

# MANUPATRA WEEKLY WRAP

9th - 14th February 2026



## Case Laws

### CIVIL

***The Tiruchirappalli District Cricket Association vs. Anna Nagar Cricket Club & Anr. Etc.***, Dated: 13.02.2026 (MANU/SC/0157/2026; 2026 INSC 154)

The Supreme Court observed that district cricket associations must voluntarily implement reformatory measures, including **good governance, refined management practices, transparency, and exclusion of conflicts of interest**. The Court added that State Associations have a responsibility to initiate reforms so that District Associations serve the best interests of the sport.

***Anant Kumar Rao vs. Union Public Service Commission & Ors.***, Dated: 13.02.2026 (MANU/DE/1042/2026; 2026:DHC:1221-DB)

The Delhi High Court held that Scheduled Caste or Scheduled Tribe category (SC/ST) candidates do not have a vested **right to seek relaxation of eligibility criteria for appointment as prosecutors with the Serious Fraud Investigation Office (SFIO)**. The Division Bench observed that although the Union Public Service Commission (UPSC) may exercise discretion to relax criteria for SC/ST candidates, this discretion does not create an enforceable entitlement.

**Supreme Court:** District Cricket Associations are not strictly bound by Constitution of BCCI and must independently and voluntarily adopt principles of good governance.

**Delhi High Court:** SC/ST candidates have no inherent right to concessions or relaxed standards for selection as SFIO prosecutors.

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**Bombay High Court:**

Framing of issues is not compulsory while executing foreign decrees under Section 44A of CPC.

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**Supreme Court:**

Improper application of relevant IPC provisions by police led to acquittal of contractor accused of stockpiling decontrolled cement.

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**Supreme Court:**

Absconding accused cannot claim anticipatory bail solely on basis of acquittal of co-accused.

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**Calcutta High Court:**

Power to quash proceedings must be exercised sparingly once charges have been framed, and accordingly declined to stay trial in case alleging outraging of modesty.

***Elis Jane Quinlan & Ors. vs. Naveen Kumar Seth, Director, Candica Industries,***  
*Dated: 10.02.2026 (MANU/MH/1197/2026; 2026:BHC-AS:6946)*

The Bombay High Court has clarified that, in proceedings for execution of foreign decrees from reciprocating territories under Section 44A of the CPC, the **District Court need not frame issues or conduct a detailed evidentiary exercise while assessing the applicability of the exceptions** under Section 13. Such proceedings, the Court noted, are ordinarily summary and distinct from a comprehensive trial that applies to suits founded on foreign judgments from non-reciprocating territories.

## CRIMINAL

***Manoj vs. State of Maharashtra & Anr.***, *Dated: 13.02.2026 (MANU/SC/0154/2026; 2026 INSC 152)*

The Supreme Court ruled that a contractor convicted under Section 7 of the Essential Commodities Act for stockpiling cement could not be held liable, since **no regulatory order was in force and the investigative agency failed to apply the correct IPC provisions**. The bench set aside the Bombay High Court, Aurangabad Bench, order upholding the trial court's conviction, emphasizing that a conviction under Section 7 was legally impermissible without a subsisting Section 3 order.

***Balmukund Singh Gautam vs. State of Madhya Pradesh & Anr.***, *Dated: 13.02.2026 (MANU/SC/0151/2026; 2026 INSC 157)*

The Supreme Court observed that the principle of parity is inapplicable to a person who deliberately avoids trial to claim anticipatory bail based on the acquittal of co-accused. The Court emphasized that granting such relief would set a dangerous precedent, undermine the efforts of law-abiding co-accused, and encourage deliberate evasion of the legal process.

***Uttam Mondal vs. The State of West Bengal & Anr.***, *Dated: 11.02.2026 (MANU/WB/0307/2026; 2026:CHC-AS:240)*

The Calcutta High Court held that criminal proceedings involving **allegations of stalking, assault, attempt to outrage modesty, and criminal intimidation could not be quashed at an advanced trial stage**, reiterating that Section 482 CrPC powers are to be used in the rarest of rare cases. The Court added that sufficiency of evidence cannot be assessed in a quashing plea.

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**Delhi High Court:** Woman cannot demand re-entry into abandoned matrimonial home if alternate accommodation is available

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**Kerala High Court:** 'Neighbourhood school' under RTE Act is not strictly distance-based; upholds school relocation in Lakshadweep

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**Supreme Court:** Bank's internal classification of account as Non-Performing Asset (NPA) does not by itself determine limitation period under Insolvency and Bankruptcy Code (IBC).

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**Delhi High Court:** Entitlement to wages under Section 17(B) of Industrial Disputes Act ceases once workman attains retirement age.

