

SRA LEGAL
WEEKLY JUDGMENT DIGEST

Supreme Court of India and Indian High Courts

CS RAVI BHUSHAN KUMAR
FCS, LL.M., IP, M.Com.
Advocate and Insolvency Professional
Former Chairman, ICSI-Noida Chapter

Advocates | Company Secretaries | Chartered Accountants | Insolvency Professionals

Office: D-5, 3rd Floor, Sector 10, Noida - 201301
Chamber: D-205, Karkardooma Court, East Delhi - 110032
Mobile: 9990339200 | Office: 0120-4160986
sralegal2009@gmail.com

Executive Summary

This edition selects twelve practice-relevant developments from the Supreme Court of India and Indian High Courts. The principal themes are insolvency and arbitration, pharmaceutical regulation, election procedure, taxation, public employment, criminal-process safeguards, disciplinary fairness and constitutional liberty.

THE WEEK'S PRACTICE SIGNAL

The legal effect of each development turns on its procedural posture. Final judgments and final bail orders may state operative law; notice-stage and compliance orders regulate the next step without deciding the merits. Each entry is therefore expressly classified before its practical significance is stated.

Judgments at a Glance

COURT / STATUS	MATTER	LEADING POINT
SC | Final	Modern Asset	An extinguished operational debt may still operate defensively as a set-off in arbitration, but not as an affirmative recovery.
SC | Final	Shubham Equipment	Separate arbitration clauses in later agreements retained independent operation; a sole arbitrator was appointed.
SC | Monitoring	Pharma marketing	Union directed to constitute a stakeholder committee and report on an enforceable regulatory framework.
SC | Final	V. Pon. Paneerselvam	Personal presentation under Section 81 of the RP Act is mandatory and non-compliance is fatal.
SC | Final	Mepco Industries	Power subsidy tied to operating electricity cost was taxable as revenue receipt.
SC | Final	Nandeshwar Kumar	Public-employment eligibility must exist on the relevant appointment date.
SC | Final	Prasanta Kumar Dhar	Vague matrimonial allegations could not sustain prosecution of parents-in-law.
Patna HC | Final bail	Sarfaraz	A template arrest memo does not replace written grounds of arrest under Article 22.
Delhi HC | Final order	Ashok Kumar Aggarwal	Criminal complaint directed against six CBI officers for an allegedly false court statement.
Bombay HC | Final bail	Bhimaji Sabale	Accused must be produced when extension of the NDPS investigation period is considered.
Kerala HC | Final	Headmistress attire	Dress choice is protected absent a lawful prescription; police protection granted.
Patna HC | Final	Pawan Kumar	Major penalty failed where the inquiry omitted witnesses, proved documents and cross-examination.

READING KEY: Final judgments state operative holdings; monitoring and compliance orders are reported only for the directions and timetable actually made; bail orders remain fact-sensitive and do not decide guilt.

Supreme Court of India

1. Modern Asset v KNK Constructions Private Limited

Status: FINAL JUDGMENT | 8 October 2026
Supreme Court of India | 2026 INSC 1103 | Civil Appeal No. 13536 of 2026

Issue

Whether approval of a resolution plan under the Insolvency and Bankruptcy Code barred a successful resolution applicant from pleading the operational creditor's pre-CIRP liability as a set-off in a later arbitration arising from the same construction contract.

PRINCIPAL HOLDING / DEVELOPMENT

The Court permitted the extinguished claim to be used defensively as a set-off against any arbitral amount found payable to the operational creditor. The claim could not be used to obtain an affirmative recovery beyond extinguishing the opposite claim.

Practical significance

Resolution applicants and operational creditors should distinguish an extinguished claim used as an independent recovery from the same claim used only to reduce a liability arising in connected arbitration. Pleadings should trace the contractual nexus and the resolution-plan treatment of both sides' claims.

Key provisions / principles

IBC, 2016, Sections 30 and 31; clean-slate principle; arbitration; set-off; defensive use of an extinguished claim.

Source: Supreme Court judgment listing and case details

---

2. Shubham Equipment Private Limited & Anr. v Rothwell Water Company Limited & Ors.

Status: FINAL ORDER | 8 October 2026
Supreme Court of India | 2026 INSC 1098 | CJI Surya Kant, Justices Joymalya Bagchi and V. Mohana

Issue

Whether arbitration clauses in a joint-venture agreement and memorandum of understanding were displaced by the arbitration clause in an earlier licence agreement described as the mother agreement.

