SAGA LEGAL

RESOLUTE | RELIABLE | RESILIENT

COMMUNIQUE

AUGUST 2026

Delhi | Bengaluru | Mumbai | Hyderabad

TABLE OF CONTENTS

SUPREME COURT THIS MONTH

- The Hon'ble Supreme Court in the case of *The New India Assurance Company Limited & Others. v. M/s Louis Dreyfus Commodities India Private Limited* (Civil Appeal Nos. 7687 and 7688 of 2025) held that under Section 64VB of the Insurance Act, 1938, an insurer cannot assume additional risk unless the corresponding premium has been actually paid. Accordingly, where the insured's turnover exceeded the sum insured and the additional premium was not paid, the insurer was not liable to provide coverage for the additional risk. The Bench comprising Justice Sanjay Karol and Justice N. K. Singh observed that *" ...a Divisional Manager entrusted with administration of a policy may ordinarily communicate with the insured, explain the policy and call for premium, that does not establish authority to create a new risk, enlarge the sum insured or enlarge the scope of liability of the insurer or dispense with a statutory precondition for attachment of risk... The principle qui facit per alium facit per se applies to acts within the agent's authority, however, it does not enable an agent to confer upon the principal, a liability which the agent was neither authorised nor legally competent to assume on its behalf."*

- The Hon'ble Supreme Court in the case of *Srinivasa Reddy Velagala v. Sravanthi Infratech Private Limited* (Civil Appeal No. 876 of 2021) held that a claim for damages arising from a breach of contract does not qualify as an operational debt under Section 9 of the Insolvency and Bankruptcy Code, 2016 unless the claim has first been adjudicated and the amount crystallized by a competent court, regardless of a subsisting engineering, procurement, and construction contract. The Court also clarified that repeated legal notices, without a written acknowledgment of the debt, do not revive a time-barred claim. The Bench comprising Justice J.B. Pardiwala and Justice Manoj Misra observed that *"It is a settled position of law that damages, whether liquidated or unliquidated, cannot be treated as operational debt unless and until they are assessed and crystallized by way of adjudication by a court of competent jurisdiction... disputes that arise from breach of the contract cannot give rise to an operational debt till the time the debt becomes crystallized and legally enforceable."*

- The Hon'ble Supreme Court in the case of *Mageba Bridge Products Private Limited v. M/s. Trade Centre* (Civil Appeal No. 10658 of 2026) held that the period spent in pursuing winding up proceedings cannot be excluded under Section 14 of the Limitation Act, 1963 for the purpose of filing a recovery suit, since the relief sought in the two proceedings is fundamentally different. The Apex Court set aside the Calcutta High Court's decision which had allowed a recovery suit filed beyond the three-year limitation period, holding that the earlier winding up proceedings, in which the Company Court had found a bona fide dispute and relegated the respondent to civil remedy, were not for obtaining the same relief as the recovery suit, and that the suit was accordingly hit by limitation. The Bench comprising Justice J.B. Pardiwala and Justice K. Vinod Chandran observed that *"the initiation of a winding up proceeding, which may or may not enable recovery, will not impact the limitation for the separate remedy of suit for recovery of money... There could be no exclusion of the time occupied by the insolvency proceedings which clearly was not for the purpose of obtaining the same relief."*

- The Hon'ble Supreme Court in the case of *Jamnabai and Others v. Vasudev and Others* (Civil Appeal arising out of SLP(C) No. 39 of 2026) reiterated that a revenue record entry neither creates nor extinguishes title to immovable property, and that a right in immovable property cannot be treated as voluntarily abandoned merely because a subsequent revenue entry appears in favour of another person. The Court set aside the Madhya Pradesh High Court's decision, which had held that the title rights of the legal heirs of a joint family property co-owner stood extinguished on the strength of a subsequent revenue entry and an alleged relinquishment, and restored the trial court's decree recognizing the appellants' co-ownership rights, since the respondents failed to independently establish execution of any registered deed of relinquishment. The Bench comprising Justice Sanjay Karol and Justice Augustine George Masih observed that *"A right in immovable property cannot be treated as having been voluntarily abandoned merely because a revenue entry subsequently appears in favour of another person, and the underlying transaction by which title is said to have been surrendered must independently be established by the party relying upon it."*

