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# COMMUNIQUE

## MAY 2026

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## SUPREME COURT THIS MONTH

- The Hon'ble Supreme Court in *Dharmendra Kalra & Ors. v. Kulvinder Singh Bhatia* (Civil Appeal @ SLP (C) No. 7116 of 2025) ruled that the defence of a tenant cannot be struck off under Order XV Rule 5 of the Code of Civil Procedure, 1908 in a mechanical manner without examining whether the default in rent deposit was wilful or contumacious, and without first determining the "first date of hearing" as a foundational jurisdictional precondition. The Court also held that the "first date of hearing" is not a mere procedural date but the date on which the Court applies its mind to the controversy for the purpose of framing issues, and remanded the matter directing the Trial Court to examine whether default was wilful, whether there was substantial compliance, and to pass a reasoned order after hearing both sides. The Bench comprising Justice S.V.N. Bhatti and Justice Prasanna B. Varale observed: *"the Trial Court appears to have proceeded in a somewhat mechanical manner in invoking the penal consequence of striking off the defence ... There is a reserve of discretion vested in the court entitling it not to strike off the defence if on the facts and circumstances already existing on the record it finds good reason for not doing so."*
- The Hon'ble Supreme Court in *Hirani Developers v. Nehru Nagar Samruddhi CHS Ltd. & Anr.* (Civil Appeal @ SLP (C) Nos. 38407-38411 of 2025) ruled that where a later contract expressly records that all terms and conditions of an earlier agreement shall be construed to form part of it and all clauses thereof shall be binding on the parties, such language constitutes a wholesale incorporation of the body and soul of the earlier agreement and not a mere reference, thereby also importing the arbitration clause contained therein into the later contract by operation of Section 7(5) of the Arbitration and Conciliation Act, 1996. The Court also distinguished between a "mere reference" to an earlier document for a limited purpose and a full incorporation of it, holding that Clause 14 of the Permanent Alternate Accommodation Agreement (new agreement), which adopted all terms and conditions of the Development Agreement (old agreement), left no doubt as to the intention of the parties to incorporate Clause 36 (the arbitration clause) of the old agreement into those later agreements. The Bench comprising Justice Sanjay Kumar and Justice K. Vinod Chandran observed: *"This was, thus, not a case of mere reference to an earlier agreement but a case where the parties to the later contract clearly intended to import the Development Agreement, body and soul, into the later agreements. Therefore, there can be no doubt as to the incorporation of Clause 36 of the Development Agreement, i.e., the arbitration clause, into the Permanent Alternate Accommodation Agreements."*
- The Hon'ble Supreme Court in *New India Assurance Company Limited v. Dolly Satish Gandhi & Anr.* (Civil Appeal @ SLP (C) No. 18267 of 2025) ruled that the amount received by a claimant under a Medclaim/medical insurance policy is not deductible from compensation awarded by a Motor Accidents Claims Tribunal under the Motor Vehicles Act, 1988, even where both cover the same head of medical expenses, as the two operate on entirely distinct footings, one being a statutory entitlement arising from an accident, and the other a contractual benefit flowing from premiums privately paid by the claimant over time. The Court further held that treating Medclaim receipts as a "double benefit" would unjustly enrich both the vehicle insurer who would escape liability under the medical expenses head, and the Medclaim insurer who would collect premiums without ever having to pay out while simultaneously denuding the accident victim of the benefit of their own financial prudence. The Bench comprising Justice Sanjay Karol and Justice Vipul M. Pancholi observed: *"The contractual benefit of reimbursement of medical expenses as a result of this policy is, therefore, independent of any other claim... That in itself, when it does arise, cannot eclipse the contractual benefit to which a person who has*



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*paid premiums, is entitled to ... Only because they appear same or similar, they cannot be termed as 'double benefit' ... one situation is only the fruit of amounts already paid in the past."*

