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COMMUNIQUE

JUNE 2026

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SUPREME COURT THIS MONTH

- The Hon'ble Supreme Court in *T.K.A. Padmanabhan v. Abhiyan Coop. Group Housing Society Ltd.* (Civil Appeal No(s).10724/2016) ruled that the presence of an arbitration clause in an agreement does not exclude the jurisdiction of consumer fora under the Consumer Protection Act, 1986, as consumer remedies are statutory, additional, and independent of other remedies available under law. The Hon'ble Supreme Court further held that once a consumer complaint has been admitted, it cannot be transferred to arbitration or any other forum by virtue of the proviso to Section 12(4) of the Consumer Protection Act, 1986. Clarifying the scope of the term "consumer", the Hon'ble Supreme Court additionally held that an allottee does not lose the right to seek compensation for delayed possession merely because possession of the flat has subsequently been delivered and accordingly set aside the orders of the consumer fora below and restored the complaint for adjudication on merits. The Bench comprising Justice Vikram Nath and Justice V. Mohana observed *"The fact that the agreement between the parties contained an arbitration clause could not, by itself, be treated as sufficient to non-suit the appellant before the consumer forum."*

- The Hon'ble Supreme Court in *Makardhwaj Ram v. Jagdish Rai (Dead) Th. Lrs. & Anr.* (Civil Appeal No. 2950/2011) ruled that a suit seeking declaration of title and possession cannot be barred by constructive res judicata merely because such relief had not been claimed in earlier proceedings challenging specific sale deeds executed by a general power-of-attorney holder, as the application of constructive res judicata is not uniform but is dependent on the facts and circumstances of a particular case. The Hon'ble Supreme Court held that a party's right to title only comes under threat when the opposing party takes concrete legal steps to challenge it, and the doctrine cannot be invoked to preclude reliefs that were neither necessary nor appropriate in prior proceedings. The Bench comprising Justice Sanjay Karol and Justice Nongmeikapam Kotiswar Singh observed *"The appellant-plaintiff by virtue of 1960 deed was the owner of a large portion of land. According to him Rambhajan, had wrongly sold off parts thereof in two independent transactions therefore, acting through his parents, he challenged both those transactions. Where and how does the question of asserting his right over the larger parcel of land emerge when the same already rests undisputedly in his favour by virtue of the 1960 deed?"*

- The Hon'ble Supreme Court in *Sheetal Vasant Thakur v. Chirag Arora* (SLP(C) No. 18701-18702/2024) ruled that the child-protective principles underlying the Protection of Children from Sexual Offences Act, 2012 ("**POCSO Act**"), though arising in the context of criminal trial provide important doctrinal guidance to courts adjudicating custody, visitation and parental access disputes involving child victims, and that the process of adjudication itself can become a source of harm if adequate protections are not maintained against repeated psychological interaction, evaluation and questioning that may aggravate trauma rather than assist in the child's welfare. Drawing from Sections 24, 33(5), 36 and 39 of the POCSO Act, the Hon'ble Supreme Court held that the legislative framework embodies the twin principles of minimum exposure and minimum re-traumatisation, which require that a child who has allegedly suffered sexual abuse must not be exposed to processes capable of causing further emotional harm, humiliation or secondary victimisation, and that courts must at all times distinguish between therapeutic engagement intended to support a child's recovery and evaluative exercises undertaken as part of adversarial litigation, the latter carrying the potential of converting the child into an object of continuous forensic scrutiny and an unintended casualty in the legal contest between disputing parents. The Bench comprising Justice Sanjay Karol and Justice Nongmeikapam Kotiswar Singh

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observed *"The principle underlying Section 33(5) of the POCSO Act, though arising in the context of criminal trial, reflects a broader recognition that repeated engagement of a child victim in legal processes may itself become a source of trauma. The said principle, though not mechanically applicable to custody proceedings, nevertheless provides important doctrinal guidance while evaluating processes involving repeated psychological interaction with a child victim".observed "The principle underlying Section 33(5) of the POCSO Act, though arising in the context of criminal trial, reflects a broader recognition that repeated engagement of a child victim in legal processes may itself become a source of trauma. The said principle, though not mechanically applicable to custody proceedings, nevertheless provides important doctrinal guidance while evaluating processes involving repeated psychological interaction with a child victim."*

