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NEWSLETTER

March 2026

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MASTER CIRCULAR FOR ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS

The Securities and Exchange Board of India ("**SEBI**") has issued an updated Master Circular[1] for Issue of Capital and Disclosure Requirements ("**SEBI ICDR Master Circular**"), consolidating all extant circulars and directions issued under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("**SEBI ICDR Regulations**"). Originally issued on June 21, 2023 and subsequently updated on November 11, 2024, the SEBI ICDR Master Circular has now been further revised to incorporate all relevant circulars issued up to December 31, 2025, with necessary modifications to align the consolidated framework with provisions currently in force. The objective is to provide stakeholders with a single, comprehensive reference document for compliance under the SEBI ICDR Regulations.

Consequent to this issuance, all circulars listed in the appendix of the SEBI ICDR Master Circular stand rescinded to the extent they relate to the SEBI ICDR Regulations; however, such rescission is expressly subject to robust saving provisions. Actions taken, applications filed, rights accrued, liabilities incurred, penalties imposed, and investigations or legal proceedings initiated under the rescinded circulars remain valid and unaffected, and shall be deemed to have been undertaken under the corresponding provisions of the present SEBI ICDR Master Circular. The update thus ensures regulatory consolidation and clarity while preserving legal continuity and safeguarding investor interests.

The additional circulars rescinded by the SEBI ICDR Master Circular are as follows-

Sr. No.	Date of Circular	Circular No.	Subject/ Title
	May 16, 2011	CIR/CFD/DIL/2/2011	Adjustment of differential pricing amount at the time of application for allotment of specified securities
	June 03, 2011	CIR/CFD/DIL/3/2011	Redemption of Indian Depository Receipts (IDRs) into Underlying Equity Shares
	August 28, 2012	CIR/CFD/DIL/10/2012	Redemption of Indian Depository Receipts (IDRs) into Underlying Equity Shares
	March 01, 2013	CIR/CFD/DIL/6/2013	Guidelines for enabling Partial Two Way Fungibility of Indian Depository Receipts (IDRs)
	September 16, 2024	CIR/CFD/PoD/2024/122	Enabling T+2 trading of Bonus shares where T is the record date

[1] HO/49/14/14(2)2026-CFD-POD2/I/4518/2026 dated February 09, 2026

	November 21, 2024	SEBI circular no. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/0161 dated November 21, 2024	Withdrawal of Master Circular on issuance of No Objection Certificate (NOC) for release of 1% of Issue Amount
	February 28, 2025	SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/2	Industry standards on Key Performance Indicators ("KPIs") Disclosures in the draft Offer Document and Offer Document
	March 11, 2025	SEBI/HO/CFD/CFD-PoD-1/P/CIR/2025/31	Faster Rights Issue with a flexibility of allotment to specific investor
	November 11, 2024	SEBI/HO/CFD/PoD-1/P/CIR/2024/0154	Master Circular for Issue of Capital and Disclosure Requirements

MASTER CIRCULAR FOR REGISTRARS TO AN ISSUE AND SHARE TRANSFER AGENTS

The Securities and Exchange Board of India ("**SEBI**") has issued an updated Master Circular[2] for Registrars to an Issue and Share Transfer Agents ("**SEBI RTA Master Circular**"), consolidating all applicable circulars governing Registrars to an Issue and Share Transfer Agents ("**RTA**"), with the objective of ensuring effective regulation and providing stakeholders with a single, comprehensive reference circular.

Upon its issuance, all earlier circulars specified in the appendix stand rescinded to the extent they pertain to RTAs. However, the rescission is expressly subject to saving provisions: actions taken, applications filed and pending, rights accrued, liabilities incurred, penalties imposed, and investigations or legal proceedings initiated under the rescinded circulars shall remain valid and enforceable as though such circulars had continued in force.

The additional circulars rescinded by the SEBI RTA Master Circular are as follows-

- **May 23, 2025 - SEBI/HO/MIRSD/SECFATF/P/CIR/2025/74** - Accessibility and Inclusiveness of Digital KYC to Persons with Disabilities
- **September 19, 2025 - SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/130** - Ease of Doing Investment - Smooth transmission of securities from Nominee to Legal Heir
- **December 24, 2025 - HO/38/13/11(3)2025-MIRSD POD/I/1102/2025** - Ease of Doing Investment- Review of simplification of procedure and standardization of formats of documents for issuance of duplicate certificates.
- **January 30, 2026 - HO/38/13/(3)2026-MIRSD-POD/I/3763/2026** - Ease of Doing Investment and Ease of Doing Business- Doing away with requirement of issuance of Letter of Confirmation ("LOC") and to effect direct credit of securities in dematerialisation account of the investor.
- **January 30, 2026 - HO/38/13/11(2)2026-MIRSD-POD/I/3750/2026** - Ease of Doing Investment- Special Window for Transfer and Dematerialisation of Physical Securities

CIRCULAR ON CREATION/INVOCATION OF PLEDGE OF SECURITIES THROUGH DEPOSITORY SYSTEM

The Securities and Exchange Board of India ("**SEBI**"), vide its circular[3] has amended the framework governing the creation and invocation of pledge of securities through the depository system. The circular modifies paragraph 4.13 of the SEBI Master Circular for Depositories dated December 3, 2024, read with Regulation 79 of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, to align the pledge mechanism with Sections 176 and 177 of the Indian Contract Act, 1872. These provisions require the pledgee (pawnee) to provide reasonable notice to the pledger (pawnor) prior to sale of pledged securities.

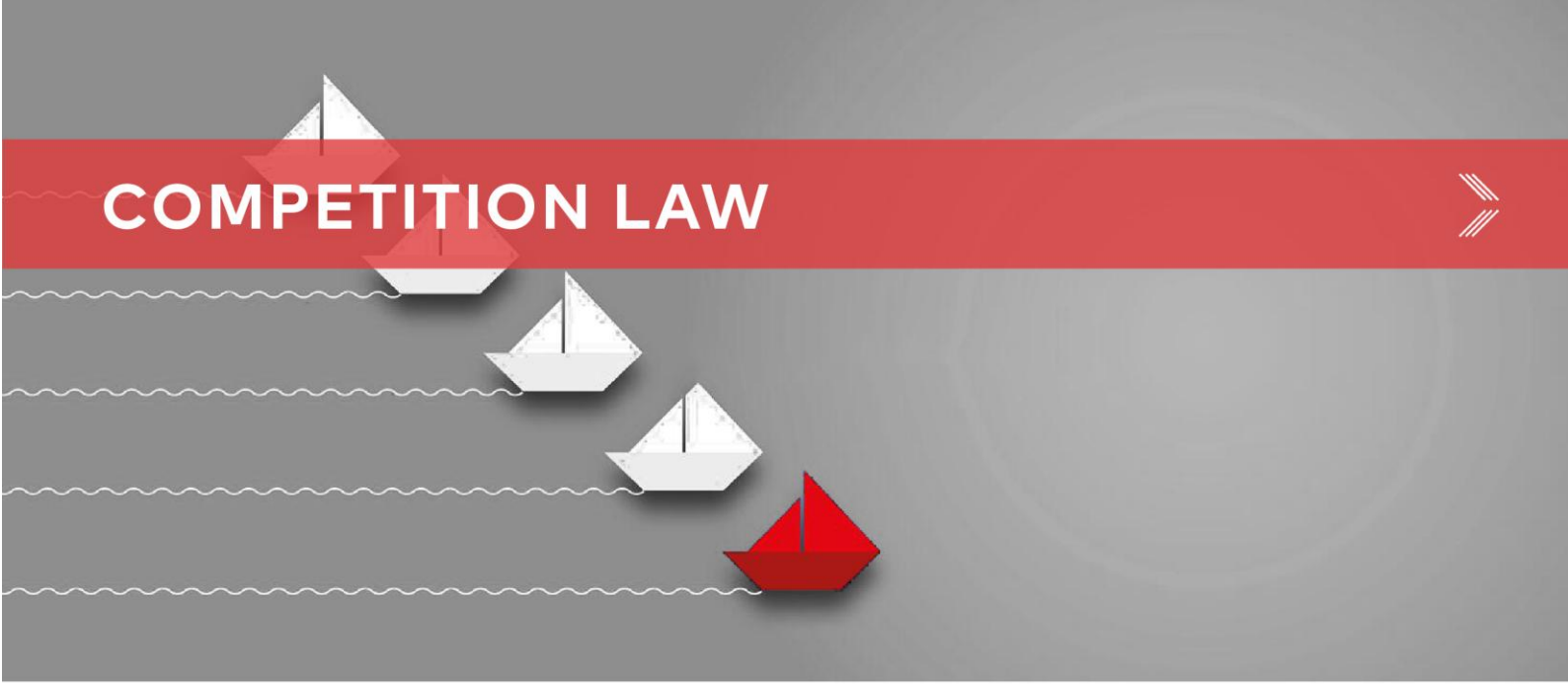
Accordingly, depositories are now required to incorporate undertakings in their standardized pledge request forms, wherein the pledgee confirms compliance with the notice

[2] HO/38/13/(4)2026-MIRSD-POD/I/4298/2026 dated February 06, 2026

[3] HO/47/14/12(1)2026-MRD-POD2/I/4229/2026 dated February 05, 2026

requirement and both parties undertake to adhere to applicable legal and regulatory provisions. Further, upon invocation of a pledge, depositories must notify both parties and record the pledgee as the beneficial owner in accordance with the regulations. The depositories have been directed to amend their bye-laws, implement necessary system changes, and disseminate the circular to participants.

The provisions of this circular shall be implemented on or before April 6, 2026.



COMPETITION COMMISSION OF INDIA APPROVES TORRENT PHARMACEUTICALS' ACQUISITION OF J.B. CHEMICALS SUBJECT TO VOLUNTARY MODIFICATIONS

On 21 October 2025, the Competition Commission of India ("**CCI**" or "**Commission**") approved the proposed acquisition by Torrent Pharmaceuticals Limited ("**Torrent**") of a majority stake in J.B. Chemicals & Pharmaceuticals Limited ("**JB Chemicals**") under Section 31(1) of the Competition Act, 2002, subject to modifications. The proposed combination comprised (i) acquisition of 46.39% shareholding from Tau Investment Holdings Pte. Ltd.; (ii) acquisition of 2.41% shareholding from certain employees; (iii) a mandatory open offer for up to 26% under the SEBI (SAST) Regulations; and (iv) a subsequent amalgamation of JB Chemicals into Torrent pursuant to a scheme under the Companies Act, 2013.

Upon review, the Commission issued a show cause notice under Section 29(1) of the Competition Act, 2002 ("**Competition Act**"), forming a *prima facie* view that the transaction was likely to cause an appreciable adverse effect on competition ("**AAEC**") in certain markets for finished dosage formulations ("**FDFs**"). CCI's assessment, conducted at ATC3/ATC4 therapeutic groups and molecule levels, narrowed concerns to three FDF segments: Lactobacillus Acidophilus, Nifedipine, and Azelnidipine.

In three of the markets, namely, Lactobacillus Nifedipine, and Azelnidipine, the Commission noted that the combined market share of the parties is in the range of 95%–100% and the same will constraint the market and likely cause appreciable effect on competition. Thereby, to address these concerns, Torrent proposed several modifications, including, (i) licensing the Vizylac brand (single-strain Lactobacillus Acidophilus) to an independent entity for five years; (ii) divestment of all Nifedipine products marketed under the Calcigard brand; and (iii) a commitment to continue marketing JB's Azovas (Azelnidipine) brand with a price cap of 5% per annum for three years.

The CCI having satisfied that the modification suggested is likely to address the harm to the competition, conditionally approved the transaction.

CCI APPROVES CAPGEMINI'S ACQUISITION OF CLOUD4C

On 14 October 2025, the CCI approved the proposed acquisition by Capgemini SE ("**Capgemini**" or the "**Acquirer**") of 100% shareholding in Cloud4C Services Pte. Ltd. and Cloud4C Services Private Limited (collectively, "**Cloud4C**" or the "Targets") under Section 31(1) of the Competition Act. The transaction was notified pursuant to a share purchase agreement executed between entities controlled by Mr. P. Sridhar Reddy and Capgemini. Capgemini is a global consulting, engineering, and IT services company headquartered in France, with operations in India through its subsidiaries. Cloud4C is an Indian hybrid cloud managed services provider. The Commission observed that the parties exhibited horizontal overlaps at a broad level in the market for IT / IT-enabled services ("**IT/ITeS**") in India, and at narrower levels in (i) IT consulting services; (ii) application implementation and managed services; (iii) infrastructure implementation and managed services; (iv) cloud services; (v) IT security solution services; and (vi) data analytics services. The CCI also examined the sub-segment of hybrid cloud management services in India.

Upon review, no vertical or complementary relationships were identified between the parties in India. The CCI left the precise delineation of the relevant market open, noting that the combined market shares of the parties in each of the identified markets and sub-segments were minuscule [0%–5%], with the presence of several other established competitors. Based on its assessment, CCI concluded that the proposed transaction is not likely to cause an AAEC in India and accordingly granted its approval.

CCI APPROVES SMBC'S ACQUISITION OF 20% STAKE IN YES BANK

On 2 September 2025, the CCI approved the proposed acquisition by Sumitomo Mitsui Banking Corporation ("**SMBC**" or the "**Acquirer**") of 20% of the share capital and voting rights of YES Bank Limited ("**YES Bank**" or the "**Target**") under Section 31(1) of the Competition Act, 2002.

The transaction was notified pursuant to share purchase agreements dated 9 May 2025, executed with State Bank of India and certain other shareholder banks, including HDFC Bank Limited, ICICI Bank Limited, Kotak Mahindra Bank Limited, Axis Bank Limited, Bandhan Bank Limited, IDFC First Bank Limited and Federal Bank Limited. The proposed transaction envisages the acquisition of 20% of YES Bank's share capital, subject to approvals of the CCI and the Reserve Bank of India. SMBC also indicated a potential future increase in shareholding up to 24.99%; however, as binding documents had not yet been executed in respect of such additional acquisition, the Commission assessed only the initial 20% acquisition. SMBC is a Japan-based commercial bank and a wholly owned subsidiary of Sumitomo Mitsui Financial Group ("**SMFG**"), which operates in India through branches of SMBC and its subsidiary SMFG India Credit Co. Ltd. YES Bank is a listed Indian private sector bank engaged in a wide range of retail, MSME and corporate banking and financial services. CCI observed horizontal overlaps between the parties in several segments, including provision of loans and lending services, loans against securities, digital payment services, deposit-taking services, foreign exchange services, investment banking services, cash management services, and distribution of insurance in India. Vertical linkages were also identified in relation to arranger services in debt private placement, vehicle loans and leasing services, and alternative investment funds and related referral services.

The Commission noted that the incremental market share from the transaction were in the range of across all plausible markets, except in the narrower segments of provision of NEFT services and unsecured loans to individuals, where the combined share was in the range of [5%–10%]. The Commission also observed the presence of several significant competitors across the identified markets. In view of the limited incremental change and the competitive landscape, the Commission concluded that the proposed transaction is not likely to cause an appreciable adverse effect on competition in India. Accordingly, the Proposed Combination was approved under Section 31(1) of the Competition Act.

CCI ORDERS INVESTIGATION AGAINST INDIGO FOR ALLEGED ABUSE OF DOMINANCE IN THE DOMESTIC AVIATION MARKET

On 4 February 2026, CCI passed an order under Section 26 (1) of the Competition Act, directing the Director General ("**DG**") to investigate InterGlobe Aviation Limited ("**IndiGo**") for alleged abuse of dominant position in the domestic air passenger transport market. The Information was filed by an individual passenger alleging that IndiGo cancelled flights on a large scale between 3–5 December 2025 and subsequently charged significantly higher fares on affected routes. The Informant claimed that his return flight was cancelled shortly before departure without alternative arrangements, and that he was compelled to rebook at a substantially higher fare. At the outset, IndiGo challenged the CCI's jurisdiction, contending that the matter fell exclusively within the regulatory domain of the Directorate General of Civil Aviation ("**DGCA**") under the Bhartiya Vayuyan Adhiniyam, 2024 and the Aircraft Rules, 1937. The Commission rejected this objection, holding that sectoral regulation and competition law operate in distinct and complementary spheres. Relying on the Supreme Court's decision in *Bharti Airtel Limited v. CCI*, the CCI clarified that the existence of sector-specific remedies does not oust the CCI's jurisdiction to examine anti-competitive conduct under Sections 3 and 4 of the Competition Act.

For assessment, the Commission delineated the relevant market as the "market for domestic air passenger transport services in India." The Commission noted that the alleged conduct involved system-wide flight disruptions affecting multiple routes simultaneously, thereby warranting a pan-India market definition rather than a route-specific approach. Based on data provided by the DGCA, the Commission noted that IndiGo consistently accounted for approximately 60–63% of domestic passenger market share and available seat kilometre capacity during FY 2023–24 and FY 2024–25. CCI also observed that IndiGo operated exclusively on over 330 city-pair routes and maintained the largest fleet in India, alongside sustained profitability in recent financial years. These factors led the Commission to form a prima facie view that IndiGo holds a dominant position in the relevant market.

On the issue of abuse, CCI observed that the large-scale cancellation of flights, reportedly affecting over three lakh passengers, coupled with subsequent fare escalation, may amount to imposition of unfair prices under Section 4(2)(a)(i) and restriction of services under Section 4(2)(b)(i) of the Competition Act. It noted that the sudden withdrawal of capacity by a dominant enterprise could create artificial scarcity and leave consumers with limited alternatives. Accordingly, finding a *prima facie* case of contravention of Section 4 of the Competition Act, the Commission directed the DG to conduct an investigation and submit a report within 90 days.

C. VELUSAMY VS K INDHERA [AWARD PASSED AFTER ARBITRATORS MANDATE EXPIRY NOT VOID IF COURT EXTENDS TIME]

A Division Bench of the Supreme Court of India comprising of Justice Pamidighantam Sri Narasimha and Justice Atul S. Chandurkar, in the matter titled ***C. Velusamy vs K Indhera[4],*** held that an arbitral award rendered beyond the statutory period prescribed under Section 29A of the Arbitration and Conciliation Act, 1996 ("**Act**"), such an award, though rendered after the tribunal's mandate has technically terminated, can be given effect if an application is filed before the competent court under Section 29A of the Act seeking extension of the arbitral tribunal's mandate.

Brief Facts of the Case

In a dispute arising from three agreements to sell, the Madras High Court appointed a sole arbitrator on 19.04.2022, who issued notice on 04.05.2022 and set pleadings completion for 20.08.2022, triggering the 12-month mandate under Section 29A(1) of the Act; parties pre-emptively extended it by 6 months via joint memo under Section 29A(3), expiring on 20.02.2024. Despite reserving the award on 09.09.2023 amid settlement talks (adjourned to 07.01.2024, 27.01.2024, and 27.04.2024), the arbitrator passed the award on 11.05.2024 (stamped/issued 25.06.2024 post-mandate expiry). Respondent challenged the award under Section 34 of the Act on the ground of the award being a nullity due to lapsed mandate of the Tribunal. On the other hand, the Appellant sought retrospective extension of the Tribunal's mandate in terms of Section 29A of the Act on 12.11.2024. However, the High Court dismissed the extension application on 24.01.2025, observing the same to be maintainable only at a pre-award stage, thereby also rejecting reliance placed by the Appellant on the judgments of "*Rohan Builders (India) Pvt. Ltd. v. Berger Paints India Ltd*[5]" (permitting post-expiry extensions); and "*Ajay Protech Pvt. Ltd. v. General Manager*"[6]. However, the Madras High Court allowed the petition under Section 34 of the Act. The Madras High Court while rejecting the Application under Section 29A of the Act placed reliance on its prior orders in the matter of "*Suryadev Alloys & Power Pvt. Ltd. v. Shri Govindaraja Textiles Pvt. Ltd*[7], Ayyasamy v. A. Shanmugavel[8] and the judgment of Kerala High Court in the matter of "RKEC Projects Ltd. v. Cochin Port Trust"[9].

Submissions Advanced

In the appeal before the Supreme Court, the Appellant placed reliance on the judgment of the Supreme Court in the matter of "*Rohan Builders (India) Pvt. Ltd. vs Berger Paints India Ltd" ("***Rohan Builder Judgment***"),* and contended that an application under Section 29A of the Act is maintainable even after the expiry of the initial 12-month period plus the consensual 6-month extension. It was also contended that the Court's power under Section 29A (4) and 29A(5) of the Act, to extend the mandate of the Arbitral Tribunal, can be exercised either before or after such expiry, so that the mere fact that an award has in the meantime been rendered late should not defeat the Court's jurisdiction to regularise the mandate and thereby preserve the arbitral process. The Respondent on the other hand distinguished the Rohan Builders Judgment on the footing that the said judgment did not involve a situation where an award had already been passed after expiry of mandate. The Respondent also relied on the Madras High Court decision in Suryadev Alloys & Power Pvt. Ltd., and similar authority to argue that, unlike the 1940 Act, the 1996 Act contains no provision permitting post-award enlargement of time, and that an award passed after expiry of the arbitrator's mandate is a nullity. It was also contended that no application under Section 29A of the 1996 Act is maintainable once such an award has been delivered.

[4] SLP(C) No. 6551 of 2025
[5] 2024 SCC OnLine SC 2494
[6] 2024 SCC OnLine SC 3381
[7] 2020 SCC OnLine Mad 7858
[8] 2024 SCC OnLine Mad 4338
[9] 2024 SCC OnLine Ker 4192

The Supreme Court's Decision

The Court while allowing the appeal held that an award passed after expiry of the mandate is ineffective and unenforceable, but not a nullity that automatically deprives the court of jurisdiction to revive the mandate of the Tribunal. It was further clarified that such an award does not require to be set aside under Section 34 of the Act if the mandate of the Tribunal is subsequently extended. In conclusion, the Court observed *inter alia*:

- An application under Section 29A (5) of the Act for extension of the mandate of the arbitrator is maintainable even after the expiry of the time under Sections 29A (1) and (3) of the Act and even after rendering of an award during that time. Such an award is ineffective and unenforceable. But the power of the court to consider extension is not impaired by such an indiscretion of the arbitrator; and
- If the mandate is extended, the arbitral tribunal will pick up the thread from where it was left and seamlessly continue the proceeding from the stage at which the mandate had expired and conclude within the time granted.

