Cassie

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DAILY

Court Digest

The day's most significant judgments from India's courts.

IN TODAY'S DIGEST

- **S.41A CrPC | Post-arrest notice illegal; Rs 5L awarded : Bombay HC**
- **S.498A IPC | Void second marriage bars cruelty charge : Gujarat HC**
- **S.528 BNSS | Inherent power cannot bypass revision bar : J&K HC**
- **S.56(2)(x) IT Act | Rights issue allotment not taxable : Bombay HC**
- **S.2(1)(g) CPA | TPA delay condonation binds insurer : Gujarat SCDRC**

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High Courts

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Government & Public Body Interactions

BOMBAY HC

Proportionate rights share allotment below market value is not taxable under Section 56(2)(x)

The dispute. Grasim Industries subscribed to rights shares of Vodafone Idea at Rs 12.50 per share. The assessing officer reopened the assessment, treating the Rs 329 crore difference from fair market value as taxable income. The company petitioned the High Court challenging the reassessment proceedings as time-barred and substantively inapplicable.

The reasoning. A reassessment notice is time-barred if foundational information is supplied after limitation expires. Section 56(2)(x) cannot tax proportionate rights allotments with unchanged shareholding, since newly created shares are not received from another.

> *There is a fundamental distinction between informing an Assessee that a particular amount has escaped assessment and furnishing the information on the basis of which such an allegation is made.*
>
> FROM THE JUDGMENT

The order. The High Court allowed the petition, quashing the Section 148A notice and consequential orders. The proceedings were held time-barred and Section 56(2)(x) ruled inapplicable.

§ **Section 148A, Income-tax Act, 1961; Section 56(2)(x), Income-tax Act, 1961**

Grasim Industries Limited 2020 21 vs Deputy Commissioner of Income tax, Central Circle 14, Mumbai

COURT	DECIDED	CASE NO.	CITATION
Bombay High Court	22.10.2026	WP/4298/2026	2026:BHC-OS:22856-DB

BENCH

B. P. Colabawalla, Farhan P. Dubash

Criminal Issues
Bail, Arrest & Custody Issues

BOMBAY HC

Serving a Section 41A notice after arrest renders detention illegal and warrants compensation

The dispute. Acting as his mother-in-law's attorney in redevelopment talks, the petitioner took a Rs 2 lakh advance from builders. Police immediately arrested him for alleged extortion, faking station records and serving a Section 41A notice post-arrest. After twenty-six days in custody, the petitioner petitioned under Article 226 challenging the arrest and claiming damages.

The reasoning. Arresting a suspect before serving a Section 41A notice renders detention unlawful ab initio. Fabricating police records for private developers and remanding an accused without recorded reasons violate constitutional liberty.

For your practice. Cross-referencing station diaries with arrest memos exposes antedated notices and enables compensation claims recovered from errant officers' pay.

The order. The High Court declared the arrest illegal and awarded Rs 5 lakh compensation within two weeks. It ordered the Sub-Inspector's suspension with salary recovery and referred the remand Magistrate for disciplinary review.

§ Section 41A, Code of Criminal Procedure, 1973

BHAVESH SHETH vs THE STATE OF MAHARASHTRA AND ANR

COURT	DECIDED	CASE NO.	CITATION	BENCH
Bombay High Court	22.10.2026	APPW/32/2018	2026:BHC-AS:43037-DB	Kamal Khata

Criminal Issues
Cheque Bounce

JAMMU & KASHMIR AND LADAKH HC

Section 528 BNSS inherent powers cannot override the statutory bar against second revisions

The dispute. In a Rs 10 lakh cheque dishonour case, the accused cited nineteen witnesses to prove land transactions. The trial Magistrate restricted the list to four essential witnesses, observing that property deals could be proved through sale deeds rather than oral testimony. After the Sessions Court dismissed his revision, the accused invoked Section 528 BNSS following an unexplained eleven-month delay.

The reasoning. Section 528 BNSS cannot override the statutory bar on second revisions under Section 438(3) or excuse delays past ninety days. Substantively, an accused need only probabilise his defence through registered documents rather than redundant oral witnesses.

For your practice. Litigants cannot bypass statutory revision bars via Section 528 BNSS, and petitions challenging trial orders must be filed within ninety days.

The order. The High Court dismissed the petition as statutorily barred under Section 438(3) BNSS and delayed by eleven months, upholding the order restricting the defence to four witnesses.