- The Hon'ble Supreme Court in *Maniyar Iliyaz @ Shaik Riyaz & Anr. v. P. Ayyappan & Ors.* (Civil Appeal No(S). 4665-4666/2025) ruled that the right to walk on safe and well-demarcated footpaths is a fundamental right under Part III of the Constitution of India, holding that the primary right of movement under Article 19(1)(d) of the Constitution of India is the fundamental right to walk. The Hon'ble Supreme Court, while enhancing the compensation payable to the bereaved father of a five-year-old child who had died due to the absence of adequate pedestrian infrastructure, addressed the larger constitutional issue of pedestrian rights in India and held that citizens may enforce a restitutionary remedy upon violation of this right. The Bench comprising Justice Pamidigantam Sri Narasimha and Justice Atul S. Chandurkar observed *"The right to walk is a fundamental right under Part III of the Constitution. It is integral to the right to movement guaranteed under Article 19(1)(d), read with Article 19(1)(a), Article 19(1)(b), Article 19(1)(c) and Article 21 of the Constitution of India. The fundamental right to walk will take within its sweep the right to demarcated footpaths. These rights are primary and shall have priority over movement by motorised vehicles."*

- The Hon'ble Supreme Court in *M.R. Vasumathi v. The Authorized Officer & Ors.* (Civil Appeal No. 1606/2026) ruled that the rights of an auction purchaser under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("**SARFAESI Act**") are not absolute and cannot override mandatory statutory requirements governing the auction process, and where the process leading to the sale is shown to be legally infirm or inconsistent with the statutory framework, judicial scrutiny cannot be foreclosed merely because the sale has been confirmed. The Hon'ble Supreme Court further held that legal heirs of a deceased guarantor remain bound by obligations under the security interest but retain the right to challenge the procedural validity of enforcement action. The Bench comprising Justice Dipankar Datta and Justice Augustine George Masih observed *"A conjoint reading of the relevant sub-rules of Rule 9 underscore the mandatory character of these provisions, particularly accentuating the requirement of balance deposit under sub-rule (4), which is integral to the sanctity and credibility of the auction mechanism. Any deviation therefrom, absent legally sustainable justification, would render the process vitiated."*

- The Hon'ble Supreme Court in *Rajat Kumar & Ors. v. S D Adarsh Jain Kanya Maha Vidyalaya Sadhaura & Ors.* (Civil Appeal Nos.19552-19553/2017) held that it is legally impermissible for an Appellate Court to award a relief that has not been prayed for in the pleadings, and that a plaintiff cannot be compelled to accept monetary compensation in lieu of a decree for removal of encroachment where no such relief was sought, as courts cannot undertake the exercise of compensating

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compensating one party at the cost of the other in the absence of any prayer to that effect. The Hon'ble Supreme Court further held that once a decree passed in favour of a plaintiff is set aside by the Appellate Court, no executable decree survives, and there accordingly remains no occasion or jurisdictional basis for the Executing Court to undertake any assessment of the value of the disputed structure or to award compensation thereunder, as such a course of action finds no support under Order XXI of the Code of Civil Procedure, 1908. The Bench comprising Justice S.V.N. Bhatti and Justice Atul S. Chandurkar observed *"There was no prayer whatsoever made by the original plaintiff seeking any damages or compensation from the defendants for the encroachment committed by them. In absence of any such relief sought by the original plaintiff, the decree passed in his favour could not have been set aside by the High Court by compelling his legal heirs to accept compensation that was directed to be assessed by a valuer. The legal heirs of the plaintiff did not consent for such course to be followed. The High Court, therefore, could not have undertaken such exercise of seeking to compensate one party at the cost of the other without any prayer being made in that regard."*

- The Hon'ble Supreme Court in Surekha Domaji Bele v. Executive Engineer, Testing Division, MSEDCL (Diary No. 11294/2025) ruled that in disciplinary proceedings, while the Labour Court adjudicates the question of misconduct through de novo evidence after an internal inquiry is set aside, the competent disciplinary authority retains its independent and non-delegable statutory obligation to evaluate the surviving findings and decide upon the quantum of punishment afresh, and cannot mechanically act upon a stale pre-remand show-cause notice based upon a vitiated domestic enquiry. The Hon'ble Supreme Court further held that a conscious evaluation of mitigating individual variables, such as the employee's length of service, past record, and the absence of indicators such as corruption or financial fraud, is legally mandated before imposing punishment. The Bench comprising Justice Sanjay Karol and Justice Nongmeikapam Kotiswar Singh observed *"Dismissal from service is the severest form of penalty which can be inflicted on a delinquent employee in service jurisprudence. It brings the relationship of employer and employee to an end permanently and ordinarily deprives the employee of the incidents of past service, including retiral benefits. It does not lead merely to the loss of the existing source of income for the employee but also for the dependent family members. Thus, it will have a devastating effect not only on the dismissed employee but also on all those who are dependent on the employee. Because of the severity of its impact not only on the employee but also to his dependents, the disciplinary authority must be very careful in seeking to impose the severest form of punishment of dismissal."*