M/S SAISUDHIR ENERGY LTD. VS M/S NTPC VIDYUT VYAPAR NIGAM LTD. & M/S NTPC VIDYUT VYAPAR NIGAM LTD. V. M/S SAISUDHIR ENERGY LTD [COURT UNDER SECTION 37 OF THE ARBITRATION AND CONCILIATION ACT, 1996 ("ACT") CANNOT MODIFY THE AMOUNT OF COMPENSATION AWARDED BY THE COURT UNDER SECTION 34 OF THE ACT WITHOUT FINDINGS OF ARBITRARINESS OR PERVERSITY]

A Division Bench of the Supreme Court of India comprising of Justice Pamidighantam Sri Narasimha and Justice Atul S. Chandurkar, in a matter titled ***M/s Saisudhir Energy Ltd. vs M/s NTPC Vidyut Vyapar Nigam Ltd.[10],*** Supreme Court held that a court exercising appellate jurisdiction under Section 37 of the Act cannot re-calculate or substitute its own assessment of compensation once a court under Section 34 of the Act has determined a reasonable compensation in terms of the contract.

Brief Facts of the Case

The dispute arose out of a Power Purchase Agreement (PPA) dated 24.01.2012 between the Parties ("**the Agreement**"). Under the Agreement, Saisudhir Energy Limited ("**SEL**") undertook to commission and supply 20 MW of solar power to NTPC Vidyut Vyapar Nigam Limited ("**NVVNL**") with the commissioning deadline fixed for 26.02.2013. NVVNL had been designated by the Ministry of Power as the nodal agency for the project. SEL furnished bank guarantees in terms of the PPA to secure its performance obligations.

At the pre-arbitration stage, the Delhi High Court allowed an application filed by SEL under Section 9 of the Act whereby it sought to restrain NVVNL from encashing the bank guarantees. Delhi High Court granted interim protection to SEL until the arbitral tribunal could consider the matter under Section 17 of the Act. Subsequently, arbitration was invoked and a three-member arbitral tribunal was constituted.

Before the Arbitral Tribunal, SEL in terms of Section 17 of the Act sought an order restraining NVVNL from encashing the bank guarantees and claimed reimbursement of expenses incurred in maintaining them. NVVNL, on the other hand, claimed entitlement to encash the guarantees under Clause 4.6 of the Agreement owing to SEL's delay. On 21.07.2015, the tribunal delivered a split award. As per the majority award, SEL was liable to pay ₹1.2 crore, representing 20% of the original performance guarantee calculated at ₹30 lakh per MW, and SEL's claim for reimbursement of maintenance charges was rejected. The minority opinion held that although actual loss could not be precisely determined, the liquidated damages clause represented a genuine pre-estimate of damages, and therefore NVVNL should be permitted to encash bank guarantees amounting to ₹49.92 crore.

The Award was challenged under Section 34 of the Act by both parties before the Delhi High Court. *Vide* judgment dated 08.09.2016, the Delhi High Court observed *inter alia* that although SEL was responsible for the delay, NVVNL had not invested in the project nor proved actual loss. Considering that the project duration was 25 years and the delay was only a few months, the court modified the award and granted 50% of the damages under Clause 4.6 of the Agreement, to be recovered by adjusting ₹25 lakh per month from October 2016 payable to SEL.

Thereafter, cross appeals were filed under Section 37 of the Act against the Judgement of Delhi High Court dated 08.08.2016. On 18.01.2018, the Division Bench under Section 37 of the Act further modified the relief and directed SEL to pay ₹1,00,000 per MW for the period of delay, amounting to ₹20.70 crore, along with bank guarantee renewal charges within six weeks.

Submissions Advanced

SEL contended that NVVNL was not entitled to claim liquidated damages because it failed to prove any actual loss or damage caused by the delay in commissioning the solar power project. SEL placed reliance on the judgement of "*Kailash Nath Associates v. DDA*"[11], to contend that under Section 74 of the Indian Contract Act, 1872, proof of damage is a prerequisite for awarding compensation for breach of contract. Since NVVNL had not invested any capital in the project, it had not suffered any financial loss. SEL further

[10] Civil Appeal No.(s) 12892-12893 of 2024

[11] (2015) 4 SCC 136

submitted that the Agreement was a purely commercial contract, and the mere fact that it was executed under the Jawaharlal Nehru National Solar Mission did not convert it into a public utility project where damages could be presumed. SEL further placed reliance on the judgment of "*Gayatri Balasamy v. ISG Novasoft Technologies Ltd*"[12] to contend that courts cannot undertake a merit-based reassessment of arbitral awards.

NVVNL contended that SEL had admittedly delayed the commissioning the project which automatically triggered Clause 4.6 of the Agreement providing for liquidated damages. NVVNL placed reliance on the judgment rendered in the matter of "*Construction and Design Services vs DDA*"[13] while asserting that where delay affects public utility services, loss can be presumed and liquidated damages agreed in the contract can be enforced.

The Supreme Court's decision

The Supreme Court upheld the single judge's ruling, holding that although a court under Section 34 of the Act has limited authority to alter an arbitral award, as acknowledged in the matter of "*Gayatri Balasamy v. ISG Novasoft Technologies Limited*", the Division Bench under Section 37 of the Act could not replace its own evaluation of reasonable compensation in the absence of arbitrariness or perversity in the Section 34 Judgment.

In addition, the Court determined that the project, which was carried out under the National Solar Mission, contained environmental and public interest issues, and that Section 74 of the Indian Contract Act, 1872 did not require proof of actual loss in order to grant adequate compensation.

The Court observed *inter alia*:

> "*In such cases, the burden would be on the party committing the breach to show that no loss was caused by the delay or that the amount stipulated as liquidated damages was in the nature of penalty. In the facts of the present case, this burden has not been discharged by SEL. In fact, it has remained content by urging that NVVNL having failed to make any investment under the PPA, it neither suffered any loss of capital or loss of interest, notwithstanding the delay. Having agreed to incorporate Clause 4.6 in the PPA, it is clear that the rights of the parties ought to be determined bearing in mind the terms agreed and SEL would not be justified in contending that NVVNL had failed to indicate the exact loss suffered by it due to the delay in commissioning of the project*".

The Court upheld the single judge's ruling awarding ₹27.06 crore in liquidated damages, allowing NVVNL appeal and rejecting the appeal of SEL.

[12] (2025) 7 SCC 1

[13] (2015) 14 SCC 263

STATUTORY UPDATES

AMENDMENT TO THE INDUSTRIAL RELATIONS CODE, 2020

In February 2026, the Industrial Relations Code (Amendment) Act, 2026 received the assent of the President on 16 February 2026, thereby amending the Industrial Relations Code, 2020. The amendment provides that, from a date to be notified by the Central Government, the following enactments shall stand repealed:

- the Trade Unions Act, 1926;
- the Industrial Employment (Standing Orders) Act, 1946; and
- the Industrial Disputes Act, 1947.

The amendment also clarifies that, notwithstanding the repeal of the above legislations, tribunals and statutory authorities constituted under the repealed enactments shall continue to function until corresponding tribunals or authorities are established under the Industrial Relations Code, 2020. This ensures that ongoing proceedings and dispute resolution mechanisms are not disrupted during the transition to the new framework. The Amendment Act is deemed to have come into force retrospectively from 21 November 2025.

Separately, the Ministry of Labour and Employment, vide Notification No. S.O. 464(E) dated 2 February 2026, amended the Industrial Relations Code (Removal of Difficulties) Order, 2025 to clarify that statutory authorities functioning under the above enactments shall continue to operate until corresponding authorities are appointed under the Industrial Relations Code, 2020. This clarification ensures continuity of functions and avoids any legal or administrative vacuum during the transition to the new framework.

KARNATAKA'S GIG WORKER WELFARE FEE MANDATE

The Government of Karnataka, vide Government Order No. LD 413 LET 2023 dated 13 February 2026, has notified the collection of a welfare fee from aggregators and platforms under Section 20 of the Karnataka Platform Based Gig Workers (Social Security and Welfare) Act, 2025 read with Rule 17 of the Karnataka Platform Based Gig Workers (Social Security and Welfare) Rules, 2025.

The order mandates that aggregators and platforms operating in Karnataka shall pay a welfare fee calculated on the final payouts made to gig workers for each transaction, excluding certain settled payments such as tips, referral fees, incentives and similar payments. The notification prescribes a welfare fee of 1% of the payout subject to category-specific caps, applicable to services including ride-hailing, food and grocery delivery, logistics services, e-marketplace services and professional activity providers.

The order also provides for the establishment of a Payment and Welfare Fee Verification System (PWVFS) to map payments made to gig workers and monitor welfare fee collection by platforms. Until the PWVFS becomes operational, the aggregators or platforms are allowed to self-report to provide details of the payments made to their gig workers for each transaction on a quarterly basis.

GOVERNMENT OF GOA HIGHLIGHTS SHE-BOX PORTAL FOR WORKPLACE SEXUAL HARASSMENT COMPLAINTS UNDER THE POSH ACT

On 20 February 2026, the Department of Information & Publicity, Government of Goa, issued a public update highlighting the SHe-Box Portal, an initiative of the Ministry

of Women and Child Development, aimed at facilitating the effective implementation of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("**POSH Act**").

The SHe-Box Portal serves as a centralized online platform enabling women working in both public and private sector establishments to file complaints of workplace sexual harassment electronically. The portal also acts as a repository of information relating to Internal Committees and Local Committees across the country.

Key features of the portal include user-friendly online complaint submission, multi-lingual support, automatic forwarding of complaints to the relevant Internal Committee or Local Committee, and real-time tracking of complaint status, thereby promoting transparency and accountability in the grievance redressal process.

Employers are required to ensure compliance with the provisions of the POSH Act, and non-compliance may attract penalties of up to INR 50,000 under Section 26 of the Act.

DRAFT RULES RELEASED BY MULTIPLE STATES UNDER THE INDUSTRIAL RELATIONS CODE, 2020 AND THE CODE ON WAGES, 2019

Various States such as Andhra Pradesh, West Bengal, Madhya Pradesh and Kerala's Labour Department have released draft rules for the Industrial Relations Code, 2020, and the Code on Wages, 2019. The draft rules seek to operationalise the provisions of the respective Codes at the State level by prescribing procedural and compliance frameworks, including matters relating to fixation and revision of minimum wages, maintenance of registers and records, payment of wages, constitution of grievance redressal mechanisms, recognition of trade unions, dispute resolution processes, and conditions relating to lay-off, retrenchment and closure. As part of the rule-making process, the draft rules have been placed in the public domain inviting objections and suggestions from stakeholders before their final notification.

COMPLIANCE HANDBOOK FOR EMPLOYERS UNDER LABOUR CODES

On 19 February 2026, the Ministry of Labour and Employment released a Compliance Handbook for Employers under the four Labour Codes. The handbook serves as a practical guidance document intended to assist employers in understanding and complying with the regulatory framework introduced under the Labour Codes. The handbook provides a concise overview of key compliance obligations under each Code and includes practical guidance and action points for employers to facilitate smoother implementation of the new labour law framework. The initiative is aimed at improving regulatory clarity and assisting organisations in adapting to the compliance requirements arising from the consolidation of multiple labour laws into the four Labour Codes.

JUDICIAL FINDINGS

EMPLOYER CAN'T REJECT RESIGNATION CITING FINANCIAL CONSTRAINT

The Hon'ble Kerala High Court in the case of ***Greevas Job Panakkal* v. *Traco Cable Co. Ltd. and Ors.,* [2026 SCC OnLine Ker 2210]** has ruled that an employer is not allowed to deny accepting the resignation of an employee on the mere basis of financial constraints or operational requirements as this is a breach of Article 23 of Indian Constitution which prohibits bonded labour.

The Plaintiff did not get his salary in a long time and resigned but the company denied it, referring to its shaky financial status and his importance in turnaround strategies. The Board of Directors declined to relieve him on the ground that there is no qualified person to take his place and even sent memos directing him to resume his duties, and asking him to show cause as to why disciplinary action should not be initiated against him, etc.

The Hon'ble Court held that once an employee submits a resignation, the employer is obligated to accept it and relieve the employee from service, subject only to the terms of the employment contract. Such terms may include compliance with a prescribed resignation procedure or notice period. Accordingly, a resignation may be rejected where the employee fails to adhere to contractual conditions governing resignation.

The Hon'ble Court further clarified that resignation may also be refused where disciplinary proceedings for grave misconduct or for causing monetary loss to the establishment are contemplated against the employee. However, in the absence of such circumstances, refusal to accept a resignation would be impermissible and could amount to bonded labour within the meaning of Article 23 of the Constitution of India.

The Hon'ble Court also noted that under the Companies Act, 2013, where a Company Secretary is appointed by a company, such appointment must be registered with the Registrar of Companies. If the employer fails to initiate the statutory process to record cessation, the Company Secretary's name remains linked to the company, potentially affecting their ability to seek other appointments.

In view of the above, the Hon'ble Court directed the Respondents to accept the Petitioner's resignation and relieve him from service expeditiously.

LONG STANDING DISCRETIONARY BENEFITS CAN CRYSTALLISE INTO SERVICE CONDITIONS; EMPLOYER CANNOT WITHDRAW SUCH BENEFITS WITHOUT PRIOR NOTICE

In the case of ***Brihanmumbai Municipal Corporation and Ors* v. *Mumbai Mahanagarpalika Karyalayeen Karmachari Sanghathana and Anr.,*** **[MANU/MH/1302/2026]** the Hon'ble Bombay High Court passed a notable judgment to the effect that discretionary concessions that had been constantly awarded over the decades can become customary terms of service and therefore an employer can no longer revoke it without statutory procedures as stipulated under the Industrial Disputes Act, 1947 ("**ID Act**") (*i.e., issuance of notice under Section 9A of the ID Act*).

The dispute arose from a circular dated 5 September 2025 issued by the Brihanmumbai Municipal Corporation discontinuing a long-standing practice of granting additional wage increments to employees who obtained Diplomas in Local Self Government (LSGD) or Local Government Service (LGS). The Industrial Court had stayed the operation of the circular, following which the Corporation approached the Hon'ble High Court.

The Hon'ble Court observed that the benefit could be traced to a decision taken in 1967, pursuant to which additional increments were granted to employees acquiring specified diplomas in Local Self Government. The policy was subsequently revisited, modified, and reaffirmed through resolutions and circulars in 1968, 1975 and 1984. These instruments were implemented in practice and the benefit was extended in a consistent manner to specified clerical cadres and employees within defined pay ceilings.

In light of this factual backdrop, the Hon'ble Court noted that the continued and uniform grant of such increments over several decades had resulted in the practice becoming part of the service structure of the establishment. Employees acquiring the relevant diplomas did so with the legitimate expectation that the additional increment would follow. The Hon'ble Court therefore held that a concession repeatedly sanctioned through formal resolutions and implemented uniformly over a long period can attain the status of a customary concession or established usage.

Referring to Item 8 of the Fourth Schedule of the ID Act (*withdrawal of any customary concession or privilege or change in usage*), the Hon'ble Court held that the prospective discontinuance of the benefit constituted a change in conditions of service. The fact that the circular preserved increments already granted and applied only prospectively did not alter this conclusion, as the removal of a long-standing entitlement altered the service framework governing the affected employees.

Accordingly, the Hon'ble Court held that such withdrawal would attract the requirement of prior notice under Section 9A of the ID Act. On this basis, the writ petition filed by the Corporation was dismissed.

LABOUR COURTS CAN EXTEND TIME FOR COMPLIANCE OF AWARD EVEN AFTER IT BECOMES ENFORCEABLE UNDER SECTION 17 A OF THE ID ACT

The Hon'ble High Court of Kerala in ***I. Bindhu* v. *Thiruvananthapuram Service Co-operative Bank Ltd. and Ors.*** **[MANU/KE/0433/2026]** held that Labour Courts retain the authority to extend timelines fixed in an award, even after the award has become enforceable under the ID Act.

The Petitioner, who had been working as a pharmacist in a Neethi Medical Store operated by the Respondent Bank, was dismissed from service in November 2012 following disciplinary proceedings. She challenged the dismissal before the Labour Court under Section 2A of the ID Act. By its award dated 29 September 2023, the Labour Court set aside the disciplinary proceedings and permitted the management to initiate fresh proceedings from the stage of issuance of the charge memo. The Labour Court also directed that such proceedings be completed within three (3) months, failing which the Petitioner would be reinstated with all benefits.

The Respondent Bank subsequently sought an extension of time to complete the disciplinary proceedings. The Labour Court granted an additional period of one (1) and a half (1/2) months. The Petitioner challenged this order before the High Court, contending that once the award became enforceable under Section 17A of the ID Act, the Labour Court became *functus officio* and lacked jurisdiction to extend the time limit.

Rejecting this contention, the Hon'ble High Court relied on the decision of the Hon'ble Supreme Court of India in the case of ***Haryana Suraj Malting Ltd.* v. *Phool Chand***, which recognised that Labour Courts and Tribunals under the ID Act possess incidental and ancillary powers to entertain certain applications even after an award becomes enforceable. The Hon'ble Court observed that such powers are not confined only to applications for setting aside ex parte awards but extend to other procedural matters necessary for the effective administration of justice.

Accordingly, the Hon'ble High Court held that the Labour Court was competent to grant the extension of time sought by the Respondent Bank and declined to interfere with the impugned order. The writ petition was therefore dismissed.

BOCW CESS LIABILITY CANNOT BE IMPOSED WHERE WELFARE BOARDS WERE NOT CONSTITUTED

The Hon'ble Supreme Court in ***Prakash Atlanta (JV)* v. *National Highways Authority of India*** **[2026 SCC OnLine SC 98]** examined whether liability to pay cess under the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 ("**BOCW Act**") and the Building and Other Construction Workers' Welfare Cess Act, 1996 ("**Cess Act**") could be imposed on contractors under highway construction contracts, and whether arbitral awards granting reimbursement of such cess deductions could be interfered with under the limited judicial review framework of the Arbitration and Conciliation Act, 1996. The appeals arose from multiple arbitral awards passed in favour of contractors engaged by the National Highways Authority of India. The central dispute concerned whether cess payable under the building and other construction workers (BOCW) welfare statutory framework could be treated as a contractor's liability under the contract, or whether it constituted "subsequent legislation" entitling the contractors to reimbursement.

The Hon'ble Court noted that although the BOCW Act and the Cess Act were formally brought into force in the mid-1990s, their implementation remained largely ineffective for several years due to the failure of authorities to constitute Welfare Boards and establish the necessary administrative machinery for levy, collection and utilisation of the cess. The Hon'ble Court observed that the Cess Act was designed to augment the resources of Welfare Boards constituted under the BOCW Act, and therefore meaningful levy and collection of cess could not arise in the absence of such Boards being constituted.

Referring to its earlier decision in the case of ***A. Prabhakara Reddy and Company* v. *State of Madhya Pradesh***, the Hon'ble Supreme Court held that constitution of Welfare Boards was essential for giving practical effect to the statutory scheme governing cess collection. In the absence of such institutional machinery at the relevant time, contractors submitting bids could not reasonably have factored the cess component into their pricing.

The Hon'ble Court further emphasised that interpretation of contractual clauses (such as provisions dealing with "subsequent legislation") falls primarily within the domain of the arbitral tribunal. Relying on settled principles governing judicial review of arbitral awards under the Arbitration and Conciliation Act, 1996, the Hon'ble Court reiterated that courts do not sit in appeal over arbitral findings. Where the tribunal's interpretation of the contract is plausible and reasonable, it cannot be interfered with merely because another view is possible. Applying these principles, the Court held that the interpretation adopted by the arbitral tribunals was a plausible one and did not warrant interference under the limited judicial review permitted by the Arbitration and Conciliation Act, 1996. Accordingly, the appeals filed by the National Highways Authority of India were dismissed. In a connected appeal filed by the contractor, the Hon'ble Court set aside the orders of the executing and appellate courts permitting deduction of cess from amounts payable under an arbitral award.

REQUIRED TO BE ISSUED BY THE TREATING DOCTOR UNDER THE PROVISIONS OF THE EMPLOYEES COMPENSATION ACT, 1923 ("EC ACT")

The Hon'ble Bombay High Court in ***Mahendra Sabharu Majhi* v. *M/s. Mahlaxmi Enterprises and Anr.*** **[First Appeal No. 1627 of 2012]** held that a claim for compensation under the EC Act cannot be rejected solely on the ground that the disability certificate was issued by a doctor who did not treat the injured workman.

The Appellant, who was working at a construction site, sustained back injuries after falling during the course of employment and subsequently sought compensation before the Commissioner under the EC Act. The Commissioner dismissed the claim on the ground that the disability certificate relied upon by the claimant had been issued by a doctor who had not attended to the injured at the time of treatment.

Before the Hon'ble High Court, the central question was whether the Commissioner was justified in rejecting the compensation application solely on this basis. The Hon'ble Court examined the statutory framework under the EC Act, particularly the requirement that loss of earning capacity be assessed by a "qualified medical practitioner". The Hon'ble Court noted that the EC Act defines a qualified medical practitioner as a person registered under the relevant medical registration laws and does not stipulate that such practitioner must necessarily be the treating doctor. The Hon'ble Court observed that the purpose of obtaining a disability certificate is to secure expert medical assessment regarding the extent of disability or loss of earning capacity. In the absence of any statutory requirement mandating that such certificate be issued only by the treating doctor, a qualified medical practitioner who examines the claimant or relies on medical records may issue the certificate and depose before the Authority. Such testimony remains subject to cross-examination and evaluation by the adjudicating Authority.

Accordingly, the Hon'ble Court held that the Commissioner's approach in rejecting the claim solely on this ground was erroneous. The impugned order was therefore set aside and the matter was remanded to the Commissioner for the limited purpose of assessing the percentage of loss of earning capacity on the basis of the evidence already on record and calculating the compensation accordingly. The Hon'ble Court clarified that the other issues stood concluded and were not open for reconsideration.

FINTECH

RBI ANNOUNCES REGULATORY MEASURES IMPACTING DIGITAL FINANCE AND CONSUMER PROTECTION

RBI on February 06, 2026 has issued a Statement on Developmental and Regulatory Policies announcing a range of proposed regulatory and developmental measures across areas such as regulation, payments systems, financial inclusion, and financial markets ("**Statement**"). Among the various initiatives proposed, certain measures are particularly relevant for the digital finance and fintech ecosystem, especially those relating to the marketing and distribution of financial products and safeguards in digital payments. Draft frameworks and discussion papers on these initiatives are expected to be released separately for public consultation.