- The Hon'ble Supreme Court in *Angelwoods Apartment Allottees Association v. M Lalitha & Anr.* (Civil Appeal Nos. 14439-14440 of 2025) ruled that an appeal filed under Section 61 of the Insolvency and Bankruptcy Code, 2016 before the NCLAT without a certified copy of the impugned order and without even an application for exemption from filing such copy, is not a merely defective appeal capable of cure but a wholly incompetent appeal that does not satisfy the mandatory requirements of Rule 22(2) of the NCLAT Rules, 2016, and must be rejected at the threshold. The Court further held that a diligent litigant is expected to apply for a certified copy before the expiry of the limitation period, upon which the time taken to procure it is excludable, and that e-filing an appeal on the last available day without even applying for a certified copy practically amounts to no filing in the eyes of law. The Bench comprising Justice Sanjay Kumar and Justice K. Vinod Chandran observed "*the filing of such appeal, without even applying for a certified copy of the order... practically meant that there was no filing of an appeal in the eyes of law. As pointed out by this Court, a diligent litigant is expected to apply for a certified copy of the order sought to be appealed against before the period of limitation runs out and, by doing so, such litigant would be entitled to seek exclusion of the time taken to procure the certified copy for the purpose of limitation.*"
- The Hon'ble Supreme Court in *Susanta Kumar Dalei @ Susanta Kumar Dalai v. State of Odisha* (Vigilance) (Criminal Appeal @ SLP (Crl.) No. 9445 of 2023) ruled that

the principle of parity requires that the remaining accused also be discharged if the allegations and evidence against him are not qualitatively stronger, and continuation of proceedings against him alone would be arbitrary and violative of Article 14 of the Constitution of India. The Court further held that vague and omnibus allegations cast in a wide net against a group of accused, without specifying any individual overt act or particular role of each accused, are insufficient to proceed to trial, and such continuation of criminal proceedings amounts to abuse of the process of court. The Bench comprising Justice Pankaj Mithal and Justice Prasanna B. Varale observed: "*The allegations are cast in a net wide enough to implicate all, without regard to individual acts or culpability. This is impermissible under law... A comparative examination of the roles ascribed to the discharged co-accused and the present Appellant shows no distinguishable basis that would justify differential treatment... Where the material does not disclose the commission of an offence, the Court is duty-bound to interdict the proceedings at the threshold.*"

- The Hon'ble Supreme Court in *Challani Ginning and Pressing Factory v. Kamal* (Civil Appeal No. 6525 of 2026) ruled that a third party claiming interest in attached property under Order XXI Rule 97 of the Code of Civil Procedure, 1908 ("CPC"), cannot be permitted to stall execution of a decree by raising a belated objection of co-ownership, particularly where the objector had constructive and actual knowledge of the attachment and the execution proceedings throughout, and the objection is raised only at the stage of threatened dispossession, years after attachment, as a further attempt to frustrate recovery. The Court further held that while Order XXI Rules 97, 98, 99 and 101 of CPC, constitute a complete code for resolving third-party



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disputes in execution without resort to a separate suit, the opportunity to lead evidence to prove a co-ownership claim cannot be granted on mere surmise and conjecture in the absence of any prima facie material, especially where the objector's own conduct clearly belied the claimed ignorance of proceedings. The Bench comprising Justice Sanjay Kumar and Justice K. Vinod Chandran observed *"The facts are clear and the objection was declined on a proper consideration of the same. The opportunity to lead evidence and prove the claim of co-ownership of the subject property has been proffered merely on a possibility of the claim being sustainable, especially when there was nothing produced to prima facie substantiate such a claim and the obvious facts being clearly against such a claim. On the above reasoning, we set aside the impugned order and restore the order of the Executing Court affirmed by the 1st Appellate Court, rejecting the objection. The property, if not handed over as yet shall be expeditiously vacated and handed over to the appellant by the Executing Court."*