HIGH COURTS THIS MONTH

- The Delhi High Court in *Telegram FZ LLC & ANR v. Union of India & Ors.* (W.P.(C) 8259/2026 & CM Appl. 39036/2026) held that the Central Government's interim blocking direction issued under Section 69A of the Information Technology Act, 2000 in respect of the Telegram application platform, issued ahead of the National Eligibility cum Entrance Test undergraduate (NEET-UG) re-examination, was lawful and within the executive's competence to act in the public interest during exigencies involving large-scale examination integrity. The Court affirmed that the power under Section 69A of the Information Technology Act, 2000 is not limited to permanent blocking and can be exercised temporarily in proportion to the interest sought to be protected, and that the direction to disable the platform's message-editing feature was also within the scope of permissible blocking to prevent misuse of leaked question paper material. The Single Judge Bench of Justice Tejas Karia observed *"An application or platform, in its ordinary and commonly understood sense, is a computer programme or software designed to perform specified functions for an end user. In view of the express inclusion of 'codes', 'computer programmes' and 'software' within the definition of 'information' under Section 2(1)(v) of the IT Act, there is no reason to exclude an application or platform from the ambit of the said expression."*

- The Patna High Court in *Ravi Kumar Prajapati @ Ravi Prajapati v. The State of Bihar* (Criminal Miscellaneous No. 32844/2025)has held that cough syrup containing codeine in a concentration of less than 2.5% of the total preparation does not fall outside the ambit of the Narcotic Drugs and Psychotropic Substances Act, 1985 ("**NDPS Act**"), merely on that ground, and that such preparations, being classified as essential narcotic drugs, continue to remain regulated under the NDPS Act and the Narcotic Drugs and Psychotropic Substances Rules framed thereunder with respect to their possession, sale, purchase, transport, import and export, and any violation of such regulatory framework would attract prosecution under the NDPS Act and not under the Drugs and Cosmetics Act, 1940. The Patna High Court further held that where the weight of codeine is assessed together with the neutral substance or carrier in the preparation, the seized material may fall within the category of commercial quantity under the NDPS Act, thereby attracting the rigours of Section 37 of the NDPS Act and the presumption against bail thereunder. The Single Judge Bench of Justice Jitendra Kumar observed *"As such, it clearly emerges from the statutory provisions of the NDPS Act and Rules made thereunder, that even the cough syrup containing codeine with concentration of less than 2.5% of total preparation is controlled and regulated for its possession, sale, purchase, transport, export, import etc...Hence, the violation of such Rules in regard to Control and Regulation of the Essential Drugs is punishable under the NDPS Act. As such, if someone is found to be in possession of such drugs without authorization, he is liable to be prosecuted under the NDPS Act and not under the Drugs and Cosmetic Act, 1940."*

- The Gujarat High Court in *Gujarat Energy Transmission Company Ltd Through v. Naniba W/O Gemarsinh Rupsinh Sodha & Ors.* (R/First Appeal No. 1310 of 2012) held that when energy transmitted through an electricity line causes injury or death to a human being who unknowingly comes into contact with it, the primary liability to compensate rests upon the electricity company under the principle of absolute liability, and the company cannot escape such liability by merely pleading negligence of the deceased or absence of a specific duty of care obligation. The Gujarat High Court further held that the principle of absolute liability as enunciated by the Supreme Court applies squarely to electric utilities because the transmission of high voltage electricity constitutes a "hazardous activity" within the meaning of the doctrine, placing an absolute non-delegable duty on the entity that benefits from such activity. The Single Judge Bench of Justice JC Doshi observed *"Apt to note that if energy so transmitted through electricity line causes injury or death of a human being, who unknowingly come in contact with it, then it is primary liability of the Electricity Company to compensate the sufferer in view of principle of absolute liability. Electricity transmitted through the wires has potentiality of dangerous dimension. To add, it is the duty upon the Electricity Company to take all safety measures to prevent escape of such electricity or to see that such wire does not expose risk to human being."*