The proposed key highlights for the Fintech sector are:

- The RBI has proposed to issue comprehensive instructions governing the advertising, marketing and sale of financial products and services by regulated entities, with the objective of addressing concerns relating to the mis-selling of financial products. The proposed framework will ensure that financial products offered to customers, including third-party products sold through bank channels, are suitable to the financial needs and risk appetite of customers.

- Separately, RBI has announced that it will issue a discussion paper exploring safeguards in digital payments to curb fraud, in light of the increasing sophistication of fraudulent activities in digital financial transactions. The proposed safeguards may include measures such as lagged credit mechanisms and additional authentication requirements for certain categories of users, including senior citizens. These measures are intended to enhance customer protection and strengthen trust in India's rapidly expanding digital payments ecosystem.

DSK View: *The Statement reflects RBI's continued focus on strengthening consumer protection and reducing risks in digital financial services. While the Statement outlines the broad regulatory intent, the detailed compliance requirements will depend on the draft directions and discussion papers to be issued by the RBI, and market participants in the fintech ecosystem will need to closely monitor these developments once released.*

Read more

RBI ISSUES DRAFT DIRECTIONS ON ADVERTISING, MARKETING AND SALE OF FINANCIAL PRODUCTS

RBI pursuant to the announcement made in its Statement on Developmental and Regulatory Policies dated February 6, 2026, has issued draft amendment directions on Responsible Business Conduct for public consultation (collectively, the "**Draft Directions**"). The Draft Directions propose to introduce a comprehensive regulatory framework governing the advertising, marketing and sale of financial products and services, including third-party products distributed by regulated entities. The Draft Directions have been issued across multiple categories of regulated entities, including banks, co-operative banks, all India financial institutions, non-banking financial companies (NBFCs), and housing finance companies (HFCs).

The Draft Directions seek to strengthen customer protection and curb mis-selling of financial products, particularly in cases where regulated entities distribute third-party financial products through agency or referral arrangements. The Draft Directions introduce key regulatory concepts such as "mis-selling," "compulsory bundling," "explicit consent," and "dark patterns," and require regulated entities to ensure that financial products offered to customers are appropriate and suitable based on the customer's profile, financial literacy, risk tolerance and financial needs. The Draft Directions also prescribe detailed requirements relating to

the engagement and oversight of Direct Sales Agents (DSAs) and Direct Marketing Agents (DMAs) involved in the marketing and distribution of financial products. Regulated entities will be required to implement comprehensive internal policies governing advertising, marketing and sales practices, undertake due diligence and training of agents, maintain publicly accessible lists of engaged agents, and establish codes of conduct governing marketing and customer interaction practices.

Further, the Draft Directions introduce safeguards aimed at preventing misleading marketing practices and unfair digital design practices, including restrictions on dark patterns in user interfaces, requirements for clear disclosure of product features, charges and the role of the regulated entity in distributing third-party products, and prohibition of compulsory bundling of financial products. The Draft Directions also require regulated entities to obtain explicit customer consent prior to the sale of financial products, and to establish customer feedback mechanisms and compensation frameworks in cases where mis-selling of financial products is established.

DSK View: *The Draft Directions indicate RBI's intent to strengthen regulatory oversight over the distribution of financial products and curb mis-selling practices across regulated entities. Additionally, the Draft Directions are expected to strengthen consumer protection by promoting transparency in marketing practices and reducing instances of mis-selling of financial products across the financial sector. Once finalised, the framework may require all regulated entities to review their marketing practices, agent engagement models and digital interfaces to ensure compliance with the enhanced customer protection standards.*

The detailed directions for each regulated entity are provided in the link below.

Read more

RBI PROPOSES REGISTRATION EXEMPTION FOR TYPE I NBFCS WITH ASSETS BELOW INR 1,000 CRORE

The Reserve Bank of India, pursuant to its Statement on Developmental and Regulatory Policies dated February 6, 2026, issued the Draft RBI (Non-Banking Financial Companies — Registration, Exemptions and Framework for Scale Based Regulation) Amendment Directions, 2026 (the "**Draft NBFC Directions**") on February 10, 2026 for public consultation. The Draft NBFC Directions propose to exempt NBFCs that (i) do not accept public funds (directly or indirectly), (ii) have no customer interface, and (iii) have total assets below 1NR 1,000 crore, from the requirement of obtaining a Certificate of Registration under Section 45-IA of the RBI Act, 1934. Such entities are proposed to be designated as "Unregistered Type I NBFCs." NBFCs already registered as Type I but satisfying these conditions may apply for deregistration; those with assets exceeding ₹1,000 crore will be required to obtain registration as Type I or Type II NBFCs depending on their business model.

DSK View: *The proposed exemption reflects RBI's risk-proportionate approach to NBFC oversight — entities with no public exposure and no direct customer dealings are considered to pose minimal consumer or systemic risk. For the fintech ecosystem, this is particularly relevant for investment-holding SPVs, captive financing arms of fintech groups, and family-office-style lending structures that may currently hold RBI registration. Such entities should assess whether they satisfy the twin conditions of no public funds and no customer interface, and evaluate the option of deregistration. Separately, the INR 1,000 crore threshold creates a clear regulatory trigger point that growing fintech-adjacent NBFCs must track, as crossing this threshold will mandate registration and attendant prudential compliance.*

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RBI ISSUES DRAFT DIRECTIONS ON AGENCY BUSINESS AND REFERRAL ARRANGEMENTS FOR FINANCIAL PRODUCTS

RBI has issued the Draft Reserve Bank of India (Commercial Banks – Undertaking of Financial Services) Amendment Directions, 2026 (the "**Draft Directions for Financial Products**"), proposing amendments to the Reserve Bank of India (Commercial Banks – Undertaking of Financial Services) Directions, 2025. The Draft Directions for Financial Products seek to revise the regulatory framework governing agency business and referral arrangements for financial products and services offered by banks.

Under the Draft Directions for Financial Products, banks may facilitate the sale of third-party products and services (TPPS) only where such products fall within the regulatory framework of financial sector regulators such as RBI, SEBI, IRDAI and PFRDA. The Draft Directions for Financial Products clarify that banks may undertake such distribution activities under an agency business model on a fee basis without risk participation, and must ensure compliance with the relevant , particularly with respect to customer protection and conduct requirements.

The Draft Directions for Financial Products introduce specific requirements governing referral arrangements. Under this model, banks may refer customers to third-party product and service providers (TPPSPs) only for regulated financial products (excluding insurance), provided that the bank's role remains purely referral in nature and it does not participate in marketing, distribution or grievance redressal processes. In such arrangements, banks may collect only a one-time referral fee from the TPPSP, and must clearly disclose their limited role to customers through appropriate disclaimers. **Note**: Similar draft amendment directions have also been

issued for other regulated entities including (i) small finance banks; (ii) payments banks; (iii) regional rural banks, (iv) urban co-operative banks; (v) rural co-operative banks; and (vi) non-banking financial companies.

DSK View: *The Draft Directions aim to enhance transparency and clarify the regulatory boundaries between agency-based distribution and referral-based financial product offerings, which may impact partnership models between banks and fintech platforms involved in digital distribution of financial products.*

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NATIONAL PAYMENTS CORPORATION OF INDIA ANNOUNCES FIMI A DOMAIN SPECIFIC ARTIFICIAL INTELLIGENCE LANGUAGE MODEL BUILT FOR INDIA'S PAYMENT ECOSYSTEM.

National Payments Corporation of India ("**NPCI**") on February 17, 2026, has released a domain specific language model built especially for payment ecosystem of India at the India – Artificial Intelligence Summit 2026 named Finance Model for India ("**FiMI**"). FiMI has been released with an intent to ensure higher accuracy, reliability and understanding of Unified Payment Interface ("**UPI**") interactions. The model has been built to understand the complexities of India's digital payments infrastructure, including UPI transactions, dispute resolution processes, mandate lifecycle management, and regulatory queries, and has been trained using financial and synthetically generated payments data to support accurate reasoning and multilingual interactions.

FiMI is currently deployed through NPCI's UPI Help Assistant, an AI-powered conversational support system for UPI users that assists with payment-related queries, grievance redressal, and mandate management. The assistant presently supports English, Hindi, Telugu, and Bengali, with additional Indian languages expected to be added in the coming months to improve accessibility. NPCI has also released a detailed technical paper outlining the model's development methodology and evaluation results, signaling its effort to promote transparent and trustworthy AI innovation within India's digital payments infrastructure.

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NPCI COLLABORATES WITH NVIDIA TO DEVELOP SOVEREIGN AI CAPABILITIES FOR INDIA'S PAYMENTS ECOSYSTEM

NPCI on February 18, 2026 announced a collaboration with NVIDIA to enhance its sovereign AI capabilities for India's payments ecosystem. The initiative aims to support the evolving requirements of large-scale, real-time payment systems by combining NPCI's expertise in operating population-scale payment infrastructure with NVIDIA's advanced AI and accelerated computing platforms. As part of this collaboration, NPCI will leverage NVIDIA Nemotron, a family of open AI models, to develop a payments-native AI foundation model aligned with India's regulatory and data sovereignty requirements.

The collaboration builds on NPCI's ongoing AI initiatives, including the recently launched UPI Help Assistant, powered by FiMI. The NPCI through this collaboration intends to build a scalable AI layer for the payments ecosystem, exploring architectures such as Mixture of Experts (MoE) to support high-volume, low-latency payment environments.

DSK View: *The initiative by NPCI is expected to facilitate innovation across areas such as trust frameworks, grievance management and operational intelligence, while enabling banks and fintech participants to leverage AI capabilities within India's digital payments infrastructure.*

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SEBI ISSUES MASTER CIRCULAR FOR INVESTMENT ADVISERS ("IAS") ON REVISED FEE CAPS, AUA DOCUMENTATION AND DISCLOSURE NORMS

SEBI on February 06, 2026 issued the 2026 Master Circular for Investment Advisers (Master Circular No. HO/38/12/11(1)2026-MIRSD-POD/I/4360/2026) consolidating all earlier directives applicable to registered IAs into a single, comprehensive regulatory framework ("**IA Master Circular**"). The IA Master Circular aims to enhance regulatory clarity, investor protection, and ease of compliance, while aligning the advisory ecosystem with evolving market practices. Key provisions of the IA Master Circular include: (i) a maximum fee cap of INR 1,51,000 (Indian Rupees One Lakh Fifty One Thousand) per family per annum under the per-family fee model, with flexibility on the mode of fee charging; (ii) enhanced documentation requirements for Assets Under Advice (AUA), with mandatory suitability assessments linking advice to the client's financial profile and risk appetite; (iii) alignment of IA obligations with the revised Investor Charter, covering disclosure of scope of services, fee structures, risk profiling methodology, and grievance redressal mechanisms; and (iv) strengthened internal controls over the use of technology and digital platforms in advisory services. The IA Master Circular rescinds all prior individual circulars compiled within it while preserving all past enforcement actions and liabilities.

DSK View: *The IA Master Circular is particularly significant for fintech platforms offering robo-advisory, algorithm-driven investment recommendations, or hybrid human-digital advisory services. Platforms registered as IAs, or those partnering with registered IAs to deliver investment advice digitally, must re-examine their fee disclosure mechanisms,*

client suitability frameworks, and digital interface disclosures to ensure compliance with the consolidated requirements. The single-reference-point structure of the Master Circular also simplifies the regulatory audit process for IA-licensed FinTech's.

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SEBI ISSUES MASTER CIRCULAR FOR RESEARCH ANALYSTS (FOR AI DISCLOSURE, DUAL REGISTRATION AND GOVERNANCE NORMS

SEBI on February 06, 2026, issued the 2026 Master Circular for Research Analysts (Master Circular No. HO/38/12/11(1)2026-MIRSD-POD/I/4360/2026) ("**RA Master Circular**") consolidating all applicable regulatory directions for Research Analysts ("**RA**") and the Research Analysts Administration and Supervisory Body ("RAASB"). The RA Master Circular is issued under Section 11(1) of the SEBI Act, 1992 and brings together multiple earlier circulars into a single, accessible framework. The RA Master Circular states that a RA or a research entity who uses any artificial intelligence tools for its work will be solely liable for the security, confidentiality, and integrity of client data, and must also disclose to clients the extent of such AI usage while providing research services. The circular introduces explicit guidance on AI usage and client data protection within research services, while bringing together existing regulatory requirements governing research analysts under a unified framework.

DSK View: *The RA Master Circular has significant implications for fintech platforms that offer AI-driven stock research, investment tips, or algo-strategy recommendations. The mandatory disclosure of AI usage in research output is a notable development that will require platforms to audit and document their AI pipelines used for generating research. Platforms that operate dual IA–RA models must carefully review the conflict-of-interest segregation requirements to ensure clean structural separation between their advisory and research verticals.*

The RA Master Circular can be accessed at the link below:

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SEBI CATEGORIZATION AND RATIONALIZATION OF MUTUAL FUND SCHEMES

SEBI on February 26, 2026, issued a circular on "Categorization and Rationalization of Mutual Fund Schemes" (Circular No. HO/24/13/15(2)2026-IMD-RAC4/I/5764/2026) ("**MF Circular**"). The MF Circular classifies mutual fund schemes into five categories such as, Equity, Debt, Hybrid, Life Cycle Funds, and Other Schemes (including Fund of Funds and Passive/Index schemes), each with clearly defined investment characteristics and uniform scheme descriptions. The key highlights of this MF Circular are (i) the introduction of "Life Cycle Fund" category, with tenures ranging from 5 to 30 years and a built-in glide-path that automatically reduces equity exposure as the fund approaches maturity; and (ii) portfolio overlap between thematic/sectoral funds and other equity fund categories is capped at 50%, subject to a three-year compliance transition. This MF circular expands the permissible residual portfolio for equity schemes to include gold, silver instruments, and InvITs, and for hybrid schemes to include Gold ETFs, Silver ETFs, ETCDs, and InvITs (except for arbitrage funds). For debt schemes, the residual portion may be invested in InvITs, though this excludes overnight, liquid, ultra-short duration, low duration, and money market funds. In addition, it provides that existing schemes are required to comply with the revised provisions within six months from the date of the MF Circular, with changes to nomenclature, investment objectives, and strategy not being treated as fundamental attribute changes.

DSK View: *The discontinuation of solution-oriented funds and the introduction of Life Cycle Funds represents a significant structural shift for fintech platforms offering goal-based investing or retirement planning products built around existing retirement or children's fund categories. Platforms that have curated journeys around these solution funds will need to redesign their product architecture and revise customer communications. Conversely, the Life Cycle Fund structure opens a new product opportunity for retirement-tech fintechs, given the built-in glide-path mechanism which aligns well with digital, set-and-forget investment journeys targeting long-term retail investors.*

The detailed MF Circular can be accessed at the link below:

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ORISSA HIGH COURT SEEKS CLARIFICATION ON LEGAL STATUS OF CRYPTOCURRENCY IN INDIA

The High Court of Orissa, in *Padmini Meher v. State of Odisha* (CRLMC No. 2031 of 2025, order dated February 23, 2026), raised significant questions regarding the legal status of cryptocurrency in India while hearing a matter involving allegations linked to digital asset transactions. The Court observed that the absence of a comprehensive legislative framework governing cryptocurrencies has created ambiguity regarding whether such assets should be treated as legal, illegal, or regulated within India's current financial and regulatory system. Recognising the technical and regulatory complexity surrounding cryptocurrency transactions, the Court directed the Superintendent of Police and the Nodal Officer of the Cyber Cell, Balangir, to appear before it and assist in clarifying issues including the legal status of cryptocurrency, the existence of any statutory prohibition on its possession or trade, the applicable regulatory framework, and the manner in which crypto-

related offences are currently investigated and prosecuted in India.

DSK View: *The order reflects the continued legal and regulatory ambiguity surrounding cryptocurrencies in India, highlighting the need for clearer legislative and regulatory guidance on the treatment and enforcement of virtual digital asset transactions.*

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INFRASTRUCTURE AND ENERGY

REVISED GUIDELINES FOR COAL AND LIGNITE BASED THERMAL POWER PLANTS ('TPPs')

March 15, 2024, the Ministry of Power, Government of India has, on January 30, 2026, issued revised guidelines ('**Guidelines**'), in relation to disposal of ash from coal and thermal power plants and utilisation of same for ash based product manufacturing. The Guidelines aim to streamline process of disposal / supply of ash by TPPs to bulk consumers for further utilisations.

The summary of key aspects from the Guidelines are provided below:

- TPPs must annually declare the quantity of Issuable Fly Ash, after excluding existing tie-ups and technical restrictions. This disclosure enables bulk consumers to plan capacity and supports long-term, sustainable procurement arrangements.
- TPPs must reserve a defined portion of Issuable Fly Ash (the quantity of fly ash available for sale or disposal by a TPP) in a given year for Medium and Small Enterprises and local users at concessional rates.
- The Guidelines prescribe a three-step ash-disposal hierarchy, namely: (a) auction at a floor price of ₹1/MT; (b) free allocation on a first-come basis,; and (c) free delivery to agencies of identified avenues (such as roads, dams, low lying areas, etc.) situated within a 300 kms from TPPs.
- Upon exhausting the aforesaid three steps, the TPPs may transport any remining ash for utilisation to agencies of identified avenues which are situated beyond 300 kms and in this regard, the transportation cost shall be limited to the notional cost for distance of upto 300 kms only.
- TPPs must maintain a competitively selected panel of transport agencies aligned with State or Central Schedule of Rates. The bidding process must be initiated in advance to avoid panel gaps and ensure uninterrupted, compliant ash-logistics operations.
- The Guidelines must be followed by every coal or lignite TPPs (including captive and co-generating stations)

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NOTIFICATION ON TERMS AND CONDITIONS FOR PURCHASE AND SALE OF CARBON CREDIT CERTIFICATES ('CCCs')

The Central Electricity Regulatory Commission ('**CERC**') has, by way of Notification No. RA-14026(13)/1/2024-CERC notified the CERC (Terms and Conditions for Purchase and Sale of Carbon Credit Certificates) Regulations 2026 ('**Regulations**'), for the development of the Indian carbon market. The Regulations have been notified pursuant to the Carbon Credit Trading Scheme 2023 ('**2023 Scheme**'). The Regulations bifurcate the market into two segments, a Compliance Market for obligated entities (being notified registered entities) and an Offset Market for non-obligated entities (being registered entities who can purchase carbon credit certificates on voluntary basis). Trading is primarily through power exchanges, with monthly transaction cycles and the option for alternative mechanisms, and entities defaulting more than three times in a quarter face a six-month trading bar.

The highlights of the Regulations are provided below:

- To manage the exchanges of CCC, the Grid Controller of India has been designated to function as the Registry for CCC.
- The Bureau of Energy Efficiency ('**BEE**'), the Administrator for CCCs, is responsible for developing

transaction procedures, managing registrations and transfers, and coordinating between Power Exchanges and the Registry. It also monitors compliance, disseminates market information, and alerts the Registry on certificate expiries.

- Transactions are conducted through Power Exchanges (or other CERC-permitted modes). Trading sessions typically occur on a monthly basis, or as determined by the CERC. Exchanges must seek CERC approval for their "Business Rules" and "Byelaws" specifically for CCC trading.

- One CCC represents the reduction or avoidance of one metric ton of CO_2-equivalent, with valuation aligned to the 2023 Scheme. Its validity depends on procedures prescribed under the Compliance or Offset mechanisms in accordance with Section 12 of the 2023 Scheme.

- CCC trading operates within a Commission-approved price corridor consisting of a floor and forbearance price.

- Entities are barred from placing sale bids exceeding their actual CCC holdings, with the Registry cross-checking bids across exchanges.

- Power exchanges must submit detailed transaction reports to the Registry after every session to ensure account balances are updated immediately.

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NATIONAL HIGHWAYS AUTHORITY OF INDIA ('NHAI') – SOP FOR ONE TIME SETTLEMENT OF CONTRACTUAL DISPUTES UNDER THE VIVAD SE VISHWAS -III SCHEME

NHAI has issued a Standard Operating Procedure ('**SOP**') on 20 February 2026 for one-time settlement of contractual disputes under the Vivad se Vishwas-III Scheme ('**Scheme**'), allowing monetary arbitral awards and court orders under Sections 34 and 37 up to Rs. 500 crore to be settled at fixed percentages. Claims must be filed on the Government e-Marketplace ('**GeM'**) portal by 31 March 2026, with a 30-day offer-acceptance period and mandatory withdrawal of existing litigation within 45 days, providing a time-bound, cost-effective mechanism to resolve long-pending disputes.

The highlights of the SOP are provided below:

- The Scheme establishes that for a dispute to be eligible for settlement, arbitral awards must have been passed on or before October 31, 2025. For court-related matters, orders issued under Section 34 or Section 37 of the Arbitration & Conciliation Act, 1996, must have been passed by November 30, 2025. Furthermore, the scheme only applies to awards involving purely monetary values; any awards requiring specific performance of a contract are strictly excluded.

- Settlement amounts are fixed at 45% for arbitral awards, 65% for Section 34 orders, and 70% for Section 37 orders, calculated on the lower of the award or original claim.

- The Scheme covers awards upto Rs. 500 crore. However, if a claimant with an award exceeding this amount still wishes to settle, they may do so, but the settlement will be calculated as if the award were capped at Rs. 500 crore. Final settlement cannot exceed the amount payable under the earlier settlement scheme for older awards.

- Claims must be filed on GeM by March 31, 2026. After accepting the offer, contractors must withdraw pending litigation within 45 days and execute the settlement agreement within 30 days thereafter.

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PROTECTION OF INTERESTS IN AIRCRAFT OBJECTS RULES, 2026 ('PIAO Rules')

The Ministry of Civil Aviation ('**MoCA**') has notified the Aircraft Objects Rules, 2026 ('**PIAO Rules**'), pursuant to the Protection of Interests in Aircraft Objects Act, 2025 ('**Act**'), to operationalise India's commitments under the Convention on International Interests in Mobile Equipment and the Protocol thereto on Matters Specific to Aircraft Equipment ('**Convention**'). These Rules establish the procedural framework for recognition, registration and enforcement of international interests in aircraft objects within India.

The highlights of the PIAO Rules are:

- The PIAO Rules enable registration of international interests in aircraft objects through a DGCA-supervised electronic system, ensuring standardised recording. This framework operationalises recognition of such interests in alignment with the Convention.

- The Rules recognise specified non-consensual rights or interests as registrable under Article 40, without affecting India's Article 39(1)(a) declaration on unpaid airline-employee wages under the Convention.

- Operators must report all international interests within prescribed and transitional timelines and maintain updated records of dues, charges and statutory liabilities.