**Reena Grover vs. Sh. Ramesh Grover & Ors.,** Dated: 09.02.2026 (MANU/DE/0913/2026; 2026:DHC:1066)

The Delhi High Court has ruled that the Protection of Women from Domestic Violence Act, 2005 does not give an aggrieved woman an absolute right to reside in a matrimonial home she abandoned if suitable alternate accommodation exists. The court observed that **forcing re-entry would disturb the settled possession of current occupants and transform a protective law into a mechanism** for reclaiming any former residence, going beyond the legislative intent.

## EDUCATION

**Ummu Sulaim (Minor) & Ors. vs. The Union Territory of Lakshadweep & Ors.,** Dated: 10.02.2026 (MANU/KE/0385/2026; 2026:KER:11065)

The Kerala High Court has clarified that the term "neighbourhood school" under Section 6 of the Right of Children to Free and Compulsory Education Act, 2009 (RTE) is not to be mechanically determined by distance alone but **must account for the unique geographical and demographic realities of the area concerned.** The court issued the ruling while rejecting writ petitions by minor students from Agatti and Andrott Islands challenging the administrative decision to shift and merge Junior Basic Schools.

## INSOLVENCY

**B. Prashanth Hegde vs. State Bank of India & Anr.,** Dated: 12.02.2026 (MANU/SC/0155/2026; 2026 INSC 155)

Emphasizing substance over accounting classification, the Supreme Court ruled that mere internal declaration of **an account as Non-Performing Asset (NPA) does not decide limitation under the IBC.** The Court held that entries in a bank's balance sheet are not determinative of limitation, particularly where the debt has been restructured and acknowledged through fresh agreements, which effectively renew the liability and give it a fresh starting point for limitation.

## LABOUR & INDUSTRIAL

**Life Insurance Corporation of India vs. G.K. Nijhawan,** Dated: 09.02.2026 (MANU/DE/0916/2026; 2026:DHC:1037)

The Delhi High Court held that a workman cannot claim Section 17(B) wages under the Industrial Disputes Act, 1947, after reaching the age of superannuation, since the **provision applies only while the employer-employee relationship exists.** Section 17(B) requires employers to pay full last-drawn wages during the pendency of an appeal against a reinstatement award.

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**Supreme Court:** Delay in filing appeals under Section 74 of the 2013 Land Acquisition Act can be condoned

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**Kerala High Court:** In motor accident claims, car owner is entitled to adduce independent evidence on issue of negligence, even if driver has pleaded guilty.

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**Supreme Court:** Purchasers who acquire property after passing of arbitral award have no independent right to obstruct or resist its execution.

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**Calcutta High Court:** Restraint on employment with competitors is not enforceable, while trade secrets remain safeguarded

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**Kerala High Court:** Voluntary discharges are entitled to disability pension for chronic ailments caused by military service

## LIMITATION

***Deputy Commissioner and Special Land Acquisition Officer vs. M/s S.V. Global Mill Limited***, Dated: 09.02.2026 (MANU/SC/0138/2026; 2026 INSC 138)

The Supreme Court held that delay in filing an appeal under Section 74 of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 can be condoned under Section 5 of the Limitation Act, 1963, clarifying that **Section 74 does not bar its application**. A bench resolved conflicting High Court views on whether the 60-day limitation period extendable by another 60 days impliedly excludes the power to condone delay upon sufficient cause.

## MOTOR VEHICLES

***Menon P.S. vs. The Registrar General, High Court of Kerala & Ors.***, Dated: 11.02.2026 (MANU/KE/0374/2026; 2026:KER:12467)

The Kerala High Court held that a vehicle **owner can independently contest negligence in a motor accident**, even where the driver has admitted guilt. The court dealt with a case in which the Tribunal had dismissed the owner's interim application to call a witness to challenge the police account.

## PROPERTY

***R. Savithri Naidu vs. M/s The Cotton Corporation of India Limited & Anr.***, Dated: 12.02.2026 (MANU/SC/0153/2026; 2026 INSC 150)

The Supreme Court reaffirmed that a transferee who acquires property from a judgment-debtor during the pendency of proceedings **lacks locus standi to oppose or obstruct a decree passed in favour of the judgment-creditor**. The bench comprising Justices dismissed the appellant's plea to resist execution of the arbitral award passed against the judgment-debtor.

## SERVICE

***Parraj Automobiles Pvt. Ltd. vs. Mr. Samiran Sinha***, Dated: 10.02.2026 (MANU/WB/0261/2026; 2026:CHC-AS:223-DB)

The Calcutta High Court held that **non-compete clauses barring employees from joining rivals after resignation are prima facie void under Section 27 of the Indian Contract Act**, while upholding confidentiality and non-solicitation obligations to protect trade secrets. The Court refused to restrain a former employee from taking up employment with a competitor but allowed limited protections to prevent misuse of confidential information and solicitation of clients or staff.