- The Hon'ble Supreme Court in the case *Sanjay Dave vs. Andhra Bank Ltd.* (Civil Appeal Nos. 12264-12266 of 2024) reiterated that once a resolution plan approved by a Committee of Creditors ("**CoC**") under the Insolvency and Bankruptcy Code, 2016 ("**Code**"), the Successful Resolution Applicant ("**SRA**") cannot negotiate or object further to the terms of the resolution plan. The Bench comprising Justice K.V. Viswanathan and Justice Vipul M. Pancholi observed *"Once the CoC, after applying its commercial wisdom, has approved the resolution plan, the SRA is prohibited from negotiating further and is expected to act in a time bound manner to implement the plan. In the present case, it is seen that the appellant was deliberately trying to delay the implementation of the plan citing the purported conditionality of the Lol. This defeats the purpose of the Code as the otherwise timebound and swift process is now being delayed at the behest of the appellant."*



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## HIGH COURTS THIS MONTH

- The Delhi High Court in the case *Laksh Vir Singh Yadav vs. Union of India* (W.P.(C) 1021 of 2016) reiterated that Right to be Forgotten is a constitutional right protected under Article 21 of the Constitution of India and laid down a framework for de-indexing of Court judgements on the internet. The Court also made a distinction between de-indexing and deletion, clarifying that unlike deletion where judgements would be removed from the internet, de-indexing simply removes a webpage or judicial record from name-based search results without affecting the accessibility of the underlying material laid down by the Court. The Single Bench of Justice Sachin Datta observed *"The right to be forgotten, understood as subsuming the right of an individual to seek removal or restriction of personal information from public digital accessibility, where such information is no longer relevant or serves no legitimate public purpose, flows naturally and necessarily from the constitutional recognition of informational privacy under Article 21 ... The proportionality analysis that underlies the right to be forgotten is equally applicable. The continued association of an individual's name with a judicial record in the public digital domain causes disproportionate harm to informational privacy, dignity and reputation that is not justified by any legitimate public interest in the eligible categories identified in this judgment."*
- The Kerala High Court in *P.V. Surendran v. Kavitha Rajendran & Ors.* (R.F.A. No. 149 of 2016) held that in a partition suit involving properties spread across different territorial jurisdictions, the suit can validly be instituted before any court within whose local limits any portion of the subject properties is situated, and the mere existence of one item within the trial court's jurisdiction is sufficient to confer jurisdiction over all properties including those situated elsewhere. The Court further held that the territorial jurisdiction objection was additionally barred under Section 21(1) Code of Civil Procedure, 1908 as it was not raised before the trial court at the earliest opportunity and cannot be urged for the first time in appeal. The Division Bench comprising Justice Sathish Ninan and Justice P. Krishna Kumar observed *"the mere existence of one item out of several items of properties or even a portion of any of the items, within the territorial limits, would be sufficient to confer jurisdiction on the Court."*
- The Madhya Pradesh High Court in *Vinay Prakash Singh @ Deepu Singh v. Pushpendra Singh @ Dimple Singh & Ors.* (MCRC No. 17776 of 2026) held that the proviso to Section 223(1) of Bharatiya Nagarik Suraksha Sanhita, 2023 ("BNSS"), which requires an opportunity of hearing to the proposed accused before cognizance is taken, does not automatically create an obligation upon the complainant to supply the entirety of documentary and electronic evidence at the pre-cognizance stage. The Court further held that a Magistrate directing dismissal of a complaint for non-compliance of such a supply order without deciding a pending application under Section 94 of the BNSS for summoning electronic evidence and without examining merits, amounts to mechanical dismissal resulting in miscarriage of justice. The Bench of Justice Himanshu Joshi observed *"The proviso to Section 223(1) of BNSS is intended to ensure that the accused is heard before cognizance is taken. However, such opportunity does not automatically translate into an obligation to supply entire evidence at the threshold stage, particularly when the proceedings are at the stage of consideration of cognizance."*
- The High Court of Assam at Gauhati in *Satish Ray (Mandal) @ Satish Mandal v. State of Assam & Anr.* (Crl.A. no. 267 of 2023) held that a victim's use of the phrase "bad act" in her Section 164 of Code of Criminal Procedure, 1973 statement can constitute sufficient corroboration of her