- The Rules require electronic notification of default before creditors exercise remedies, with all details recorded in the information system to support transparent enforcement.

Read more

ISSUES DRAFT NATIONAL WATER METRO POLICY, 2026

The Ministry of Ports, Shipping, and Waterways ('**MOPSW**') has released the Draft National Water Metro Policy, 2026 ('**Draft Policy**') on February 6, 2026, to create a unified framework for integrating water-based mass passenger transport into India's urban mobility system ('**Water Metro System**'). The Draft Policy aims to leverage inland and coastal waterways to develop sustainable, reliable and efficient urban and regional water transit, reducing congestion and promoting green, multimodal connectivity. It defines the Water Metro System as including scheduled water buses and water taxis operating across various water bodies, and emphasises standardised vessel designs, safety and seamless integration with existing transport networks.

The highlights of the Draft Policy are provided below:

- The Draft Policy promotes sustainable transport by mandating standardised vessels designed for low- or zero-emission propulsion, including electric and hybrid systems.

- It sets out project-planning principles, eligibility criteria and requirements for detailed proposals, including techno-economic analysis and mobility integration.

- The Policy provides flexible financing options such as joint State-Central funding, fully State-funded models and PPPs supported by viability-gap funding.

- Fare structures must comply with applicable legal frameworks and be tailored to corridor-specific needs, while encouraging integrated ticketing and non-fare revenue streams. It also supports value-capture opportunities to strengthen commercial viability.

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GUIDELINES FOR THE INTEREST INCENTIVIZATION FUND

The Ministry of Ports, Shipping, and Waterways ('**MOPSW**') has issued the Guidelines for the Interest Incentivization Fund ('**IIF**') under the Maritime Development Fund ('**IIF Guidelines**') on February 26, 2026, operationalising a targeted interest support mechanism to strengthen India's shipbuilding sector. It focuses on expanding domestic shipbuilding capacity, enhance global competitiveness, and improve access to affordable financing for maritime sector entities.

The highlights of the IIF Guidelines are:

- The IIF Guidelines aims to reduce borrowing costs for Indian shipyards by providing interest incentives on eligible term and working capital loans availed from RBI-regulated lenders.

- Pursuant to IIF Guidelines, a 3% per annum interest incentive will be provided on eligible loans, subject to applicable ceilings, fund availability and annual notifications. The incentive amount is determined strictly in accordance with the scheme's financial parameters.

- The Rs. 5,000-crore corpus will operate for ten years until 31 March 2036, with loans sanctioned during this period continuing to receive support for their eligible tenure.

- The Implementing Agency designated by MOPSW (being Sagarmala Finance Corporation Limited), shall be responsible for eligibility assessment, loan tagging, claim verification, incentive computation and release, performance monitoring and reporting to MOPSW.

- Borrowers must approach their lenders for loan sanction, after which proposals are forwarded to the Implementing Agency for approval under the IIF framework. Verified incentive amounts are periodically credited to the borrower's loan account following submission of audited certificates and compliance documents.

- Continuous monitoring is undertaken through system-based tracking, periodic loan reviews and annual evaluations of scheme effectiveness, supported by a designated Nodal Officer framework.

Read more

SUPREME COURT EXAMINES THE VALIDITY OF RULE 23 OF ELECTRICITY (AMENDMENT) RULES, 2024

The Hon'ble Supreme Court has issued notice in a writ petition by Tamil Nadu Power Distribution Corporation Limited ('**TNPDCL**') challenging Rule 23 of the Electricity (Amendment) Rules, 2024 ('**Rules**') and, in the process, strongly criticised the State of Tamil Nadu's promise of subsidised or "free" electricity as part of what it described as a troubling "freebie culture" that ignores fiscal realities.

Background: Rule 23 of the Rules mandates that the gap between the approved Annual Revenue Requirement and

the estimated annual revenue from tariff is to not exceed 3% and must be liquidated within three years for new gaps and seven years for existing regulatory assets, along with carrying costs calculated at the base rate under the Electricity Late Payment Surcharge framework. TNPDCL claims that this Rule imposes a rigid and uniform liquidation mechanism without accounting for the financial structure and welfare obligations of State-owned utilities, along with a retrospective applicability.

Observations of Court: The Hon'ble Supreme Court had issued notice and raised broader concerns regarding fiscal discipline and statutory compliance. The Hon'ble Supreme Court questioned the practice of states absorbing electricity distribution losses without advance financial planning and observed that if a state intends to grant subsidy, it must do so in advance under Section 65 of the Electricity Act, 2004 so that it can be factored into tariff determination. Referring to its earlier decision in BSES Rajdhani Power Ltd v. Union of India, the Bench indicated that post-facto financial support may disturb the statutory framework governing cost-reflective tariffs. While TNPDCL specifically raised the issues of retrospective operation and non-consideration of relevant factors, the Hon'ble Supreme Court has not yet expressed any final opinion on these aspects and has kept the questions open for detailed examination after hearing all parties.

Read more

LOWEST BID RECORDED FOR GREEN HYDROGEN IN INDIA

India has received its lowest-ever bid for green hydrogen in a Government tender, marking a significant milestone in its clean energy transition. This recent tender to supply 10,000 tonnes of green hydrogen annually to Numaligarh Refinery Ltd. in Assam, received a bid of Rs. 279 per kilogram, which is the all-time lowest price recorded in India's history. The unusually low price was possible due to low renewable energy costs in India, along with government incentives such as financial support for production, equipment manufacturing, and a full waiver of transmission charges for electricity used in green hydrogen production.

The Government officials see this as an important step in making India a cost-competitive producer of green hydrogen, which is considered a key fuel for decarbonising heavy industries like steel and cement. To boost domestic demand, the Government is working with refineries to create consumption targets, along with efforts to begin exporting green ammonia, which is a derivative of green hydrogen, as early as 2028, as the talks are ongoing with buyers in Europe and Japan.

Read more

EXPORT PROMOTION MISSION UNDER FTP 2023: AN ACADEMIC ANALYSIS OF DGFT TRADE NOTICES 25–29/2025-26

INTRODUCTION AND LEGAL FRAMEWORK

On 20 February 2026, the Directorate General of Foreign Trade (DGFT) issued Trade Notices No. 25 to 29 of 2025–26 introducing a series of policy interventions under the Export Promotion Mission (EPM), commonly referred to as *NIRYAT DISHA* and *NIRYAT PROTSAHAN*. These measures, introduced under the Foreign Trade Policy (FTP) 2023, represent a coordinated effort to strengthen India's export ecosystem through targeted institutional and logistical support. The interventions have been notified with immediate effect on a pilot basis, while stakeholder comments have been invited in accordance with Paragraph 1.07A of the Foreign Trade Policy 2023 to enable institutional learning and policy refinement.

Taken together, the Trade Notices address several structural constraints affecting export competitiveness, particularly among Micro, Small and Medium Enterprises (MSMEs). The interventions span five dimensions of export development, that are, access to trade finance, regulatory compliance, trade intelligence, domestic logistics, and overseas logistics infrastructure. MSME exporters frequently encounter constraints in these areas despite their significant contribution to India's manufacturing and export base, and the EPM seeks to address these systemic limitations through a coordinated policy framework.

The Trade Notices have been issued under the enabling provisions Paragraph 1.07A of FTP 2023, which authorises the DGFT to notify procedural frameworks and invite stakeholder consultation prior to their finalisation. Each intervention is supported by a structured framework consisting of policy guidelines, operational procedures, governance arrangements, and application mechanisms. The adoption of a pilot-based approach indicates an intention to develop these interventions through institutional learning and data-driven refinement before their wider implementation.

The EPM must also be understood in the context of the gradual evolution of India's export promotion policy. Earlier export promotion schemes, such as the Merchandise Exports from India Scheme and the Services Exports from India Scheme, relied predominantly on fiscal incentives in the form of transferable duty credit scrips. While such schemes provided immediate financial support to exporters, they increasingly came under scrutiny within the framework of international trade disciplines governing export subsidies.

In contrast, the EPM reflects a shift toward a more structural approach to export promotion. Rather than relying primarily on fiscal incentives, the new framework seeks to improve export competitiveness by addressing underlying constraints relating to finance availability, regulatory compliance, logistics efficiency, and institutional support. By emphasising cost reduction and infrastructure access instead of export-contingent incentives, the framework represents a policy design that is more consistent with contemporary international trade rules.

Trade Notices No. 25–29 of 2025–26 therefore represent a significant step toward the development of an integrated and institutionally grounded export support ecosystem under the Foreign Trade Policy 2023.

Trade Notice No. 25/2025-26: Alternative Trade Finance Support

Trade Notice No. 25/2025-26 introduces support for alternative trade finance instruments with particular emphasis on export factoring arrangements. The scheme aims to improve access to export finance for MSMEs by promoting non-traditional financing mechanisms alongside conventional bank credit.

The intervention includes interest subvention support on factoring costs for eligible exporters. By reducing the cost of receivables financing, the scheme seeks to address liquidity

constraints that frequently limit the export capacity of smaller firms.

The policy significance of this intervention lies in its recognition that export finance in India remains heavily dependent on bank-based lending. Factoring and receivables financing mechanisms remain underdeveloped despite their widespread use in global trade. By supporting alternative trade finance instruments, the scheme seeks to diversify the export finance ecosystem and improve financial inclusion among MSME exporters.

The intervention is structured as a financial facilitation measure rather than an export-contingent subsidy. This distinction is significant in ensuring consistency with international subsidy disciplines.

Trade Notice No. 26/2025-26: TRACE – Compliance and Accreditation Support

Trade Notice No. 26/2025-26 introduces the Trade Regulations, Accreditation and Compliance Enablement (TRACE) intervention. The scheme addresses the growing importance of technical regulations and conformity assessment requirements in international trade.

The TRACE intervention provides support for expenses incurred in meeting regulatory requirements in export markets, including testing, certification, inspection, and technical audits. Increasingly stringent regulatory standards have become a major non-tariff barrier affecting exporters, particularly smaller firms that lack the resources to maintain dedicated compliance systems.

The scheme represents an acknowledgment that technical compliance has become an essential component of export competitiveness. Market access is no longer determined solely by tariff concessions but increasingly depends on the ability of exporters to meet regulatory and standards requirements.

TRACE is significant because it promotes compliance with importing-country regulations rather than providing export incentives. Such compliance-oriented support measures are generally considered permissible under international trade rules.

Trade Notice No. 27/2025-26: INSIGHT – Trade Intelligence and Facilitation

Trade Notice No. 27/2025-26 introduces the Integrated Support for Trade Intelligence and Facilitation (INSIGHT) intervention. The scheme seeks to address information asymmetries that often hinder export development, particularly among first-time exporters.

The intervention focuses on the dissemination of trade intelligence, export guidance, and institutional coordination among export promotion agencies. By strengthening information flows and institutional support systems, the scheme aims to improve exporter preparedness and reduce entry barriers.

The INSIGHT intervention reflects an understanding that lack of information and institutional support remains a significant constraint on export participation. The scheme therefore represents a shift toward a knowledge-based approach to export promotion.

From an administrative perspective, INSIGHT may be viewed as an attempt to institutionalise export facilitation within a coordinated policy framework.

Trade Notices No. 28 and 29/2025-26: Logistics-Based Interventions

Trade Notices No. 28 and 29 introduce two complementary logistics interventions under the Export Promotion Mission.

Trade Notice No. 28/2025-26 introduces the Facilitating Logistics, Overseas Warehousing and Fulfilment (FLOW) intervention. The scheme seeks to improve exporter access to overseas logistics infrastructure, including warehousing, distribution networks, and fulfilment arrangements. The lack of overseas distribution infrastructure has historically limited the ability of MSME exporters to participate effectively in global value chains. The FLOW intervention addresses this constraint by supporting the creation or use of overseas logistics facilities.

Trade Notice No. 29/2025-26 introduces the Facilitating Logistics Interventions for Freight and Transport (LIFT) scheme. The intervention aims to address geographical disadvantages faced by exporters located in low export intensity regions. By supporting freight and transport costs, the scheme seeks to reduce logistics disadvantages arising from distance from ports and logistics hubs.

The FLOW and LIFT schemes together create a comprehensive logistics support framework covering both domestic and international supply chains. The dual approach reflects an understanding that logistics costs constitute a major structural barrier affecting export competitiveness in India.

From a legal standpoint, logistics support measures are generally regarded as infrastructure-related interventions rather than export subsidies. The design of FLOW and LIFT therefore reduces the risk of challenges under international trade rules.

STRUCTURAL TRANSFORMATION IN EXPORT PROMOTION POLICY

Trade Notices 25–29 collectively indicate a structural transformation in India's export promotion strategy. Earlier export promotion frameworks relied heavily on fiscal incentives in the form of transferable duty credit scrips. Such schemes were relatively simple to administer but

increasingly difficult to sustain under international trade disciplines.

The EPM adopts a different approach by addressing underlying constraints affecting export competitiveness. The interventions collectively target finance availability, regulatory compliance, information access, and logistics efficiency.

This structural approach represents a more sustainable model of export promotion because it enhances long-term competitiveness rather than providing short-term financial incentives.

DSK View: *Trade Notices No. 25–29 of 2025-26 represent a coordinated policy initiative under the Export Promotion Mission aimed at strengthening India's export ecosystem. The interventions reflect a transition from subsidy-based export promotion toward a structural competitiveness framework centred on finance access, compliance capability, information support, and logistics infrastructure. From legal perspective, the Export Promotion Mission represents a significant evolution in India's trade policy architecture. The pilot-based implementation suggests that these schemes may form the foundation of a long-term export promotion framework under the Foreign Trade Policy 2023. If effectively implemented, the Export Promotion Mission has the potential to expand India's export base by addressing structural constraints that have historically limited the participation of MSMEs in international trade.*

MEDIA & ENTERTAINMENT

MADRAS HIGH COURT GRANTS PRE-RELEASE ANTI-PIRACY INJUNCTION FOR FILM 'O ROMEO'

The Madras High Court ("**Court**") has granted an interim anti-piracy injunction restraining internet service providers and cable television operators from broadcasting, transmitting, or disseminating the film titled 'O Romeo' ("**Film**") without authorisation ahead of its theatrical release. The Court observed that pre-release piracy causes immediate and irreversible harm to the financial and commercial interests of the Film's producers. The Court also acknowledged, however, that broadly framed John Doe or dynamic injunctions risk prejudicing the legitimate business interests of intermediaries and service providers. To strike an appropriate balance, the injunction was made conditional upon the producer of the Film furnishing an indemnity undertaking to compensate respondents for any genuine business losses occasioned by enforcement of the order.

MEITY NOTIFIES 2026 AMENDMENTS TO THE IT (INTERMEDIARY GUIDELINES AND DIGITAL MEDIA ETHICS CODE) RULES AFTER PUBLIC CONSULTATION

The Ministry of Electronics and Information Technology ("**MeitY**") published draft amendments to the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules ("**IT Rules**") on October 22, 2025, inviting public consultation while clarifying that submissions would be treated as confidential and held in a fiduciary capacity. The final amendments were notified on February 10, 2026, accompanied by an FAQ document, and took effect on February 20, 2026. The amendments go beyond synthetic content regulation alone and, while they address certain concerns previously raised by civil society, a clause-by-clause review reveals that they also give rise to new issues warranting scrutiny. On the question of synthetically generated information, the amendments introduce a set of heightened obligations. Intermediaries are required to act on unlawful content within 3 (three) hours of gaining knowledge of it, deploy technical measures to prevent the circulation of illegal AI-generated material, apply mandatory labels and disclosures, preserve relevant metadata, and refrain from tampering with content identifiers. Significant social media intermediaries and online gaming intermediaries face additional requirements i.e., they must obtain declarations from users regarding AI-generated content, verify those declarations, and ensure such content is appropriately labelled prior to publication. Non-compliance with these obligations may result in the intermediary being treated as having failed to satisfy its due diligence requirements under the IT Rules.

AD INTERIM EX PARTE INJUNCTION GRANTED IN KARAN JOHAR'S DEFAMATION SUIT AGAINST YOUTUBER AJEY NAGAR

Mumbai High Court ("**Court**") has granted an ad interim ex parte injunction in favour of Karan Johar ("**Plaintiff**") in a defamation suit filed against YouTuber Ajey Nagar and several other defendants ("**Defendants**"). Finding a prima facie case on the basis of vulgar and abusive language used in digital content targeting the Plaintiff, the Court directed the Defendants to refrain from publishing defamatory, vulgar, or abusive material about Johar, and ordered social media platforms including Meta to take down existing videos in question. Notwithstanding the submissions by the Defendants that the offending content had already been removed, the Court held that defamatory statements had prima facie been made and accordingly granted the temporary injunction. The matter has been listed for further hearing on a subsequent date.

SUPREME COURT DISPOSES OF PLEA CHALLENGING FILM TITLE 'GHOOSKHOR PANDAT' AFTER FILMMAKERS AGREE TO CHANGE TITLE

The Supreme Court ("**Court**") while hearing a plea seeking a stay on the over-the-top (OTT) release of the film titled 'Ghooskhor Pandat' ("**Film**"), observed that a film's title ought not to denigrate any section of society. The Court

issued notices to the Ministry of Information and Broadcasting, the Central Board of Film Certification, and the filmmaker of the Film, directing the latter to file an affidavit affirming that the Film does not denigrate any section of society, and made clear that the Film would not be permitted to release unless the title was changed. The Court subsequently disposed of the petition after the filmmakers of the Film agreed to abandon the contested title. The plea had alleged that the title was offensive and liable to hurt the sentiments of a section of society. In view of the filmmakers' decision to change the title of the Film, the Court found no occasion to proceed further with the matter.

COMPLAINT FILED AGAINST TEASER OF FILM 'TOXIC' OVER ALLEGED HURT TO RELIGIOUS SENTIMENTS

A Christian organisation has filed complaints with the Central Board of Film Certification ("**CBFC**"), the Film Chamber of Commerce, and state authorities alleging that the teaser of the film 'Toxic' ("**Film**") hurts religious sentiments. The complaint takes issue with scenes depicting Archangel Michael and a sequence in which a sex scene inside a car parked outside a cemetery is followed by a violent shootout, with the cemetery shown bearing religious symbols. The organisation has sought removal of the objectionable portions from the Film and the takedown of the teaser of the Film.

MADRAS HIGH COURT DECLINES INTERIM STAY ON OTT RELEASE OF 'PARASAKTHI' IN PLAGIARISM DISPUTE

The Madras High Court ("**Court**") has declined to restrain the over-the-top (OTT) release of the film titled 'Parasakthi' **("Film")** in a plagiarism suit filed by an assistant director **("Petitioner")** who alleges that the Film's story was copied from his work titled 'Semmozhi'. The Petitioner had sought an interim stay on the digital release, which the Court refused, listing the matter for hearing on February 09, 2026. The producers of the Film, in their reply opposing the allegations, contended that the anti-Hindi agitation of 1965 constitutes a historical event that belongs to the public domain and to society at large, and as such cannot be subject to a claim of copying.

JAMMU COURT RESTRAINS 18 CABLE OPERATORS FROM UNAUTHORISED REBROADCASTING OF JIOSTAR CONTENT

The District Court of Jammu ("**Court**") has restrained 18 (eighteen) cable operators ("**Defendants**") across Jammu & Kashmir from rebroadcasting live sports and entertainment content of JioStar India Private Limited ("**Plaintiff**") without authorisation. Principal District Judge, R.N. Watal, passed the order in a civil suit filed by the Plaintiff seeking a permanent injunction and damages of ₹2 crore for alleged infringement of its copyright and broadcast reproduction rights. The Plaintiff submitted that it holds exclusive broadcast and distribution rights over more than 100 (hundred) television channels across multiple languages and has secured exclusive media rights for several major sporting events through agreements with the Board of Control for Cricket in India. The Plaintiff alleged that despite the termination of its Subscription Licence Agreement with one of the defendants owing to non-payment of dues and disconnection of signals in December 2025, the defendant continued retransmitting its channels and live sports content. It was further alleged that the Defendants illegally downlinked channels via DD Free Dish and rebroadcast them to subscribers, including coverage of time-sensitive events such as the TATA Women's Premier League 2026 and the New Zealand Tour of India 2026. The Plaintiff contended that such acts constitute violations of the Copyright Act, 1957, the Cable Television Networks (Regulation) Act, 1995, and the Cable Television Networks Rules, 1994, all of which require written authorisation from broadcasters for retransmission. The Court, upon examining the records and an affidavit supported by documentary evidence including video clips of the alleged unauthorised broadcasts, restrained the Defendants along with unknown operators impleaded as John Doe from retransmitting, rebroadcasting, disseminating, or communicating the Plaintiff's content. The matter is listed for hearing on March 12, 2026.

KERALA HIGH COURT DIVISION BENCH LIFTS STAY ON RELEASE OF 'THE KERALA STORY 2 – GOES BEYOND'

A Single Judge Bench of the Kerala High Court ("**Court**") on February 26, 2026 stayed the release of 'The Kerala Story 2 – Goes Beyond' ("**Film**"), finding that the Central Board of Film Certification ("**CBFC**") had prima facie overlooked Central Government guidelines against content contemptuous of religious groups or likely to endanger public order. The Court directed the Central Government to consider a pending revision petition within 2 (two) weeks and restrained the Film's release for 15 (fifteen) days. Hours later, a Division Bench comprising Justices Sushrut Arvind Dharmadhikari and P.V. Balakrishnan held an urgent hearing and set aside the Single Judge's order, paving the way for the Film's release. The Division Bench held that since the CBFC had viewed the Film in its entirety before granting certification, there arose a prima facie presumption that the CBFC had applied its mind in accordance with Section 5B of the Cinematograph Act, 1952, and the relevant guidelines. The Division Bench further noted that the petitioners had not watched the full Film and that the producer had carried out insertions, excisions, and modifications as directed by the CBFC. The Division Bench relied on the Supreme Court's ruling in the case of *Viacom 18 Media Pvt. Ltd. v. Union of India*, which held that CBFC certification raises a prima facie presumption that all relevant guidelines including public order have been considered, and on *Atul Mishra v. Union of India*, which reiterated that apprehensions of law and order cannot justify halting a film cleared by the statutory body. The matter has been posted for further hearing.