***Havildar B Manikuttan vs. Union of India & Ors.***, Dated: 09.02.2026 (MANU/KE/0370/2026; 2026:KER:11259)

The Kerala High Court held that a person is entitled to **disability pension if a chronic condition is acquired during military service**, even if he voluntarily discharged from service. The Division Bench delivered the ruling while hearing a plea filed after the petitioner's application before the Armed Forces Tribunal for disability pension was rejected.



## News

### BANKING

The **Kerala High Court** has observed that a complainant in a cheque dishonour case under Section 138 of the Negotiable Instrument Act, 1881 has a statutory right to appeal an acquittal under Section 372 of the CrPC and cannot seek the High Court's revisional jurisdiction as an alternative.

### CIVIL

The **Bombay High Court** reprimanded Vijay Mallya for attempting to seek relief while staying in the United Kingdom as a fugitive, avoiding Indian authorities.

The **Union government** has announced that passengers playing loud music on their mobile phones or other devices without earphones could face penalties if their actions are deemed unruly under aviation rules. However, the government clarified that there are no plans to introduce new penal provisions specifically targeting this behavior.

The **Delhi High Court** has rejected a PIL requesting the implementation of negative marking in the All-India Bar Examination (AIBE). The bench stated that such a decision falls under the policy domain of the Bar Council of India (BCI), and courts cannot issue directions on this matter.

The **Madras High Court** has directed cricketer Mahendra Singh Dhoni to pay Rs 10 lakh for translating old CDs linked to his Rs 100 crore defamation lawsuit over allegedly defamatory content related to the 2013 IPL betting scandal.

The **Supreme Court** has directed the Food Safety and Standards Authority of India (FSSAI) to explore the possibility of implementing front-of-pack warning labels on packaged foods that are high in sugar, salt, and saturated fat.

The Ministry of Home Affairs has filed a status report before the **Supreme Court** in the *Suo Motu* case on "digital arrest scams", proposing a Standard Operating Procedure to strengthen inter-agency coordination and ensure timely restoration of defrauded funds to victims.

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11.02.2026

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12.02.2026

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11.02.2026

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10.02.2026

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10.02.2026

## COMPANY

The **National Company Law Appellate Tribunal**, New Delhi, ruled that poor coordination between a lawyer and clerk located in different cities is not a valid ground for missing court deadlines, stating that geographical distance cannot justify procedural delays.

## CONSUMER

The **Supreme Court** has issued notice to the Union Ministries of Health and Consumer Affairs over a plea seeking exclusion of medical professionals from the purview of the Consumer Protection Act, 2019.

The **Bombay High Court** has granted anticipatory bail to Sunil Biyani, non-executive director of Future Group, in connection with a ₹1,200-crore GST scam. Biyani was accused of involvement in fraudulent billing and tax evasion, leading to significant GST losses. The court allowed his bail after he assured cooperation with the investigation, citing no risk of flight.

## CRIMINAL

A public Interest Litigation has been filed before the **Delhi High Court** seeking urgent action over the alarming disappearance of more than 800 people in the national capital within the first 15 days of 2026.

A **magistrate Court in Gandhinagar**, Gujarat, sentenced journalist Ravi Nair to one year imprisonment in a criminal defamation case filed by Adani Enterprises Ltd (AEL), over a series of tweets he posted allegedly containing false and defamatory statements damaging the reputation of the Adani Group.

The **Supreme Court** has observed that anticipatory bail should not be automatically restricted until the filing of the chargesheet. It emphasized that such bail typically continues without a set time limit unless there are specific reasons to impose restrictions.

The **Supreme Court** has observed that investigating agencies cannot automatically re-arrest an accused person already out on bail simply because a new cognizable and non-bailable offence has been added to the charge sheet. The Court clarified that agencies must first secure an order from the court that granted bail before arresting the accused for the newly added offence.

The **Supreme Court** has observed that failure to answer questions posed by the Investigating Officer (IO) does not, by itself, constitute non-cooperation.

The **Supreme Court** has criticized the Allahabad High Court for granting bail in a dowry death case without a reasoned order, calling it "shocking and disappointing." The bail was granted based solely on the husband's incarceration period and lack of criminal history.

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10.02.2026

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13.02.2026

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10.02.2026

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09.02.2026

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10.02.2026

## CYBER LAW

The **Central Government** has amended the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021, formally extending the country's intermediary regulatory framework to cover AI-generated content.