- The Hon'ble Supreme Court in the case of *State of Maharashtra & Others v. Sudhakar Shivaram Teke & Others* (Civil Appeal arising out of SLP (C) No. 11757 of 2021) held that a surplus employee cannot claim absorption against a post higher than the one he was holding when declared surplus, merely because the two posts carry the same pay scale or the higher post happened to be vacant. The Court set aside the Bombay High Court's judgment, which had directed the absorption of a disengaged lecturer, declared surplus pursuant to a Maharashtra Government Resolution, directly to the post of head of department at the Institute of Civil and Rural Engineering, Kolhapur, on the reasoning that the post carried an equivalent pay scale and that the Maharashtra Employees of Private Schools (Conditions of Service) Regulation Act, 1977 required the post to be filled by the senior-most lecturer, and held that the respondent was entitled to absorption only against the post of lecturer, or an equivalent or lower post, with any claim to the higher post standing on a separate cause of action. The Bench comprising Justice Ahsanuddin Amanullah and Justice R. Mahadevan observed that *"The policy governing absorption could not, therefore, be invoked to confer upon such an employee, at the stage of absorption, a post higher than the post which he was holding when he was declared surplus."*

- The Hon'ble Supreme Court in the case of *Shabu KN Achary v. Dharampal Premchand Limited* (Civil Appeal No. 10260 of 2026) held that a defendant in a trademark infringement suit is entitled to cross-examine the plaintiff on documentary material establishing the period from which the plaintiff claimed to have used the disputed brand, even where the defendant's written statement has not been taken on record. The Court set aside the Delhi High Court's order, which had treated a question put to the plaintiff, on whether it possessed any document showing since when the mark "BABA" was in use, as a purely factual issue beyond the permissible scope of cross-examination and had directed it to be expunged, holding instead that since the plaintiff itself had affirmed infringement of its registered trademark and trade dress, the defendant could put the question to test that claim. The Bench comprising Justice J.B. Pardiwala and Justice K. Vinod Chandran observed that *"When the plaintiff affirms trademark infringement, even if the written statement is not on record, the defendant is entitled to put the question which queries the plaintiff on the document, to substantiate the time from which such brand name was used by the plaintiff."*

- The Hon'ble Supreme Court in the case of *Raziya Begum & Others v. Nafisa Begum Abdul Hamid & Others* (Civil Appeal No. 7225 of 2011) held that actual payment of the entire sale consideration at the time of execution and registration of a sale deed is not a prerequisite for completion of a sale, and that a sale deed does not become void, invalid, or inoperative merely because the balance consideration remains unpaid, the vendor's remedy in such a case being a suit for recovery of the unpaid balance with interest rather than cancellation of the deed. The Bench comprising Justice J.B. Pardiwala and Justice K. Vinod Chandran observed that *"When a sale deed is registered, even upon part payment of the sale price, title would pass to the transferee. The non-payment of remaining part of the sale price would not invalidate it and* *the remedy would be to recover the balance sale consideration, but not cancellation of sale deed for non-payment of balance sale consideration."*

HIGH COURTS THIS MONTH

- The Karnataka High Court in the case of *Mr. M. Govind Reddy and Another v. The State of Karnataka and Others* (Writ Petition No. 23165 of 2026) held that the mere pendency of the Corporate Insolvency Resolution Process (CIRP) against a developer does not automatically invalidate recovery proceedings against them initiated under another statute. The Court dismissed a writ petition by landowners challenging a Public Auction Notice issued to enforce a Recovery Certificate under Section 41 of the Real Estate (Regulation and Development) Act, 2016 ("**RERA**"). The Single-Judge Bench of Justice Suraj Govindaraj observed that *"there can be no quarrel with the proposition that Section 238 of the IBC gives overriding effect to the provisions of the Code wherever there is an inconsistency with any other enactment … those principles do not automatically render every proceeding initiated under another statute illegal."*

