DEVMANTRA TIMES

Issue No. 62, Dated 3rd July, 2026

DEAR READERS,

We welcome you to the Sixty fourth edition of DevMantra Times for the month of July 2026. This edition of our newsletter, where we bring you a curated overview of the latest legal, regulatory, economic, and business developments shaping India's evolving corporate and financial landscape

This month's edition highlights significant developments in the financial sector, where India's retail lending industry is projected to enter a multi-decade growth cycle, driven by digital transformation, financial inclusion, and technology-led innovation. The Reserve Bank of India (RBI) has also reported a strong rebound in the performance of listed private non-financial companies, led by the manufacturing sector, while introducing regulatory measures to strengthen infrastructure financing by enhancing exposure limits for Upper Layer NBFC-Infrastructure Finance Companies. Further, the Government continues to reinforce support for MSMEs through credit guarantees exceeding ₹13 lakh crore and stricter monitoring of delayed payments to improve liquidity across the sector.

The startup and innovation ecosystem continues to demonstrate resilience and investor confidence. Info Edge has significantly expanded its investments in AI and deep-tech startups, reflecting the growing importance of emerging technologies in India's innovation landscape. Lime has successfully completed its U.S. IPO, signalling renewed optimism in international capital markets, while Oyo has filed its updated Draft Red Herring Prospectus (DRHP) for a proposed ₹6,650 crore IPO, underscoring the continued momentum in India's hospitality sector. At the same time, the ongoing Byju's insolvency proceedings highlight the complexities associated with large-scale corporate restructuring and asset monetisation.

This edition also captures important judicial pronouncements and regulatory updates under the Goods and Services Tax, Income-tax, Corporate Laws, and allied legislations, along with key notifications, circulars, and compliance developments that are likely to have a significant impact on businesses, professionals, and taxpayers.

Here's to a year filled with meaningful milestones, shared achievements, and inspiring moments that move us forward. July 2026 usher in renewed energy, good health, joy, and lasting prosperity for you and your loved ones. We are deeply grateful to have you as an integral part of our community - your trust, support, and engagement continually strengthen and uplift us. As we step into the year ahead, let's continue to learn, grow, innovate, and shape new possibilities together, making the journey not only successful but truly extraordinary in every way.

INDUSTRY & ECONOMIC UPDATES

India's retail lending sector entering multi-decade growth cycle driven by digital transformation, financial inclusion

EDITORIAL NOTE:

India's retail lending sector is entering a long-term growth phase, driven by digital transformation, financial inclusion, rising household incomes, and expanding secured lending. The report highlights significant growth opportunities in housing finance, vehicle finance, and gold loans due to low credit penetration and increasing formalisation. It also notes that advancements in AI-based underwriting, digital onboarding, and embedded finance are reshaping the lending ecosystem, positioning technology-driven lenders for sustained long-term growth.

DEVMANTRA TIMES

Issue No. 62, Dated 3rd July, 2026

Listed pvt firms return to double-digit sales growth in FY26, led by manufacturing rebound: RBI

EDITORIAL NOTE:

According to the Reserve Bank of India (RBI), sales growth of listed private non-financial companies rebounded to 10.1% in FY 2025-26, returning to double-digit growth after two years of single-digit expansion. The recovery was primarily driven by the manufacturing sector, where sales grew 10.8%, led by the automobiles, electrical machinery, food & beverages, and chemicals industries. While IT companies recorded a modest improvement in sales growth and non-IT services maintained strong double-digit growth, the petroleum sector continued to witness a decline in sales. The RBI also noted that manufacturing companies faced higher input costs, with raw material expenses rising by 12%, resulting in an increase in the raw material-to-sales ratio, indicating continued cost pressures.

RBI to raise large exposure limit for upper layer NBFC-IFCs to 45% from 35% of eligible capital base

EDITORIAL NOTE:

The Reserve Bank of India (RBI) has enhanced the large exposure limit for Upper Layer NBFC-Infrastructure Finance Companies (NBFC-IFCs), allowing them to lend up to 45% of their eligible capital base to a group of connected borrowers, compared to the earlier limit of 35%. The decision aims to support the growing financing needs of the infrastructure sector while ensuring continuity of ongoing projects. Additionally, the RBI has simplified the methodology for identifying Upper Layer NBFCs by adopting an asset-size threshold of ₹1 lakh crore and above, replacing the existing multi-parameter approach. The central bank has also decided to include eligible government-owned NBFCs within the Upper Layer framework, while exempting fully government-owned and government-controlled NBFCs from the mandatory stock exchange listing requirement.