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11.02.2026

## DIRECT TAXATION

The **Supreme Court** has dismissed a petition requesting safeguards to prevent property buyers from unknowingly defaulting on the tax deduction and deposit requirement for properties valued over Rs. 50 lakhs.

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10.02.2026

## EDUCATION

The **Supreme Court** has directed the National Medical Commission and Madhya Pradesh government to provisionally admit an EWS-category candidate who qualified NEET twice but failed to secure admission.

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13.02.2026

## FAMILY

The **Madurai Bench of the Madras High Court** upheld the conviction and life sentence of parents who murdered their 9-year-old daughter with a mental disorder. The court observed that it is the parents' duty to care for their child, regardless of any disability.

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11.02.2026

The **Supreme Court** has stayed the *talaq-e-hasan* divorce granted by a Muslim husband to his illiterate wife, citing allegations that he had obtained her signature on blank papers and failed to defend the claims.

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12.02.2026

## MEDIA AND ENTERTAINMENT

The **Supreme Court** has directed the makers of the Netflix series *Ghooskhor Pandat* to submit an affidavit confirming the withdrawal of the title and providing the new title. The Court stated that the series cannot be released until the new name is officially recorded.

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11.02.2026

## SERVICE

The Supreme Court has notified the "Guidelines for Designation of Senior Advocates by the Supreme Court of India, 2026", replacing the 2023 Guidelines following its May 13, 2025 ruling in *Jitender @ Kalla vs. State*, wherein the Court rejected the point-system and interview-based approach for designating senior advocates.

The **Andhra Pradesh High Court** has observed that the staggering pendency of disciplinary cases creates a massive judicial burden and causes mental agony to employees. The Court noted that delayed proceedings impact retirement benefits and violate retired employees' right to a dignified life. **9 Feb 26** **11 Feb 2026**

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10.02.2026

The **Supreme Court** has disposed of a plea seeking OBC reservation in government pleader appointments in Madhya Pradesh, declining to issue binding directions due to absence of statutory mandate, while urging the Advocate General to ensure representation of lawyers from marginalised communities and women.

The **Madras High Court** has observed that matters relating to prevention of sexual harassment at the workplace, actions taken in such cases, and protection of women employees fall within the realm of public duty.



## Notification Updates

### Reserve Bank of India

The RBI's (Rural Co-operative Banks - Income Recognition, Asset Classification, and Provisioning (IRAC) Amendment Directions, 2026 aims to strengthen the financial health of rural co-operative banks (RCBs) by introducing stricter guidelines for income recognition, asset classification, and provisioning. The revised directions mandate clearer recognition of income from assets, more stringent identification and classification of non-performing assets (NPAs), and increased provisioning for higher-risk assets

The Reserve Bank of India has issued **draft amendment directions for the conduct of regulated entities in loan recovery and engagement of recovery agents**. These directions aim to ensure fair treatment of borrowers, proper conduct of lenders and recovery agents, and include guidelines on due diligence, training, and code of conduct.

The Reserve Bank of India has reviewed and strengthened the **grievance redress mechanism in banks**, enhancing consumer compensation limits and empowering Internal Ombudsmen. The previous circular from January 2021 has been withdrawn to avoid duplication, but banks are still required to maintain effective grievance redress systems.

The Reserve Bank of India has issued **draft amendment directions for the advertising, marketing, and sales of financial products and services by regulated entities**. These amendments aim to provide comprehensive instructions to all banks and NBFCs, addressing aspects like direct sales agents, dark patterns, and prevention of mis-selling.

Notification No. :  
DOR.STR.REC.411/21-  
04-048/2025-2026,  
Dated: 13.02.2026,  
MANU/RMIC/0051/2026

Press Release No. :  
2025-2026/2099,  
Dated: 12.02.2026,  
MANU/RPRL/0098/2026

Notification No. :  
CO.CEPD.PRS.No.S1121  
/13-01-008/2025-2026,  
Dated: 11.02.2026,  
MANU/RMIC/0050/2026

Press Release No. :  
2025-2026/2091,  
Dated: 11.02.2026,  
MANU/RPRL/0094/2026

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**Press Release No. :**  
**2025-2026/2084,**  
**Dated: 10.02.2026,**  
MANU/RPRL/0089/2026

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**Press Release No. :**  
**2025-2026/2074,**  
**Dated: 09.02.2026,**  
MANU/RPRL/0085/2026

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**Master Circular No. :**  
**HO/49/14/14(2)2026-**  
**CFD-**  
**POD2/I/4518/2026,**  
**Dated: 09.02.2026,**  
MANU/SMIS/0013/2026

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**Circular No. :**  
**HO/47/13/14(1)2026-**  
**MRD-**  
**TPD1/I/4755/2026,**  
**Dated: 11.02.2026,**  
MANU/SMIS/0017/2026