PRINCIPAL HOLDING / DEVELOPMENT

The Court held that the three agreements prima facie operated in different fields. At the Section 11 stage, admitted arbitration clauses in the JVA and MoU had to be given effect; overlap and the non-signatory issue were left to the tribunal. A former Chief Justice of the Bombay High Court was appointed sole arbitrator.

Practical significance

In multi-contract transactions, each agreement's subject matter, entire-agreement clause, seat and governing law should be mapped before invocation. Referral courts ordinarily confine themselves to the prima facie existence of the arbitration agreement.

Key provisions / principles

Arbitration and Conciliation Act, 1996, Sections 11 and 11(6-A); competence-competence; separability; non-signatories.

Source: Judgment text sourced from Supreme Court records

---

3. Federation of Medical & Sales Representatives Association of India & Ors. v Union of India & Ors.

Status: MONITORING / COMPLIANCE ORDER | 8 October 2026
Supreme Court of India | 2026 INSC 1097 | Justices Vikram Nath and Sandeep Mehta

Issue

How the Union should address alleged unethical pharmaceutical marketing practices and the asserted gap between voluntary codes, implementation and enforceable accountability.

PRINCIPAL HOLDING / DEVELOPMENT

Invoking Articles 32 and 142, the Court directed constitution of the proposed committee within two weeks, stakeholder consultation, recommendations within two months of the first meeting, a reasoned Union decision and a compliance affidavit. The matter remains part-heard and is listed for 29 January 2027.

Practical significance

This is a supervisory order, not a final statutory code. Pharmaceutical companies, medical bodies and associations should preserve marketing policies, disclosures, complaint records and evidence-based submissions for the consultative process.

Key provisions / principles

Constitution, Articles 21, 32 and 142; right to health; UCPMP 2015 and 2024; transparency, monitoring and enforcement.

Source: Judgment text sourced from Supreme Court records

---

4. V. Pon. Paneerselvam v S. Regupathy and Others

Status: FINAL JUDGMENT | 7 October 2026
Supreme Court of India | 2026 INSC 1092 | Justices Prashant Kumar Mishra and Shree Chandrashekhar

Issue

Whether an election petition presented through counsel, rather than personally by the election petitioner, complied with Section 81 of the Representation of the People Act, 1951.

PRINCIPAL HOLDING / DEVELOPMENT

The Court upheld dismissal at the threshold. Presentation "by" the petitioner is a mandatory component of Section 81; its breach attracts Section 86(1) and is not a curable filing irregularity. Presence in the court premises did not prove personal presentation.

Practical significance

Election petitions require a contemporaneous filing record showing the petitioner's personal presentation. Registry practice and counsel appearance cannot cure non-compliance with the special statute.

Key provisions / principles

Representation of the People Act, 1951, Sections 81 and 86(1); strict compliance; election law as a self-contained code.

Source: Judgment text sourced from Supreme Court records

---

5. M/s Mepco Industries Ltd. v Commissioner of Income Tax, Madurai

Status: FINAL JUDGMENT | 7 October 2026
Supreme Court of India | 2026 INSC 1090 | Justices Prashant Kumar Mishra and Shree Chandrashekhar

Issue

Whether an electricity subsidy under the Pondicherry scheme was a capital receipt or a taxable revenue receipt.

PRINCIPAL HOLDING / DEVELOPMENT

Applying the purpose test to the scheme as a whole, the Court held that the subsidy reduced power costs after production began and was not earmarked for plant, machinery, capital borrowing or creation of an asset. It was therefore a revenue receipt and the appeal was dismissed.

Practical significance

Tax characterization turns on the immediate operative purpose of the assistance, not a broad policy statement about industrial growth or the label attached to the benefit.

Key provisions / principles

Income-tax Act, 1961; purpose test; capital versus revenue receipt; Sahney Steel and Ponni Sugars principles.

Source: Judgment text sourced from Supreme Court records

---

6. The State of Bihar & Ors. v Nandeshwar Kumar

Status: FINAL JUDGMENT | 7 October 2026
Supreme Court of India | 2026 INSC 1094 | Justices Dipankar Datta and Sheel Nagu

Issue

Whether a teacher-training certificate obtained before the NCTE regime could satisfy the recognition requirement governing a 2007 appointment under the Bihar Panchayat Elementary Teacher Rules, 2006.