- The Bombay High Court in the case of *Anup Vikal v. The State of Maharashtra* (Writ Petition 7430 of 2026) held that a decision of an Internal Complaints Committee rejecting a sexual harassment complaint at the threshold on a finding that it discloses no 'sexual element', without conducting an inquiry under Section 11 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("**POSH Act**"), would still amount to a 'recommendation' under Section 13 of the POSH Act and can be appealed before an Industrial Court under Section 18 of the POSH Act. The Single-Judge Bench of Justice Sandeep Marne observed that *"… mere non-conduct of inquiry in respect of complaint of sexual harassment by the Internal Committee would not save its decision from the ambit of the expression 'recommendation' under Section 13 of the POSH Act. Even if Internal Committee does not conduct an inquiry but still makes a decision on a complaint of sexual harassment, such decision would be a 'recommendation' within the meaning of Section 13(2) or (3) of the POSH Act."*

- The Bombay High Court in the case of *Ashok Upadhyay v. Union Bank of India* (Writ Petition No. 2385 of 2024) held that Section 18 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("**POSH Act**") read with Rule 11 of the POSH Rules does not confer any authority or jurisdiction on an employer to create or constitute its own Appellate Authority, and cautioned that public institutions must be cautious and careful while interpreting legal provisions, lest a misconceived interpretation lead to a chaotic situation. The Division Bench comprising Justice G. S. Kulkarni and Justice Dr. Neela Gokhale observed that *"A cumulative reading of Section 18 read with Rule 11 do not bring about any authority or jurisdiction with the employer to create or constitute an Appellate Authority. If these provisions are so read, it would amount to defeating the provision(s) as also reading something in the provision which the legislature has avoided to incorporate."*

- The Bombay High Court in the case of *Hazel Mercantile Limited and Others v. Insolvency and Bankruptcy Board of India and Another* (Writ Petition No. 703 of 2023) upheld the validity of Regulation 31A of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, ruling that the provision empowering the Insolvency and Bankruptcy Board of India ("**IBBI**") to levy a 0.25% regulatory fee on the realisable value to creditors under an approved resolution plan, where such value exceeds the liquidation value, is neither ultra vires the Insolvency and Bankruptcy Code, 2016 ("**IBC**") or violative of Article 14 of the Constitution of India. The Court held that the IBBI's power to levy fees is not confined to insolvency professionals, insolvency professional agencies and information utilities, relying on Section 196(1)(c) of the IBC. The Division Bench comprising Justice Manish Pitale and Justice Shreeram V Shirsat observed that, *"The provisions of the IBC, particularly after the amendments that have been introduced from time to time, indicate that the legislature itself has* *indicated that the role of the Board, as a regulator, is broad-based, far-reaching and has a crucial bearing on achieving the object of enactment of IBC."*

- The Bombay High Court in the case of *Jagmohan Garg v. National Spot Exchange Limited and Another* (Application No. 1749 of 2024) held that the interim moratorium under Section 96 of the Insolvency and Bankruptcy Code, 2016, arising from personal insolvency proceedings initiated by a company director, does not require cheque-bounce proceedings under Sections 138 and 141 of the Negotiable Instruments Act, 1881 ("**NI Act**") against the director to be stayed, where the dishonoured cheque was issued towards the company's debt. The Court held that the company's debt remains its own and does not become the personal debt of its directors merely because they may be prosecuted under Section 141 of the NI Act. The Single-Judge Bench of Justice N. J. Jamadar observed that, *"To put it in other words, the debt referred to in Section 96 must be a debt of the person by or against whom the insolvency resolution process is initiated under Sections 94 or 95, as the case may be."*

- The Delhi High Court in the case of *Alakh Pandey v. John Doe & Others* (CS (COMM) No. 835 of 2026) held that the concept of personality rights cannot be deployed in an overbroad manner to prevent dissemination of information concerning wrongdoing or to extinguish forms of expression such as caricature, lampooning and parody, particularly where such expression does not amount to commercial exploitation of an individual's personality or publicity rights. The Court, while dealing with a suit filed by educator and 'Physics Wallah' founder Alakh Pandey alleging infringement of his personality and publicity rights, granted an ex-parte ad-interim injunction restricted to three categories of content, namely content portraying him in a sexually vulgar manner, content monetising his personality without licence, and content involving his impersonation, and directed intermediary defendants to take down the offending uniform resource locator ("**URLs**"). The Single-Judge Bench of Justice Anup Jairam Bhambhani observed that *"…. this court would want to examine and ensure that personality rights are not deployed to prevent dissemination of information in relation to wrongdoing; or to extinguish an entire genre of expression including caricature, lampooning or parody which may not amount to commercial exploitation of an individual's personality or publicity rights."*