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**Trade Notice No. :**  
**24/2025-2026,**  
**Dated: 09.02.2026,**  
MANU/DGFT/0018/2026

The Reserve Bank of India has issued draft **amendment** directions for public comments, proposing exemptions **from registration for certain non-banking financial companies (NBFCs) that do not avail public funds and lack customer interface.** The amendments aim to provide a differential regulatory treatment for these NBFCs due to their lower risk profile. Public feedback is invited until early **March 2026.**

The Reserve Bank of India (RBI) has issued **amendments to its directions on lending to the Micro, Small, and Medium Enterprises (MSME) sector.** These amendments aim to streamline the regulatory framework, enhance access to credit, and promote ease of doing business for MSMEs. Key changes include updated definitions, revised eligibility criteria, and more flexible terms for lending institutions, making it easier for MSMEs to avail of financial support. The revised directions are intended to foster growth and financial inclusion within the sector.

### **Securities and Exchange Board of India**

The Securities and Exchange Board of India (SEBI) has issued a **Master Circular consolidating all relevant circulars under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018,** to provide a comprehensive reference for compliance. This updated Master Circular supersedes previous circulars, ensuring that all actions and applications under the rescinded circulars are recognized under the new provisions.

SEBI has **revised the capacity planning and real-time performance monitoring framework for the Commodity Derivatives Segment of Market Infrastructure Institutions.** The framework requires stock exchanges and clearing corporations to manage system loads effectively, ensuring system upgrades and performance monitoring. The new guidelines necessitate the preparation and submission of a policy document to SEBI within **three months.**

### **Ministry of Commerce and Industry**

The Union Budget 2025-26 announced the **implementation of BharatTradeNet as a Digital Public Infrastructure for trade.** However, the existing legal framework lacks recognition of electronic trade documents and comprehensive cross-border digital trust services, limiting interoperability with global systems. To address this, the draft 'Digital Trade Facilitation Bill, 2026' has been prepared to provide statutory recognition to electronic trade documents, enable trusted digital verification mechanisms, and support secure cross-border exchange of trade records.

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**Press Information  
Bureau,**  
**Dated: 10.02.2026,**  
MANU/PIBU/0243/2026

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**Press Information  
Bureau,**  
**Dated: 10.02.2026,**  
MANU/PIBU/0247/2026

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**Notification No. :  
GSR120(E),**  
**Dated: 10.02.2026,**  
MANU/EINT/0003/2026

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**Press Information  
Bureau,**  
**Dated : 11.02.2026,**  
MANU/PIBU/0258/2026

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**Press Information  
Bureau,**  
**Dated: 10.02.2026,**  
MANU/PIBU/0239/2026

## Ministry of Defence

The Government has **amended the Ex-servicemen Re-employment Rules** to include Military Nursing Service personnel, ensuring they receive the same re-employment benefits as other veterans. This change enhances rehabilitation and second-career opportunities for a broader range of former defense personnel.

The Ministry of Defence has released a **draft of the Defence Acquisition Procedure (DAP) 2026**, aiming to enhance jointness, self-reliance, and modernization in India's defense sector. The draft focuses on boosting domestic manufacturing, reducing imports, and aligning acquisitions with technological advancements and economic growth. Stakeholders are invited to provide **feedback on the draft to help shape the future of India's defense procurement strategy**.

## Ministry of Electronics and Information Technology

The Ministry of Electronics and Information Technology has issued **amendments to the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021**. These amendments introduce definitions and regulations concerning synthetically generated information, requiring intermediaries to implement technical measures to manage such content and inform users about potential penalties for non-compliance. The rules emphasize due diligence and the labeling of synthetically generated content to ensure transparency and accountability.

## Ministry of Women and Child Development

The government prioritizes preventing and countering crimes against women and children, including human trafficking, through legislative measures and victim rehabilitation programs. It supports states with financial assistance for Anti Human Trafficking Units and initiatives like Women Help Desks and national databases for tracking offenders. The government also collaborates internationally to address cross-border trafficking issues.

## Ministry of Cooperation

The **National Cooperation Policy, 2025** aims to create a supportive environment for cooperatives through legal reforms, financial accessibility, technology adoption, and expansion into new sectors. Key achievements include the establishment of various cooperative organizations and initiatives like Bharat Taxi, a cooperative-led ride-hailing platform. The policy also emphasizes digital integration to enhance rural cooperative services and financial inclusion.

