REDDY&REDDY LAW FIRM

JULY
EDITION

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ABOUT US

Based in Pune, REDDY & REDDY Advocates & Legal Consultants is a law firm that offers a full range of legal services on all aspects of the Indian law to a diversified client base, including well-known multi-national corporations functioning in India. We are motivated, dedicated and experienced legal advisers, aiming at becoming one of the leading law firms in India.

WHY US?

Our firm works to understand not only our clients' business and industry, but also their legal needs, in order for us achieve their objectives. We know that we perform best when we integrate our advice within the context of the business imperatives facing our clients, combining our efforts to assist our clients in overcoming their challenges and achieving their goals.

THE JULY JAM

Students are grading the system this July

What started as students protesting alleged exam paper leaks has turned into a nationwide pop quiz for the education system and unfortunately, the everybody seems to have forgotten to study.

Students asked for fair exams, accountability, and reforms. The government responded with meetings, promises, and the classic "we'll improve next semester". But protesters aren't handing out full marks yet. They say reforms shouldn't exist only in speeches and press releases; they should actually appear in classrooms, exam halls, and real life.

The biggest twist? This time, it wasn't just students facing the test. The education system also found itself under the spotlight, with the public waiting to see whether the report card will feature real reforms or simply a note saying, "Improvements expected next term."

Looks like this time, the toughest test isn't in the classroom but off the classroom.

01 TAXATION

Welkin Foods case: Supreme Court Resets India’s Commodity Classification for Taxation Law

The Supreme Court, in the Welkin Foods case, clarified the principles governing classification of commodities under Indian taxation laws. The Court held that classification must be determined according to the statutory tariff entries and legislative scheme, rather than merely relying on commercial descriptions or trade parlance. It observed that an incorrect classification can directly affect the applicable tax rate, availability of exemptions and the overall tax liability of a business. The judgment reinforces the need for tax authorities and businesses to follow the statutory framework while classifying goods. This decision is expected to reduce disputes arising from inconsistent classification practices and will serve as an important precedent for manufacturers, traders and importers dealing with similar products.

02 SECURITIES & RTI

National Stock Exchange of India is a “public authority” under RTI Act: Delhi High Court

The Delhi High Court held that the National Stock Exchange (NSE) qualifies as a "public authority" under Section 2(h) of the Right to Information Act, 2005. The Court observed that NSE performs significant public functions within India's securities market and operates under an extensive regulatory framework administered by SEBI. Considering the nature of its duties and public importance, the Court held that the exchange is subject to the transparency obligations prescribed under the RTI Act. The ruling is expected to improve accountability and access to information relating to the functioning of India's largest stock exchange. It may also influence similar questions concerning other regulated market institutions performing public functions.

03 SEBI

SEBI Amends LODR Regulations; Listed Entities to Now Follow SEBI-Specified Transfer and Transmission Procedures

SEBI notified the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2026, which came into effect on 10 July 2026. The amendment modifies Regulations 40(7) and 61(4), requiring listed entities to comply with transfer and transmission procedures specified by SEBI from time to time. Consequently, the earlier procedural provisions contained in Clause C of Schedule VII have been omitted from the Regulations. The amendment provides SEBI with greater flexibility to update operational procedures without frequently amending the LODR Regulations themselves. Listed companies, registrars and transfer agents should review their internal compliance processes to ensure conformity with the revised regulatory framework.

04 GST

₹94 Crore ITC Fraud Alleged, Fictitious Suppliers, No Stock Records, Yet Telangana HC Grants Anticipatory Bail; Says Gravity of Economic Offence Alone Cannot Justify Arrest

The Telangana High Court granted anticipatory bail in a case involving allegations of fraudulent Input Tax Credit (ITC) amounting to approximately ₹94 crore under the CGST Act. The prosecution alleged that the accused had claimed fake ITC through fictitious suppliers without maintaining proper stock records. However, the Court observed that the investigation was primarily documentary in nature and the relevant records had already been collected by the investigating authorities. It held that the seriousness of an economic offence alone cannot justify arrest unless custodial interrogation is genuinely required. The decision reinforces the principle that arrest should not be automatic in GST investigations and must be supported by specific investigative necessity.

05 CORPORATE / MSME

28 Bills Pending as Parliament's Monsoon Session Begins on 20 July; Supreme Court Judges, Higher Education Reforms Among Key Measures

The Monsoon Session of Parliament commenced on 20 July 2026 with 28 Bills listed for consideration, several of which are relevant to businesses and corporate entities. Among the important proposals is the MSME Development Amendment Bill, which seeks to strengthen provisions relating to delayed payments, enforcement of arbitral awards and the functioning of MSME Facilitation Councils. The legislative agenda also includes an Income-tax Amendment Bill concerning the tax treatment of specified foreign institutional investors and the Bank for International Settlements. These proposed reforms may have significant implications for commercial transactions, dispute resolution, taxation and regulatory compliance. Businesses should closely monitor the progress of these Bills as they may require changes in existing compliance practices.

06 E-COMMERCE / DARK PATTERNS

Trick Question, Forced Action, Interface Interference: CCPA Identifies Three Dark Patterns on SpiceJet's Booking Platform, Imposes ₹1 Lakh Penalty

The Central Consumer Protection Authority (CCPA) imposed a penalty of ₹1 lakh on SpiceJet after identifying prohibited "dark patterns" on its online booking platform. The Authority found that pre-selected options relating to loyalty programme enrolment and promotional communications influenced consumers without obtaining their free and informed consent. These practices were classified as "Trick Question", "Forced Action" and "Interface Interference" under the Guidelines for Prevention and Regulation of Dark Patterns, 2023. The order highlights that businesses must design digital interfaces in a fair and transparent manner without manipulating consumer choices. It serves as an important reminder for e-commerce platforms and online service providers to ensure compliance with consumer protection laws while obtaining user consent.

07 ARBITRATION

Sarla Advantech v. Anil Mehta: Bombay High Court Upholds Confidentiality Injunction, Rules Employment Continuity Sufficient to Invoke Arbitration Clause

The Bombay High Court, in Sarla Advantech Private Limited v. Anil Mehta, has clarified the approach courts must take while examining the existence of an arbitration agreement at the interim-relief stage under Section 9 of the Arbitration and Conciliation Act, 1996. The petitioner company had sought urgent reliefs against its former CEO and a rival firm, Percivon Technologies, alleging theft and misuse of confidential business information. Respondent 1 resisted the petition on the ground that his later employment agreement, unlike his original 1998 contract, contained no arbitration clause and could not be read to incorporate one. Justice Amit Borkar held that only a prima facie satisfaction of an arbitration agreement's existence is required at this stage, and that continuity of service benefits, joining date, and representations of unchanged employment terms can support a finding that an earlier arbitration clause survived a later, silent agreement. The Court declined to make any final findings on disputed allegations of a fabricated termination letter or suppression of facts, holding these required full evidentiary determination. It continued the confidentiality injunction and Court Receiver's custody over seized data, while declining broader reliefs such as an asset freeze or profit deposit. The ruling reinforces that courts should assess the substance of the employment relationship as a whole, rather than the mere absence of an express clause in a subsequent contract, when deciding on the maintainability of Section 9 petitions. This decision offers useful guidance for employers and departing employees alike on how continuity of employment terms may preserve arbitration rights even where later agreements are silent on dispute resolution.

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