Singapore-based fintech company Aleta aims to expand operations into India

EDITORIAL NOTE:

Singapore-based fintech company Aleta Planet is planning to expand its operations into India, aiming to strengthen the country's cross-border and multi-currency payments ecosystem. The company intends to partner with licensed financial institutions to offer plug-and-play infrastructure for Visa debit card issuance, payments, and compliance, enabling faster market launches. Aleta sees significant growth potential in India, supported by strong remittance flows from Indian expatriates in Singapore and the Middle East. As part of its expansion strategy, the company plans to leverage its global partnerships with Visa and Sanrio, while exploring collaborations in the Indian market. Aleta expects India to emerge as a key growth market for its fintech solutions and Sanrio-themed payment products over the coming years.

Credit guarantee of Rs 13 lakh cr to micro, small cos in last few yrs; delayed payments under lens

EDITORIAL NOTE:

The Central Government has extended credit guarantees worth over ₹13 lakh crore to Micro, Small and Medium Enterprises (MSMEs), significantly improving access to institutional finance for the sector. According to the MSME

DEVMANTRA TIMES

Issue No. 62, Dated 3rd July, 2026

EDITORIAL NOTE:

Secretary, credit flow to MSMEs has increased from ₹10 lakh crore in 2014 to ₹37 lakh crore, reflecting nearly 300% growth, supported by initiatives such as the Emergency Credit Line Guarantee Scheme (ECLGS). The government has also intensified monitoring of delayed payments to MSMEs, ensuring dues are settled within the prescribed 45-day period to strengthen liquidity and business sustainability. Despite challenges arising from the COVID-19 pandemic and global supply chain disruptions, Indian MSMEs have demonstrated strong resilience, with the government continuing to support the sector through credit and policy measures.

RBI to raise large exposure limit for upper layer NBFC-IFCs to 45% from 35% of eligible capital base

EDITORIAL NOTE:

The Reserve Bank of India (RBI) has enhanced the large exposure limit for Upper Layer NBFC-Infrastructure Finance Companies (NBFC-IFCs), allowing them to lend up to 45% of their eligible capital base to a group of connected borrowers, compared to the earlier limit of 35%. The decision aims to support the growing financing needs of the infrastructure sector while ensuring continuity of ongoing projects. Additionally, the RBI has simplified the methodology for identifying Upper Layer NBFCs by adopting an asset-size threshold of ₹1 lakh crore and above, replacing the existing multi-parameter approach. The central bank has

Startup Updates

Info Edge says it invested Rs 1,003 crore on AI, deeptech startups since 2020

EDITORIAL NOTE:

Info Edge, the parent company of Naukri, has invested over ₹1,003 crore in 54 artificial intelligence (AI) and deeptech startups since 2020, reinforcing its focus on emerging technologies. As of March 31, 2026, the company's AI portfolio was valued at ₹1,268 crore, while its deeptech investments were valued at ₹559 crore, reflecting strong long-term growth potential. The portfolio includes startups across AI, robotics, semiconductors, biotechnology, spacetech, electric mobility, and defence, with several companies also receiving support under government initiatives such as the IndiaAI Mission. Overall, Info Edge has invested nearly ₹4,900 crore across 135 startups, with a portfolio valuation of approximately ₹41,300 crore, underscoring its continued commitment to innovation-driven businesses.

Uber-backed Lime raises $167 million in US IPO

EDITORIAL NOTE:

Lime, the shared electric bike and scooter company backed by Uber, has raised $167 million through its initial public offering (IPO) in the United States, reflecting renewed investor confidence in the IPO market. The company priced its offering at $25 per share, the midpoint of its indicated price band, and is set to list on the Nasdaq under the ticker "LIME". Founded in 2017, Lime operates in more than 230 cities worldwide and has witnessed strong demand for its shared mobility services, with revenue increasing nearly 30% to $886.7 million in 2025. Despite reporting a higher net loss, the successful IPO highlights growing investor interest in sustainable mobility and technology-driven transportation businesses amid a revival in global equity markets.