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trial court testimony of penetrative sexual assault, where the attending facts and circumstances surrounding the statement, including removal of clothing and the sequence of acts described, are consistent with the specific act deposed to before the trial court. The Court further held that an intact hymen does not negate penetrative sexual assault under Section 3 of the Protection of Children from Sexual Offences Act, 2012, as the offence is established by even the slightest degree of penetration of the vulva or labia majora, and oral testimony of the victim takes precedence over medical evidence unless the latter completely refutes any possibility of the occurrence. The Bench comprising Justice Michael Zothankhuma and Justice Sanjeev Kumar Sharma observed *"the redness around the hymen and the tenderness to touch can be explained, in view of there being a slight degree of penetration, as per the testimony of the victim ... even though the evidence of Doctor is suggestive of the fact that there was no recent sexual intercourse, the evidence of the victim proves that there had been slight penetration of her private parts by the penis of the appellant."*

- The High Court of Madhya Pradesh at Jabalpur in *Laxmikant Soni v. Smt. Radha & Ors.* (MCRC No. 18044 of 2026) held that detention in maintenance execution proceedings under Section 125 of Code of Criminal Procedure, 1973 (now Section 144 of the Bharatiya Nagarik Suraksha Sanhita, 2023 ) is purely a coercive mechanism intended to compel compliance and cannot be permitted to transform into indefinite punitive confinement, particularly where prolonged incarceration itself destroys the detenu's earning capacity and thereby frustrates the very object of maintenance law. The Court further held that executing courts must balance the coercive purpose of detention against humanitarian and constitutional considerations under Article 21 of the Constitution of India, and that part payment by an

indigent laborer even if insufficient to liquidate full arrears, is indicative of bona fide intent warranting judicial indulgence, especially when accompanied by serious medical deterioration. The Bench of Justice Himanshu Joshi observed *"Once detention ceases to operate as an effective coercive mechanism and instead assumes the nature of indefinite punitive confinement, the same travels beyond the permissible statutory framework."*

- The High Court of Rajasthan at Jaipur in *Bhawani Singh Shekhawat v. Fanishwar Sharma* (S.B. Civil Writ Petition No. 8024/2026) held that mere delay in filing an amendment application under Order VI Rule 17 of the Code on Civil Procedure, 1908 is not by itself sufficient ground to refuse the amendment, as such delay is capable of being adequately compensated through imposition of costs, and an amendment is to be allowed where it is required for proper and effective adjudication of the controversy between the parties and to avoid multiplicity of judicial proceedings. The Court further held that an amendment adding a claim for mesne profits in a suit for declaration, possession and injunction does not change the nature of the suit but is purely ancillary to the main relief, and the scope of interference under Article 227 of the Constitution of India at a nascent stage of trial in matters of amendment is quite restricted. The Bench of Justice Maneesh Sharma observed *"Mere delay in making an amendment application itself is not enough to refuse amendment, as the delay can be compensated in terms of money."*
- The High Court of Kerala in *Lawrence & Ors. v. State of Kerala* (Crl.M.C. No. 2639 of 2026) held that the use of statements recorded under Section 161 of Code of Criminal Procedure, 1973 ("**CrPC**"), to contradict a witness during cross-examination is not prohibited by Section 162 CrPC, the restriction under Section 162 of CrPC operates only against using such statements as substantive



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evidence to prove a fact in issue, whereas the permitted use for contradiction in the manner provided under Section 145 of the Indian Evidence Act, 1872 (now Section 148 of the Bharatiya Sakshya Adhinyam, 2023) remains an absolute right of the accused. The Court further held that it is the absolute right of the accused to use previous statements during cross-examination of the maker thereof to shake the veracity of the evidence spoken and render it untrustworthy of credit, which is indeed the main purpose of cross-examination itself, and a Sessions Judge who disallows such use by misreading Section 162 of CrPC commits an illegality warranting interference. The Bench of Justice A. Badharudeen observed *"use of a statement recorded under Section 161 of Cr.P.C. to contradict a witness is not at all prohibited by Section 162 of Cr.P.C. and the restriction is its use as evidence in a case to prove a fact in issue."*