- The High Court of Jammu & Kashmir and Ladakh in *Mohd. Sultan Dar & Ors. v. UT of Jammu & Kashmir & Ors.* (WP(C) No. 21/2024) held that kahcharai land, being State-owned land reserved for common and community use under the Jammu and Kashmir Land Revenue Act, 1996 does not confer any individual proprietary interest upon persons who may have been using it, and compensation for its acquisition for a public purpose is payable to the concerned Panchayat for the welfare of the local community and not to private individuals. The High Court of Jammu and Kashmir further held that long standing occupation or user of kahcharai land cannot crystallise into a legally enforceable right or generate a claim for compensation in individual hands, as such lands vest exclusively in the State and form part of the public domain. The Single Judge Bench of Justice Wasim Sadiq Nargal observed *"The right to claim compensation is intrinsically linked to the existence of legally recognized proprietary rights in the land sought to be acquired. Such a right accrues only in respect of proprietary land where ownership is vested in an individual or entity in accordance with law. In contradistinction, kahcharai land, being State-owned land reserved for common and community use, does not confer any individual proprietary interest upon the petitioners."*

- The Bombay High Court in *Siddesh Pradeep Satpute v. State Bank of India & Ors.* (Writ Petition No. 1213/2024) held that an alleged act of sexual harassment occurring in a mode of transport not provided by the employer of either the complainant or the accused cannot be entertained under the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("**POSH Act**"), as the POSH Act requires a nexus between the act complained of and the employer's authority, arrangement or control, and such nexus is absent when the mode of transport in question was entirely private and independent of any employer's arrangement. The Bombay High Court further held that the jurisdiction of an Internal Complaints Committee constituted under the POSH Act is circumscribed by the requirement that the act of harassment be connected with employment or arise in the course or ambit of the workplace in a broad sense, which cannot be extended to purely private acts occurring outside any employer-controlled space. The Division Bench comprising Justice Suman Shyam and Justice Firdosh P. Pooniwalla observed *"...In the present case, the Petitioner and the complainant, along with one another passenger, were sharing an autorickshaw from the Kurla Railway Station to BKC at Bandra. Although the Petitioner was going to his office, the said transportation had not been provided either by his employer or the employer of the complainant. In these circumstances, in our view, such transportation would not fall within the definition of a 'workplace' as defined by Section 2(o)(v). For the said reason, in our view, the alleged incident has not taken place at a workplace."*

- The Rajasthan High Court in *Union of India & Ors. v. Sqn. Ldr. Deepak Sindhu* (Special Appeal Writ No. 483/2026) held that in matters pertaining to transfer of personnel

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serving in the Armed Forces of the Union, the overarching consideration of national interest and operational exigencies of the defence forces must invariably prevail over the personal convenience or individual hardship of the officer concerned, and the Courts must exercise significant restraint in interfering with transfer orders issued by the competent military authorities in exercise of their disciplinary and administrative powers. The Rajasthan High Court further held that the critical medical condition of a service officer's parents, while a matter deserving human sympathy, does not constitute a legally cognisable ground to interdict or stall a transfer order passed in the larger interest of national defence and the operational requirements of the Indian Air Force, as the right to be posted at a particular place does not inhere in a member of the Armed Forces as a legally enforceable entitlement. The Division Bench comprising Dr. Justice Pushpendra Singh Bhati and Dr. Justice Nupur Bhati observed *"…if relaxation from transfer and posting requirements were to be granted in every case involving personal hardship or medical difficulty, it may adversely affect the smooth functioning, discipline and operational efficiency of the Forces, whose personnel are required to serve the nation in accordance with organizational needs and specialized operational requirements."*

