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NEWSLETTER

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SEBI ICDR AMENDED REGULATIONS AS ON 09.09.2025

REVISION TO THE DEFINITION OF QUALIFIED INSTITUTIONAL BUYERS (QIB'S)

Securities and Exchange Board of India (SEBI) has revised the definition of QIB's to expand the category of eligible investors. Under the amendment, accredited investors, as recognized under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 (SEBI AIF Regulations), are now included as QIB's, but specifically for their investments in angel funds. This change is intended to align the regulatory treatment of sophisticated investors participating in early-stage funding through angel funds with that of institutional investors, thereby fostering greater capital flow into the startup ecosystem. However, it's important to note that this inclusion is limited in scope and does not extend to other forms of investment under QIP or public offerings. By incorporating accredited investors into the QIB framework for angel fund investments, SEBI aims to encourage more structured and regulated participation by high-net-worth individuals and institutions in alternative investment markets.

REVISION TO QUALIFIED INSTITUTION PLACEMENT (QIP) DISCLOSURE NORMS

In accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), 2018 as amendment (SEBI ICDR Regulations), SEBI has reduced the disclosures that listed companies are required to make when undertaking a QIP. SEBI has, amongst other changes, removed the requirement for a section detailing the management's analysis of the issuer's financial condition and results of operations, required issuers to provide only a summary of certain key financial line items rather than complete financial statements for the last three financial years as was the previous requirement, elaborated upon the disclosures required to be made about the issuer's board of directors and clarified the nature of the disclosures required to be made about material legal proceedings involving the issuer.

DEMATERIALISATION REQUIREMENTS EXPANDED

SEBI ICDR Regulations has widened the scope of dematerialisation requirements for IPO-bound companies. Prior to the amendments only promoter-held securities were required to be in demat form prior to filing the offer document. Now, this requirement extends to members of the promoter group, directors, key managerial personnel, senior management, selling shareholders, QIB's, certain employees, shareholders with special rights, and entities regulated by financial sector authorities. This procedural change, will also be applicable to SME IPO's with effect from October 8, 2025, and it aims to ensure greater transparency and streamline the IPO process by eliminating physical shareholdings at the pre-filing stage.

SEBI CLARIFIES MINIMUM PROMOTER CONTRIBUTION (MPC) ELIGIBILITY FOR NON-PROMOTER CONTRIBUTIONS

SEBI has amended the ICDR Regulations to bring consistency in the treatment of shares eligible for the MPC in IPO's. Previously, only promoters could include shares received under an approved scheme (such as a merger) in exchange for business and capital existing for over a year. The recent amendment extends this exception to other permitted contributors to the MPC, such as AIFs, foreign venture capital investors, banks, insurance companies, and large public shareholders (at least 5% of shareholding), who step in when promoters cannot meet the full MPC. This ensures uniform application of MPC rules across all eligible contributors and provides greater clarity to IPO-bound companies.