DELHI HIGH COURT GRANTS EX PARTE INJUNCTION PROTECTING PERSONALITY RIGHTS OF SINGER JUBIN NAUTIYAL

The Delhi High Court ("**Court**") has passed a John Doe order granting an ex parte ad interim injunction in favour of Jubin Nautiyal ("**Plaintiff**"), restraining AI platforms, websites, and e-commerce intermediaries from the unauthorised use and commercial exploitation of his personality and publicity rights. The suit alleged that certain AI platforms had deployed machine learning algorithms to create audio and visual content mimicking the Plaintiff's name, voice, and manner of singing for unauthorised commercial gain, while digital design platforms were found to be selling merchandise bearing his name, image, and likeness. E-commerce platforms including Flipkart and Amazon were also alleged to have exploited his publicity rights by advertising and offering for sale unauthorised merchandise. The Court, finding that the Plaintiff had made out a prima facie strong case for protection and that the damage to his image and personality appeared real and present, granted interim protection against all named and unknown defendants.

INDIAN MUSIC RIGHTS BODIES LAUNCH SANGEET DWAR AS SINGLE-WINDOW PUBLIC PERFORMANCE LICENSING PORTAL

Leading music rights organisations including IPRS, PPL, Novex, and RMPL have jointly soft-launched Sangeet Dwar, a unified digital portal designed to simplify public performance licensing in India. The platform enables event organisers, venue owners, and hospitality operators to obtain performance licences through a single interface, eliminating the need to approach multiple agencies separately. The initiative addresses longstanding compliance gaps in India's music licensing ecosystem, where a significant proportion of public performances spanning weddings, corporate events, festivals, and hospitality venues — have historically taken place without proper authorisation, resulting in considerable royalty losses for composers, lyricists, performers, and labels. By consolidating permissions, standardising workflows, and offering transparent pricing, Sangeet Dwar seeks to formalise this under-licensed market and expand royalty streams for rights holders across the industry.

MADRAS HIGH COURT DISMISSES ACTOR VISHAL'S PLEA FOR ADDITIONAL TIME TO REPAY LOAN TO LYCA PRODUCTIONS

The Madras High Court ("**Court**") has dismissed actor Vishal's application seeking additional time to deposit ₹10 crore in Court in connection with a loan repayment dispute with Lyca Productions. A division bench, which had granted an interim stay on a single judge's June 2025 order directing repayment of ₹57 crore, had made the stay conditional upon Vishal depositing ₹10 crore within 4 (four) weeks. Having already been afforded considerable time without compliance, the Court declined to grant a further extension and dismissed the petition. Lyca Productions is now at liberty to proceed with its execution petition before the single judge to enforce the original judgment.

MIB NOTIFIES ACCESSIBILITY GUIDELINES MANDATING CAPTIONS AND AUDIO DESCRIPTIONS FOR OTT PLATFORMS

The Ministry of Information and Broadcasting ("**MIB**") issued the Guidelines for Accessibility of Content on Platforms of Publishers of Online Curated Content (OTT Platforms) for Persons with Hearing and Visual Impairment on 6 February 2026, requiring streaming platforms to progressively embed accessibility features for viewers with hearing and visual impairments. All newly published content must, within 36 (thirty-six) months of the notification, carry at least 1 (one) accessibility feature for each category of impairment, including closed or open captioning, Indian Sign Language interpretation for hearing-impaired users, and audio description tracks for visually-impaired audiences. Platforms must also display accessibility indicators such as CC, AD, and ISL at the time of content release, including on trailers and teasers, and ensure that their websites, mobile applications, and smart TV interfaces are compatible with assistive technologies. Compliance will be tracked through an accessibility conformance report due after 36 (thirty-six) months, followed by quarterly progress reports, with a 3 (three) tier grievance redress mechanism culminating in a government-led monitoring committee. Furthermore, certain categories of content are exempted from the mandatory requirements i.e. live content, audio-only content such as music and podcasts, and standalone short-form content are excluded from the same.

CELEBRITY & PERSONALITY RIGHTS

DELHI HIGH COURT UPHOLDS KAJOL'S PERSONALITY RIGHTS AGAINST UNAUTHORISED USE

The Delhi High Court ("**Court**") has affirmed the protection of actor Kajol's personality rights and right to privacy against unauthorised use of her identity and persona. Recognising the enforceability of personality rights, the Court directed that her identity and persona be protected against unauthorised commercial exploitation.

BOMBAY HIGH COURT GRANTS EX PARTE INTERIM PROTECTION TO SHATRUGHAN SINHA AGAINST UNAUTHORISED EXPLOITATION OF PERSONALITY RIGHTS

In the matter of *Shatrughan Prasad Sinha v. John Doe, Meta & Ors.*, the Bombay High Court ("**Court**") granted ex parte ad interim relief in favour of Shatrughan Sinha by an order dated February 16, 2026. The suit, filed by Shatrughan Sinha under the Court's ordinary original civil jurisdiction, seeks permanent and mandatory injunctions restraining

unidentified individuals and platforms from infringing his personality rights, encompassing his name, screen persona, voice, image, catchphrase, and distinctive performance style.

DELHI HIGH COURT GRANTS EX PARTE INJUNCTION PROTECTING SWAMI RAMDEV'S PERSONALITY RIGHTS AGAINST AI DEEPFAKES

The Delhi High Court ("**Court**") has granted an ex parte ad interim injunction in favour of Swami Ramdev ("**Plaintiff**"), restraining the unauthorised use of the Plaintiff's name, voice, image, likeness, and distinctive style in AI-generated deepfakes, fabricated endorsements, and other commercial content. The Court found that the unauthorised creation and circulation of deepfake videos depicting the Plaintiff as endorsing products with which he has no association prima facie constitutes misappropriation of his goodwill amounting to passing off, and that digitally altered content bearing his name and voice risks tarnishing his credibility and undermining public trust. The Court restrained the defendants from exploiting his persona for commercial or personal gain, with the order expressly covering AI-generated content, deepfake videos, voice-cloned audio, and metaverse environments. Google, Amazon India, Meta Platforms, X Corp, and Pinterest were directed to take down and block identified URLs within 72 (seventy-two) hours, with the Department of Telecommunications and Ministry of Electronics and Information Technology (MeitY) directed to issue corresponding blocking directions.

MINISTRY OF CORPORATE AFFAIRS ("MCA")

CIRCULAR ON COMPANIES COMPLIANCE FACILITATION SCHEME, 2026[14]

The Ministry of Corporate Affairs ("**MCA**"), through its General Circular dated February 24, 2026, has introduced the Companies Compliance Facilitation Scheme, 2026 ("**CCFS-2026**"). This circular streamlines the process for companies to regularize their pending annual filings, effectively providing a one-time window to update the corporate registry and reduce the financial burden of accumulated late fees. By exercising powers under the Companies Act, 2013, the Ministry has clarified that the scheme aims to support a diverse range of entities including MSMEs, One Person Companies (OPCs), and new-age entrepreneurs that have struggled to maintain timely compliances. To qualify for relief under this framework, companies must file the relevant e-forms, such as Annual Returns and Financial Statements, within the designated period to benefit from a significant reduction in additional fees.

The framework further elaborates on the diverse options available to entities based on their operational status, distinguishing between active companies and those seeking to exit the registry. For companies wishing to remain active, the primary relief is the requirement to pay only 10% of the total additional fees prescribed under the rules for delayed filings. Inactive or defunct entities are empowered to utilize the scheme to transition to a "dormant company" status at half the normal filing fee or opt to be struck off the register by paying only 25% of the applicable filing fees. A significant focus of the CCFS-2026 is the provision of immunity from certain penal proceedings; the circular mandates that no penalty shall be leviable for defaults under sections 92 or section 137 if the filings are completed before or shortly after an adjudication notice is issued.

Aligning with the rigorous standards of India's corporate governance, the circular mandates that the immunity is conditional and does not extend to companies already undergoing liquidation or those categorized as "vanishing companies." The circular will come into effect at a later date, specifically on April 15, 2026.

THE COMPANIES (ACCOUNTING STANDARDS) AMENDMENT RULES, 2026[15]

The MCA through its Notification dated March 10, 2026, has introduced the Companies (Accounting Standards) Amendment Rules, 2026. This amendment streamlines the regulatory landscape for income tax accounting, effectively amending the Companies (Accounting Standards) Rules, 2021 to address international tax reforms. By inserting new paragraphs into Accounting Standard (AS) 22, the MCA has clarified the application of accounting principles to taxes arising from the Pillar Two model rules published by the OECD. To qualify under this framework, tax laws must be enacted or substantively enacted to implement these model rules, including qualified domestic minimum top-up taxes. As a temporary exception to standard requirements, the rules mandate that an enterprise should neither recognize nor disclose information regarding deferred tax assets and liabilities specifically related to Pillar Two income taxes.

The framework further elaborates on the diverse disclosure requirements for enterprises, distinguishing between periods when legislation is enacted and when it becomes effective. For current operations, an enterprise must disclose its current tax expense or income related to Pillar Two taxes

[14]https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=NjM4NTY0NzE1&docCategory=Circulars&type=open

[15]https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=NjMwMjcwOTM4&docCategory=Notifications&type=open

separately. A significant focus of the 2026 Amendment Rules is the provision of "known or reasonably estimable" information to help stakeholders understand an enterprise's exposure to these reforms. This ensures that financial statements remain a credible source of information, requiring enterprises to provide qualitative details on how they are affected and quantitative indications, such as the proportion of profits subject to these taxes or changes in average effective tax rates.

Aligning with the rigorous standards of India's corporate financial reporting, the circular mandates that registered enterprises excluding Small and Medium-sized Companies for certain disclosures adhere to strict transparency norms. This includes the mandatory disclosure of the application of the recognition exception and progress reports if specific exposure assessments are not yet fully estimable. This amendment marks a shift toward a more mature regulatory environment for international taxation, providing a clear roadmap for organizations looking to navigate the complexities of global tax reforms while meeting the high-water mark of Indian accounting regulation. The notification came into effect immediately upon its publication in the Official Gazette, though specific disclosure requirements (paragraphs 32B-32D) apply to annual reporting periods beginning on or after April 1, 2025.

ADJUDICATION OF PENALTIES UNDER THE LIMITED LIABILITY PARTNERSHIP ACT, 2008[16]

The MCA through its Notification dated February 10, 2026, has introduced a significant administrative framework governing the adjudication of penalties under the Limited Liability Partnership Act, 2008. This notification modernizes the regulatory landscape for LLP effectively superseding prior notifications to provide a single, updated jurisdictional roadmap for the enforcement of the Act. By appointing specific Registrar of Companies ("**ROC**") as adjudicating officers, the MCA has clarified the territorial limits and registration-based authority required for an entity to be subject to penal proceedings. To qualify under this framework, an adjudicating officer must exercise powers within the specific states, union territories, or districts identified by the regulator, ranging from the National Capital Territory of Delhi to the various regional jurisdictions across India.

The framework further elaborates on the diverse organizational structures of the registry, distinguishing between the needs of standalone Registrars and those functioning as Registrar of Companies-cum-Official Liquidators. For standard administrative zones, the primary vehicle for adjudication remains the designated regional ROC, while specific territories like Uttarakhand, Goa, and Jaipur are empowered to utilize combined offices to attract greater administrative efficiency. A significant focus of the 2026 Notification is the standardization of the appellate process, requiring enterprises to file appeals against adjudication orders before the concerned Regional Director having jurisdiction over those specific offices.
Aligning with the rigorous standards of India's corporate governance, the notification mandates that all pending proceedings and appeals adhere to the newly defined jurisdictional norms. This includes the mandatory transfer of matters to the relevant adjudicating officers as per the updated list, ensuring transparency to the level of local districts and aligning the LLP Act with broader judicial and administrative-ownership frameworks. The notification came into effect at a later date, specifically on February 16, 2026.

GOVERNANCE OF REGIONAL DIRECTORS UNDER THE COMPANIES ACT, 2013 AS APPLIED TO LLP[17]

The MCA through its Notification dated February 10, 2026, has introduced a targeted amendment to the delegation of powers governing the Regional Directors under the Companies Act, 2013, as applied to Limited Liability Partnerships ("**LLP**"). This notification updated the administrative oversight structure to provide a more robust rulebook for the corporate-legal ecosystem. By amending the prior notification dated February 11, 2022, the MCA has clarified the specific Regional Directorates empowered to exercise delegated authority under section 458 of the Companies Act. To qualify under this framework, the scope of delegated authority has been expanded from the original seven locations to a more comprehensive list of ten Regional Directorates across India.

The framework further elaborates on the diverse geographical jurisdictions, distinguishing between the newly added directorates and the existing administrative hubs. For LLPs, the primary oversight now rests with Regional Directors stationed at Ahmedabad, Bangalore, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai, Navi Mumbai, and New Delhi. A significant focus of the 2026 Notification is this expansion, which includes new designations such as Bangalore, Chandigarh, and Navi Mumbai, ensuring that the regulatory reach remains a credible platform for genuine governance. This ensures that the administrative machinery can provide high-fidelity oversight to inform the capital allocation and compliance strategies of entities operating across these expanded regions.
Aligning with the rigorous standards of India's corporate laws, the circular mandates that the exercise of these powers remains subject to the Central Government's ongoing supervision. This includes the "look-through" application of

[16]https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=NjMwMjcxNDgy&docCategory=Notifications&type=open

[17]https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=NjMwMjcwOTA0&docCategory=Notifications&type=open

Section 458 of the Companies Act to the LLP framework, ensuring transparency and aligning the administrative structure with broader corporate-governance frameworks. The notification came into effect at a later date, specifically on February 16, 2026.

ADJUDICATION OF PENALTIES UNDER THE COMPANIES ACT, 2013[18]

The MCA, through its Notification dated February 10, 2026, has introduced a significant administrative framework governing the adjudication of penalties under the Companies Act, 2013. This notification effectively superseding fragmented prior notifications to provide a single, updated rulebook for the enforcement of the Act. By appointing specific ROC as adjudicating officers, the MCA has clarified the territorial limits and registration-based authority required for an entity to be subject to penal proceedings. To qualify under this framework, an adjudicating officer must exercise powers within the specific states, union territories, or districts identified by the regulator, ranging from the National Capital Territory of Delhi to the various regional jurisdictions across India.

The framework further elaborates on the diverse organizational structures of the registry, distinguishing between the needs of standalone Registrars and those functioning as Registrar of Companies-cum-Official Liquidators. For standard administrative zones, the primary vehicle for adjudication remains the designated regional ROC, while specific territories like Chhattisgarh and Rajasthan are empowered to utilize combined offices to attract greater administrative efficiency. A significant focus of the 2026 Notification is the standardization of the appellate process, requiring enterprises to file appeals against adjudication orders before the concerned Regional Director having jurisdiction over those specific offices.

Aligning with the rigorous standards of India's capital markets, the notification mandates that all pending proceedings and appeals adhere to the newly defined jurisdictional norms. This includes the mandatory transfer of matters to the relevant adjudicating officers as per the updated list, ensuring transparency to the level of local districts and aligning the Companies Act with broader judicial and administrative frameworks. The notification came into effect at a later date, specifically on February 16, 2026.

[18]https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=NjMwMjcxMDA4&docCategory=Notifications&type=open

FOREIGN EXCHANGE MANAGEMENT (BORROWING AND LENDING) (FIRST AMENDMENT) REGULATIONS, 2026

The Reserve Bank of India ("**RBI**") *vide* Notification No. FEMA 3(R)(5)/2026-RB dated February 09, 2026, has notified the Foreign Exchange Management (Borrowing and Lending) (First Amendment) Regulations, 2026 ("**Amendment Regulations**"), amending the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018 ("**Principal Regulations**"). The Amendment Regulations *inter alia* provide new restrictions on end-use of borrowed funds and amends the legal framework relating to the External Commercial Borrowing ("**ECB**").

Key Features:

- **Restriction on end-use of borrowed funds:** Regulation 3A has been introduced in the Principal Regulations, in terms of which borrowed funds cannot be utilised for specified purposes, including towards chit funds, Nidhi companies, real estate business and construction of farmhouses, specified agricultural and plantation activities, trading in Transferrable Development Rights, transacting in listed/unlisted securities (except for strategic corporate actions), repayment of certain domestic Indian Rupees ("**INR**") denominated loans (including non-performing assets or loans availed for restricted end-uses), and on-lending for prohibited purposes. Specific conditions have been prescribed under Regulation 3A, for borrowing for construction-development projects, for instance, development of trunk infrastructure is now required to be completed prior to sale of plots. Additionally, borrowing for industrial parks shall comprise of minimum 10 (Ten) units, cap of 50% (Fifty Percent) allocable area per unit, and minimum 66% (Sixty Six Percent) allocation for industrial activity. Borrowing for corporate actions involving securities is permitted only for strategic purposes aimed at long-term value creation.

- **Borrowing by Individuals from NRI/OCI Relatives**: Existing Regulation 6(B) of the Principal Regulation has been replaced to include certain conditions (as detailed below) with respect to a person resident in India borrowing in INR from a Non-Resident Indian ("**NRI**") or a relative who is an Overseas Citizen of India ("**OCI**") cardholder for utilisation in India, being: (a) loan proceeds must be received by inward remittance or by debit to NRE / NRO / FCNR(B) / SNRR account of the lender; and (b) borrowing shall be on a non-repatriation basis, with repayment of principal and interest only to the lender's Non Resident Ordinary account.

- **Revised External Commercial Borrowing Framework:** Schedule I of the Principal Regulations has been substituted to provide a revised ECB framework, which includes the following:

  - Eligible Borrower shall be any person resident in India (other than individuals) incorporated/established under a Central or State Act, including those under restructuring or insolvency (if permitted under the approved resolution plan), and entities with any pending investigation, adjudication or appeal (with mandatory disclosure of such investigation, adjudication or appeal in Form ECB 1).

  - ECB may be raised from: (a) persons resident outside India; or (b) branch outside India of an entity whose lending business is regulated by RBI; or (c) financial institutions or branches of financial institution in IFSC.

  - ECB may be denominated in foreign currency or INR, with permitted change of currency subject to the exchange rate prevailing on the date of the agreement for such change or at an exchange rate which does not result in a liability higher than that

arrived at by using the exchange rate prevailing on the date of the agreement.

- ECB may be raised under any form of commercial borrowing arrangement that involves payment of agreed interest, if any, by whatever name called, and repayment of principal, (including Foreign Currency Convertible Bond and Foreign Currency Exchangeable Bond). Funds received on or after April 30, 2007, from issuance of preference shares or debentures which are not fully and mandatorily convertible to equity shares shall be treated as ECB.

- An eligible borrower may raise ECB up to the higher of: (i) outstanding ECB of such eligible borrower being up to USD 1,000,000,000 (United States Dollars One Billion); and (ii) total outstanding borrowing of such eligible borrower being up to 300% (Three Hundred Percent) of net worth (with exemptions for regulated entities) of the eligible borrower.

- ECB shall be raised with Minimum Average Maturity Period ("**MAMP**") of 3 (Three) years, with relaxation for manufacturing sector, where the MAMP may be of 1 (One) year to 3 (three) years, subject to USD 150,000,000 (United States Dollars One Hundred Fifty Million) cap. [**Please confirm the edits if it is shall or may**]

- ECB may be secured by charge on immovable assets, movable assets, financial assets and intangible assets and guarantees (subject to FEMA (Guarantees) Regulations, 2026), with detailed enforcement conditions. RBI-regulated entities are prohibited from issuing guarantees. The borrowing document executed for the ECB shall include creation of such security and such ECB shall be subject to obtaining no-objections certificate from the existing lenders of the borrower. In case of enforcement of security, the claim shall be limited to outstanding claim of such ECB and encumbered moveable assets may be taken out of the country subject to obtaining a no objection certificate from the existing lender(s) of the borrower in India.

- The Amendment Regulations permit refinancing of ECB, subject to MAMP compliance and conversion of the ECB into non-debt instruments in accordance with FEMA (Non-Debt Instruments) Rules, 2019.

- The Amendment Regulations prescribe submission of Form ECB 1, Revised Form ECB 1, and Form ECB 2 within specified timelines and introduces late submission fee mechanism; and also provides for treatment of "untraceable borrowers" after four consecutive quarters of reporting failure; and mandates reporting to RBI and Directorate of Enforcement where applicable.

- An eligible borrower shall drawdown ECB only after obtaining the Loan Registration Number from RBI, through designated AD Category I Bank.

DSK View: *The Amendment Regulations significantly enhances the ECB framework by expanding borrowing limits, tightening end-use restrictions, strengthening reporting compliance, and enhancing clarity on security, refinancing and conversion mechanisms. The revised framework reflects RBI's intent to provide operational flexibility while reinforcing prudential oversight and end-use discipline under the FEMA regime.*

Read more

UNIQUE TRANSACTION IDENTIFIER FOR OTC DERIVATIVE TRANSACTIONS

The RBI *vide* notification bearing No. RBI/2025-26/222 dated February 18, 2026 has introduced a framework mandating the use of a Unique Transaction Identifier ("**UTI**") for over-the-counter ("**OTC**") derivative transactions ("**UTI Framework**").

The UTI Framework aligns domestic reporting requirements with global standards and seeks to enhance transparency and oversight of the OTC derivatives market. The UTI Framework shall come into effect from January 01, 2027 and shall apply to OTC derivative transactions entered into on or after such date.

The UTI Framework shall apply to all OTC derivative transactions undertaken under the specified 'Governing Directions', which shall include: (i) Foreign Exchange Management (Foreign Exchange Derivative Contracts) Regulations, 2000; (ii) Master Direction – Risk Management and Inter-Bank Dealings; Master Direction – Reserve Bank of India (Rupee Interest Rate Derivatives) Directions, 2025; Reserve Bank of India (Forward Contracts in Government Securities) Directions, 2025; Master Direction – Reserve Bank of India (Credit Derivatives) Directions, 2022; and Any other direction(s) as may be specified by the RBI.

The key features of the OTC Framework shall include:

- **Mandatory Generation and Structure of UTI:** UTI shall be generated and/or reported for all reportable OTC derivative transactions. UTI shall be generated in accordance with the CPMI-IOSCO UTI Technical Guidance (February 2017). UTI shall have a maximum of 52 characters comprising the Legal Entity Identifier ("**LEI**") of the generating entity followed by a unique identifier. UTI shall remain unique to a derivative transaction throughout its lifecycle.