- The Karnataka High Court in *Smt. Usha N Swamy v. Sri M. Venkataswamy & Ors.* (RFA No. 1568/2018) held that properties inherited by a father from his own father which the grandfather had acquired on his own and subsequently partitioned among his children become the individual and self-acquired properties of the father and do not assume the character of ancestral or coparcenary property merely by reason of having been received through a family partition. The Karnataka High Court further held that the right of a coparcener to claim a share by birth under Section 6 of the Hindu Succession Act, 1955 does not arise in respect of self-acquired or absolute property of a family member, and the party approaching the court for partition must discharge the initial burden of establishing the coparcenary character of the property on her own without placing reliance on the weakness of the opposing side's evidence. The Division Bench comprising Justice D.K. Singh and Justice T.M. Nadef observed *"…Thus if a property is joint Hindu family property, then only a coparcener shall acquire the right by birth and not otherwise. If the property is self-acquired property of a member of the family, it would not be treated as joint hindu family property and the question of interest of a family member in that property as a coparcener does not arise."*

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NOTIFICATIONS / AMENDMENTS INSIGHTS

- The Ministry of Corporate Affairs ("**MCA**") vide General Circular No. 02/2026 bearing F.No. Policy-02/2/2020-CL-V-MCA dated 19.06.2026 has granted a one-time relaxation in the payment of additional fees for companies filing Form DPT-3 (Return of Deposits) for the financial year ended March 31, 2026. Ordinarily, the due date for filing Form DPT-3 under Rule 16 of the Companies (Acceptance of Deposits) Rules, 2014, read with Section 73 of the Companies Act, 2013, is June 30 of each year. The relaxation has been necessitated on account of capacity enhancement and restoration activities being undertaken at the MCA Data Center consequent to a fire incident that occurred on June 05, 2026, as a result of which stakeholders may have faced difficulties in accessing MCA services and completing statutory filings within the original prescribed timeline. In view of these exceptional circumstances, the MCA has permitted companies to file Form DPT-3 for the financial year 2025-2026 without payment of additional fees up to July 31, 2026. The circular clarifies that the extension operates only as a waiver of additional fees during the extended period and does not alter the underlying statutory filing obligation; filings submitted after July 31, 2026 shall attract additional fees as per the Companies (Registration Offices and Fees) Rules, 2014 in the ordinary course. The circular has been issued with the approval of the competent authority and is addressed to all Registrars of Companies, Regional Directors, and stakeholders.

- The Reserve Bank of India ("**RBI**") vide Press Release No. 2026-2027/502 dated 19.06.2026 has issued a revised circular on the Lead Bank Scheme, following a comprehensive review of the framework and examination of public feedback received on the draft circular published on February 13, 2026. The revised circular supersedes all earlier instructions issued by the RBI on the subject and seeks to strengthen district-level credit planning, improve coordination among banks, government agencies and development agencies, and deepen financial inclusion across the country. Under the revised framework, every Lead Bank is required to appoint an exclusive Lead District Manager ("**LDM**") for each district under its charge, with responsibility for multiple districts being permitted only in exceptional cases; LDM offices are required to be equipped with dedicated staff, IT infrastructure, vehicles, and separate budgets to ensure effective implementation. The revised circular formalises the role of the Block Level Bankers' Committee as the foundation of the credit-planning process, with block credit plans feeding into District Credit Plans and subsequently state-level plans in a structured bottom-up approach. Uniform timelines have been prescribed for meetings of Block Level Bankers' Committees, District Consultative Committees, District Level Review Committees, and State Level Bankers' Committees ("**SLBCs**"), along with stricter requirements for circulation of agenda papers, recording of minutes, and tracking of action taken. At the state level, SLBCs have been directed to constitute four dedicated sub-committees covering Agriculture, Micro Small and Medium Enterprises, Financial Inclusion, and Digital Payments, and to focus their deliberations on policy and strategic issues relating to priority sector lending and financial inclusion. A benchmark of 60% credit-deposit ratio has been set for rural and semi-urban branches at the all-India level. The revised framework further permits virtual participation in meetings where physical attendance is difficult.

- The Securities and Exchange Board of India ("**SEBI**") vide Circular No. HO/49/14/15(2)2026-CFD-POD1/I/13567/2026 dated 11.06.2026 has extended the timelines for compliance with certain provisions of its earlier circular dated January 02, 2026, pertaining to the SEBI (Merchant Bankers) (Amendment) Regulations, 2025. The extension has been granted in response to representations received from the industry highlighting operational challenges in implementing the Separate Business Unit ("**SBU**") framework and aligning compliance milestones with the financial year-end. Under the revised timelines, merchant bankers are now required to transfer permitted activities to SBUs in accordance with Regulation 13A(2), along with compliance with Clause 11.2.10 of the January 2026 circular, by December 31, 2026, in place of the earlier deadline of July 03, 2026. The Phase I compliance deadline for enhanced net worth requirements under Regulation 7 of the SEBI (Merchant Bankers) (Amendment) Regulations, 2025, has been extended from January 02, 2027 to March 31, 2027, and the Phase II deadline has been deferred from January 02, 2028 to March 31, 2028. Corresponding extensions have also been granted for liquid net worth requirements, with Phase I and Phase II deadlines similarly revised to March 31, 2027 and March 31, 2028 respectively. The timeline for merchant bankers to intimate SEBI regarding their categorisation as Category I or Category II has further been extended to March 31, 2027. All other provisions of the circular dated January 02, 2026 remain unchanged and continue to be applicable.