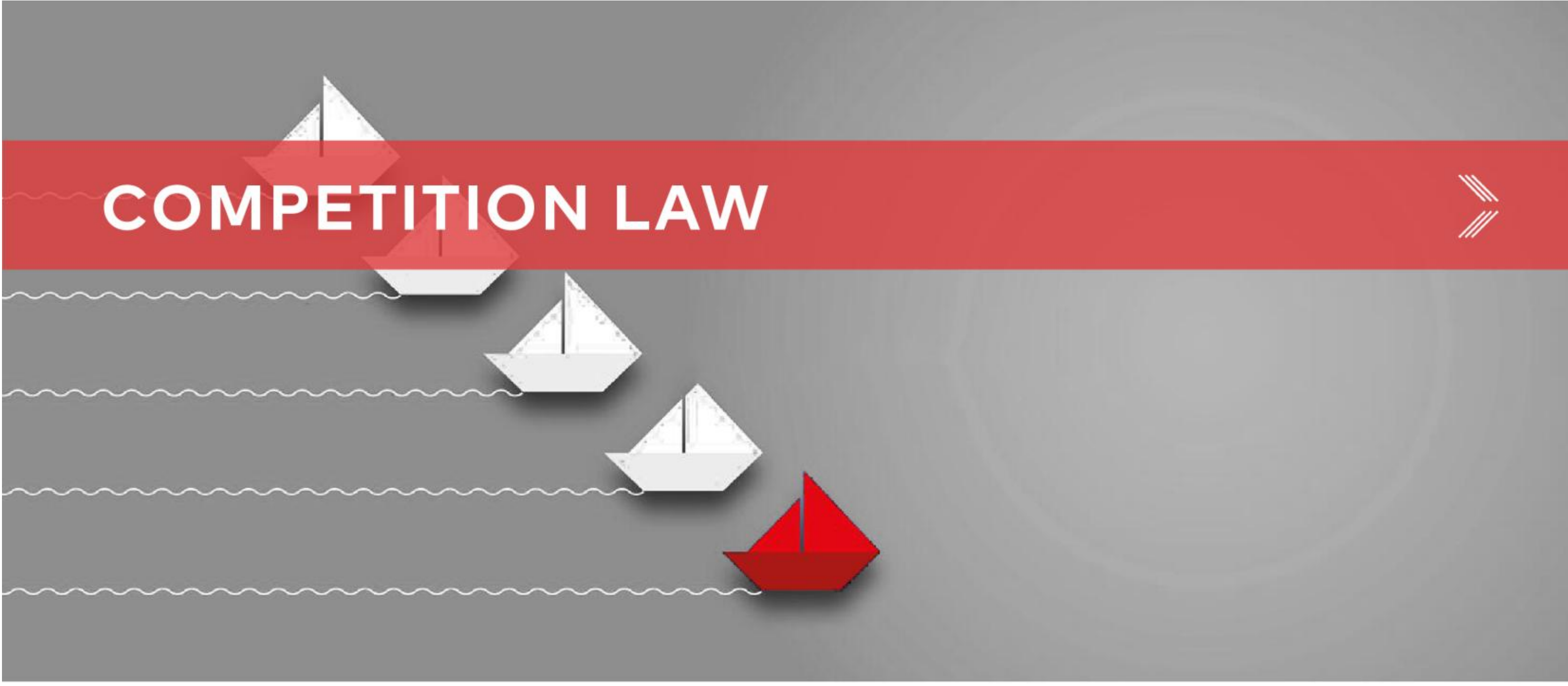
SEBI STRENGTHENS FUND-RAISING NORMS ON THE SOCIAL STOCK EXCHANGE

SEBI has introduced key amendments to the SEBI ICDR Regulations to strengthen the operational framework of the

Social Stock Exchange (SSE). The revised norms expand the list of entities that can be recognised as Not-for-Profit Organisations (NPO's), update the eligibility criteria for social enterprises, and redefine the role of Social Impact Assessment Organisations to improve transparency and accountability. A significant change mandates that NPO's registered on the SSE must raise funds through the platform within two years of registration. If an NPO fails to list and raise funds for at least one project within this period, its registration will be cancelled. These changes aim to ensure that only active, impact-driven organisations remain listed on the SSE, thereby enhancing credibility and fostering a more efficient and results-oriented social finance ecosystem.

AMENDMENTS TO IPO OFFER-FOR-SALE ELIGIBILITY UNDER SEBI ICDR REGULATIONS

Regulation 8 of the SEBI ICDR Regulations mandates that shares offered for sale by existing shareholders in an IPO must have been held for at least one year prior to filing the draft offer document. The recent SEBI ICDR amendment expands this exemption to include equity shares obtained through the conversion of fully paid-up compulsorily convertible securities acquired under such approved schemes. Earlier, the combined holding period of the underlying convertible securities and the resulting equity shares had to exceed one year for IPO eligibility, even if the invested capital had been in existence for over a year. The amendment now aligns the treatment of converted equity shares with that of shares acquired directly under approved schemes. This change also applies to the offer-for-sale component of Further Public Offers (FPO's), ensuring consistency in eligibility requirements across IPO's and FPO's.



Following are the developments in the Competition law sphere for the month of September 2025:

BOMBAY HIGH COURT UPHOLDS CCI'S INVESTIGATION INTO ASIAN PAINTS

On September 11, 2025, the Bombay High Court dismissed a writ petition filed by Asian Paints Limited ("**Asian Paints**") challenging the Competition Commission of India's ("**CCI**") *prima facie* order dated July 1, 2025, under Section 26(1) of the Competition Act, 2002 ("**Act**"). The order had directed the Director General to investigate the alleged abuse of dominance by Asian Paints in the decorative paints market.
Asian Paints argued that the CCI's order was invalid as (i) it was replaced by a second order uploaded on the following day, and (ii) Section 26(2A) barred re-inquiry into allegations already examined in earlier proceedings initiated by JSW Paints and Sri Balaji Traders. The Court rejected both arguments, holding that the first upload was merely an unsigned draft and that Section 26(2A) is an enabling provision allowing the CCI to close matters to avoid duplication; it does not create a jurisdictional bar on fresh complaints involving different contexts or statutory provisions. The Court further emphasised that orders under Section 26(1) are administrative and preparatory, with no vested right of hearing at the *prima facie* stage. Judicial review at such a stage is limited, and the High Court will not examine the merits of CCI's opinion to direct an investigation. Accordingly, the petition was dismissed, and the CCI's investigation against Asian Paints will proceed.

SUPREME COURT DECLINES TO INTERFERE IN CCI-MONSANTO LITIGATION

On September 2, 2025, the Supreme Court of India dismissed multiple Special Leave Petitions ("**SLPs**") filed by the CCI against a Delhi High Court judgment dated July 13, 2023,

which had quashed CCI's investigation into Monsanto Holdings Private Limited and others.