- **For transactions reportable only in India:** UTI shall be generated by: (i) Central Counterparty ("**CCP**"), if CCP is counterparty; (ii) Electronic Trading Platform ("**ETP**"), if executed on ETP; (iii) Mutually agreed entity between counterparties; and (iv) Clearing Corporation of India Limited – Trade Repository ("**CCIL-TR**").
- **For transactions reportable in India and in one or more foreign jurisdictions:** UTI shall be generated by: (i) CCP; (ii) Clearing Member (if counterparty); (ii) ETP (if executed on ETP); (iii) Entity as per foreign jurisdiction requirements (where foreign jurisdiction has sooner reporting timeline); (iv) Mutually agreed entity (where no sooner foreign timeline);and (iv) CCIL-TR.
- Where a transaction is reported without a UTI, CCIL-TR shall generate the UTI.
- **Cross-Jurisdictional Reporting Timelines:** For transactions reportable in India and in a foreign jurisdiction having a sooner reporting timeline, market participants shall undertake reasonable efforts to obtain and report the UTI within such deadline. In case of inability to obtain UTI within the reporting timeline, the UTI shall be submitted to CCIL-TR at the earliest, but in any case within 5 (Five) business days (in Mumbai) from the date of transaction. Any temporary UTI initially reported or generated shall be treated as an interim UTI.
- **Lifecycle Events and Amendments:** Post-reporting amendments to a derivative contract shall not require generation of a new UTI. Lifecycle events such as novation resulting in creation of a new reportable derivative contract shall require generation of a new UTI.
- **Operational Guidelines and Compliance:** CCIL-TR shall issue operating guidelines and reporting formats for UTI reporting. Market participants shall ensure necessary arrangements are in place to comply with the UTI Framework.

DSK View: *The mandatory implementation of UTI Framework formalises India's alignment with global CPMI-IOSCO standards for OTC derivatives reporting. The waterfall allocation of responsibility and cross-border reporting safeguards are expected to enhance consistency, reduce duplication, and strengthen regulatory oversight of derivative market transactions.*

Read more

RESERVE BANK OF INDIA (SMALL FINANCE BANKS – PRUDENTIAL NORMS ON CAPITAL ADEQUACY) SECOND AMENDMENT DIRECTIONS, 2026

The RBI *vide* circular RBI/2025-26/218 dated February 13, 2026 (DOR.CRE.REC.409/21-01-002/2025-26) has issued the Reserve Bank of India (Small Finance Banks – Prudential Norms on Capital Adequacy) Second Amendment Directions, 2026 ("**SFB Amendment Directions**"). The SFB Amendment Directions have been issued in exercise of powers under Sections 21 and 35A of the Banking Regulation Act, 1949, and pursuant to the Reserve Bank of India (Small Finance Banks – Prudential Norms on Capital Adequacy) Directions, 2025 ("**Capital Adequacy Directions**") and consequent to the issuance of the Reserve Bank of India (Small Finance Banks – Credit Facilities) Amendment Directions, 2026.

Paragraph 74(6) under 'Chapter IV – Risk weighted assets (RWAs)' of the Capital Adequacy Directions has been amended by the SFB Amendment Directions to include the issuance of an irrevocable payment commitment by a Small Finance Bank ("**SFB**"), to clearing corporations of stock exchanges on behalf of its client, as a financial guarantee with a Credit Conversion Factor ("**CCF**") of 100% (One Hundred Percent). However, capital shall be maintained only on the exposure reckoned as capital market exposure ("**CME**") in terms of the Reserve Bank of India (Small Finance Banks – Concentration Risk Management) Directions, 2025. Accordingly, capital shall be maintained on the amount taken for CME, and a risk weight of 125% (One Hundred Twenty Five Percent) shall be applied on such exposure.

The SFB Amendment Directions shall come into force from the date on which a bank decides to implement the provisions of the Reserve Bank of India (Small Finance Banks – Credit Facilities) Amendment Directions, 2026 or April 1, 2026, whichever is earlier.

DSK View: *The SFB Amendment Directions provides clarity on capital treatment of irrevocable payment commitments issued by SFBs to clearing corporations by aligning such exposures with capital market exposure norms. By prescribing a 100% (Hundred Percent) CCF but restricting capital maintenance to CME with a 125% (One Hundred Twenty Five Percent) risk weight, the SFB Amendment Directions ensures prudential alignment while avoiding duplication of capital requirements.*

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RESERVE BANK OF INDIA (COMMERCIAL BANKS – PRUDENTIAL NORMS ON CAPITAL ADEQUACY) SECOND AMENDMENT DIRECTIONS, 2026

The RBI has issued the Reserve Bank of India (Commercial Banks – Prudential Norms on Capital Adequacy) Second Amendment Directions, 2026 *vide* circular RBI/2025-26/213 dated February 13, 2026 ("**CBCA Amendment Directions**"). The CBCA Amendment Directions amend Paragraph 84(6) of Chapter IV – 'Risk Weighted Assets (RWAs)' of the Reserve Bank of India (Commercial Banks – Prudential Norms on Capital Adequacy) Directions, 2025 ("**CBCA Directions**").

Pursuant to the CBCA Amendment Directions, the issue of an irrevocable payment commitment by a bank to clearing corporations of stock exchanges on behalf of its client shall

be treated as a financial guarantee with a Credit Conversion Factor ("**CCF**") of 100% (One Hundred Percent). However, capital shall be maintained only on the exposure reckoned as capital market exposure ("**CME**") in terms of the Reserve Bank of India (Commercial Banks – Concentration Risk Management) Directions, 2025. Accordingly, capital is required to be maintained on the amount taken for CME, and a risk weight of 125% (One Hundred Twenty Five Percent) shall be applied on such exposure.

The CBCA Amendment Directions shall come into force from the date on which a bank decides to implement the provisions of the Reserve Bank of India (Commercial Banks – Credit Facilities) Amendment Directions, 2026 or from April 1, 2026, whichever is earlier.

DSK View: *The CBCA Amendment Directions bring clarity to the prudential capital treatment of irrevocable payment commitments issued to clearing corporations by aligning such exposures with capital market exposure norms. While retaining a 100% (One Hundred Percent) CCF classification, the CBCA Amendment Directions ensures that capital is maintained specifically on CME with a 125% (One Hundred Twenty Five Percent) risk weight, thereby avoiding duplicative capital requirements and enhancing regulatory consistency.*

Read more

VOLUNTARY RETENTION ROUTE – IMPARTING PREDICTABILITY AND INCREASING EASE OF DOING BUSINESS

The RBI *vide* A.P. (DIR Series) Circular No. 21 dated February 06, 2026 (RBI/2025-26/205) ("**VRR Circular**") has issued directions, to revise the regulatory framework governing investments under the Voluntary Retention Route ("**VRR**") for Foreign Portfolio Investors ("**FPIs**") under Paragraph 15 of the Statement on Developmental and Regulatory Policies, announced as a part of the bi-monthly Monetary Policy Statement for 2025-26 dated February 06, 2026. The VRR Revised Direction have been issued with reference to Schedule 1 to the Foreign Exchange Management (Debt Instruments) Regulations, 2019 and the Master Direction – Reserve Bank of India (Non-resident Investment in Debt Instruments) Directions, 2025 (**"Master Direction VRR**"), as amended from time to time.

Pursuant to the VRR Circular, the investment limits under VRR shall be subsumed under the investment limit for FPI investments under the General Route. Accordingly, all investments through VRR in Central Government securities (including Treasury Bills), State Government securities and corporate debt securities shall be reckoned under the respective investment limits applicable under the General Route. Further the circular also provides that the FPIs that have availed retention periods longer than the minimum retention period stipulated under the Master Directions VRR shall have the option of liquidating their portfolio, fully or partly, and exiting the VRR after completion of the minimum retention period.

Consequential amendments have been carried out to the Master Direction VRR, including: (i) insertion of a new clause clarifying that investments under VRR shall be reckoned under the General Route limits; (ii) substitution of paragraph 5.3 (Part – 3) to provide that investments under VRR shall be subject to the investment limit stipulated for FPI investments under the General Route; (iii) omission of the existing footnote relating to VRR-specific limits; and (iv) insertion of a new clause in paragraph 5.5 permitting FPIs to liquidate and exit after the minimum retention period, even where a longer retention period had originally been opted.

The amendments pursuant to VRR Circular shall come into force with effect from April 01, 2026. All existing investments under VRR as on April 01, 2026 shall be transferred to the respective investment limits under the General Route

DSK View: *The VRR Circular rationalises the VRR framework by integrating its investment limits with the General Route, thereby simplifying the regulatory architecture and enhancing flexibility for FPIs. The optional exit mechanism post minimum retention period further strengthens investor confidence while maintaining regulatory discipline.*

Read more

LENDING TO MICRO, SMALL & MEDIUM ENTERPRISES (MSME) SECTOR (AMENDMENT) DIRECTIONS, 2026

The RBI has issued the Lending to Micro, Small & Medium Enterprises (MSME) Sector (Amendment) Directions, 2026 vide circular RBI/2025-26/206 dated February 09, 2026 ("**MSME Amendment Directions**"). The MSME Amendment Directions amend the Master Direction – Lending to Micro, Small & Medium Enterprises (MSME) Sector ("**MSME Directions**").

Pursuant to the MSME Amendment Directions, paragraph 4.1 of the MSME Directions relating to 'Collateral' has been substituted. The amended paragraph provides that: -

- Banks shall not accept collateral security in respect of loans of up to Rs. 20,00,000/- (Rupees Twenty Lakh) extended to units in the Micro and Small Enterprises ("**MSE**") sector. Banks are also advised to extend collateral-free loans up to Rs. 20,00,000/- (Rupees Twenty Lakh) to all units financed under the Prime Minister Employment Generation Programme administered by Khadi and Village Industries Commission.

- Banks may, based on the good track record and financial position of MSE units, increase the collateral-free limit up to Rs. 25,00,000/- (Rupees Twenty Five Lakh) in accordance with their internal policy.

- Banks may avail the benefit of Credit Guarantee Scheme cover, where applicable.

- Acceptance of gold and silver as collateral, pledged voluntarily by borrowers for loans sanctioned up to the collateral-free limit, shall not be treated as a violation of the above mandate.

DSK View: *The MSME Amendment Directions enhance credit access for MSE units by strengthening the collateral-free lending framework and providing greater operational flexibility to banks based on borrower track record. The clarification regarding voluntary pledge of gold and silver ensures regulatory consistency while preserving borrower choice.*

Read more

RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES – CREDIT FACILITIES) AMENDMENT DIRECTIONS, 2026

The RBI has issued the Reserve Bank of India (Non-Banking Financial Companies – Credit Facilities) Amendment Directions, 2026 *vide* circular bearing no. RBI/2025-26/209 dated February 13, 2026 ("**NBFC CF Amendment Directions**"). The NBFC CF Amendment Directions have been issued consequent to the Reserve Bank of India (Non-Banking Financial Companies – Income Recognition, Asset Classification and Provisioning) Amendment Directions, 2026. The NBFC CF Amendment Directions have been issued in exercise of the powers conferred under Chapter III-B of the Reserve Bank of India Act, 1934 and other enabling provisions, the RBI being satisfied that the same is necessary and expedient in public interest.

Pursuant to the NBCF CF Amendment Directions, Paragraph 25(1) of the Reserve Bank of India (Non-Banking Financial Companies – Credit Facilities) Directions, 2025 ("**NBFC CF Directions**") has been substituted to provide that asset classification of individual loan assets and the consequent provisioning requirement shall be in terms of the Reserve Bank of India (Non-Banking Financial Companies – Income Recognition, Asset Classification and Provisioning) Directions, 2025.

DSK Views*: The NBFC CF Amendment Directions align the asset classification and provisioning framework applicable to NBFC credit facilities with the revised IRACP framework, ensuring regulatory consistency and harmonisation across prudential norms governing non-banking financial companies.*

Read more

RESERVE BANK OF INDIA (COMMERCIAL BANKS – CONCENTRATION RISK MANAGEMENT) AMENDMENT DIRECTIONS, 2026

The RBI has issued the Reserve Bank of India (Commercial Banks – Concentration Risk Management) Amendment Directions, 2026 *vide* circular RBI/2025-26/212 dated February 13, 2026 ("**CB CRM Amendment Directions**"). The CB CRM Amendment Directions amend the Reserve Bank of India (Commercial Banks – Concentration Risk Management) Directions, 2025 ("**CB CRM Directions**").

The CB CRM Amendment Directions have introduced the following key modifications in CB CRM Directions:

- **Role of the Board:** Paragraph 6(1)(v) of the CB CRM Directions has been substituted to require a policy for fixing intra-day exposure limits to the capital markets within the prudential limits prescribed for aggregate capital market exposures ("**CME**").

- **Scope of CME:** CME of a bank shall include both direct and indirect exposures (fund-based and non-fund-based), including:

  - Investment exposures such as equity, preference shares, convertible instruments, units of non-debt mutual fund schemes, Real Estate Investment Trusts, Infrastructure Investment Trust and Alternative Investment Funds; and

  - Credit exposures including advances against shares or convertible instruments (as primary security or collateral), advances to individuals for capital market investments (including IPOs/FPOs/ESOPs), credit facilities to CMIs, acquisition finance, financing to non-debt mutual fund schemes, bridge finance for equity contribution, underwriting commitments, irrevocable payment commitments ("**IPCs**") and trade exposures as clearing member.

- **Prudential Ceilings:** Aggregate CME of a bank (on solo and consolidated basis) shall not exceed 40% (Forty Percent) of its eligible capital base. Within this:

  - Direct capital market exposure (investment exposures) shall not exceed 20% (Twenty Percent) of eligible capital base;

  - Aggregate exposure to acquisition finance shall not exceed 20% (Twenty Percent) of eligible capital base (within the 40% aggregate CME ceiling); and

  - Separate sub-limits for intra-day exposure to a single counterparty and aggregate intra-day exposures are required.

- **Exemptions from CME:** Specified exposures are excluded from CME computation, including investments in subsidiaries, joint ventures and sponsored RRBs; investments in specified critical financial infrastructure (as listed in substituted Annex II); specified portions of

acquisition finance used for refinancing; investments in certain debt instruments of banks/financial institutions; preference shares without voting rights; specified underwriting commitments; exposure to brokers (other than in equity and commodity segments); and exposure to CMIs form market making in debt instruments.

- **Computation Methodology:** Direct investment shall be calculated at cost price. Credit exposures shall be reckoned at sanctioned limits or outstanding, whichever is higher (subject to specific carve-outs). IPC exposures shall be included at prescribed percentages of net settlement obligation depending on settlement cycle. Exposures may be offset by cash and Government securities subject to prescribed haircuts under the Capital Adequacy Directions.

- New definitions have been inserted, including "Acquisition Finance", "Bridge Finance", "Capital Market Intermediaries ("**CMIs**")", "Collateral Security", "Non-debt Mutual Funds" and "Primary Security", largely aligned with the definitions under the Reserve Bank of India (Commercial Banks – Credit Facilities) Directions, 2025.

- **Deletions and Substitutions:** Certain paragraphs and sections relating to earlier CME framework (including Paragraphs 95, 97, 98, 101, 102 to 107 and Section B) have been deleted. Annex II has been substituted with an updated list of critical financial infrastructure entities exempted from CME.

Further, Paragraph 100 of the CB CRM Directions has been modified to clarify exemption from CME ceilings in cases of conversion of debt into equity under restructuring or insolvency resolution processes, subject to compliance with Section 19(2) of the Banking Regulation Act, 1949 .

The CB CRM Amendment Directions shall come into force from the date a bank decides to implement the provisions of the Reserve Bank of India (Commercial Banks – Credit Facilities) Amendment Directions, 2026, or from April 1, 2026, whichever is earlier.

DSK Views: *The CB CRM Amendment Directions comprehensively recalibrate the capital market exposure framework by redefining the scope of CME, rationalising exclusions, tightening prudential ceilings and introducing refined computation norms, thereby aligning concentration risk management with the revised credit facilities framework and strengthening prudential oversight of banks' capital market exposures.*

Read more

RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES – INCOME RECOGNITION, ASSET CLASSIFICATION AND PROVISIONING) AMENDMENT DIRECTIONS, 2026

The RBI has issued the Reserve Bank of India (Non-Banking Financial Companies – Income Recognition, Asset Classification and Provisioning) Amendment Directions, 2026 *vide* circular bearing no. RBI/2025-26/210 dated February 13, 2026 ("**NBFC IRACP Amendment Directions**"). The NBFC IRACP Amendment Directions amends the Reserve Bank of India (Non-Banking Financial Companies – Income Recognition, Asset Classification and Provisioning) Directions, 2025 ("**NBFC IRACP Directions**").

The NBFC IRACP Amendments Directions notes that Default Loss Guarantee ("**DLG**") arrangements, which are otherwise treated as 'synthetic securitisation' and prohibited, were permitted in a limited manner for digital lending *vide* circular issued by RBI dated June 08, 2023. To ensure consistency in the application of prudential principles, and in exercise of the powers conferred under Chapter III-B of the Reserve Bank of India Act, 1934, and other enabling provisions, the RBI has issued the NBFC IRACP Amendments Directions.

Pursuant to the NBFC IRACP Amendments Directions, new paragraphs 36A, 36B and 36C have been inserted which includes the following: -

- Paragraph 36A provides that for loan portfolios covered by DLG arrangements in terms of Chapter III of the Reserve Bank of India (Non-Banking Financial Companies – Credit Facilities) Directions, 2025 and Part B of the Reserve Bank of India (Non-Banking Financial Companies – Transfer and Distribution of Credit Risk) Directions, 2025 (both dated November 28, 2025), an NBFC may consider the DLG for determining provisions under the Expected Credit Loss ("**ECL**") framework across all stages, subject to the requirements laid down under Indian Accounting Standards. Such requirements include that the DLG arrangement must be integral to the contractual terms of the loan and must not be recognised separately.

- Paragraph 36B mandates that an NBFC shall comply with the disclosure requirements prescribed under Indian Accounting Standard 1 ("**IndAS 1**").

- Paragraph 36C provides that upon every event of invocation of DLG, since the DLG cover reduces to the extent of invocation, the NBFC shall recompute its ECL provisioning requirements across stages after duly adjusting for the reduced DLG cover.

DSK Views: *The NBFC IRACP Amendment Directions introduce clarity on the prudential treatment of DLG-backed portfolios under the ECL framework by aligning provisioning treatment with IndAS 1 and ensuring dynamic recalibration of provisioning upon invocation of guarantees, thereby reinforcing consistency in prudential application across non-banking financial companies.*

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KEY JUDGEMENTS

B. PRASHANTH HEGDE V. STATE BANK OF INDIA & ANR. (CIVIL APPEAL NO. 477 OF 2022) (SUPREME COURT)

In this matter, State Bank of India ("**SBI**" or "**Respondent**"), acting on behalf of a consortium of banks, had filed a Section 7 application under the Insolvency and Bankruptcy Code, 2016 ("**IBC**" or "**Code**") against M/s Metal Closure Private Limited ("**Corporate Debtor**"). The dispute primarily concerned with the issue that whether the Section 7 application was filed within the prescribed limitation period, given the timeline of the Corporate Debtor's Non-Performing Asset ("**NPA**") classification, subsequent debt restructuring and acknowledgments of debt in its balance sheets.

Aggrieved by the order dated December 17, 2021 passed by the Hon'ble National Company Law Appellate Tribunal, Principal Bench ("**NCLAT**") wherein the appeal filed by the suspended Managing Director against the initiation of corporation insolvency resolution process ("**CIRP**") was dismissed, the Appellant had filed an appeal under Section 62 of IBC before the Hon'ble Supreme Court against the aforesaid order dated December 17, 2021 of the NCLAT.

The Hon'ble Supreme Court dealt with the following issues:

- Whether the Section 7 application lacked essential material particulars regarding the debt and the specific date of default;
- Whether the application was filed within the period of limitation; and
- Whether the insolvency proceedings were initiated for an "oblique purpose", in view of the recovery proceedings pending before various judicial fora and therefore, ought not to have been admitted.

With regards to the first issue, the Hon'ble Supreme Court observed that as long as the application is substantially in conformity with the particulars of prescribed form and provides relevant information to substantiate the ingredients of Section 7 application which inter-alia consists of particulars of financial debt, records and evidence of default, then such application is not liable to be rejected.

The Hon'ble Supreme Court further observed that the date of default is an important factor for determination of the limitation period, and placed reliance on the landmark judgment of Dena Bank v. C. Shivakumar Raddy and Anr., (2021) 10 SCC 330, to hold that the adjudicating authority under IBC has the power to allow rectification of application and accept documents beyond the timelines prescribed under the Code and therefore, the argument that the initial petition only provided for the date of NPA classification and not the exact date of default was misconceived as the amended Section 7 application filed by SBI was accepted on record. Further, the amended Section 7 application gave material particulars about how the debt was restructured, fresh working capital consortium agreements were entered into and Corporate Debtor had acknowledged its liability within the balance sheet, thereby giving the debt a 'fresh lease of life' and thereby, extended the limitation period for such liability/debt by way of acknowledgement.

Regarding the second issue, the Hon'ble Supreme Court observed that the Section 7 application filed on April 25, 2018 was within the period of limitation as Corporate Debtor's balance sheet for financial year 2013-14 and 2014-2015 reflected the outstanding liability and therefore, there was an acknowledgment of debt within the limitation period for the purposes of Section 18 of the Limitation Act, 1963. Additionally, it established the principle that limitation is not determinable from a bank's NPA classification date and is not a factor determining the starting point of limitation in the event the debts are restructured and acknowledged in new working capital agreements availed by the Corporate Debtor. The Hon'ble Supreme Court clarified that under

Section 18 of the Limitation Act, acknowledgments in the financial statements and execution of restructuring agreements resulted in extending the limitation period and accordingly, new dates of default became relevant as starting point for computing limitation.

On the issue of whether the Section 7 application was filed with an 'oblique purpose', the Hon'ble Supreme Court ruled that the pendency of recovery suits, counterclaims, or criminal proceedings does not bar a financial creditor from initiating insolvency proceedings under the IBC.

DSK View: *The judgment reinforces the position that the date of default is an important factor considering the implication of limitation period in cases where debts are restructured, the limitation period does not commence from date of classification of the account as non-performing asset, and the limitation period would be extended by acknowledgement of debt in the books of accounts of a corporate debtor.*

POWER TRUST (PROMOTER OF HIRANMAYE ENERGY LIMITED) V. BHUVAN MADAN (INTERIM RESOLUTION PROFESSIONAL OF HIRANMAYE ENERGY LIMITED) & ORS. (CIVIL APPEAL NO .2211/2024) (SUPREME COURT)

Power Trust ("**Appellant**") challenged the order passed by the Hon'ble National Company Law Appellate Tribunal ("**NCLAT**") upholding the admission of a Section 7 application filed by REC Limited against Hiranmaye Energy Limited ("**Corporate Debtor**") and initiation of the corporate insolvency resolution process ("**CIRP**").