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## NOTIFICATIONS / AMENDMENTS INSIGHTS

- The Securities and Exchange Board of India vide circular No. SEBI/HO/DDHS-PoD-2/I/11698/2026 dated 15.05.2026 has clarified the regulatory treatment of Special Purpose Vehicles (SPVs) held by Infrastructure Investment Trusts (InvITs) upon conclusion or termination of concession agreements. The circular addresses concerns relating to whether such SPVs would continue to be considered part of the eligible infrastructure asset framework after cessation of concession rights or operational activities. The circular provides that SPVs whose concession agreements have concluded or terminated, and which no longer undertake infrastructure activities in accordance with the InvIT Regulations shall not be considered for the purpose of calculating investment conditions and threshold requirements prescribed under the regulatory framework. The clarification seeks to ensure accurate compliance assessment and regulatory consistency for InvITs holding infrastructure SPVs post expiry or termination of concession arrangements.
- The Department for Promotion of Industry and Internal Trade vide Office Memorandum No. 1/8/2016 – F.C.I dated 04.05.2026 has issued a revised Standard Operating Procedure (SOP) for processing Foreign Direct Investment (FDI) proposals requiring Government approval under the Consolidated FDI Policy and the Foreign Exchange Management (Non-debt Instruments) Rules, 2019. The SOP seeks to streamline and digitize the approval mechanism through the Foreign Investment Facilitation Portal/NSWS framework, with the objective of ensuring expeditious disposal, enhanced inter-ministerial coordination, and paperless processing of FDI applications. The SOP prescribes timelines and procedural requirements for scrutiny, consultation, approval, closure, withdrawal, and rejection of FDI proposals by competent authorities. It further mandates security clearance from the Ministry of Home Affairs for specified sectors and investments covered under Press Note 2 of 2026, while requiring consultation with the Reserve Bank of India and Ministry of External Affairs in applicable cases. The framework also introduces detailed disclosure and documentation obligations relating to beneficial ownership, land-border country investments, valuation, downstream investments, and compliance declarations, along with prescribed formats for approval letters, corrigenda, affidavits, and security clearance applications.
- The Reserve Bank of India (“RBI”) vide Notification No. RBI/2026-27/82 A.P. (DIR Series) Circular No.10 dated 13.05.2026 has amended the regulatory framework governing tie-up arrangements between Authorised Dealer Category-I (AD Cat-I) banks and non-bank entities for facilitating permissible outward remittance transactions under the Liberalised Remittance Scheme and other current account transactions. The notification removes the requirement of prior approval from the RBI for such arrangements and seeks to promote ease of doing business by transitioning towards a principle-based compliance framework for digital remittance facilitation. The notification deletes the earlier approval requirement prescribed under the Master Direction – Miscellaneous Remittances from India – Facilities for Residents and permits AD Cat-I banks to independently enter into arrangements with non-bank entities subject to compliance with prescribed safeguards. The revised framework places responsibility upon banks to ensure adherence to customer due diligence norms, anti-money laundering standards, transaction monitoring requirements, data security measures, grievance redressal mechanisms, and compliance with the Foreign Exchange Management Act, 1999 and allied regulatory directions.