§ Section 528, Bharatiya Nagrik Suraksha Sanhita, 2023

BANSI LAL BHARDWAJ vs S GANGANDEEP SINGH

COURT	DECIDED	CASE NO.	BENCH
Jammu & Kashmir and Ladakh High Court	22.10.2026	CRM(M)/1058/2025	Sanjay Dhar

Criminal Issues
DV, Dowry, Cruelty, and other Criminal Matters

GUJARAT HC

An undissolved prior marriage renders a subsequent union void and bars cruelty charges

The dispute. The complainant married the applicant's son while her earlier marriage subsisted, obtaining a divorce decree only months later. After initiating divorce in London, she lodged an FIR in Ahmedabad alleging matrimonial cruelty, bigamy, and breach of trust against her mother-in-law. The mother-in-law petitioned the High Court under Section 482 of the Criminal Procedure Code to quash the proceedings qua herself.

The reasoning. Section 498A presupposes a valid marriage and cannot apply where an undissolved prior marriage renders the union void ab initio. Furthermore, omnibus allegations against in-laws without specific dates or overt acts cannot sustain prosecution.

For your practice. Defense counsel should verify marital timelines early, as proof of a subsisting prior marriage collapses cruelty charges before trial.

The order. The High Court allowed the application and quashed FIR No. I-C.R. 4 of 2018 and all consequential proceedings qua the applicant.

§ Section 498A, Indian Penal Code, 1860

H.W.N.C. v. State of Gujarat

COURT	DECIDED	CASE NO.	CITATION	BENCH
Gujarat High Court	22.10.2026	R/CR.MA/2785/2018	2026:GUJHC:66850	P. M. Raval

Government & Public Body Interactions
Caste, Income & Domicile Certificate Disputes

BOMBAY HC

Pre-Independence caste records cannot be rejected as interpolated without expert evidence

The dispute. Two siblings sought Mahadev Koli Scheduled Tribe certificates to secure medical college admissions. The Scrutiny Committee rejected their claims, disregarding their grandfather's 1937 birth record on visual suspicion that his name was added in different ink. They petitioned the High Court challenging the rejection orders and seeking validation of their tribal status.

The reasoning. Pre-Independence records carry high probative value and cannot be dismissed as interpolated absent expert handwriting evidence. Ignoring a material document vitiates the order, especially when customary naming ceremonies explain subsequent additions.

For your practice. Counsel defending pre-Independence records must demand expert handwriting analysis and plead customary naming practices to defeat interpolation claims.

The order. The High Court allowed the petitions and quashed the rejection orders. It declared the petitioners members of the Mahadev Koli Scheduled Tribe, directing certificate issuance within three weeks.

§ **Article 342, Constitution of India; Maharashtra Scheduled Castes, Scheduled Tribes, Denotified Tribes (Nomadic Tribes) and Other Backward Classes (Regulation of Issuance and Verification of) Caste Certificate Act, 2000**

TRUPTEJ DHONDIRAM KAMBLE vs THE STATE OF MAHARASHTRA THROUGH ITS PRIN. SECRETARY, TRIBAL DEVELOPMENT DEPT. AND ANR

COURT	DECIDED	CASE NO.	CITATION
Bombay High Court	22.10.2026	WP/11653/2023	2026:BHC-AS:43028-DB

BENCH
R. I. Chagla, Firdosh P. Pooniwalla

Tribunals

2 judgments in this edition

KEEP SWIPING →

Insurance Law & Claims
Goods, Home, Fire & Other Insurance Claims

SCDRC

Insurers cannot repudiate fire claims for technical breaches without proving a causal nexus

The dispute. A textile manufacturer insured factory machinery and stock exceeding Rs 91 lakh following pre-issuance site inspections. When an electrical short circuit caused Rs 87.33 lakh in damage, the insurer repudiated coverage citing unauthorized construction and missing extinguishers. The insured approached the Maharashtra SCDRC alleging deficiency in service and seeking full indemnification of the assessed loss.

The reasoning. Insurers cannot repudiate claims for technical breaches without establishing a direct causal connection to the loss. Pre-issuance site inspections estop insurers from citing pre-existing structural deviations absent fraudulent concealment.

For your practice. Litigators should demand proof of causal nexus between alleged breaches and the fire, leveraging pre-policy inspections to defeat retroactive concealment defenses.

The order. The Commission partly allowed the complaint, ordering the insurer to pay Rs 87,33,324 with 9% interest from repudiation, plus Rs 1,00,000 for mental agony and Rs 50,000 costs.

§ **Section 2(1)(g), Consumer Protection Act, 1986**

M/S.MATESHRI TEXTILES THROUGH PROPRIETOR MR.ABHISHEK M.DHANRESHA vs UNITED INDIA GENERAL INSURANCE CO.LTD.