DEVMANTRA TIMES

Issue No. 62, Dated 3rd July, 2026

Byju's Asset Sale Faces Delays as Insolvency Process Continues

EDITORIAL NOTE:

The insolvency proceedings of Think & Learn Pvt. Ltd., the parent company of Byju's, continue to face challenges as the sale of its physical assets remains pending. Around 2 lakh tablets, along with thousands of laptops, headphones, routers, keyboards, printers, webcams, and other educational equipment valued at approximately ₹7–10 crore, are yet to be monetised despite receiving interest from potential bidders. The delay is attributed to the ongoing categorisation and audit of the assets to maximise recovery through phased sales rather than bulk disposal at discounted prices. Meanwhile, the broader Corporate Insolvency Resolution Process (CIRP) is also progressing slowly, with key assets, including investments in subsidiaries and intellectual property, yet to be resolved. The prolonged process highlights the complexities involved in maximising value from Byju's assets while balancing creditor recoveries and operational costs.

Oyo parent files updated DRHP for Rs 6,650 crore IPO: Key things to know

EDITORIAL NOTE:

Oyo's parent company, Prism, has filed its updated Draft Red Herring Prospectus (UDRHP-I) with the Securities and Exchange Board of India (SEBI) for a ₹6,650 crore Initial Public Offering (IPO). The issue consists entirely of a fresh issue of shares, with the proceeds primarily earmarked for repayment or prepayment of borrowings, while the balance will be used for general corporate purposes. The company also has the option to raise up to ₹1,330 crore through a pre-IPO placement. For the nine months ended December 31, 2025, Prism reported revenue of ₹6,941 crore and a net profit of ₹748 crore, with over 84% of its revenue generated from international markets. Operating across 35+ countries under 43 brands, the company continues to expand its global hospitality footprint, supported by the acquisition of G6 Hospitality and the growth of its company-serviced hotel business in India.

Why this Volume of Newsletter is important for reader?

Through the series of this newsletter, we aim at covering all relevant Income Tax, Goods & Service Tax and Companies Act, Start-up Update, notification, circulars and case laws which may directly or indirectly impact our readers.

At DevMantra, it is our utmost priority to help our readers to be informed with respect to the changes in relevant laws for a smoother compliance.

DevMantra was founded based on the unalterable premise of excellence, acuity, integrity and an unwavering commitment to delivery. These principles continue to form the edifice of our approach as an organization, to our clients, our professionals and our community, and this has served us well in our journey so far. This approach has allowed DevMantra to work with and advise the very best clients, both in India and internationally. We encourage our people to strive for excellence and innovation within a meritocratic working environment and support their entrepreneurial spirit. It is our consistent endeavor with our people, to ensure that they imbibe the culture of the firm and form part of the weft and weave of the fabric of DevMantra. Our core values remain the guiding principles for everything we do, and we would like to emphasize "Knowledge" as one of the fundamental beliefs which drive the success of our operations. As we keep on reiterating, Knowledge is our number one priority. We don't count time when it comes to gain any new knowledge or to reinstate the earlier one. Our clients trust our expertise and putting countless hours in keeping ourselves up to date on the subject we are advising on, deserve their trust.

Regards & Best Wishes,

Editorial Team

GST

JUDICIAL UPDATES

Refund under Sec. 54(3) is not admissible for pre-GST VAT credit transitioned into Electronic Credit Ledger; but be utilised in future: HC

EDITORIAL NOTE:

The High Court has held that refund under Section 54(3) of the CGST Act is not admissible for pre-GST VAT credit transitioned into the Electronic Credit Ledger (ECL), as such refunds are specifically barred by the second proviso to Section 142(3). The Court clarified that only Input Tax Credit (ITC) accumulated under the GST regime is eligible for refund under Section 54(3). However, it also directed that the rejected transitional VAT credit should be re-credited to the Electronic Credit Ledger under Section 140, enabling taxpayers to utilise the credit against future GST liabilities.

Sec. 16(5) only extends ITC time-limit; it does not revive ITC already reversed for supplier mismatch: AAR

EDITORIAL NOTE:

The Authority for Advance Ruling (AAR) has clarified that Section 16(5) of the CGST Act, introduced by the Finance Act (No. 2), 2024, merely extends the time limit for availing eligible Input Tax Credit (ITC) and does not provide a fresh right to reclaim ITC that has already been reversed due to supplier reporting mismatches. Accordingly, ITC relating to 2020 invoices, which had been reversed under an earlier AAR order, cannot be re-availed by relying on the provisions of Section 16(5).

