere permissive language.

Navayuga Engineering Co. Ltd. v. Sikkim Urja Ltd. (2026):

The Supreme Court restored the arbitral award in favour of Navayuga Engineering Co. Ltd. and Sew Infrastructure Ltd., holding that the issues raised were squarely governed by its earlier decision in Prakash Atlanta (JV) v. NHAI. The Court set aside the Sikkim High Court's judgment insofar as it adversely affected the appellants and clarified that a consortium member who had not challenged the adverse judgment could not automatically claim the benefit of relief granted to the appealing parties. The decision reinforces the importance of timely appellate remedies and confirms that judicial relief ordinarily extends only to parties who actively pursue their legal rights.



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