- The High Court of Uttarakhand in the case of *Rapti v. State of Uttarakhand* (CRLR No. 100 of 2022) held that a man who voluntarily and knowingly accepted his wife's son from a previous marriage into their matrimonial household, cannot subsequently choose to refuse the responsibility of maintenance towards such child. The Court held that where a man voluntarily and knowingly accepts such child into the matrimonial household and assumes a parental role, he cannot subsequently evade his responsibility to maintain the child merely on the ground that the child is not his biological son. The Single-Judge Bench of Justice Alok Mahra observed that *"The subsequent plea that revisionist no.2 is not his biological son, by itself, cannot constitute a justification for completely disowning the responsibility towards his maintenance."*

SAGA LEGAL

NOTIFICATIONS / AMENDMENTS INSIGHTS

- The Ministry of Corporate Affairs ("**MCA**"), through Notification G.S.R. 725(E) dated 12th August 2026, issued the Companies (Indian Accounting Standards) Amendment Rules, 2026 ("**Rules**"), in exercise of powers under Section 133 of the Companies Act read with Section 469 of the Companies Act, 2013, in consultation with the National Financial Reporting Authority. The Rules, effective from the date of their publication in the Official Gazette, amend the Annexure to the Companies (Indian Accounting Standards) Rules, 2015 across five standards. In Indian Accounting Standards ("**Ind AS**") 101 (First-time Adoption), transitional provisions relating to hedge accounting on the opening balance sheet are substituted and effective-date paragraphs are inserted for the Annual Improvements to Ind AS (2024), applicable to annual reporting periods beginning on or after 1st April 2026. In Ind AS 107 and Ind AS 109, extensive amendments introduce a new disclosure and accounting framework for "contracts referencing nature-dependent electricity" (including hedge accounting and disclosure requirements), amend the classification and measurement of financial instruments (including a new derecognition date for financial liabilities settled via electronic payment systems and refined guidance on contingent cash-flow features such as Environmental, Social, and Governance-linked interest adjustments), and amend disclosure requirements for investments in equity instruments designated at fair value through other comprehensive income. In Ind AS 110, the definition of a "de facto agent" is refined. In Ind AS 7, the paragraph on cash-flow reporting for investments in an associate, joint venture or subsidiary accounted for at cost is substituted to remove the equity-method option, consistent with Ind AS 27. Most of these amendments apply prospectively to annual reporting periods beginning on or after 1 April 2026.

- The Ministry of Finance (Department of Revenue, Central Board of Direct Taxes), through Notification G.S.R. 732(E) [Notification No. 114/2026, F. No. 370142/18/2026-TPL] dated 14th August 2026, notified the Foreign Assets of Small Taxpayers-Disclosure Scheme Rules, 2026, ("**Rules**") in exercise of powers under section 143 of the Finance Act, 2026, ("**Act**") coming into force from 16th August 2026. The Rules prescribe the manner of determining the fair market value, as on the valuation date of 31st March 2026, of undisclosed foreign assets and income (including bullion, jewellery, artistic work, quoted and unquoted shares and securities, immovable property, bank accounts, and interests in partnerships/ Limited Liability Partnerships), and set out the amount payable by a declarant under section 133 of the Act. Declarations are to be filed electronically in Form 1, where the aggregate value of undisclosed income and assets under Table Serial Number 1 of Section 133 of the Act does not exceed INR crore, or under Table Sl. No. 2 does not exceed INR 5 crore. The prescribed income-tax authority is required to pass an order in Form 2 determining the amount payable, following which the declarant furnishes an intimation of payment in Form 3 (with interest at 1% per month for delayed payment, subject to a maximum additional period of two months from the last date), and a final order certifying the validity of the declaration and payment is issued in Form 4, granting immunity under the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015. The last date for filing a declaration under the Scheme is 31st December 2026.