Counter sale of pre-made ice cream is supply of goods; outlet-made or food-combo ice cream is restaurant service; B2B supply remains goods

DEVMANTRA TIMES

Issue No. 62, Dated 3rd July, 2026

The Authority for Advance Ruling (AAR) has clarified that Section 16(5) of the CGST Act, introduced by the Finance Act (No. 2), 2024, merely extends the time limit for availing eligible Input Tax Credit (ITC) and does not provide a fresh right to reclaim ITC that has already been reversed due to supplier reporting mismatches. Accordingly, ITC relating to 2020 invoices, which had been reversed under an earlier AAR order, cannot be re-availed by relying on the provisions of Section 16(5).

Refund under Sec. 54(3) is not admissible for pre-GST VAT credit transitioned into Electronic Credit Ledger; but be utilised in future: HC

EDITORIAL NOTE:

The Authority for Advance Ruling (AAR) has clarified the GST classification of ice cream supplies, holding that pre-manufactured ice cream sold over the counter is to be treated as a supply of goods and not as a restaurant service. However, ice cream prepared at the outlet or served as part of food items such as faluda, milkshakes, or similar desserts will qualify as a restaurant service. The ruling further clarifies that all business-to-business (B2B) supplies of ice cream will continue to be treated as a supply of goods under the GST law.

Govt. extends GSTAT filing deadline till 31-07-2026 for pre-01-05-2026 appeals and pre-01-02-2026 applications

EDITORIAL NOTE:

The Government has extended the deadline for filing appeals and applications before the GST Appellate Tribunal (GSTAT) to 31 July 2026 for specified cases covered under Sections 112(1) and 112(3) of the CGST Act. However, appeals against orders communicated on or after 1 May 2026 and applications relating to orders passed on or after 1 February 2026 will continue to be governed by the statutory timelines prescribed under Section 112 of the CGST Act.

ITC denial unsustainable as returns filed within extended period under sec. 16(5) of GST Acts:HC

EDITORIAL NOTE:

The High Court has held that Input Tax Credit (ITC) cannot be denied solely on the ground of delayed filing of GST returns where the returns were filed within the extended time limit prescribed under the amended law. The Court observed that since the statutory amendment had extended the deadline for availing ITC, the rejection of the taxpayer's claim based only on belated filing was unsustainable. Accordingly, the order denying ITC was set aside.

SCN and demand under GST invalid when issued to non-existent amalgamating company post-dissolution:

EDITORIAL NOTE:

The High Court has held that a show cause notice and demand order issued under Section 74 of the CGST Act against a company that had ceased to exist pursuant to an approved amalgamation are without jurisdiction and void ab initio. The Court observed that since the transferor company had been dissolved, its GST registration cancelled, and the authorities had

DEVMANTRA TIMES
Issue No. 62, Dated 3rd July, 2026

been duly informed of the merger, no proceedings could be initiated or continued against the non-existent entity. Accordingly, the notices and demand orders issued in the name of the dissolved company were declared invalid.

GST registration to be restored if returns filed and dues paid within 60 days as per Rule 22(4): HC

EDITORIAL NOTE:

He High Court has held that a taxpayer whose GST registration was cancelled due to non-filing of returns for six months may seek restoration of the registration by filing all pending returns and paying the applicable tax, interest, penalty, and late fees in accordance with Rule 22(4) of the CGST Rules. The Court further directed the tax authorities to consider the restoration application expeditiously upon compliance with these conditions, while clarifying that the statutory limitation period for such restoration shall be reckoned from the date of the Court's order.

CBIC clarifies jurisdiction for GST proceedings where taxpayer shifts to another jurisdiction: Circular

EDITORIAL NOTE:

The Central Board of Indirect Taxes and Customs (CBIC) has clarified that GST proceedings validly initiated by the transferor jurisdictional officer before the migration or transfer of a taxpayer will continue to remain legally valid. However, after the change in jurisdiction, all subsequent proceedings, implementation of earlier actions, and consequential actions must be carried out by the transferee jurisdictional officer. The clarification aims to ensure continuity of GST proceedings and avoid jurisdictional disputes arising from the transfer of taxpayers between tax authorities.

AO cannot issue fresh SCN for same year post-remand; must adjudicate original SCN after personal hearing: HC

EDITORIAL NOTE:

The High Court has held that where an earlier writ order had remanded an assessment for fresh adjudication after granting a personal hearing, the Assessing Officer could not issue a second show cause notice for the same assessment year. The Court observed that the remand was limited to adjudicating the original show cause notice after considering the taxpayer's reply and providing a proper opportunity of hearing. Accordingly, the fresh show cause notice and the consequent assessment order were set aside, with directions to complete the proceedings based only on the original notice in compliance with the Court's earlier order.