The Delhi High Court had held that once a settlement is reached between the informant and the opposite party, the substratum of CCI proceedings is lost, and further inquiry lacks a jurisdictional basis. The Court observed that CCI had no power to continue investigating in such circumstances, affirming its earlier 2015 judgment on the same point. Hearing the matter analogously, the Supreme Court noted that the original complainants had withdrawn their grievances, and, in light of the High Court's findings, there was no reason to interfere. Accordingly, the SLPs, along with pending intervention applications, were disposed of.

NCLAT DISMISSES APPEAL IN FPBAI BID-RIGGING CASE

On August 27, 2025, the National Company Law Appellate Tribunal ("**NCLAT**"), Principal Bench, New Delhi, dismissed the appeal filed by International Subscription Agency against a 2021 CCI order penalising the Federation of Publishers' and Booksellers' Associations in India ("**FPBAI**") and two of its office-bearers for anti-competitive conduct.

The CCI had found FPBAI and its office-bearers, Mr. Sunil Sachdev and Mr. S.C. Sethi, guilty of collusion in the book supply business, holding their conduct violative of Section 3(3)(a) read with Section 3(1) of the Act. A cease-and-desist order was issued and monetary penalties imposed. During the appellate proceedings, International Subscription Agency attempted to implead Allied Publishers Pvt. Ltd. and Vangiri Press as additional respondents and to introduce new grounds alleging misconduct by these companies. Both applications were dismissed by the NCLAT in December 2024 as an abuse of process, a decision later upheld by the Supreme Court in January 2025.

At the final hearing, the appellant shifted its grievance to argue that penalties should also extend to Allied Publishers and Vangiri Press. The Tribunal rejected this contention, noting that the companies were never parties before the CCI, had been deleted from the appeal record earlier at the appellant's own request, and could not be penalised in their absence. Concluding that no new grounds could be raised after repeated failed attempts, the NCLAT dismissed the appeal in its entirety, affirming the CCI's original order and penalties against FPBAI and its office-bearers.

NCLAT REDUCES PENALTY IN UP SOIL TESTING BID-RIGGING CASE

On September 16, 2025, the NCLAT, Principal Bench, New Delhi, delivered its judgment in *Satish Kumar Agarwal & Anr. v. Competition Commission of India* (Competition Appeal (AT) No. 39 of 2022). The appeal arose from a CCI order dated April 4, 2022, which had found M/s Satish Kumar Agarwal and M/s Siddhi Vinayak & Sons guilty of bid-rigging in soil testing tenders floated by the Department of Agriculture, Government of Uttar Pradesh, in 2017–18.

The CCI had held that the appellants, in collusion with M/s Yash Solutions and other entities, indulged in cover bidding, submission of fabricated documents, and coordinated use of common IP addresses, thereby contravening Sections 3(1), 3(3)(c), and 3(3)(d) of the Act. Penalties at 5% of average turnover (FY 2017–20) were imposed, amounting to INR 15.59 lakh on M/s Satish Kumar Agarwal and INR 12.62 lakh on M/s Siddhi Vinayak & Sons.

On appeal, the appellants argued that they lacked technical experience in soil testing, were misled by M/s Yash Solutions, and derived no revenue from the activity. They further contended that the penalty should be based only on relevant turnover. The CCI, however, reasoned that applying 'nil turnover' in cartel cases would allow firms to escape penalty despite proven misconduct. The NCLAT upheld the CCI's findings of collusion and bid-rigging, affirming that the appellants submitted cover bids to support M/s Yash Solutions. However, noting their supporting role, it reduced the penalty from 5% to 3% of average annual turnover.

CCI DISMISSES ALLEGATIONS AGAINST EMAAR INDIA IN MARBELLA VILLAS CASE

On August 29, 2025, the CCI dismissed an information filed against Emaar India Limited ("**Emar**") and its group entity alleging abuse of dominance and anti-competitive practices in relation to the "Marbella Project" in Gurugram.

The informant alleged that Emaar marketed and sold villas in Zones 1 & 6 of the project as part of an exclusive "Signature Villa Community" but later allowed construction of builder floors and non-villa units on vacant plots, in violation of buyer agreements and the original layout. It was contended that this altered the character of the project and amounted to abuse of dominance under Section 4, as well as anti-competitive agreements under Section 3 of the Act.

Upon review, the CCI defined the relevant market as *the provision of services for the development and sale of villas in Gurugram*. The CCI found several strong players in this market, including DLF, Godrej, Tata Housing, Signature Global, Vatika, ATS, and Tulip Infratech and held that Emaar did not enjoy a dominant position. Without dominance, no case of abuse under Section 4 was made out. The CCI also found no evidence of contravention under Section 3 and noted that no specific case had been established against government authorities impleaded as parties. Accordingly, the CCI closed the matter.