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**Press Information  
Bureau,**

**Dated: 10.02.2026,**  
MANU/PIBU/0245/2026

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**Press Information  
Bureau,**

**Dated: 11.02.2026,**  
MANU/PIBU/0259/2026

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**Press Information  
Bureau,**

**Dated: 10.02.2026,**  
MANU/PIBU/0251/2026

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**Press Information  
Bureau,**

**Dated: 09.02.2026,**  
MANU/PIBU/0235/2026

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**Circular No. :  
IRDAI/F&I/GDL/MISC/2  
7/02/2026,**

**Dated: 11.02.2026,**  
MANU/IRDA/0002/2026

## Ministry of Home Affairs

The **Crime and Criminal Tracking Network & Systems (CCTNS)** enables real-time data collection and analysis related to crime and criminals, benefiting police, central agencies, and citizens. It offers computerized police processes, data sharing among law enforcement, and various citizen services like complaint filing and missing persons search. All police stations are now connected to CCTNS.

## Ministry of Home Affairs

The **e-Sakshya and Nyaya Setu apps** are initiatives to support law enforcement by facilitating evidence management and inter-agency coordination. The e-Sakshya app is operational in numerous police stations across India, while the Nyaya Setu app was developed for efficient criminal justice delivery. The implementation details are managed by respective State/UT Governments

## Ministry of Rural Development

The **VB-G RAM G Act, 2025** enhances rural employment by guaranteeing at least 125 days of wage employment per household annually, focusing on sustainable livelihood and climate-resilient development. It includes gender-inclusive provisions to support rural women, such as mandatory participation, prioritization of individual assets for women-headed households, and creation of livelihood-related infrastructure. The Act also ensures women's involvement in supervisory roles and social audits, with grievance redressal mechanisms addressing discrimination and harassment.

## Ministry of Power

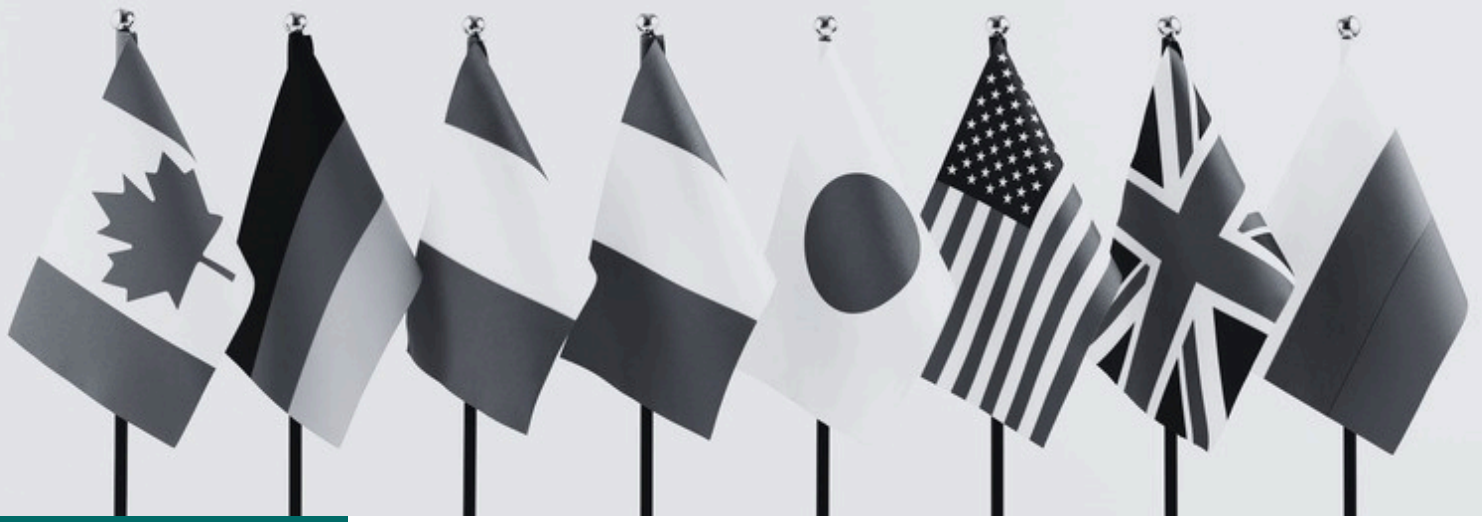
The **Draft Electricity (Amendment) Bill, 2025** aims to eliminate redundant infrastructure by allowing distribution licensees to use existing networks, reducing costs and improving service quality. It mandates non-discriminatory access and requires State Electricity Regulatory Commissions to establish frameworks for multiple licensees in the same area.