Recovery of transport and canteen charges from employees is supply by employer; services taxable: AAR

EDITORIAL NOTE:

The Authority for Advance Ruling (AAR) has held that when an employer arranges transportation and canteen services through third-party service providers and recovers a nominal amount from employees, the employer is deemed to be the supplier of such services to the employees. Accordingly, the recovery of such amounts

DEVMANTRA TIMES
Issue No. 62, Dated 3rd July, 2026

constitutes a 'supply' under Section 7(1) of the CGST Act, making the transaction liable to GST, subject to the applicable provisions of the law.

For ITC refunds on zero-rated exports/inverted duty prior to 1-2-2019, limitation runs from return due date, not export date: HC

EDITORIAL NOTE:

The High Court has clarified that for refund claims of unutilised Input Tax Credit (ITC) arising from zero-rated exports or an inverted duty structure, the relevant date under Section 54 of the CGST Act is the due date for filing the relevant GST return as specified in Explanation 2(e), and not the date of export under Explanation 2(a). The Court observed that adopting the export date as the relevant date would unfairly restrict the statutory right to claim refunds. It further held that the amendment to Explanation 2(e) cannot be applied retrospectively to deny refund claims relating to transactions undertaken prior to the amendment, thereby safeguarding taxpayers' vested rights.

INCOME TAX REGULATORY UPDATES

Govt. retains interest rates on small savings schemes unchanged for Q2 of FY 2026-27

EDITORIAL NOTE:

The Government has announced that the interest rates on various Small Savings Schemes for the quarter commencing 1 July 2026 and ending 30 September 2026 will remain unchanged from the rates notified for the first quarter of FY 2026–27.

Recorded sales forming part of turnover cannot be taxed under section 68 or subjected to further profit estimation: ITAT

EDITORIAL NOTE:

Where the alleged accommodation entry sales were duly recorded in the books of account as part of the turnover and the corresponding profits had already been offered to tax, and the books of account were not rejected, the related receipts could not be treated as unexplained cash credits. Further, in the absence of any finding of income suppression, no additional profit could be estimated.

CBDT notifies 'Infrastructure Sub-Sectors' as eligible businesses for investment under Schedule V of Income-tax Act, 2025

EDITORIAL NOTE:

DEVMANTRA TIMES

Issue No. 62, Dated 3rd July, 2026

The Central Board of Direct Taxes (CBDT) has notified that businesses operating in infrastructure sub-sectors included in the Updated Harmonised Master List issued by the Department of Economic Affairs (DEA) shall qualify as specified businesses for the purposes of Schedule V [Table: Sl. No. 7] of the Income-tax Act, 2025.This notification aligns the tax framework with the Government's updated classification of infrastructure sectors and extends the prescribed tax benefits to eligible businesses operating in the notified sub-sectors. The notification is effective from 1 June 2026.

Criminal prosecution for delayed TDS deposit quashed as entire tax & interest paid: HC

EDITORIAL NOTE:

Where an assessee-company deducted tax at source (TDS) but delayed its deposit due to a temporary shortage of funds, and subsequently remitted the TDS along with the applicable statutory interest, the continuation of prosecution under Sections 276B read with 278B was held to be unwarranted. Accordingly, the Court quashed the order taking cognizance of the prosecution.

Indexed cost of construction can be allowed based on registered sale deed and PWD rates despite absence of old bills :ITAT

EDITORIAL NOTE:

Where an assessee sold a property originally acquired in the mid-1980s and claimed indexed cost of acquisition, including the cost of subsequent construction and improvements, such claim could not be denied merely because supporting bills and vouchers were unavailable due to the passage of time. Since the existence of the superstructure was duly corroborated by the registered sale deed and the valuation authority, the indexed cost was required to be recomputed by considering the covered area reflected in the sale deed and applying the applicable PWD rates, instead of rejecting the claim in its entirety.

Govt introduces Income-tax (Amendment) Ordinance, 2026; exempts FIIs & BIS from tax on Govt. Securities income

EDITORIAL NOTE:

The Government has promulgated the Income-tax (Amendment) Ordinance, 2026 to amend Schedule IV of the Income-tax Act, 2025. The Ordinance provides tax exemption on interest income and capital gains arising from investments in Government securities made by Foreign Institutional Investors (FIIs) and the Bank for International Settlements (BIS), subject to the prescribed reporting and compliance requirements. The amendment is intended to strengthen India's debt market by enhancing the tax attractiveness of Government securities for eligible foreign investors while ensuring adequate regulatory oversight through reporting obligations.