- The Securities and Exchange Board of India ("**SEBI**") vide Circular No. HO/47/11/11(1)2026-MRD-POD3/I/13804/2026 dated 15.06.2026 has issued revised norms for determination of base price, price bands, call auction in the pre-open session, and close-out procedures for Exchange Traded Funds ("**ETFs**"). The circular has been issued pursuant to recommendations of the Secondary Market Advisory Committee and feedback received through public consultation, with the objective of addressing the one-day lag in ETFs base price determination and the mismatch between existing fixed price bands and movements in underlying assets. Under the revised framework, the Base Price for ETFs shall be the previous day's closing price calculated as the last 30-minute volume weighted average price where no trades occur during the last 30 minutes, the last traded price shall be used, and where there are no trades on the previous trading day, the latest available net asset value ("**NAV**") shall serve as the base price. For equity ETFs and debt ETFs, excluding overnight and liquid ETFs, a dynamic price band mechanism has been introduced, with an initial band of ±10% that may be expanded up to 20% following a 15-minute cooling-off period upon prices reaching or breaching 9.90% of the base price. For commodity ETFs such as gold and silver ETFs, a call auction in the pre-open session has been introduced to facilitate equilibrium price discovery before commencement of trading. The close-out price for overnight and liquid ETFs shall be the higher of the highest price recorded in the ETF up to the date of auction or close-out and a level 5% above the latest available closing price on the day when auction offers are called. Stock exchanges and asset management companies have been directed to jointly address operational challenges for implementing T-1 day closing NAV as the base price by April 01, 2027. The revised framework shall come into force with effect from September 01, 2026.

- The Central Board of Direct Taxes, Department of Revenue, Ministry of Finance vide F. No. 225/56/2026/ITA-II dated 04.06.2026 has issued guidelines for Compulsory Selection ("**CS**") of Income Tax Returns for complete scrutiny during Financial Year 2026-27, in pursuance of Section 536(2)(c) of the Income-tax Act, 2025 read with relevant provisions of the Income

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and procedure for mandatory selection of returns filed during financial year 2025-26 for detailed examination by the Income Tax department. The guidelines identify six categories of cases designated for compulsory scrutiny. The first category CS-01 covers cases of assessees in whose case a survey under Section 133A of the IT Act, 1961 (other than Section 133A(2A) of the IT Act, 1961 surveys) has been conducted on or after April 01, 2024 and such cases shall be selected by the Directorate of Income-tax (Systems) with the approval of the Director General of Income-tax (Systems), Delhi, on the basis of information provided by the investigation wing of the board. The second category,i.e.CS-02, covers cases involving a search under Section 132 of the IT Act, 1961 or a requisition under Section 132A of the IT Act, 1961, conducted between April 01, 2024 and March 31, 2026, with scrutiny proceedings to be initiated after obtaining administrative approval from the competent authority. The third category, i.e. CS-03, covers cases where reassessment notices under Section 148 of the IT Act, 1961 have been issued. The fourth category, i.e. CS-04, covers cases where registration or approval under Sections 12A, 12AB, 35(1)(ii), 35(1) (ii(a)), 35(1)(iii), or Section 10(23C), collectively of the IT Act, 1961 has not been granted or has been cancelled or withdrawn by the competent authority on or before March 31, 2025, and where the assessee has continued to claim tax exemption or deduction in the return filed in Form ITR-7. The fifth category, i.e. CS-05, covers cases involving additions on recurring issues of law or fact in earlier assessment years that have either attained finality or been upheld by appellate authorities in favour of the revenue, where the quantum of such addition exceeds the prescribed threshold; jurisdictional assessing officers are required to prepare lists of such cases and forward consolidated lists to the Directorate of Income-tax (Systems) by June 15, 2026. The sixth category, i.e. CS-06, covers cases where specific information pointing to tax evasion for the relevant assessment year has been provided by any law enforcement agency, investigation wing, intelligence unit, or regulatory authority, and where the return for the relevant assessment year has been filed by the assessee. The board has clarified that returns filed solely in response to notices under Section 142(1) of the IT Act, 1961 on the basis of information sourced from the Non-Filer Monitoring System (NMS), Annual Information Statement (AIS), Statement of Financial Transactions (SFT), Centralized Processing Cell for Tax Deducted at Source data, or Directorate of Income Tax (Intelligence and Criminal Investigation) information shall not automatically qualify for compulsory scrutiny unless they independently satisfy the criteria under CS-06. Cases pertaining to international taxation and central charges may be selected under these parameters with prior administrative approval and shall continue to be handled by their respective jurisdictions rather than being transferred to the National Faceless Assessment Centre (NaFAC). The Board has further reiterated that notices under Section 143(2) of the IT Act, 1961 for returns filed during Financial Year 2025-26 and selected for compulsory scrutiny must be served on or before June 30, 2026, in accordance with the prescribed statutory time limit.