## Insurance Regulatory and Development Authority

The **guidelines for the establishment and closure of a liaison office (LO) in India by an insurance company registered outside India** are issued by the Insurance Regulatory and Development Authority of India (IRDAI). To establish a LO, the foreign insurance company must first obtain approval from the IRDAI, ensuring that the LO's purpose is strictly limited to promoting the company's business in India, without engaging in direct insurance activities. These guidelines ensure that foreign insurers adhere to Indian regulations while maintaining transparency and operational accountability.

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## International Updates

### AUSTRALIA

In *AA v The Trustees of the Roman Catholic Church for the Diocese of Maitland Newcastle [2026] High Court of Australia 2*, the Court ruled that a Catholic Diocese owed a **non-delegable duty of care** to a child abused by a priest in 1969. The Court held that this duty was breached through the priest's **intentional criminal conduct**, even though the abuse was personally committed. In doing so, it reconsidered part of its earlier reasoning in *New South Wales v Lepore [2003] High Court of Australia 4*. The judgment confirms that institutions entrusted with children may face **direct legal liability** where harm was foreseeable.

In *Commissioner of Patents v Aristocrat Technologies Australia Pty Limited ACN 001 660 715 [2026] High Court of Australia Dispatch 15*, the Court held that a new electronic game integrated into a generic electronic gaming machine can qualify for patent protection. Approving the reasoning in *Aristocrat Technologies Pty Limited v Commissioner of Patents [2025] Federal Court of Australia Full Court 131*, the Court endorsed assessing the claim as a whole and determining whether it creates an **artificial state of affairs** with a **useful outcome**. This signals a broader view of **patentable subject matter** in the software field.

The Administrative Review Tribunal permitted Bunnings Limited to rely on an exception under Australian Privacy Principle 3.3 for its use of facial recognition technology, citing safety risks. However, it upheld findings that the company breached Australian Privacy Principles 1.2, 1.3 and 5.1 due to failures in **privacy governance frameworks**, inadequate disclosure in its **Privacy Policy**, and insufficient customer notification. The decision demonstrates that even when a statutory exception applies, deficiencies in **transparency and compliance systems** may independently result in violations.

### CHINA

China recorded 59,080 new foreign-invested enterprises in 2024, reflecting strong foreign direct investment inflows totalling 826.25 billion Chinese Yuan. The service industry attracted the highest investment, followed by manufacturing, particularly high-technology segments. The legal framework governing foreign investment addresses **market entry controls, operational compliance requirements and exit mechanisms**. Foreign investors must carefully evaluate sector-specific restrictions and regulatory approvals. A detailed understanding of China's evolving foreign direct investment regime remains essential for cross-border transactions.

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#### Criminal

High Court expands responsibility for historical child abuse

#### Patent

High Court widens approach to software patent eligibility

#### Data Protection

Tribunal partially overturns findings on facial recognition technology use

#### Corporate Finance

Foreign investment laws and sectoral growth trends for 2026

## Data Protection

Draft law on Prevention and Governance of Cybercrime released for consultation

## Banking

High Court dismisses appeal in HK\$148 million loan dispute

## White Collar Crime

Hong Kong Monetary Authority clarifies approach to politically exposed persons

## Information Technology and Artificial Intelligence

Singapore launches model governance framework for agentic artificial intelligence

The Ministry of Public Security issued a draft Law on the Prevention and Governance of Cybercrime following China's accession to the United Nations Convention against Cybercrime in October 2025. The proposed statute, consisting of seven chapters and sixty-eight articles, introduces expanded **preventive obligations for network operators**, including oversight structures and mandatory reporting. It also imposes detailed requirements on **data processors**, particularly those handling important data, such as labelling and traceability mechanisms. The draft strengthens enterprise liability within China's cybersecurity framework.

## HONG KONG

In *Kaiser Financing Company Limited v Chen Jiarong* [2026] High Court of the Hong Kong Special Administrative Region Court of First Instance 851, the Court dismissed an appeal by a registered money lender seeking summary judgment. The defendant raised an arguable defence that the agreement lacked intention to create legally binding obligations. The Court undertook a **holistic evaluation of sham allegations**, considering contemporaneous communications and subsequent conduct. It held that issues involving **credibility and factual context** required determination at trial rather than summary disposal.

The Hong Kong Monetary Authority issued guidance to authorised institutions and stored value facility licensees on applying Anti-Money Laundering and Counter-Terrorist Financing controls to politically exposed persons. The clarification follows amendments to the Anti-Money Laundering and Counter-Terrorist Financing Ordinance. The regulator emphasised a **risk-based and proportionate approach**, cautioning against overly broad classifications and excessive source-of-wealth demands. Institutions are expected to align internal procedures with updated supervisory expectations and maintain **balanced enhanced due diligence frameworks**.