SLP dismissed: sec.148 notice valid as assessee's adjournment period stood excluded while computing limitation under fifth proviso to sec.149

EDITORIAL NOTE:

DEVMANTRA TIMES

Issue No. 62, Dated 3rd July, 2026

The Supreme Court dismissed the Special Leave Petition (SLP) against the High Court's ruling that where a notice under Section 148A(b) was issued within the prescribed six-year limitation period for income escaping assessment, the time consumed in granting adjournments sought by the assessee must be excluded while computing the limitation period in terms of the fifth proviso to Section 149. Accordingly, the notice issued under Section 148 on 15 April 2024 was held to be within the prescribed limitation period, as the delay was attributable solely to the assessee's own requests for adjournment.

Ex-gratia on voluntary retirement under closure scheme held exempt as per sec. 10(10C); addition deleted: ITAT

EDITORIAL NOTE:

Where an assessee, a former employee of Pfizer India, received compensation under a Voluntary Retirement Scheme (VRS) following the closure of the company's manufacturing plant and claimed the amount as an exempt capital receipt, it was held that the payment was not taxable as a revenue receipt. Since the separation from employment was pursuant to a voluntary retirement scheme and not on account of termination by the employer, the compensation retained the character of a capital receipt, and the addition made by the tax authorities was held to be unjustified.

Section 54 deduction rightly denied as assessee failed to claim in return or during assessment:ITAT

EDITORIAL NOTE:

Where an assessee sold a co-owned residential flat but failed to claim deduction under Section 54 either in the original return of income or during the assessment proceedings, a subsequent claim made for the first time before the Commissioner (Appeals) by way of additional evidence was rightly rejected. Since the claim was neither made through a revised return nor raised before the completion of the assessment, the rejection was held to be in accordance with the settled legal position and established judicial precedents.

Penalty u/s 271(1)(c) not leviable where addition for bogus purchases is made on estimation basis:HC

EDITORIAL NOTE:

Where an assessment was reopened on account of alleged bogus purchases, but the addition was ultimately sustained only to the extent of 12.5% on an estimated basis, penalty under Section 271(1)(c) for concealment of income or furnishing inaccurate particulars could not be levied. Since the addition was based purely on estimation and not on conclusive evidence of concealed income, the imposition of penalty was held to be unsustainable.

CORPORATE LAW UPDATES

SEBI sets up a 'Settlement Helpdesk Facility'

Ex-gratia on voluntary retirement under closure scheme held exempt as per sec. 10(10C); addition deleted: ITAT

EDITORIAL NOTE:

SEBI has introduced a Settlement Helpdesk Facility to assist applicants and prospective applicants in understanding and complying with the procedural requirements for filing settlement applications. The Helpdesk will provide guidance on the settlement process, procedural compliances, computation of the Indicative Settlement Amount, and the status of pending settlement applications. The initiative is aimed at simplifying the settlement mechanism, improving procedural clarity, and facilitating a smoother and more efficient application process for stakeholders.

IBBI proposes reforms for real estate insolvency resolution

EDITORIAL NOTE:

The Insolvency and Bankruptcy Board of India (IBBI) has proposed a series of reforms aimed at improving resolution outcomes in real estate insolvency cases, with a strong focus on timely completion of projects and safeguarding the interests of homebuyers. The proposed measures include project-wise resolution, ring-fencing of project-specific funds, expedited handover of completed units, simplified claim filing procedures, enhanced disclosure requirements, independent project assessments, standardised resolution plans, greater participation of stakeholders, improved coordination with RERA authorities, and additional safeguards before liquidation. These reforms are intended to enhance transparency, preserve project value, and ensure a more efficient and homebuyer-centric insolvency resolution process.

SEBI constitutes Expert Working Group to review regulatory framework for Debenture Trustees

EDITORIAL NOTE:

SEBI has constituted an Expert Working Group to undertake a comprehensive review of the regulatory framework governing Debenture Trustees, including the SEBI (Debenture Trustees) Regulations, 1993. The Working Group will examine stakeholder representations, evaluate the existing regulatory framework, recommend measures to strengthen the role and responsibilities of Debenture Trustees, and review the prevailing net-worth requirements to determine whether any revisions are warranted. As part of the consultation process, SEBI has also invited public comments on the existing framework, with stakeholders permitted to submit their suggestions up to 15 July 2026.