PRINCIPAL HOLDING / DEVELOPMENT

The Court restored the termination and held that eligibility is tested on the last date for applications or, at the latest, the appointment date. The respondent then lacked a certificate from an NCTE-recognized institute; an earlier date of qualification could not displace the governing 2006 Rules.

Practical significance

Recruitment challenges should identify the precise eligibility cut-off and the recognition status on that date. Later arguments about retrospectivity cannot rewrite the appointment rule.

Key provisions / principles

Bihar Panchayat Elementary Teacher Rules, 2006, Rule 8; NCTE recognition; eligibility date; public employment.

Source: Judgment text sourced from Supreme Court records

---

7. Prasanta Kumar Dhar & Anr. v State of West Bengal & Anr.

Status: FINAL JUDGMENT | 5 October 2026
Supreme Court of India | 2026 INSC 1087 | Justices N. Kotiswar Singh and N.V. Anjaria

Issue

Whether criminal proceedings against parents-in-law could continue on general matrimonial allegations lacking distinct acts or supporting material.

PRINCIPAL HOLDING / DEVELOPMENT

The Court quashed the remaining proceedings against the parents-in-law. Allegations of dowry demand, intimidation and cruelty were vague and omnibus, and the FIR and charge-sheet disclosed no supporting material sufficient to justify trial against them.

Practical significance

Section 482 petitions should isolate the allegations and evidence against each relative. Relationship alone cannot substitute for specific, prima facie material, while genuine and particularized allegations remain triable.

Key provisions / principles

CrPC, Section 482; IPC, Sections 498A, 406 and 506; Dowry Prohibition Act, Sections 3 and 4; Bhajan Lal principles.

Source: Full judgment, Indian Kanoon

High Courts

8. Sarfaraz @ Muzaffar Ahmad Wani v Union of India

Status: FINAL BAIL ORDER | REPORTED 8 October 2026
Patna High Court | Justices Rajeev Ranjan Prasad and Sunil Dutta Mishra | Criminal Appeal (DB) No. 1478 of 2025

Issue

Whether a standard-form arrest memo recording that an officer had explained the grounds of arrest complied with the constitutional and statutory duty to furnish written grounds.

PRINCIPAL HOLDING / DEVELOPMENT

The Division Bench held that the template entry was insufficient where written grounds were not supplied. It set aside the Special Court order and directed release on bail, also noting that only three of 91 witnesses had been examined.

Practical significance

Investigators should serve a separate written statement of grounds within the constitutionally permitted time and preserve proof of delivery. Defence counsel should obtain the arrest memo, remand papers and service record immediately.

Key provisions / principles

Constitution, Article 22(1); CrPC, Sections 50 and 50A; BNSS, Sections 47 and 48; NIA Act, Section 21(4).

Source: LiveLaw report with order link

---

9. Ashok Kumar Aggarwal v Sushil Dewan & Ors.

Status: FINAL ORDER UNDER SECTION 340 CrPC | REPORTED 7 October 2026
Delhi High Court | Justice Madhu Jain

Issue

Whether the contemporaneous drafts, file-notings and signed reply disclosed a sufficient basis for a court complaint concerning an allegedly false statement made by CBI officers.

PRINCIPAL HOLDING / DEVELOPMENT

The Court set aside the Special Judge's refusal, found a prima facie basis for proceeding and directed revival of the earlier complaint before the Magistrate. The Magistrate must proceed independently; the order does not itself convict any officer.

Practical significance

Section 340 applications require the court to assess expediency in the interests of justice, not finally decide guilt. Government and investigation files should preserve drafting history, approvals and the knowledge attributable to each signatory.

Key provisions / principles

CrPC, Section 340; IPC, Sections 191, 193, 209 and 290; prima facie satisfaction; independent trial before the Magistrate.

Source: LiveLaw report

---

10. Bhimaji Parshuram Sabale v Union of India

Status: FINAL DEFAULT-BAIL ORDER | 5 October 2026
Bombay High Court | Justice Milind Jadhav | Bail Application No. 5481 of 2024

Issue

Whether communication through the jail superintendent and an opportunity to file a reply could replace production of the accused when the Special Court considered extending the NDPS investigation period beyond 180 days.

PRINCIPAL HOLDING / DEVELOPMENT

The Court held that production, physically or by video conference, is a necessary liberty safeguard. The defective extension could not be cured by a later charge-sheet, and eight applicants were granted statutory/default bail subject to conditions.

Practical significance

Prosecutors must ensure timely application, a compliant Public Prosecutor report, service and production of every accused. Seriousness of the allegation does not cure a legally invalid extension of the investigation period.