## SINGAPORE

The Infocomm Media Development Authority introduced a Model Artificial Intelligence Governance Framework for Agentic Artificial Intelligence. The framework outlines safeguards for deploying autonomous systems responsibly, focusing on **risk bounding, human accountability, technical controls and end-user responsibility**. It provides guidance on limiting autonomy, implementing oversight checkpoints, and ensuring transparency. The initiative reflects Singapore's proactive stance in managing the **governance risks of advanced artificial intelligence systems**.

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## Trademark

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Court examines knowledge requirement in counterfeit sales under Trademark Act

## Banking

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FinCEN intensifies enforcement targeting money services businesses

## Financial Regulation

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House passes bill reforming Financial Stability Oversight Council designation process

## Consumer Protection

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California courts hold actual damages not required under Investigative Consumer Reporting Agencies Act

## Securities Regulation

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Securities and Exchange Commission advances treasury clearing and tokenisation initiatives

## TAIWAN

Under Paragraph 1, Article 97 of the Trademark Act, criminal liability arises where a person knowingly sells or possesses counterfeit goods for sale. Taiwanese courts interpret “knowledge” as requiring **direct intent**, not negligence or indirect awareness, as reflected in Supreme Court Criminal Judgment 91-Tai-Shang-Zi Number 2680. In Criminal Judgment 114-Shing-Zhi-Shang-Yi-Zi Number 18 dated 20 November 2025, the Intellectual Property and Commercial Court assessed whether the accused possessed the required mental element. Courts consider factors such as **duration of sales, pricing, source of goods and market reputation** when determining subjective knowledge.

## USA

The Financial Crimes Enforcement Network (FinCEN) of the United States Department of the Treasury has launched a data-driven enforcement initiative targeting money services businesses near the southwest border. The operation has produced investigations, compliance referrals and potential **civil monetary penalties and criminal referrals**. Authorities are also addressing government benefits fraud schemes. Institutions regulated under the Bank Secrecy Act should anticipate **heightened anti money laundering supervision** in the coming year.

The United States House of Representatives approved bipartisan legislation requiring the Financial Stability Oversight Council to evaluate **targeted regulatory alternatives** before designating a non-bank financial company as systemically important. The bill strengthens the role of primary regulators and introduces procedural safeguards, positioning designation as a **measure of last resort**. Industry leaders have described the reform as enhancing transparency and reducing regulatory overreach.

In *Parsonage v Wal-Mart Associates Incorporated* and *Yeh v Barrington Pacific Limited Liability Company*, California appellate courts ruled that plaintiffs need not demonstrate actual harm to pursue claims under the Investigative Consumer Reporting Agencies Act, California Civil Code Section 1786 and following. The courts held that the statute permits recovery of **ten thousand United States dollars per violation** even absent tangible loss. The decisions reinforce the Act’s deterrent purpose and expand exposure for employers and landlords.

Securities and Exchange Commission Commissioner Mark T Uyeda reported progress on implementing mandatory central clearing for the United States Treasury securities market. Implementation timelines have been extended to allow market participants to adapt. The Commission also approved additional clearing agencies and rule changes addressing cost concerns. On tokenisation, the Commission signalled a shift from enforcement-led action toward **guidance and exemptive relief**, supporting innovation while maintaining **regulatory oversight of digital securities**.

## Construction

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New York appellate court reinforces strict notice of claim deadlines

## Employment and Labour

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Delaware Supreme Court clarifies consideration timing for enforcement of restrictive covenants

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New York City proposes rules implementing amendments to Earned Safe and Sick Time Act

In *Custom Crafted Management Solutions Incorporated v Elmont Fire District*, the Appellate Division, Second Department, held that failure to comply with Town Law Section 180 bars contractual claims against a fire district. The statute requires filing a verified written claim within six months of accrual as a **mandatory condition precedent**. The court stressed that non-compliance cannot be excused, reaffirming strict adherence to **statutory notice requirements**.

In *North American Fire Ultimate Holdings Limited Partnership v Doorly, Number 142, 2025 (Delaware 2026)*, the Delaware Supreme Court held that consideration supporting restrictive covenants is assessed at the time of contract formation, not enforcement. The Court reversed the Court of Chancery and confirmed that subsequent forfeiture of incentive units does not invalidate previously agreed covenants. The decision reinforces traditional contract principles and strengthens enforceability of **equity-linked non-competition and non-solicitation agreements**.

The New York City Department of Consumer and Worker Protection issued proposed rules aligning with amendments to the Earned Safe and Sick Time Act. Employers must provide additional unpaid leave and comply with prenatal leave requirements. The rules clarify that even employers offering unlimited paid time off must maintain **tracking, notice and recordkeeping obligations**. The update expands employee protections and strengthens **compliance expectations for workplace leave policies**.



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