CCI CLOSES ABUSE OF DOMINANCE CASE AGAINST GMR HYDERABAD AIRPORT

On September 15, 2025, the CCI issued its final order in the matter of *Air Works India (Engineering) Pvt. Ltd. v. GMR Hyderabad International Airport Ltd. and GMR Aero Technic Ltd.* (Case No. 30 of 2019). The case arose from a complaint filed under Section 19(1)(a) of the Act, by Air Works India (Engineering) Private Limited ("**Air Works**"), a leading provider of maintenance, repair and overhaul ("**MRO**") services, alleging that GMR Hyderabad International Airport ("**OP-1**" or "**GMR**") and its subsidiary, GMR Aero Technic ("**OP-2**"), had abused their dominant position in the market for Line Maintenance Services ("**LMS**") at the Rajiv Gandhi International Airport ("**RGIA**"), Hyderabad.

Air Works contended that its licence for airside space at RGIA was arbitrarily not renewed by GMR in March 2019, forcing it to operate under onerous conditions and resulting in the denial of market access. The informant had alleged that the refusal was intended to oust it from the airport and channel business towards OP-2, thereby creating a monopolistic environment, foreclosing competition, and violating Sections 4(2)(b), 4(2)(c) and 4(2)(e) of the Act. The Director General's investigation had found *prima facie* evidence that GMR had leveraged its upstream dominance over airport facilities to exclude Air Works from the downstream LMS market.

The CCI, however, on a detailed examination of the evidence, rejected the allegations. It held that the relevant upstream market was correctly defined as the *provision of access to airport facilities/premises at RGIA*, while the downstream market was the *provision of Line Maintenance Services at RGIA*. GMR was indeed dominant in the upstream market by virtue of its concessionaire agreement with the Ministry of Civil Aviation. However, the CCI found that dominance alone did not translate into abuse in this case.

The CCI noted that the non-renewal of Air Works' licence did not limit competition, as airlines could either self-handle or avail services from other LMS providers. Moreover, Air Works continued to provide LMS at RGIA even without dedicated airside space by operating through mobile units, demonstrating that access to space was not indispensable for market participation.

The CCI also noted that GMR had reallocated airside space to airlines, not exclusively to its subsidiary, and had taken back areas from other operators as well, negating claims of preferential treatment. The allegations of leveraging were similarly dismissed, with the CCI finding no evidence that GMR had directed airlines to shift to OP-2. Any migration of clients and employees was explained by independent business decisions or competitive bidding processes.

In conclusion, the CCI held that GMR and its subsidiary had not contravened the provisions of the Act thereby closing the matter and reiterating that the non-renewal of Air Works' licence fell within the commercial discretion of the airport operator and did not amount to an abuse of dominance under the Act.

DISPUTE RESOLUTION

ONGC V. G&T BECKFIELD: NO ABSOLUTE BAR ON PENDENTE LITE INTEREST UNDER ARBITRATION AGREEMENTS

A Division Bench of Hon'ble Supreme Court of India comprising of Justice P.S. Narasimha and Justice Manoj Misra, in the matter titled ***Oil and Natural Gas Corporation Ltd. v. M/S G &T Beckfield Drilling Services Pvt. Ltd[1].*** had the opportunity to revisit aspects related to Pedente Lite Interest in situations wherein the Arbitration Agreement contains a Clause which restricts payment of interest on delayed payment.

Brief Facts of the Case

The facts of the case pertains to an Arbitral Award (**"Award"**) passed by a three member Arbitral Tribunal (**"AT"**). The Appellant aggrieved by the Award, preferred an Application under Section 34 of the Arbitration and Conciliation Act, 1996 (**"A&C Act"**) before the Ld. District Judge who allowed the Application and set aside the Award *vide* his Order dated 15.11.2007. The Respondent subsequently filed an Appeal before the Hon'ble Gauhati High Court which was allowed, and the Award was reinstated by virtue of the impugned Judgment. The Appellants then preferred a Special Leave Petition (SLP(C) No. 18331 of 2019) before the Hon'ble Supreme Court of India which restricted the issue under contention to aspects on whether Interest on total amount can be awarded or not

Arguments presented

The Appellants raised the contention that under Section 31(7) of the Arbitration and Conciliation Act, 1996, the Arbitral Tribunal's power to grant pre-award interest is subject to the contract. Since Clause 18.1 of the Contract barred interest on delayed or disputed payments, the award of pendente lite interest was impermissible. The Respondent on the other hand contended that Clause 18.1 only bars interest on delayed payments during performance which is disputed, not pendente lite interest. Clause 18.1 of the Contract verbatim stands as,

> *"…Should corporation question any item or items of an invoice, it may withhold payment of the amount in dispute until such matter is resolved between the parties, but the amount not in dispute is to be paid within above period. No interest shall be payable by ONGC on any delayed payment /disputed claim."*

The Hon'ble Courts Decision

The Hon'ble Supreme Court of India took note of it earlier decisions in the case of Irrigation Deptt., State of Orissa v. G.C. Roy[2], Union of India v. Ambica Construction[3] Dhenkanal Minor Irrigation Division v. N.C. Budharaj[4] and Ambica Construction v. Union of India[5] on grant of Pedente Lite interest.