Key provisions / principles

NDPS Act, Section 36A(4); default bail; personal liberty; production at extension hearing; Section 37 distinguished.

Source: LiveLaw report with order link

---

11. Headmistress dress-choice and police-protection matter

Status: FINAL WRIT DISPOSAL | REPORTED 7 October 2026

Kerala High Court | Justice P.V. Kunhikrishnan | WP(C) No. 6142 of 2026 | 2026 LiveLaw (Ker) 560

Issue

Whether a school manager could obstruct a headmistress from entering the school because she wore churidar rather than saree.

PRINCIPAL HOLDING / DEVELOPMENT

The Court directed police protection and held that attire is ordinarily a matter of personal choice. A dress restriction affecting a citizen requires legal authority; social preference or managerial insistence cannot, by itself, justify obstruction.

Practical significance

Institutional dress requirements should be traceable to valid rules, applied proportionately and communicated in advance. Employment control cannot be exercised through physical exclusion unsupported by law.

Key provisions / principles

Constitutional liberty and dignity; lawful authority; police protection; proportionality in institutional regulation.

Source: LiveLaw report

---

12. Pawan Kumar disciplinary-proceeding matter

Status: FINAL JUDGMENT | REPORTED 8 October 2026

Patna High Court | Justice Kumar Manish

Issue

Whether reversion from Executive Engineer to Assistant Engineer could stand where the departmental inquiry examined no witness, did not properly furnish or exhibit documents, and afforded no effective cross-examination.

PRINCIPAL HOLDING / DEVELOPMENT

The Court held that the major penalty could not be sustained on such an inquiry. Serious financial allegations do not dispense with proof through admissible departmental material and a real opportunity to meet the evidence.

Practical significance

Disciplinary authorities should annex document and witness lists to the charge memorandum, formally prove relied-upon records and record the employee's opportunity to cross-examine and lead defence evidence.

Key provisions / principles

Natural justice; departmental inquiry; proof of documents; cross-examination; proportional and lawful major penalty.

Source: LiveLaw report

Editorial Use Notes

For drafting and oral submissions, open the linked source and verify the operative paragraphs and subsequent history. Cite final judgments for their ratio; describe monitoring, compliance and notice-stage orders only for the procedural effect they create.

Practitioner Action Matrix

DEVELOPMENT	IMMEDIATE FILE ACTION
IBC and arbitration	Separate defensive set-off from affirmative recovery and map each claim to the resolution plan and the same transaction.
Multi-contract arbitration	Prepare an agreement matrix covering parties, subject matter, seat, governing law, entire-agreement wording and dispute clause.
Written grounds of arrest	Secure the grounds, arrest memo, proof of service and remand timeline; a pro-forma recital is not enough.
NDPS extension	Confirm accused production, Public Prosecutor report, notice and the exact expiry of the statutory investigation period.
Departmental inquiry	Audit witness lists, exhibit marking, document supply, cross-examination and the authority imposing punishment.
Election petitions	Ensure personal presentation by the petitioner and preserve contemporaneous Registry acknowledgment.

No settlement-driven disposal was included among this edition's selected leading matters.

SRA LEGAL

Advocates | Company Secretaries | Chartered Accountants | Insolvency Professionals



CS RAVI BHUSHAN KUMAR
FCS, LL.M., IP, M.Com.
Advocate and Insolvency Professional
Former Chairman, ICSI-Noida Chapter
M: 9990339200



ADV. AKSHIKA DUBEY
CONTENT COMPILER
M: 9990339245

Office: D-5, 3rd Floor, Sector 10, Noida - 201301
Chamber: D-205, Karkardooma Court, East Delhi - 110032
Mobile: 9990339200 | Office: 0120-4160986 | sralegal2009@gmail.com

PRACTICE FOCUS

Corporate Litigation	**Insolvency and Bankruptcy**	**Civil and Commercial Disputes**
Criminal Litigation	**Section 138 NI Act**	**Arbitration and Contracts**
Tax and Regulatory	**Mergers and Restructuring**	**Consumer and NCDRC Matters**
Recovery and Enforcement	**Start-up and Licensing**	**High Courts and Tribunals**

A focused weekly reference for advocates, company secretaries, chartered accountants, insolvency professionals and corporate decision-makers.

SRA LEGAL
Strategic legal advisory, dispute resolution, insolvency, corporate and regulatory support.

Noida Office • Karkardooma Court Chamber • Pan-India professional coordination