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DEALS THIS MONTH

- **FirstClub**, a quality-first quick commerce grocery platform that differentiates itself through rigorous product curation, lab testing, and a curated catalogue of approximately 4,000 stock keeping units tailored for health-conscious and discerning urban consumers, has raised USD 55 million in a Series B round co-led by Peak XV Partners and Sofina, valuing the Bengaluru-based startup at USD 255 million, more than double its valuation from nine months prior. Existing investors Accel, RTP Global, and Paramark Ventures also participated in the round. FirstClub plans to use the fresh capital to expand beyond Bengaluru and deepen its presence in Hyderabad, while also expanding into categories such as home and kitchen products, gifting, and other household essentials.

- **Hygenco Green Energies**, India's leading green hydrogen solutions platform that designs, engineers, builds, and operates commercial-scale green hydrogen and green ammonia projects for industrial customers across hard-to-abate sectors, has raised USD 105 million in a co-led equity investment from the International Finance Corporation, Siemens Financial Services, and the Fullerton Carbon Action Fund, with definitive agreements signed on June 5, 2026. The fresh infusion will fund the development of three to four new green hydrogen and green ammonia plants, with construction expected to begin in the 2026-27 period, and is expected to create more than 1,000 direct jobs over five years alongside indirect employment across the hydrogen value chain.

- **Sarvam**, India's full-stack sovereign AI company building large language models, speech systems, and enterprise applications designed for Indian languages and use cases across banking, insurance, government services, and defence, has raised USD 234 million in the first close of its USD 300 million Series B round, led by a USD 150 million strategic investment from HCL Tech, catapulting the Bengaluru-based company into the unicorn club at a post-money valuation of USD 1.5 billion. Bessemer Venture Partners also joined the round alongside existing investors Khosla Ventures and Peak XV Partners. The fresh capital will be used to advance research and development of Sarvam's next frontier AI model, specifically targeting agentic AI, coding, and cybersecurity applications, while also securing access to large-scale compute infrastructure and accelerating deployment across major industry verticals.

- **Mygate**, a Bengaluru-based technology platform for residential community management that provides gated housing societies with an integrated suite of solutions spanning gate and security management, finance and accounting, amenities, internal communications, and brand engagement, has raised USD 23.6 million from Dharana Capital. As part of the transaction, Dharana Capital has acquired a 12-14% stake in the company through a combination of fresh capital and secondary share transactions. The company plans to use the capital to grow from 5.7 million homes to 10 million homes, while strengthening its product and technology capabilities, and has also signalled plans to expand into international markets, including the Middle East.

- **Incuspaze**, a managed workspace provider offering flexible office solutions including managed offices, coworking spaces, enterprise leasing, and design and build services across India, has raised approximately USD 17.5 million in a funding round led by Bharat Value Fund, with participation from other financial institutions. The company intends to deploy the fresh capital to expand its presence across key markets, strengthen its technology stack, pursue strategic acquisitions, and lay the groundwork for its planned IPO in the financial year 2029. The fundraise follows Incuspaze's acquisition of Hyderabad-based managed workspace operator iKeva, through which the company plans to scale its Hyderabad portfolio to over 1 million square feet in the financial year 2027.

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