In this matter, various term loans were extended to the Corporate Debtor under a common loan agreement for setting up a thermal power plant. Upon alleged default, the loan account was classified as a non-performing asset on June 30, 2018. Thereafter, restructuring proposals were approved by the financial creditor, subject to fulfilment of certain pre-implementation conditions, including inter-alia obtaining a favourable tariff order, creation of a debt service reserve account (DSRA) and meeting specified financial and operational benchmarks.

The Corporate Debtor failed to fulfil the pre-implementation conditions within the stipulated timeline. Consequently, the financial creditor filed a Section 7 application under the provisions of the IBC, 2016 recording the date of default as March 31, 2018. The application was admitted by the National Company Law Tribunal by order dated January 2, 2024 and upheld by the NCLAT by order dated January 25, 2024.

Aggrieved, the promoter challenged the initiation of the corporate insolvency resolution process before the Hon'ble Supreme Court, inter-alia contending that the proceedings were barred under Section 10A and that the restructuring proposals had novated the original loan agreement and that the Corporate Debtor was a viable and running concern, and that the adjudicating authority ought not to have admitted the Section 7 application without assessing the viability of the Corporate Debtor in view of the judgment passed in 'Vidarbha Industries Power Limited v. Axis Bank Limited, Civil Appeal No. 4633 of 2021'.

With regard to Section 10A of IBC, the Hon'ble Supreme Court held that the plea was misconceived. The date of default recorded in the Section 7 application was March 31, 2018, prior to the period covered under Section 10A of IBC. The Hon'ble Supreme Court observed that even if the restructuring proposals were considered, the first instalment under the second restructuring proposal fell due beyond the time period stipulated under Section 10A of IBC. Further, the restructuring proposals had not fructified into valid agreements as the pre-implementation conditions were not fulfilled. Accordingly, the date of default related back to March 10, 2018 and the application was not barred under Section 10A of the IBC since Section 10A does not bar any initiation of corporate insolvency resolution process for defaults committed prior to March 25, 2020.

On the issue of novation, the Hon'ble Supreme Court held that the restructuring proposals were underpinned on pre-implementation conditions which were not complied with. Receipt of part payment amounts neither amounted to acceptance of the restructuring proposals nor did it novate the original loan agreement. Such payments also did not constitute full satisfaction of the existing debt so as to render the Section 7 application inadmissible.

On the scope of admission under Section 7, the Hon'ble Supreme Court reiterated the ratio in Innoventive Industries Limited v. ICICI Bank, Civil Appeal Nos. 8337-8338 of 2017, and M. Suresh Kumar Reddy v. Canara Bank, Civil Appeal No. 7121 of 2022 and held that adjudicating authority is only required to ascertain the existence of a financial debt and default. The inability of a corporate debtor to pay its debt or its overall business viability is not to be examined at the admission stage.

The Hon'ble Supreme Court reiterated that the adjudicating authority is not required to go into the inability of a corporate debtor to pay its debt. This is a clear departure from the scheme of winding up envisaged under Section 433(e) of the erstwhile Companies Act, 1956 which required the adjudicating authority to come to a finding with regard to the inability of the corporate debtor to pay the debt and thereby arrive at a requisite satisfaction whether it is just and equitable to wind up the corporate debtor.
The IBC restricts the scope of enquiry for admission of an insolvency process by a financial creditor merely to the existence of default of a debt due and payable and nothing more.

The observations in 'Vidarbha Industries Power Limited v. Axis Bank Limited' were held to be confined and specific only to the facts of that case and do not operate as binding precedent contrary to 'Innoventive Industries Limited v. ICICI Bank'. On facts, the Hon'ble Supreme Court noted that the outstanding liability far exceeded the amounts relied upon by the Appellant to demonstrate viability.

DSK View: *The judgment reiterates that the scope of enquiry at the stage of admission of a Section 7 application is confined to the existence of a financial debt and default and the Adjudicating Authority is not required to examine the viability or ongoing prospects of the corporate debtor for admission or rejection of a Section 7 application, and observations in 'Vidarbha Industries Power Limited v. Axis Bank Limited' were held to be confined and specific only to the facts of that case and do not operate as binding precedent contrary to Innoventive Industries Limited v. ICICI Bank.*

PRAGITI CONSTRUCTION V. COMMITTEE OF CREDITORS OF RANCOM HEALTHCARE PVT. LIMITED AND ANR.,) (COMPANY APPEAL (AT) (INS.) NOS. 2330 AND 2331 OF 2024) (NCLAT)

Certain appeals were preferred before the Hon'ble National Company Law Appellate Tribunal, Principal Bench ("**NCLAT**") against the order dated November 12, 2024 passed by the Hon'ble National Company Law Tribunal, Allahabad bench ("**NCLT**") wherein the application filed by Pragiti Construction ("**Appellant**"), seeking consideration of its resolution plan was rejected, and the resolution plan submitted by the operational creditor i.e., M/s Mahavir Medicare ("**Operational Creditor**") was approved by the Hon'ble NCLT.

In this matter, the Operational Creditor had filed a Section 9 application against Rancom Healthcare Private Limited ("**Corporate Debtor**") for initiating corporate insolvency resolution process ("**CIRP**"). Accordingly, the Hon'ble NCLT vide its order dated December 21, 2023 admitted the Section 9 application filed by the Operational Creditor and initiated CIRP against the Corporate Debtor. In this case, the Operational Creditor became the sole member of the committee of creditors ("**CoC**") as there were no other financial or operational creditors of the Corporate Debtor who had submitted their claims pursuant to the public announcement and accordingly, the Operational Creditor was vested with 100% (one hundred percent) of the voting rights in the committee of creditors of the Corporate Debtor.

Further, the resolution professional of the Corporate Debtor had invited expression of interest for acquiring the Corporate Debtor on a going concern basis under CIRP and the Appellant as well as the Operational Creditor were declared eligible to submit the resolution plans. However, the Appellant could not file the resolution plan within the prescribed timeline and made a request to consider its plan which was rejected by the CoC on the ground that the time for submission has expired. Aggrieved by the same, the Appellant challenged the same before Hon'ble NCLT wherein the Hon'ble NCLT directed the resolution profession to place and consider the Appellant's resolution plan.

However, in the sixth meeting of the CoC, despite the Appellant's plan offering a better value, the CoC rejected the same without assigning reasons, and did not undertake a comparative analysis of the value and terms of the plan submitted by the Appellant and that of the Operational Creditor, and proceeded to approve the plan of the Operational Creditor, and the Hon'ble NCLT vide order dated November 12, 2024 rejected the contentions of the Appellant and approved the Resolution Plan submitted by the Operational Creditor without undertaking a comparative evaluation of two plans.

The Appellant challenged the approval before the Hon'ble NCLAT, contending that permitting a sole CoC member being an operational creditor, to approve its own resolution plan amounted to acting as both decision-maker and beneficiary, thereby creating a clear conflict of interest and undermining the value maximization objective of the IBC. The Appellant also argued that the rejection of the Appellant's Resolution Plan is arbitrary and based on extraneous considerations and that the CoC failed to exercise its commercial wisdom in conformity with the objectives of the IBC, including maximisation of value. Further, the reasons cited for rejection of the Appellant's Resolution Plan, namely sector incompatibility and apprehension of time loss, are unknown to law and unsupported by the Code. Also, the Appellant argued that the Resolution Plan of the Appellant offered ten times the amount to the Operational Creditor as compared to the competing plan, and the total plan value was also ten times higher. The Appellant proceeded to argue that the conduct of the CoC lacks transparency, is not reasoned, does not show arm's length independence from the Resolution Professional, and is malafide exercise of commercial wisdom. Such decisions of the CoC were not supported by reasoned data or objective evaluation, and that the entire process has resulted in gross prejudice and denial of a fair opportunity. The Appellant also argued that the 'Code of Conduct for the Committee of Creditors' issued by the Insolvency and Bankruptcy Board of India vide Guidelines for Committee of Creditors dated 06.08.2024 mandates integrity, objectivity, professional competence, due care, transparency, and fair reasoning in decision-making, and that the CoC in the present case is in clear violation of these binding norms, as decisions were unsupported by reasoned data or objective evaluation.

The core issue in this matter was whether the statutory framework allows such a creditor to simultaneously function as a member of the CoC and the successful resolution

applicant without violating the fundamental scheme of the Code.

The Hon'ble NCLAT had set aside the resolution plan approval, declaring the process void-ab-initio for violating the provisions of Section 30(5) of the IBC. **As per the said section, a resolution applicant shall not have voting rights with respect to voting on the plans unless such resolution applicant is also a financial creditor.** However, this exception was only extended to the financial creditor and therefore, the act of the Operational Creditor to vote on its own plan would defeat the spirit and purpose of the aforementioned section and the question of commercial wisdom of CoC cannot be read into such situations. Therefore, permitting any resolution applicant, who is not a financial creditor, to vote on and approve its resolution plan amounts to "material irregularity in the decision-making process".

The Hon'ble NCLAT further directed that an operational creditor is strictly barred from voting on its own resolution plan as Section 30(5) of the Code seeks to separate the role of a resolution applicant from the decision maker.

The Hon'ble NCLAT also opined that the Resolution Professional on its part did not carry out proper evaluation of the Appellant's plan and did not prepare or place any evaluation matrix before the CoC, as required under Regulation 39 of the CIRP Regulations, and that the minutes of the meeting do not show any analysis of relative merits of the Appellant's plan and the plan submitted by the Operational Creditor. Further, relevant information relating to avoidance and fraudulent transaction proceedings were not shared with the Appellant, even though such information was relevant for a fair assessment of the Resolution Plan, and the voting process was also not conducted fairly, as both Resolution Plans were not placed for consideration and voting at the same time.

The Hon'ble NCLAT also opined that the supremacy of commercial wisdom cannot be extended to shield a process that is fundamentally flawed due to conflict of interest, violation of Section 30(5) of the Code and absence of procedural safeguards, and therefore, the present case, stands on a distinct footing from the usual cases where deference is shown to CoC decisions taken by a body comprising multiple financial / operational creditors. The Hon'ble NCLAT also opined that by rejecting a plan that is offering twenty times more value than the plan submitted by Operational Creditor without assigning any reason, implies that the consideration was neither meaningful nor objective and is a case of procedural irregularity.

DSK View: *In this matter, the Hon'ble NCLAT also re-iterated the position settled by the Hon'ble Supreme Court of India in the matter of Essar Steel India Ltd. v. Satish Kumar Gupta ((2019) 16 SCC 479), wherein it has been authoritatively held that while the commercial wisdom of the Committee of Creditors is supreme, such wisdom must be exercised in furtherance of the objectives of the Insolvency and Bankruptcy Code, one of the foremost being maximization of the value of the assets of the Corporate Debtor, and in the present matter the Committee of Creditors failed to act in conformity with this core objective. The reasons advanced for rejection do not address the central requirement of value maximization. The arbitrary refusal to meaningfully consider a substantially higher value Resolution Plan demonstrates that the commercial wisdom in the present case was not exercised in accordance with the objectives of the Code. This decision by Hon'ble NCLAT reinforces the position that only financial creditors are permitted under the Code to vote upon their plans under Section 30(5) of the Code and reiterates that the supremacy of commercial wisdom cannot be extended to shield a process that is fundamentally flawed due to conflict of interest, violation of Section 30(5) of the Code, and absence of procedural safeguards. The Hon'ble NCLAT has also directed that the Latin maxim 'nemo judex in causa sua' in the present matter i.e., that no person can be a judge in his own case, is not a mere technical rule but a foundational principle intended to preserve the integrity of adjudicatory and decision-making processes, and would apply to the decision-making process in case of corporate insolvency resolution process. When the same entity proposes a Resolution Plan, evaluates competing plans, rejects them, and finally approves its own plan, the process ceases to be fair, impartial, or credible. Even if actual mala fides are not expressly proved, the existence of a real likelihood of bias is sufficient to vitiate the process, and 'justice must not only be done but must also appear to have been done'. The Hon'ble NCLAT also proceeded to opine that a single member of the committee of creditors who happens to be also a resolution applicant would always have conflict of interest vis-a-vis another resolution applicant and the decision taken by the committee of creditors in such cases would be in violation of principles of natural justice. Also, where the statutory framework is silent and a clear conflict of interest emerges, both the resolution professional and the adjudicating authority are required to act as institutional safeguards to prevent abuse of the process, and their failure to do so in the present case has materially affected the resolution process.*

STATE BANK OF INDIA V. UNION OF INDIA & ORS. (CIVIL APPEAL NO. 1810 OF 2021) (SUPREME COURT)

In this matter, State Bank of India and other financial institutions had extended financial assistance to telecom companies which were granted spectrum licences.

The Union of India issued notices demanding one-time spectrum charges and other dues in respect of the telecom companies. Subsequently, insolvency proceedings were initiated against certain telecom licensees under the Insolvency and Bankruptcy Code, 2016 ("**IBC**"). During the

corporate insolvency resolution process ("**CIRP**"), disputes arose regarding the treatment of spectrum, the liability towards adjusted gross revenue dues and whether such dues constituted operational debt or sovereign/statutory dues payable in priority.

The financial creditors challenged the position adopted by the Union of India, inter-alia contending that spectrum, though a natural resource, was an asset in the hands of the corporate debtor capable of being dealt with under the resolution process and that the claims of the Union of India ought to be treated in accordance with the waterfall mechanism under the IBC.

Aggrieved by the directions issued by the National Company Law Tribunal and the National Company Law Appellate Tribunal in relation to the treatment of spectrum and governmental dues during CIRP, the matter reached the Hon'ble Supreme Court for authoritative determination on the interplay between telecom regulatory framework and the IBC.

The Hon'ble Supreme Court examined the nature of spectrum rights held by telecom licensees undergoing insolvency proceedings and the treatment of governmental dues, including adjusted gross revenue dues, under the IBC. The Hon'ble Supreme Court reaffirmed that spectrum is a natural resource vested in the Union of India and cannot be owned by private entities. However, the right to use spectrum, granted under statutory licence, cannot be subjected to proceedings under Insolvency and Bankruptcy Code, 2016. Therefore, the Hon'ble Supreme Court opined that the framework of IBC is clear in excluding assets over which the corporate debtor has no ownership rights, and mere recognition of spectrum licensing rights as an intangible asset by telecom service providers in their books of accounts is not conclusive of their ownership, as it only represents control over future economic benefits. Even assuming that licensing of spectrum rights is one among the bundle of rights, in the absence of transfer of title over the spectrum, no ownership rights are created in telecom service providers either in the spectrum or in its right to use as governed by licensing conditions. Hence, under the IBC framework, spectrum licensing rights is not a part of the pool of assets for insolvency or liquidation.

The Hon'ble Supreme Court also clarified that while regulatory powers of the Union of India remain intact, such powers cannot be exercised in a manner that defeats the objectives of the IBC or renders the resolution process unworkable.

DSK View: *The judgment is a significant reaffirmation of the primacy of the IBC in matters concerning distribution of assets during insolvency. While maintaining that spectrum remains a sovereign resource held in trust to subserve the common good and is a 'material resource of the community', the Hon'ble Supreme Court has clarified that the right to use spectrum granted under statutory licence, cannot be subjected to proceedings under Insolvency and Bankruptcy Code, 2016, and insolvency proceedings cannot extend to dealing with public resources which are held by the Government for the benefit of the public.*

SOMVANTI V. SURESH JAIN CRL. (M.C. 1484/2025 WITH CRL. M.C. 1536/2025, 2026) (DELHI HIGH COURT)

The case involves a conflict between criminal prosecution initiated under Section 138 of the Negotiable Instruments Act, 1881 ("**NI Act**") and the interim moratorium granted under Section 96 of the Insolvency and Bankruptcy Code, 2016 ("**IBC**"). The dispute originated from friendly loans advanced by the petitioners to the respondent aggregating INR 27,00,000/- (Indian Rupees Twenty Seven Thousand). To secure and eventually refund these amounts, the Respondent issued two cheques which were subsequently dishonoured. After the respondent failed to comply with legal demand notices, the petitioners initiated criminal complaints under Section 138 of the NI Act.

While these criminal proceedings were pending, Punjab National Bank initiated an insolvency resolution process against the respondent (acting as a personal guarantor for M/s Magppie International Limited) under Section 95 of the IBC. Consequently, the respondent sought a stay on criminal proceedings, arguing that an interim moratorium under Section 96 had commenced upon the filing of the insolvency application. Subsequently, the Magistrate initially accepted this plea and adjourned the complaints sine die and the petitioners challenged the order of stay passed by the Magistrate before the Hon'ble Delhi High Court.
The Hon'ble Delhi High Court in its judgment dated February 09, 2026 relied on the Hon'ble Supreme Court's judgment passed in 'Rakesh Bhanot v. Gurdas Agro Private Limited, Criminal Appeal No. 1607 of 2025' and held that the interim moratorium under Section 96 of the Insolvency and Bankruptcy Code, 2016 does not stay proceedings initiated under Section 138 of the Negotiable Instruments Act, 1881, as the interim moratorium is strictly limited to civil debt recovery.

Applying the principle of noscitur a sociis, the Hon'ble Delhi High Court clarified that 'any legal action' under Section 96 of the Code refers only to debt related suits, not penal actions intended to punish the dishonour of cheques.

DSK View: *This judgment reinforces that the provisions under the Insolvency and Bankruptcy Code, 2016 shall not be a 'protective shield' to evade criminal consequences under moratorium as the Hon'ble Delhi High Court effectively distinguished civil debt recovery from penal and criminal liability.*

MAHARERA LACKS JURISDICTION ON PUZZLE PARKING AS COMMON AREA: YUVRAJ KISAN CHAUDHARY V. NEELKANTH PALM REALTY

In the present instance, the complainants that is, Yuvraj Kishan Chaudhary and three other persons who are buyers of the flats and residential project of the Neelkanth Palm Realty as well as another party named the Respondent Promoter have brought forward an asset complaint before the Hon'ble Maharashtra Real Estate Regulatory Authority ("MahaRERA") gazing to find out whether a puzzle car parking area is deemed a common maintenance area as stipulated by the Real Estate (Regulation and Development) Act, 2016 under the designation of

The complainants purport to have been allotted 40 puzzle car parking spaces in the project by the Respondent Promoter. The Respondent Promoter stated that the puzzle parking comes under the common maintenance of the project. In addition, the complainants indicate that the puzzle parking is located in the common basement jointly with other ground and stacked parking lots. It is pointed out that every 40 flat owner who has been allotted puzzle parking have contributed equally to the common areas, the basement and other amenities just like the other members of the society.

Based on this, the complaint was established in order to seek clarity on whether puzzle car parking falls under common area of the project according to RERA Act. In their submissions to the Authority the Respondent Promoter made it clear that puzzle car parking is in fact a common area. Even initially, the Hon'ble MahaRERA discussed the maintainability of the complaint. The Authority noted that the issue contested by the complainants in the current case is no longer with the Respondent Promoter and any estate agent. The Authority also believed that there is no clause in the RERA Act that gave rule making power to MahaRERA to ascertain whether a given amenity is a common area or otherwise.

Given the lack of the special jurisdiction in the RERA Act that could use the Act to provide a ruling akin to such a determination, the Hon'ble MahaRERA did not make a decision regarding the point that the complainants brought. The Authority made it clear that in case the complainants want such a determination, then they can do so by addressing the relevant forum in reliance to law. In this respect, the complaint was dismissed based on non-maintainability. The Hon'ble MahaRERA passed its order on the matter on January 5, 2026.

The order repeats the narrowness of the jurisdiction of MahaRERA under the RERA Act and how the Authority cannot take powers greater than those conferred by the statute. The Authority may not adjudicate even in a situation where there seems to be no proof of disagreement.

CLARIFICATION OF LIABILITY OF THE LANDOWNER IN DELAY COMPENSATION LAWSUIT: SRIGANESH CHANDRASEKARAN V. UNISHIRE HOMES LLP

In a landmark decision on February 20, 2026, the Supreme Court of India interpreted the word joint and separate liability of the landowners in real-estate development under Section 67 of the Consumer Protection Act, 2019, as it should be supported by the provisions of RERA. The case came due to the occurrence of the Joint Development Agreement (Ukraine JDA) where the landowners gave a general Power of Authority (GPA) on sanctions, sale arrangements and registrations to the developer. The developer had promised to deliver possession within thirty-six months but took up over six years to do so which made the allottee to seek compensation.

The Court carefully reviewed the terms of JDA and the point it made was that indemnification to landowners against defaults was in the case of developer only and no others. It considered that the joint and several liability of the landowners with regard to the delay compensation does not exist in all cases; the agreement must impose it to them.

Nevertheless, title-transfer guarantees continue to be established by the landowners. This fact-based method emphasises that the consensus of allocation through contract is paramount in deciding liability and, therefore, encourages a landowner to be specific in making the contractual decisions of indemnification and capping.

This case reconciles between consumer protection and freedom of contract and has an impact on current MahaRERA cases. Attorneys representing landowners should examine JDAs in terms of risk-sharing schemes because currently, the courts are less concerned with the presumptive joint accountability but with express explicit words and purpose. The ruling supports the fact that promoter default-related statutory protection in Sections 18 and 19 of RERA is never meant to safeguard ancillary landowner activities and encourages equal costs in the financing of projects. In the case of real-estate companies in Pune and Nagpur, this is like assurance in area sharing models and encouragement to make sure that all the documentation is made precise to prevent unwonted exposure.

CONFLICTING FORMULATIONS OF STATUS OF THE LANDOWNER: COMPARATIVE RULINGS OF MAHARERA AND PATNA HIGH COURT.

The issue of judicial divergence on the issue of landowner as allottee remains. An order by MahaRERA of January 10, 2025 in Sunita Dayanand Bubera v. Shree Krupa Builders considered a recipient of a Development Agreement (DA) to be an allottee of Section2(d) and the right to development as consideration. The developer was instructed to enclose flats and cough fines in the indication of the interpretation of DA as a construction-sale contact.

On the contrary, Patna High Court in M/s Nesh India Infrastructure v. In a case involving landowners who receive specific apartments without revenue sharing Savita Sah (November 12, 2024) affirmed the relevance of RERA to such cases. The landowners were allotted to qualify as allottees; RERA disputes were held as non-arbitrable and arbitration could only be overridden in accordance with Section 79. Bihar RERA Regulation 6(3)- explicating the position of landowner -applied retrospectively.