MCA issues Corporate Mitra Scheme guidelines to train paraprofessionals for MSME compliance support

EDITORIAL NOTE:

The Ministry of Corporate Affairs (MCA) has issued guidelines for the Corporate Mitra Scheme, an initiative aimed at creating a pool of

DEVMANTRA TIMES
Issue No. 62, Dated 3rd July, 2026

trained and certified paraprofessionals to assist Micro, Small and Medium Enterprises (MSMEs) in areas such as regulatory compliance, GST, accounting, cost accounting, and secretarial services. The scheme comprises six months of academic training followed by six months of on-the-job training with professional firms. It will be implemented through the Swayam Plus Portal in collaboration with the Institute of Chartered Accountants of India (ICAI), the Institute of Company Secretaries of India (ICSI), and the Institute of Cost Accountants of India (ICMAI), with the objective of strengthening compliance capabilities and improving access to professional support for MSMEs.

MCA excludes 'New Development Bank' from the meaning of "body corporate" u/s 2(11)(ii) of the Cos. Act, 2013

EDITORIAL NOTE:

The Central Government has notified the New Development Bank (NDB) for the purposes of Section 2(11)(ii) of the Companies Act, 2013. As a result, the NDB will be excluded from the definition of a "body corporate" or "corporation" under the Act. The New Development Bank, established by the BRICS nations—Brazil, Russia, India, China, and South Africa—under an agreement signed at Fortaleza, Brazil, on 15 July 2014, is a multilateral development bank focused on financing infrastructure and sustainable development projects. The notification provides statutory recognition to the NDB's special status under the Companies Act and aligns its treatment with that of other notified international financial institutions.

SEBI proposes raising minimum net worth threshold for brokers offering MTFs from Rs 3 crore to Rs 5 crore

EDITORIAL NOTE:

SEBI has issued a consultation paper proposing revisions to the Margin Trading Facility (MTF) framework with the objective of enhancing operational efficiency and improving the ease of doing business for stockbrokers. The key proposals include increasing the minimum net worth requirement for brokers offering MTF services from ₹3 crore to ₹5 crore and permitting stockbrokers operating as Limited Liability Partnerships (LLPs) to provide MTF facilities to their clients. SEBI has invited public comments on the proposals, which may be submitted until 9 July 2026.

SEBI introduces a lighter NISM certification module for 'Persons Associated with Investment Advice'

EDITORIAL NOTE:

SEBI has introduced a simplified NISM certification module for Persons Associated with Investment Advice (PAIA) who perform only sales and other non-core functions, such as sales personnel, relationship managers, and similar staff. The revised certification framework applies to individuals who interact with clients but are not directly involved in providing investment advice or making investment recommendations. The initiative aims to rationalise the certification requirements, reduce the compliance burden for non-advisory personnel, and facilitate ease of doing business, while maintaining appropriate competency standards for client-facing roles. The circular has come into effect immediately.

DEVMANTRA TIMES
Issue No. 62, Dated 3rd July, 2026

Company Court can suo motu transfer pending winding up petition to NCLT unless it is at irreversible stage:HC

EDITORIAL NOTE:

Where an admitted winding-up petition had not progressed to an irreversible or irretrievable stage, the Company Court was empowered to transfer the pending proceedings to the National Company Law Tribunal (NCLT) under Section 434 of the Companies Act, 2013 read with Rule 5 of the applicable Transfer Rules, either on an application by a party or suo motu. The Court further held that calling for a status report to ascertain the stage of the proceedings before directing such transfer was a proper exercise of judicial discretion and did not render the transfer order erroneous.

IFSCA introduces regulatory framework for Managing General Agents in IFSCs

The International Financial Services Centres Authority (IFSCA) has notified the IFSCA (Managing General Agents) Regulations, 2026, establishing a comprehensive regulatory framework for the registration, governance, and operation of Managing General Agents (MGAs) in International Financial Services Centres (IFSCs). The Regulations prescribe eligibility criteria, the registration process, minimum capital and net worth requirements, operational and governance standards, fiduciary responsibilities, requirements relating to Binding Authority Agreements, and robust compliance and oversight mechanisms. The framework is intended to strengthen regulatory oversight, promote transparency, and facilitate the orderly growth of insurance distribution and underwriting activities within IFSCs.