- The Securities and Exchange Board of India ("SEBI"), through Circular No. HO/17/11/24(1)2026-DDHS-POD1/I/18526/2026 dated 11th August, 2026, issued operational clarifications consequent to the SEBI (Issue and Listing of Municipal Debt Securities) (Amendment) Regulations, 2026 ("**ILMDS Regulations**") notified vide Gazette Notification SEBI/LAD-NRO/GN/2026/305 dated

SAGA LEGAL

8th July, 2026, based on the recommendations of a Working Group constituted in August 2024. The circular specifies, first, that the face value of privately placed municipal debt securities shall be INR 1,00,000 or INR 10,000, as deemed fit, with securities issued at INR 10,000 face value required to have a fixed maturity and no structured obligations, and the trading lot on a stock exchange kept equal to the face value (these requirements do not apply to public issues). Second, it inserts a "two-step escrow account mechanism" into SEBI's 2019 escrow circular (Circular No. SEBI/HO/DDHS/CIR/P/134/2019) applicable where the issuer is a pooled finance vehicle/Special Purpose Vehicle ("**SPV**") under the Pooled Finance Development Fund Scheme, requiring the SPV to separately maintain an Interest Payment Account (with one year's interest obligation) and a Sinking Fund Account fed from the constituent municipalities' corresponding accounts, and lists permissible forms of credit enhancement. Third, it relaxes the timelines for submission of financial results to stock exchanges, half-yearly unaudited results within sixty days (up from forty-five days) of the half-year end, and annual audited results within ninety days (up from sixty days) of the financial year end. The circular, effective immediately, is issued under Section 11(1) of the SEBI Act, 1992 read with Regulation 29 of the ILMDS Regulations.

- The Reserve Bank of India ("**RBI**") issued the RBI (Housing Finance Companies) Third Amendment Directions, 2026 through Notification No. RBI/2026-2027/231, DOR.MCS.REC.No.201/01-01-039/2026-27 dated 6th August, 2026, in exercise of powers under Section 30A of the National Housing Bank Act, 1987, coming into effect from January 1st, 2027. The Directions delete sub-section A.15 (Guidelines for engaging Recovery Agents) and paragraph 170 of Chapter X (Fair Practices Code) of the RBI (Housing Finance Companies) Directions, 2025, and substitute a new sub-section A.15A, requiring Housing Finance Companies ("**HFCs**") to comply with paragraphs 100A to 100AB under Chapter III of the Reserve Bank of India (Non-Banking Financial Companies- Responsible Business Conduct) Directions, 2025, thereby aligning the conduct requirements applicable to HFCs for recovery of loan dues and engagement of recovery agencies with those applicable to Non-Banking Financial Companies.

- The Reserve Bank of India ("**RBI**") issued the RBI (All India Financial Institutions - Responsible Business Conduct) Third Amendment Directions, 2026 ("**The Amendment Directions**") through Notification No. RBI/2026-27/229, DOR.MCS.REC.No.200/01-01-040/2026-27 dated 6th August, 2026, in exercise of powers under Section 45L of the RBI Act, 1934, coming into effect from 1st January, 2027. The Amendment Directions insert definitions of "recovery agency" and "recovery agent" in paragraph 3A of the RBI (All India Financial Institutions - Responsible Business Conduct) Directions, 2025, and deletes the extant paragraph 32 in Chapter III on 'Responsible Lending Conduct', and insert a new Section E (paragraphs 32.1A to 32.1AB) laying down a comprehensive framework governing recovery of loan dues and engagement of recovery agencies by All India Financial Institutions ("**AIFIs**"). This mirrors the amendments made on the same day to the Rural Co-operative Banks and Non-Banking Financial Companies directions and introduces comprehensive safeguards governing loan recovery by AIFIs, including recovery-agent due diligence and Indian Institute of Banking & Finance certification, a code of conduct, borrower disclosures and prior notice of recovery visits, restrictions on contact hours, call-recording requirements, conditions for possession of security, safeguards for technology-enabled device-locking mechanisms (including compensation of INR 250 per hour for wrongful or delayed reversal, subject to a cap), prohibition on accessing personal data stored on borrowers' devices, restrictions on coercive recovery practices, and a dedicated grievance redressal mechanism.