These comparisons indicate its jurisdictional differences: MahaRERA is inclined towards contractual (promoter if area-sharing) and in Patna towards allotments based on flats. Orders of February 2026, at least, are in line with the more stringent views in Favor of monetary consideration absence. To Maharashtra stakeholders, Bubera provides slight grounds to hope but Patel/Vaity is an alarm of retreat. A dual-forum approach by emphasizing the adherence of Section 13 to gain access to RERA. This patchwork encourages not to have different national guidelines, which affect cross-state JDAs.

SPORTS AND GAMING

SPORTS

CAS DISMISSES UKRAINIAN ATHLETE'S APPEAL OVER HELMET EXPRESSION AT 2026 WINTER OLYMPICS

On 12 February 2026, the Ad-Hoc Division of the Court of Arbitration for Sport ("**Court**") constituted for the 2026 Winter Olympic Games dismissed an application filed by a Ukrainian skeleton athlete, Vladyslav Heraskevych, ("**Petitioner**") challenging the restrictions imposed on the use of a helmet displaying images of Ukrainian athletes who had died in the ongoing conflict. The restriction had been enforced pursuant to the athlete expression framework under the Olympic Charter and related guidelines issued by the International Olympic Committee (IOC).

The Petitioner contended that the prohibition was disproportionate and infringed his right to freedom of expression. The Court held that the IOC's neutrality principles, particularly those applicable on the field of play during official competition, were legitimate and proportionate to the objective of preserving political neutrality at the Olympic Games, while recognising that alternative avenues for expression remained available outside the competition arena.

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UNION BUDGET 2026-27 PROVIDES MODEST INCREASE IN SPORTS ALLOCATIONS

In the Union Budget 2026-27 presented on February 02, 2026, the allocation to the Ministry of Youth Affairs and Sports was increased to ₹4,479.88 crore, marking a modest rise of around ₹685.58 crore compared with the original 2025-26 budget, despite a busy sporting calendar that included the Asian and Commonwealth Games. The Budget introduced a first-time grant of ₹500 crore for the sports goods manufacturing sector, and increased support for programmes such as the Khelo India initiative and the Sports Authority of India, while allocations for anti-doping bodies saw reductions. Analysts described the overall increase as moderate, noting that under-utilisation of previous budgetary allocations had contributed to the comparatively restrained rise this year.

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DELHI HIGH COURT UPHOLDS RECOGNITION OF INDIAN PICKLEBALL ASSOCIATION AS NATIONAL SPORTS FEDERATION

In its judgment delivered on February 10, 2026, the Delhi High Court ("**Court**") upheld the Union Government's decision recognising the Indian Pickleball Association ("**Respondent**") as the National Sports Federation (**NSF**) for pickleball in India. The writ petition had been instituted by an aggrieved association All-India Pickleball Association ("**Petitioner**") challenging the legality and procedural propriety of the recognition granted by the Ministry of Youth Affairs and Sports. The Court held that the decision-making process did not suffer from arbitrariness or mala fides and bore a rational nexus to the objective of promoting and regulating the sport at the national level, thereby declining to interfere in exercise of its writ jurisdiction.

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BASKETBALL FEDERATION OF INDIA CHALLENGES ANTITRUST PROBE BEFORE DELHI HIGH COURT

The Basketball Federation of India (BFI) has approached the Delhi High Court to challenge a Competition Commission of India (CCI) order that directed a detailed antitrust investigation against it. The CCI began the probe after a complaint by Elite Pro Basketball Private Limited, which alleged that BFI abused its dominant position by denying market access to private leagues and restricting players, referees, and coaches from taking part in unaffiliated

competitions, potentially violating Sections 3 and 4 of the Competition Act, 2002.

BFI argued that as the recognised national governing body for basketball, it performs regulatory and policy-making functions rather than commercial activities, and that competition law should not apply to such regulatory decisions. Senior Advocate Vaibhav Gaggar told the court that "a regulator cannot be regulated," asserting that the CCI's investigation oversteps its jurisdiction. The High Court has issued notice to the CCI and listed the next hearing for March 10, where BFI's request to stay the probe will also be considered.

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GAMING

ENFORCEMENT DIRECTORATE ATTACHES ₹590 CRORE IN WINZO OVERSEAS INVESTMENT CASE, RAISING REGULATORY OVERSIGHT CONCERNS ACROSS REAL-MONEY GAMING SECTOR

In February 2026, the Enforcement Directorate (ED) provisionally attached assets valued at approximately ₹590 crore belonging to WinZO and its subsidiary as part of an ongoing probe into alleged violations of the Foreign Exchange Management Act, 1999 (FEMA) and related overseas investment norms.

The ED action stems from an investigation into the Company's overseas direct investments into wholly owned subsidiaries in the United States and Singapore, where the Company is alleged to have engaged in real-money gaming activities, including games such as bingo, ludo, snakes & ladders, solitaire, spades, and blackjack, under structures that lacked independent offices, staff, or bona fide operations abroad, with operational control and management conducted from India.

Authorities contend that such overseas investment structures and the retention of foreign income contravene FEMA provisions, particularly after the enactment of the Promotion and Regulation of Online Gaming Act, 2025, which effectively banned real-money gaming in India, and that the foreign entities engaged in non-bona-fide business activity inconsistent with Indian regulatory requirements.

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UK GOVERNMENT PROPOSES BAN ON SPORTS SPONSORSHIP BY UNLICENSED GAMBLING FIRMS

The UK government has proposed barring gambling firms without a domestic licence from sponsoring sports teams, including Premier League clubs, citing risks to consumers such as inadequate financial vulnerability checks, irresponsible advertising, and weak data protection that could lead to fraud or identity theft. A public consultation on the proposal is expected in spring 2026.

The move follows warnings from the Gambling Commission to clubs previously sponsored by unlicensed operator TGP Europe, whose British licence was surrendered after investigations found failures in partner checks and anti-money laundering compliance. Clubs affected included Bournemouth, Fulham, Newcastle, Wolves, and then-Championship Burnley, with letters noting potential liability if unlicensed operators were promoted. While clubs have agreed to remove gambling branding from front-of-shirt positions, sleeve sponsorships still allow logos from unlicensed operators. Ministers highlighted that such visibility could drive consumers toward unregulated sites, and regulators and the Betting and Gaming Council have called for stronger measures to ensure only properly licensed operators gain prominence in top-tier football.

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SUPREME COURT HALTS COERCIVE ACTION AGAINST FANMADE11 AND 9STACKS PENDING GAMESKRAFT VERDICT

The Supreme Court of India has stayed coercive enforcement actions such as tax recovery or enforcement measures against fantasy gaming platforms FanMade11 Fantasy Sports Pvt Ltd and 9stacks while a major related case involving Gameskraft Technologies remains pending before the Court. In a recent order, the Court directed that authorities should not initiate or continue coercive action on a substantial tax demand alleged against the fantasy gaming companies until the Supreme Court delivers judgment in the consolidated Gameskraft matter, which is one of the most significant legal battles for India's online gaming and fantasy sports sector.

The Gameskraft case, which has consolidated multiple petitions by online gaming platforms, centres on whether online gaming and fantasy sports constitute "games of skill" and how Goods and Services Tax (GST) apply, especially criticisms over retrospective tax demands on the full value of bets rather than just platform fees.

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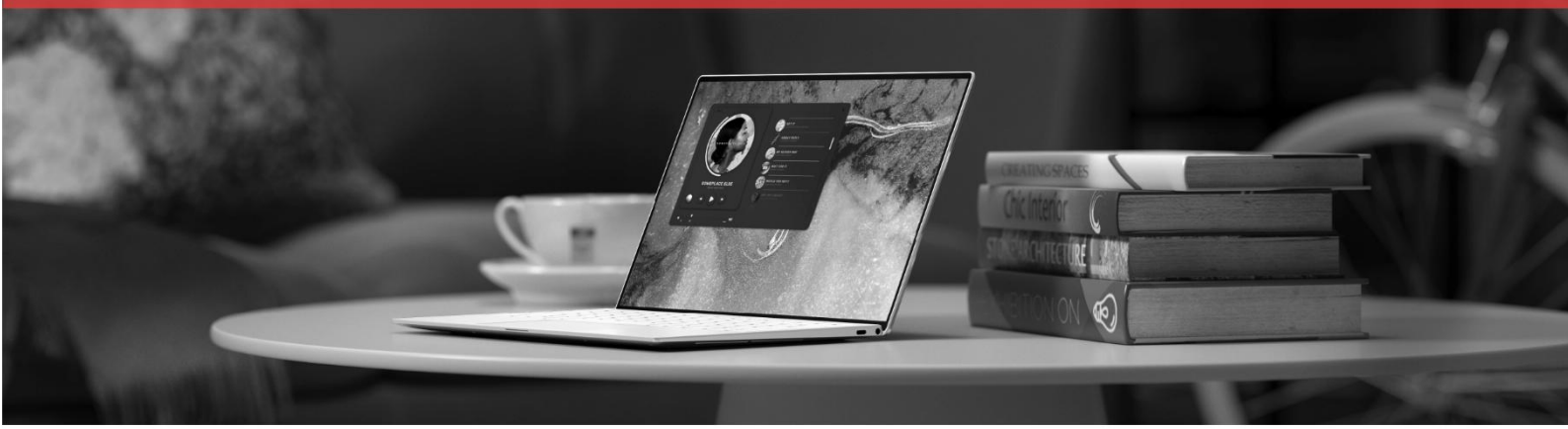

MEITY INTRODUCES AMENDMENTS TO IT RULES TARGETING AI-GENERATED CONTENT

The Ministry of Electronics and Information Technology ("**MeitY**") on February 10, 2026, released amendments to the *Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021* (*accessible here*), introducing a targeted regulatory framework for AI-generated and manipulated content, including deepfake videos, synthetic audio, and other digitally altered media ("**Amendments**"). The amendments tighten takedown timelines, expand intermediary due diligence obligations, and mandate technical traceability and detection measures, effectively shifting platforms from reactive content moderation to proactive algorithmic governance. Intermediaries are required to implement systems for early identification and mitigation of harmful synthetic content and to strengthen compliance and grievance redressal mechanisms. Collectively, the Amendments signal a move from intermediary neutrality toward structured algorithmic accountability in India's digital governance landscape.

TRAI ISSUES SEVENTH AMENDMENT TO INTERCONNECTION REGULATIONS FOR ADDRESSABLE SYSTEMS

The Telecom Regulatory Authority of India ("**TRAI**") on February 5, 2026, issued the *Telecommunication (Broadcasting and Cable) Services Interconnection (Addressable Systems) (Seventh Amendment) Regulations, 2026* (*accessible here*), following stakeholder consultations on strengthening the audit framework under the Interconnection Regulations, 2017. Stakeholders had sought clearer audit timelines, reduced duplication of audits for Distribution Platform Operators ("**DPOs**"), formal incorporation of infrastructure sharing within the audit scope, and enhanced auditor accountability through experience-based categorisation. In response, TRAI has introduced defined financial-year-based audit timelines with mandatory submission by September 30 annually, permitted broadcasters to depute representatives during audits for transparency, and enabled broadcasters to seek clarifications from auditors through DPOs, with provision for TRAI-approved audits at the broadcaster's cost where discrepancies remain unresolved. The amendment further makes annual audits at DPO expense optional for operators with fewer than 30,000 subscribers. The changes aim to streamline audit processes, reduce redundancy, and enhance transparency, accountability, and stakeholder confidence in the addressable systems regime.

CERT-IN AND SIA-INDIA RELEASE SPACE CYBER SECURITY FRAMEWORK FOR SATCOM

The Indian Computer Emergency Response Team ("**CERT-In**"), under the Ministry of Electronics and Information Technology ("**MeitY**"), in collaboration with the SatCom Industry Association ("**SIA-India**"), on February 26, 2026, released the *Cyber Security Framework and Guidelines For Space Including Satellite Communication* (*accessible here*), establishing an advisory baseline for mitigating cyber risks across India's expanding satellite communications ecosystem ("**Guidelines**").

The Guidelines address vulnerabilities arising from satellite services, ground infrastructure, and user terminals, and is intended to guide government agencies, satellite operators, ground station operators, and private space entities. It identifies key threat vectors including signal jamming, spoofing, unauthorised access, and infrastructure compromise and prescribes layered security controls across the space, ground, and communication segments, such as robust authentication, encryption, access management, and intrusion detection mechanisms. The Guidelines further emphasise incident response planning, risk assessment, supply chain security, capacity building, and alignment with global cybersecurity standards, alongside governance measures such as designated security leadership and structured training. The Guidelines seek to institutionalise cyber resilience in India's SatCom sector and reinforce the

security and continuity of critical space-based communications infrastructure.

MIB NOTIFIES ACCESSIBILITY GUIDELINES FOR OTT PLATFORMS

The Ministry of Information and Broadcasting ("**MIB**"), on February 6, 2026, notified the *Guidelines for Accessibility of Content on Platforms of Publishers of Online Curated Content (OTT Platforms) for Persons with Hearing and Visual Impairment* (*accessible here*), establishing an accessibility framework for digital content in line with obligations under the *Rights of Persons with Disabilities Act, 2016* ("**Guidelines**"). The Guidelines require OTT platforms to incorporate accessibility features such as audio description, closed captioning, and Indian Sign Language interpretation to facilitate inclusive access for persons with hearing and visual impairments.

The Guidelines adopt a phased, enabling approach, requiring publishers to provide at least one accessibility feature for eligible content, ensure compatibility with assistive technologies, and disclose available accessibility features at the time of content release. Publishers are also required to submit periodic compliance reports to the MIB, with the first report due within 36 months from the date of publication of the Guidelines and subsequent quarterly updates thereafter. Certain categories of content, including live and short-form programming, are exempt in light of operational constraints. The Guidelines further provide for institutional oversight through a monitoring mechanism and the existing three-tier grievance redressal framework under the *Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021*, with the objective of progressively strengthening accessibility standards across India's OTT ecosystem.

SUPREME COURT EXAMINES DPDP–RTI CONFLICT: NOTICE ISSUED, NO INTERIM STAY

The Supreme Court of India ("**SC**"), on February 16, 2026, issued notice (*accessible here*) on a batch of petitions (*accessible here*) challenging amendments introduced by the *Digital Personal Data Protection Act, 2023* to the *Right to Information Act, 2005* ("**RTI Act**"), particularly Section 44(3), which modifies Section 8(1)(j) of the RTI Act concerning disclosure of personal information ("**Amendment**"). The petitions contend that the Amendment imposes an overly broad restriction on disclosure of "personal information," potentially undermining transparency and the right to information under Article 19(1)(a) of the Constitution.

The SC declined to grant an interim stay on the Amendment, observing that legislation should ordinarily not be stayed without a conclusive determination on its validity, but acknowledged that the challenge raises significant constitutional questions concerning the balance between the right to privacy and the right to information. The SC noted that clarification may be required regarding the scope of "personal information" under the amended provision and has sought responses from the Union of India. Petitioners have argued that the Amendment departs from the proportionality framework articulated in *CPIO v. Subhash Chandra Agarwal* (2019), which permitted disclosure of personal information where a larger public interest justified it. The matter is scheduled for further hearing on March 23, 2026.

CHHATTISGARH HIGH COURT ALLOWS USE OF PRIVATE COMMUNICATIONS IN DIVORCE PROCEEDINGS

The Chhattisgarh High Court ("**High Court**"), on February 11, 2026, in *Smt. Manjari Tiwari Dubey v. Vaibhav Dubey* (WP227/158/2025) (*accessible here*), upheld a family court's decision permitting a husband to rely on call recordings and WhatsApp messages exchanged with his wife as evidence in divorce proceedings under the *Hindu Marriage Act, 1955*. The petitioner had challenged the admissibility of such electronic material on the ground that it was obtained illegally and violated her fundamental right to privacy. The High Court rejected this contention, holding that while the right to privacy is a fundamental right, it is not absolute and may yield where necessary to ensure a fair trial.

The High Court observed that litigating parties must be allowed a meaningful opportunity to present relevant evidence in support of their claims, particularly in matrimonial disputes where private communications may be central to establishing the facts. Relying on Section 14 of the *Family Courts Act, 1984*, which permits family courts to receive any evidence that is relevant notwithstanding the strict rules of admissibility under the *Indian Evidence Act*, the Court held that relevance, rather than the manner in which the evidence was obtained, remains the key determinant for admissibility, subject to judicial scrutiny.

NOTICE UNDER SECTION 35(3) OF BNSS IS MANDATORY FOR OFFENCES UP TO 7 YEARS AND ARREST MUST ONLY BE MADE FOR REASONS DULY RECORDED

The ***Supreme Court*** held that issuance of a notice under Section 35(3) of the Bharatiya Nagarik Suraksha Sanhita, 2023 ("**BNSS**"), requiring a person to appear before a police officer in cases where arrest is not warranted under Section 35(1), is mandatory in respect of offences punishable with imprisonment of up to seven years. However, the Court clarified that a police officer may still proceed to arrest, where based on a complaint, information, or suspicion, the police officer believes that the person has committed an offence and that such an arrest is necessary, provided conditions stipulated under Sections 35(1)(b)(i) and (ii) are met, and reasons for such arrest are duly recorded. Further, a person may also be arrested where a person fails to comply with a notice issued under Section 35(3) under Section 35(6). However, this is an exception, and the police officer may proceed with arrest only if there exist sufficient materials or factors justifying arrest, particularly where such materials were not available at the time when the notice was originally issued.

Satyendra Kumar Antil v. CBI

ANTICIPATORY BAIL ONCE GRANTED DOES NOT EXPIRE UPON FILING OF CHARGE-SHEET UNLESS THERE IS A CHANGE OF CIRCUMSTANCE

The ***Supreme Court*** while setting aside an order rejecting anticipatory bail, reiterated that it is a settled position of law that the filing of a charge sheet, the taking of cognizance, or the issuance of summons does not, by itself, result in the termination of the protection granted by a court. In this regard, the Court relied on *Sushila Aggarwal & Ors. v. State (NCT of Delhi) & Anr.*, (2020) 5 SCC, *Md. Asfak Alam v. State of Jharkhand and Another*, 2023 SCC OnLine SC 892 and *Siddharam Satlingappa Mhetre v. State of Maharashtra*, (2011)1 SCC 694. The Court further clarified that if there is a change in circumstances, the investigating agency may seek modification or cancellation of bail in accordance with the provisions of the BNSS. The Court also clarified the position where, after bail is granted and the investigation is completed, additional cognizable and non-bailable offences are added. In such circumstances, the accused can surrender before the court and seek bail for additional offences; if bail is rejected, the accused may be arrested. In a case where the accused has already been granted bail, the investigating agency in such a scenario, cannot arrest the accused solely based on the addition of new offences. Instead, it must obtain an order from the Court that granted the original bail for effecting such an arrest.

Sumit v. State of Uttar Pradesh & Anr.

MAGISTRATE MUST RECORD REASONS BASED ON EVIDENCE BEFORE COMMITTING THE CASE TO SESSIONS COURT

The ***Bombay High Court*** held that a Magistrate who is empowered to inflict punishment up to 7 years cannot mechanically commit the case to the Court of Sessions because the offence alleged against the accused prescribes a higher punishment (here it was up to life imprisonment). The Court observed that before committing the case, the Magistrate is required to form his opinion based on the facts and circumstances and the role attributed to the accused in the offence, before concluding why the accused is to be inflicted maximum punishment. It was further observed that under Section 323 of Code of Criminal Procedure, 1973 (**"CrPC"**) (which provides the procedure when matter should be committed), it is essential for the Magistrate to discuss the evidence before formulating the opinion of guilt and committing the case. The Magistrate is required to follow the same procedure as under Section 325 of CrPC, which provides the procedure for Magistrate to submit the case to

Chief Magistrate where Magistrate cannot pass sentence sufficiently severe.
Mohammed Javed Abdul Wahab v. State of Maharashtra

SC HOLDS THAT BAIL PRINCIPLES FOR HEINOUS CRIMES APPLY EQUALLY TO SERIOUS ECONOMIC OFFENCES

The ***Supreme Court*** while setting aside the High Court's order granting bail in a cheating and forgery case held that factors such as likelihood of offences being repeated, danger of justice being thwarted, potential threat to life and liberty of witnesses and economic well-being of the society are factors that must necessarily be considered while granting bail in serious economic offences. The Court observed that the accused in this case was a habitual offender with a number of diverse and unconnected aliases, fake ids and deliberate change of identity. There were multiple FIRs against him, which demonstrated that he was a menace to the society. Further, the High Court had mechanically granted bail on parity without examining the accused's criminal antecedents. The Court held that parity cannot be applied alone and each accused's role and conduct must be independently assessed for granting bail.

Rakesh Mittal v. Ajay Pal Gupta, alias Sonu Chaudhary & Anr.

HC HOLDS ADDING ACCUSED UNDER SECTION 319 CRPC REQUIRES EVIDENCE CAPABLE OF LEADING TO CONVICTION

The ***Bombay High Court*** set aside the order invoking the power under Section 319 of the CrPC, adding the petitioner as accused in the trial. Relying upon *Hardeep Singh v. State of Punjab & Ors., AIR 2014 SC 1400, and Hetram @ Babli v. State of Rajasthan*, the Court held that the power under Section 319 CrPC is extraordinary and the standard required to be applied while dealing with an application under this section is higher than the mere existence of a *prima facie* case, as is required at the stage of framing of charge. The High Court further held that the Court must determine whether the evidence on record, if left unrebutted, would be sufficient to lead to the conviction of the proposed accused and record its satisfaction in those terms. If such satisfaction cannot be arrived at on the basis of the material on record, the Court is ought to refrain from exercising powers under Section 319 CrPC.

Rukminibai Vishnu Karad & Ors. v. State of Maharashtra & Anr.

HC HOLDS THAT A PRIVATE COMPLAINT CANNOT BE RETURNED MERELY FOR WANT OF THE ACCUSED'S POSTAL ADDRESS

The ***Kerala High Court*** held that a Magistrate cannot return or refuse to entertain a private complaint merely because the postal address of the accused is not furnished. The Court observed that the BNSS permits complaints even against unknown persons and does not prescribe the furnishing of a postal address as a condition precedent for filing a complaint. It noted that in cyber offences, offenders often operate through operate under pseudonymous or partially disclosed identities, making it impossible to locate their postal addresses and insisting for postal address at the threshold would leave the victim remediless.

Anagh v. State of Kerala & Ors.

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