IFSCA mandates Capital Market Intermediaries in IFSCs to file annual compliance audit report by Sept. 30th of each year

EDITORIAL NOTE:

The International Financial Services Centres Authority (IFSCA) has prescribed the reporting formats and compliance norms for the Annual Compliance Audit of Capital Market Intermediaries (CMIs) operating in IFSCs. Under the revised framework, all categories of CMIs are required to submit the Annual Compliance Audit Report (ACAR) along with the Annual Compliance Audit Checklist (ACAC) in the prescribed format to the Authority on or before 30 September each year for the preceding financial year. The ACAC must also include a comprehensive checklist covering the general obligations and responsibilities applicable to all CMIs, with the objective of promoting uniform compliance standards, strengthening regulatory oversight, and enhancing governance across the IFSC capital market ecosystem.

MCA mandates Rs. 25 lakh minimum paid-up capital for Registered Valuer Organizations

EDITORIAL NOTE:

: The Ministry of Corporate Affairs (MCA) has amended the Companies (Registered Valuers and Valuation) Rules, 2017 to strengthen the regulatory framework governing Registered Valuer Organisations (RVOs). Under the amended Rules, every RVO must maintain a minimum paid-up share capital of ₹25 lakh and have the sole object of regulating valuers in one or more specified asset classes. The amendments also require RVOs to adopt and

DEVMANTRA TIMES
Issue No. 62, Dated 3rd July, 2026

maintain bye-laws incorporating the prescribed governance and operational requirements. Existing RVOs have been granted a transition period until 31 March 2028 to comply with the revised capital requirement.

SEBI eases nomination norms for demat accounts & MF folios; mandates nomination for single-holder accounts from Sept 1, 2026

EDITORIAL NOTE:

SEBI has relaxed the nomination framework for demat accounts and mutual fund folios by simplifying documentation requirements and streamlining the nomination process to help reduce unclaimed investor assets. Under the revised norms, nomination will be mandatory for all single-holder demat accounts and mutual fund folios opened on or after 1 September 2026, unless the investor expressly opts out by submitting the prescribed declaration form. For jointly held accounts and folios, nomination will continue to remain optional. The revised framework aims to facilitate smoother transmission of assets while reducing procedural hurdles for investors and their legal heirs.

Tax Compliance Calendar for July 2026

Compliance Due Date	Concerned (Reporting) Period	Compliance Detail	Applicable To
7th July	April 2026 to June 2026	Deposit of TDS and TCS	All deductors and collectors required to deposit TDS/TCS deducted or collected during the quarter, where quarterly payment is applicable.
11th July	Jun 2026	GSTR-1 (Outward supply return)	Registered taxpayers having aggregate turnover exceeding ₹5 crore in the preceding financial year or taxpayers who have opted for monthly filing of GSTR-1.
13th July	Jun 2026	GSTR-1 (Outward supply return)	Taxpayers registered under the QRMP Scheme opting to furnish details of outward supplies through the Invoice Furnishing Facility (IFF) for the first two months of the quarter.
		ISD Return	Input Service Distributors (ISDs) distributing input tax credit to their registered units.
15th July	April–June 2026	Quarterly TCS return (April–June) via Form 27EQ.	Persons required to collect tax at source (TCS) under the Income-tax Act.
18th July	April–June 2026	GST CMP-08	Taxpayers registered under the Composition Scheme.

DEVMANTRA TIMES

Issue No. 62, Dated 3rd July, 2026

Tax Compliance Calendar for July 2026

25th July	Jun 2026	Tax payment via GSTR PMT-06	Taxpayers registered under the QRMP Scheme for payment of monthly tax liability for June 2026.
30th July	Jun 2026	Challan-cum-statement for specified TDS deductions made in June	Persons required to deduct TDS under Sections 194-IA (purchase of immovable property), 194-IB (rent by certain individuals/HUFs), or 194M (payments by specified individuals/HUFs) during June 2026.
31st July	AY 2026–27	Income Tax Returns (ITR-1 and ITR-2) for non-audit cases, including salaried individuals and HUFs with no business income.	Individuals, HUFs, and other eligible taxpayers not liable to tax audit, including salaried individuals and HUFs having no business or professional income.
31st July	April–June 2026	Form 24Q, 26Q, 27Q	All persons required to deduct tax at source and file quarterly TDS statements for the quarter ended 30 June 2026.