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- The Securities and Exchange Board of India (“**SEBI**”) vide Circular No. HO/13/19/12(1)2026-ITD-1\_CIMGI/10873/2026 dated 05.05.2026 has issued an advisory concerning emerging advanced Artificial Intelligence (AI) tools for vulnerability detection and the cybersecurity risks arising from their deployment within the securities market ecosystem. The advisory highlights that AI-driven vulnerability detection tools may accelerate identification and exploitation of system vulnerabilities, thereby posing risks to data confidentiality, system integrity, and operational resilience of regulated entities. The advisory requires regulated entities to strengthen cybersecurity and cyber resilience mechanisms through timely patch management, vulnerability assessments, system hardening, secure API configurations, continuous monitoring, and enhanced vendor risk management practices. SEBI has also constituted a dedicated task force, “cyber-suraksha.ai”, to assess AI-related cyber threats, facilitate information sharing, and develop coordinated mitigation strategies for the securities market infrastructure and intermediaries.
- The Securities and Exchange Board of India (“**SEBI**”) vide Master Circular No. HO/43/15/12(3) 2025-ISD-POD2/I/11734/2026 dated 15.05.2026 titled “Master Circular on Surveillance of Securities Market” has consolidated and updated the regulatory framework governing surveillance mechanisms within the securities market ecosystem. The Master Circular seeks to streamline and centralise various surveillance-related directions, operational guidelines, and compliance requirements issued by SEBI from time to time in order to strengthen market integrity, transparency, and investor protection. The Master Circular consolidates surveillance measures relating to market manipulation, insider trading monitoring, unusual price and volume movement detection, Graded Surveillance Measures

(GSM), Enhanced Surveillance Measures (ESM), trading window closure requirements, and other risk-based monitoring frameworks applicable to stock exchanges, depositories, listed entities, intermediaries, and fiduciaries. The revised framework also incorporates recent regulatory developments including provisions concerning financial disincentives for surveillance-related lapses and enhanced compliance obligations under the SEBI (Prohibition of Insider Trading) Regulations, 2015.






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## DEALS THIS MONTH


- Trackk, a stock trading and wealth management platform that aims to simplify investing through an engaging and accessible user experience, has raised USD 3.7 million in a seed funding round led by Lightspeed India, with participation from Info Edge Ventures and several angel investors. Trackk plans to use the funds to strengthen its product and technology stack, expand its team, and scale its platform as it seeks to build a modern investing ecosystem targeted at younger retail investors.
- Rapido, a mobility and ride-hailing platform offering bike taxis, auto-rickshaw, and cab services across India, with a focus on affordable urban transportation solutions, has raised USD 240 million in fresh funding led by Prosus at a valuation of USD 3 billion, as part of a broader USD 730 million financing round. Rapido intends to use the capital to scale operations, deepen market penetration, strengthen its driver network, and invest in technology and platform efficiency, while continuing to expand its multimodal mobility ecosystem across high-growth markets in India.
- Raise Financial Services, the parent company of investment platform Dhan, operates a fintech ecosystem spanning stock trading, investing, and wealth management solutions for retail users. The company has acquired insurance distribution platform Greenlife to enter the insurance distribution business and expand its financial services offerings beyond investing and trading. Through the acquisition, Raise aims to build an integrated financial ecosystem by leveraging Greenlife's insurance infrastructure and distribution capabilities to cross-sell insurance products to its growing retail user base.
- Pronto, an on-demand home services startup that connects households with workers for everyday tasks such as cleaning, laundry, kitchen preparation, and other rapid-response domestic services, has raised an additional USD 20 million in its Series B round at a valuation of USD 200 million and plans to deploy the funds towards workforce expansion, scaling operations, and broadening its service offerings into adjacent categories such as car washing, gardening, and home cook services. It also intends to continue investing in operational efficiency and customer acquisition as competition intensifies in the quick home services segment.
- Milky Mist, a value-added dairy products company known for products such as paneer, cheese, butter, yoghurt, ice cream, and ready-to-eat dairy-based offerings, has raised INR 482 crore in a pre-IPO funding round led by Temasek arm Jongsong Investments and plans to use the proceeds to strengthen its balance sheet ahead of its proposed public listing. The funds will also support debt repayment, capacity expansion, modernization of its manufacturing facilities, and enhancement of its cold chain and distribution infrastructure as it scales its national presence in the premium dairy segment.



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