DEALS THIS MONTH

- Geospatial technology startup NeoGeo has raised USD 20 million in a Series A funding round led by Neev II Fund and Aavishkaar Capital, the investment arm of Aavishkaar Group. Founded in 2019 by Sreeramam GV, the Gurugram-based full-stack geospatial system integrator has executed over 200 projects, mapped more than 5 lakh square kilometres, and managed over 550 cross-origin resource sharing stations across urban governance, infrastructure and natural resource management. The company will use the funds to expand its platform and product portfolio through research and development, enter international markets across the Middle East and the Americas, and strengthen its team to support its project pipeline.

- New Delhi-based wealth management firm Nexedge Capital has raised USD20 million in its maiden funding round led by Mirae Asset Venture Investment and Elev8 Venture Partners. Founded by Anirudha Taparia in February 2025, the firm provides wealth management and multi-family office services to high-net-worth individuals ("**HNIs**"), ultra-HNIs, families and corporates, and claims to have surpassed USD 3 billion in assets under management across around 1,300 clients within 18 months of starting operations. The fresh capital will be used to strengthen its technology platform, expand its senior banker network across India including tier 2 and tier 3 cities, and build a dedicated non-resident Indian proposition and non-banking financial companies' business.

- SoftBank has sold another 4.5 crore shares of eyewear retailer Lenskart for around INR 2,888 crore (over USD 300 million) through a block deal, its second large sell-off in the company since June, when it sold shares worth around INR 2,873 crore. Together with stake sales by Abu Dhabi Investment Authority (around INR 1,960 crore in June) and Temasek (around INR 1,940 crore in July), early institutional investors have sold over INR 9,660 crore (over USD1 billion) worth of Lenskart shares since June. The sell-offs come even as Lenskart continues to post strong growth, with Q1 FY27 revenue up 43% year-on-year to INR 2,714 crore and a profit of INR 228 crore, and the stock closing the day at INR 658.75, valuing the company at INR 1,14,225 crore.

- Global startup accelerator Y Combinator has sold shares worth around INR 970 crore in Meesho through a block deal, offloading around 4.84 crore shares, marking another major exit by an early investor in the ecommerce company since its December 2025 listing. The deal comes weeks after other early backers, including Peak XV Partners and Elevation Capital, offloaded INR 1,949 crore worth of holdings in the company. During the previous quarter (Q1 FY27), Meesho posted a 48% year-on-year increase in operating revenue to INR 3,713 crore, while its net loss narrowed 54% to INR 133 crore from INR 289 crore in the corresponding quarter of the previous fiscal.

- Bengaluru-based coffee chain Third Wave Coffee has raised INR 408 crore (USD 43 million) in a funding round led by existing investor WestBridge Capital, with most of the capital coming through primary issuance and participation from existing investor Creaegis and other angel investors. The round reportedly values the company at around INR 2,000 crore (USD 210 million), up from INR 1,200 crore in its previous round, and the company plans to enter nine new cities including Ludhiana, Jalandhar, Amritsar and Lucknow while deepening its presence in tier 2 and tier 3 cities. The new funding will also support expansion in existing markets and accelerate its 'Third Rush Desserts' segment. The round takes Third Wave Coffee's total funding to more than USD 105 million, with FY25 operating revenue at INR 285 crore and a net loss of INR 94 crore.

SAGA LEGAL

RESOLUTE | RELIABLE | RESILIENT

New Delhi: 248, Third Floor, Okhla Industrial Area Phase 3 Delhi-110020

Bengaluru: 2216, First Floor, UKS Steel Plaza, 80 Feet Road, HAL 3rd Stage, Indiranagar, Opp ISRO Bengaluru- 560 075

Mumbai: 3/A-3, 3rd Floor, Court Chambers 35, New Marine Lines, Mumbai-400020

contact@sagalegal.in

+91 11 4106 6969 | +91 11 4107 6969
+91 80 4229 6819 | +91 22 3155 0631

www.sagalegal.in

DISCLAIMER