The Hon'ble Supreme Court of India elucidated upon Section 31(7) of the A&C Act which governs the award of interest in arbitral proceedings involving payment of money. Under Clause (a) of the Section, the arbitral tribunal may award pre-reference and pendente lite interest at a reasonable rate, but this power is subject to the parties' agreement—if the contract prohibits interest, the tribunal cannot grant it, though if silent, it retains discretion. Clause (b) of the Section, on the other hand, pertains to post-award interest, which is statutory in nature and not subject to party agreement. Therefore, while parties can contract out of pre-reference and pendente lite interest, they cannot contract out of post-award interest. The Hon'ble Supreme Court of India finally held that AT can be restricted from awarding pendente lite interest only if the Contract explicitly or by

[1] SLP (C) No. 18331 of 2019 decided on 2 September 2025
[2] (1992) 1 SCC 508.
[3] (2016) 6 SCC 36.
[4] (2001) 2 SCC 721.
[5] (2017) 14 SCC 323.

necessary implication bar payment of such interest. Furthermore, the Hon'ble Supreme Court of India observed that Clause 18.1 does not expressly or impliedly bar the AT from granting pendente lite interest, unlike broader Clauses in earlier precedents. It only restricts interest on delayed or disputed payments by the Appellant, not the AT's statutory power under Section 31(7). Since both pendente lite and post-award interest were lawfully awarded, the appeal lacked merit and was dismissed.

SNS ENGINEERING PVT. LTD. V. HARIOM PROJECTS PVT. LTD. & ANR., 2025 SCC ONLINE DEL 5836

The Hon'ble Delhi High Court in ***SNS Engineering Pvt. Ltd. v. Hariom Projects Pvt. Ltd. & Anr.***,[6] was seized of a petition under Section 11(6) of the Arbitration and Conciliation Act, 1996 ("**the Act**") seeking appointment of an independent arbitrator in disputes arising out of a Work Order/ Acceptance Letter dated 21.10.2021. The Petitioner was a contractor and service provider operating in the field of mechanical, electrical, and air-conditioning industry. Respondent No. 1 was a private limited company engaged in the business of construction and allied services. The Petitioner had been awarded the contract for installation of the HVAC system at Uttarakhand Bhawan, Chanakyapuri, New Delhi. Certain disputes arose between the Parties and the Respondents sought to appoint their own Managing Director as the arbitrator under Clause 14 of the Acceptance Letter. The Petitioner objected to such appointment on the ground that an independent neutral arbitrator ought to be appointed and invoked the jurisdiction of Hon'ble Delhi High Court. Clause 14 of the Acceptance Letter reads as follows:

> *"14) Arbitration: This subcontract and all other matters, shall in all respect be construed and be operative in* conformity *with Indian laws and shall be subject to the jurisdiction of court in Ahmedabad only. For any decisions on any arbitration, HPL's Managing Director shall be the final authority."*

The Respondents, however, raised a preliminary objection, contending that Clause 14 of the Acceptance Letter expressly provided that all disputes would be subject to the jurisdiction of the courts at Ahmedabad, thereby excluding the jurisdiction of all other courts including Delhi. It was argued that this stipulation in Clause 14 operated as a determination of the seat of arbitration, and that once the parties had contractually designated the seat, the supervisory jurisdiction could not be exercised by this Court. Reliance was placed on ***Swastik Gases v. Indian Oil Corporation Ltd.***,[7] ***Indus Mobile Distribution v. Datawind Innovations***,[8] and ***Brahmani River Pellets v. Kamachi Industries***,[9] all of which recognised that conferral of exclusive jurisdiction is to be construed as determination of the seat. *Per contra*, the Petitioner, contended that courts in Delhi retained jurisdiction since the entire cause of action had arisen in Delhi, *inter alia*, including, the execution of Acceptance Letter, performance of contractual work, submission of all bills and invoices, exchange of correspondence between the Parties. The Petitioner invoked Section 20 of the Code of Civil Procedure, 1908, and urged that territorial jurisdiction was therefore clearly attracted in Delhi.

The Hon'ble Court, after a close examination, held that the legal position pertaining to supervisory jurisdiction of courts in arbitration matters is no longer *res integra*, thereby holding that even where an arbitration clause does not use the term "*seat*," the conferment of exclusive jurisdiction upon a particular court must be construed as designation of that court as the seat of arbitration. The Hon'ble Court drew strength from the recent pronouncement of the Hon'ble Supreme Court in ***Activitas Management Advisor v. Mind Plus Healthcare***[10] which reiterated that exclusive jurisdiction clauses in arbitration agreements conclusively determine the seat. In line with the same and further relying upon ***GR Builders Through Its Prop Sanjeev Kumar* v. *Metro Speciality Hospitals Pvt. Ltd.***,[11] the Hon'ble Court rejected the Petitioner's reliance on principles governing cause of action, observing that once parties have contractually chosen an exclusive jurisdiction, considerations of where the cause of action arose are rendered irrelevant. Party autonomy being the cornerstone of arbitration law, parties may confer jurisdiction on a neutral forum irrespective of its connection to the underlying transaction. The Hon'ble Court noted that a similar jurisdictional issue was decided by this Court in ***Sanjay Kumar Verma* v. *Planning and Infrastructural Development Consultants Pvt. Ltd.***,[12] wherein it was held that