COURT	DECIDED	CASE NO.
State Consumer Disputes Redressal Commission	21.10.2026	SC/27/CC/18/1064

BENCH
Poonam V. Maharshi, Nisha Amol Chavhan

Work & Employment Issues
POSH, Workplace Harassment & Discrimination

CAT

Preventive transfers to curb workplace harassment override administrative tenure policies

The dispute. An internal committee proved sexual harassment charges against a railway director and recommended transferring him away from the complainant. When the officer later secured reposting to the establishment, the administration transferred him to an adjacent factory following the victim's protest. The officer approached the Central Administrative Tribunal, challenging the transfer on grounds of tenure policy, prior minor penalty, and personal hardships.

The reasoning. Statutory duties under the POSH Act to prevent harassment recurrence supersede administrative transfer policies and personal hardships. Preventive transfers implementing committee findings are not punitive and remain unbarred by prior disciplinary penalties.

For your practice. Committee transfer recommendations operate as mandatory safety measures under harassment law, rendering transfer challenges ineffective absent proven malice.

The order. The Tribunal dismissed the application and upheld the transfer order to Modern Coach Factory, Raebareli, directing the parties to bear their own costs.

§ **Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

Ravindra Kumar Misra vs Railway Board

COURT	DECIDED	CASE NO.	BENCH
Central Administrative Tribunal	22.10.2026	OA No. 332/00596/2026	Pankaj Kumar

Also decided today

§ Jammu & Kashmir Public Safety Act, 1978 — JAMMU & KASHMIR AND LADAKH HC

Unauthorized bovine transport cannot justify preventive detention absent public order threat

Transporting bovine animals without permission is a regulatory infraction, not smuggling prejudicial to public order. Subjective satisfaction failed as the animals were male bovines rather than cows, while prior discharges showed ordinary law had not failed.

HCP/30/2026 · 22.10.2026

§ Section 148, Negotiable Instruments Act, 1881 — GUJARAT HC

Suspension of sentence cannot be conditioned on mechanically depositing the full cheque amount

Appellate courts cannot mechanically impose full deposit conditions that render the statutory right of appeal illusory. A twenty percent deposit provides the governing benchmark, while attendance concerns are properly secured through undertakings.

R/SCR.A/2735/2026 · 2026:GUJHC:66889 · 21.10.2026

§ Section 44, Real Estate (Regulation and Development) Act, 2016 — BOMBAY HC

Appellate forums must remand for merits adjudication after reversing maintainability rulings

When an authority dismisses a complaint on maintainability alone, the appellate tribunal cannot adjudicate merits for the first time. Because an appeal is a statutory remedy, the matter must be remanded to preserve the first-instance adjudicatory tier.

SA/408/2025 · 2026:BHC-AS:43084 · 21.10.2026

Also decided, continued

§ Section 161, Code of Criminal Procedure, 1973 — BOMBAY HC

Multiple FIRs alleging identical deposit fraud must be clubbed into a single trial

Multiplicity of proceedings arising from the same business scheme undermines judicial efficiency and public interest. Subsequent FIRs across multiple jurisdictions must be merged as witness statements into the earliest case for a consolidated trial.

IA/4330/2025 · 2026:BHC-AS:43004-DB · 22.10.2026

§ Section 4, Protection of Children from Sexual Offences Act, 2012 — GUJARAT HC

A birth certificate without source verification cannot prove minority in sexual offence trials

A birth register entry is not self-proving and requires testimony from persons who can vouch for its source to prove minority. Without established minority, statutory presumptions cannot apply, and voluntary accompaniment defeats kidnapping and rape charges.

R/CR.A/3123/2025 · 2026:GUJHC:66763-DB · 22.10.2026

§ Section 34, Rights of Persons with Disabilities Act, 2016 — CAT

Apex medical board findings prevail over departmental boards in disability quota disputes

Evaluations by an apex medical institution supersede conflicting departmental opinions in disability quota disputes. Minor non-functional impairment in a second limb does not disqualify a candidate from single-limb reservation categories.

OA No. 179/2023 · 21.10.2026

By awarding five lakh rupees in compensation and ordering personal salary recovery against an investigating officer for serving a post-arrest Section 41A notice, the Bombay High Court has sent an uncompromising signal against colourable compliance with arrest safeguards. Will personal financial liability and administrative scrutiny of remand magistrates finally dismantle routine police subversion of Arnesh Kumar, or will mechanical detention remain an entrenched institutional reflex?

13 judgments **10** High Courts **3** Tribunals

Every judgment here, analysed in full.

The facts, the reasoning and the precedents each court engaged with.

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