> *"6. … . The absence of the explicit term 'seat' in Clause 13 does not diminish the clarity of the agreement that Patna is the designated place of arbitration. Interpreting this clause otherwise would undermine the principle of party autonomy, as embodied in Section 20 of the Arbitration Act, negating the parties' evident consensus on this matter."*

Accordingly, the Hon'ble Court concluded that Clause 14 of the Acceptance Letter, stipulating jurisdiction of courts at Ahmedabad, was "*categorical and exclusionary*" in nature. The Parties' intention to confer exclusive supervisory jurisdiction upon the Ahmedabad courts was manifest, and therefore, Ahmedabad must be treated as the seat of arbitration. On this reasoning, the Hon'ble Court held that it

[6] 2025 SCC OnLine Del 5836
[7] (2013) 9 SCC 32
[8] (2017) 7 SCC 678
[9] (2020) 5 SCC 462
[10] SLP (C) No. 27714/2024, decided 05.08.2025
[11] 2023:DHC:7050
[12] 2024:DHC:99

lacked territorial jurisdiction to entertain the present petition under Section 11(6) of the Act and dismissed the petition.

This judgment fortifies the principle that exclusive jurisdiction clauses in arbitration agreements, even absent the express use of the term "seat," are to be given full effect and operate to conclusively determine the juridical seat of arbitration. It underscores that party autonomy in designating jurisdiction is paramount and that once an exclusive jurisdiction is agreed, no other court may exercise supervisory jurisdiction, regardless of where the cause of action has arisen. The ruling therefore adds further clarity to the 'seat versus venue' jurisprudence and serves as a caution to contracting parties that exclusive jurisdiction clauses will bind them strictly in arbitral proceedings.

NO STAY, NO BAR: SC ON EXECUTABILITY OF AWARDS DURING SECTION 37 PROCEEDINGS

A Division Bench of Hon'ble Supreme Court of India comprising of Hon'ble **Justices Manoj Misra and Ujjal Bhuyan** had the opportunity to revisit the interplay of Section 37 of Arbitration and Conciliation Act, 1996 (**"A&C Act"**) in the matter titled ***Chakradhari Sureka v. Prem Lata Sureka through SPA & Ors***[13].

Brief Facts of the Case

The present Special Leave Petition arises from proceedings before the Executing Court, namely, the High Court of Delhi. Objections under Section 34 of A&C Act seeking to set aside the Arbitral Award ("**Award**") were preferred before the High Court, which stood rejected. An appeal against the said rejection was thereafter filed before the High Court and is presently pending adjudication. However, no order of stay was granted on the Award so as to restrain its enforcement during the pendency of the appeal. In the meantime, the Award-holder initiated execution proceedings, which were deferred by the Delhi High Court solely on the ground of the pendency of the said appeal.

Decision of Hon'ble Court

The Hon'ble Supreme Court of India first noted that the arbitral award had already survived scrutiny under Section 34 of the A&C Act, the objections having been dismissed. Although an appeal under Section 37 was indeed pending, there was no Interim Order restraining enforcement of the award. In these circumstances, the Court observed that it would be wholly improper for the Execution Court to adjourn or defer consideration of the execution application merely on the ground of pendency of the appeal. The Court reaffirmed the settled principle that once an award survives challenge under Section 34 of the A&C Act, it becomes enforceable as a decree of the Court under the A&C Act, and remains so unless specifically stayed by a competent appellate forum.

At the same time, the Hon'ble Supreme Court of India clarified that questions relating to the executability of the award, if raised, can and must be dealt with by the Execution Court in accordance with law, after affording due opportunity of hearing to the parties. However, such adjudication must be confined to the scope of objections available at the stage of execution, and cannot extend to staying enforcement simply because an appeal is pending.

Ultimately, the Hon'ble Supreme Court of India disposed of the Appeal with the categorical direction that, subject to any Interim Order that may be passed in the pending Section 37 appeal, the Execution Court shall be free to proceed with the execution of the award in accordance with law. It emphasized that execution proceedings cannot be indefinitely stalled when no stay order is in operation.

[13] (Special Leave Petition (Civil) No. 20480 of 2025)

EMPLOYMENT LAW

NORMS OF LAND REQUIREMENT FOR ESTABLISHMENT OF ESIC HOSPITALS[14]

The Employees' State Insurance Corporation ("**ESIC**"), through an Office Memorandum dated August 29, 2025, has issued revised land norms for setting up ESIC hospitals across India. The memorandum seeks to standardize the planning and development of hospital infrastructure by prescribing indicative land area requirements based on hospital capacity and the applicable Floor Area Ratio ("**FAR**") or Floor Space Index ("**FSI**") of the site. Under the revised norms, the land requirement for a 500-bed hospital is approximately 11–12 acres where the FAR is 1.5 and about 8–9 acres where the FAR is 2.0. Similarly, for a 100-bed hospital, the requirement is around 4–5 acres for FAR 1.5 and about 3 acres for FAR 2.0. These figures are indicative and may be adjusted based on local bye-laws, site constraints, and land availability.

The norms also account for future expansion needs and staff accommodation, recognizing that most ESIC hospitals are likely to be located in industrial areas situated outside city limits. Any proposal involving deviation from these norms must be examined by a Site Selection Committee and approved by the Competent Authority. All ESIC field offices have been directed to adopt these norms while formulating new hospital proposals and in consultations with other ministries or departments. The revised framework aims to ensure uniformity, efficiency, and prudent land utilization in future ESIC healthcare projects.

MINISTRY OF LABOUR AND EMPLOYMENT ISSUES DRAFT RULES FOR WORKER WELFARE AND SAFETY

The Ministry of Labour and Employment ("MoLE"), through draft notifications dated September 22, 2025, has issued sector-specific rules under Sections 23 and 24 of the Occupational Safety, Health and Working Conditions Code, 2020 (OSH&WC Code). These draft rules aim to modernize and standardize welfare, health, and safety standards for workers employed in various sectors across India, including dock workers[15], mines[16], motor transport[17], plantations[18], beedi and cigar manufacturing[19], Building and Other Construction Workers (BOCW)[20], and factories[21].

The proposed rules lay down detailed provisions relating to workplace cleanliness, lighting, ventilation, drinking water, sanitation, canteen facilities, first-aid arrangements, and welfare measures. Employers are required to ensure that all workplaces and passages are clean, adequately lit, and ventilated, and that all machinery, floors, and walls are maintained in hygienic condition. Sufficient supply of safe drinking water must be accessible to workers throughout the premises.

Specific welfare measures include the provision of washing, bathing, and locker facilities for male, female, and transgender workers, with accessible arrangements for persons with disabilities. Canteens are to be provided where 100 or more workers are employed, designed and maintained as per the hygiene and operational standards prescribed under the rules. Similarly, crèche facilities must be established where 50 or more workers are employed, equipped with resting areas, play zones, nutritional provisions, and CCTV surveillance, and staffed by verified and trained personnel.

The draft rules also mandate the appointment of a Welfare Officer where 250 or more workers are employed, and the maintenance of first-aid boxes as specified in the annexure. At least one-third of the workers must be trained in first aid,

[14] No.: W/20/12/Land/PMD/2025
[15] G.S.R. 707(E).
[16] G.S.R. 713(E).
[17] G.S.R. 712(E).
[18] G.S.R. 716(E).
[19] G.S.R.710 (E).
[20] G.S.R.709 (E).
[21] G.S.R. 708(E).

including basic life support. Employers are required to conduct quarterly mock drills to ensure emergency preparedness and maintain clear evacuation procedures.

Stakeholders, including employers, trade unions, and industry bodies, may submit objections or suggestions within 45 days from the date of publication of the draft notification in the Official Gazette, in the prescribed proforma.

Once finalized, these rules are expected to harmonize welfare standards across various establishments and strengthen occupational safety and health compliance nationwide.

EXPOSURE DRAFT - AMENDMENTS TO PENSION FUND REGULATORY AND DEVELOPMENT AUTHORITY (EXITS AND WITHDRAWALS UNDER THE NATIONAL PENSION SYSTEM) REGULATIONS, 2015

The Pension Fund Regulatory and Development Authority ("**PFRDA**"), through a draft notification dated September 16, 2025, has proposed amendments to the PFRDA (Exits and Withdrawals under the National Pension System) Regulations, 2015. The draft aims to enhance flexibility, inclusivity, and operational efficiency within the NPS framework.

The key proposed amendments are as follows:

- The definition of 'Exit' will be broadened to encompass various scenarios, including exits from NPS Vatsalya and schemes introduced by pension funds for the non-government sector.

- Exit provisions will be established for pension schemes introduced by pension funds catering to the non-government sector.

- The age limits for entry into and exit from NPS will be raised, with provisions for automatic continuation of accounts beyond the age of 60.

- Subscribers will no longer be required to provide prior intimation for deferring lump sum and/or annuity withdrawals.

- The permissible limit for lump sum withdrawals will be increased for subscribers whose accumulated pension wealth is below a specified threshold.

- Subscribers with accumulated pension wealth below a specified threshold will have the option to avail systematic unit redemption.

- The proportion of lump sum withdrawal available to non-government sector subscribers upon attaining the age of 60 or retirement will be enhanced.

Stakeholders, including subscribers, pension funds, and other interested parties, are invited to submit their comments or suggestions on the proposed amendments. The consultation period is open until October 17, 2025. Comments can be submitted through the online webform accessible at www.pfrda.org.in or via email to review-reg@pfrda.org.in.

Upon reviewing the feedback received, PFRDA will finalize the amendments and notify the revised regulations, aiming to implement the changes promptly.

MAHARASHTRA SHOPS AND ESTABLISHMENTS (AMENDMENT) ORDINANCE, 2025 TO AMEND THE MAHARASHTRA SHOPS AND ESTABLISHMENTS (REGULATION OF EMPLOYMENT AND CONDITIONS OF SERVICE) ACT, 2017. [22]

The Government of Maharashtra, through an Ordinance dated October 1, 2025 (Maharashtra Ordinance No. VIII of 2025), has amended the Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2017. The Ordinance seeks to reduce compliance burden for smaller establishments, provide operational flexibility in working hours, and promote ease of doing business while maintaining statutory protections for workers.

Under the amended provisions, the threshold for registration and other regulatory obligations has been increased from 10 to 20 employees. Establishments employing fewer than 20 workers are no longer required to obtain a registration certificate from the Facilitator but must provide an intimation of their business. Despite this simplification, all protections under the Act continue to apply to workers in such establishments.

The Ordinance also introduces changes to working hours and related provisions. The daily hours of work have been increased from 9 hours to 10 hours, inclusive of rest intervals, without exceeding the maximum weekly limit of 48 hours. The spread-over of work in a day has been extended from 10.5 hours to 12 hours, and the maximum continuous work without a rest interval has been increased from 5 to 6 hours. Additionally, the maximum overtime period in a quarter has been extended from 125 hours to 144 hours, thereby allowing establishments to engage workers in overtime for longer durations, subject to proper recording and compensation.

[22] Maharashtra Ordinance No. VIII Of 2025

These amendments aim to provide establishments with greater flexibility to manage operational demands, emergencies, or peak workloads, while ensuring fair treatment and compensation of workers. The Ordinance comes into effect immediately upon promulgation, reflecting the State's objective of balancing economic growth with worker protection.

JUDICIAL FINDINGS

KERALA HIGH COURT – COMPENSATION FOR DEATH OF EMPLOYEE CAN BE SETTLED THROUGH LOK ADALAT PROCEEDINGS[23]

The High Court of Kerala, in MFA (ECC) No. 27 of 2024, addressed whether the dependents of a deceased employee could claim compensation under the Employees' Compensation Act, 1923 ("**EC Act**") after already receiving compensation through Lok Adalat proceedings under the Legal Services Authorities Act, 1987.

The appellants, Mr. Sivan and Ms. Vimala Sivan, were the parents of Sri Ambady, who died on 05.01.2015 in an accident while operating a hydraulic lift owned by the first respondent. The lift was insured with the second respondent. The Employee's Compensation Commissioner recognized the employer–employee relationship and fixed compensation of Rs. 8,61,120/-. However, the appellants had earlier filed P.L.P. No.4/2015 before the Muvattupuzha Taluk Legal Services Authority, which was settled through a Lok Adalat award (Ext.X1) for Rs. 10 lakhs, received by the appellants. Consequently, their claim before the Commissioner was dismissed.

The appellants contended that Section 8(1) of the EC Act, which bars direct payments to employees without deposit before the Commissioner, should not prevent them from claiming compensation, arguing that the purpose of the EC Act would be defeated if they were non-suited. The respondents argued that having received compensation under the Legal Services Authorities Act, the appellants were barred from pursuing the same claim under the EC Act, citing the doctrine of election of remedies.

The Court examined the interplay between the EC Act and the Legal Services Authorities Act, 1987, noting that Section 25 of the latter has an overriding effect over inconsistent provisions in other laws. Section 22C allows disputes to be settled before a Permanent Lok Adalat, and once compensation is received under this mechanism, the same claim cannot be pursued under the EC Act. The Court also referenced Supreme Court decisions confirming the binding nature of Lok Adalat awards, procedural flexibility, and protection of weaker parties.

Considering that the appellants had received Rs. 10 lakhs through Lok Adalat, which exceeded the compensation fixed by the Commissioner, and recognizing the protective role of Lok Adalat, the Court held that the bar under Section 8(1) of the EC Act does not apply to Lok Adalat proceedings. The substantial questions of law were answered in the affirmative against the appellants, and the appeal was dismissed.

The decision clarifies that dependents of deceased employees can claim and receive compensation for death through Lok Adalat proceedings, and once such compensation is obtained, further claims under the EC Act are barred, reinforcing the doctrine of election of remedies and ensuring judicial efficiency while protecting employee interests.

RIGHT TO FAMILY PENSION UPHELD DESPITE DELAY AND "TEMPORARY" APPOINTMENT: RAJASTHAN HIGH COURT[24]

In the case of Smt. Mishri Devi v. Director, Pension and Pensioners Welfare Department Pension Bhawan & Ors., the Hon'ble Rajasthan High Court examined whether a widow was entitled to family pension and related post-retirement benefits despite the delayed claim and the designation of her late husband's appointment as "purely temporary." The Hon'ble Court was hearing a Writ Petition filed by the petitioner, Smt. Mishri Devi, whose husband had passed away in 1990, merely one year after being appointed as a Lower Division Clerk in 1989. The petitioner's claim for family pension and other benefits had been rejected by the State on the grounds that her husband's appointment was temporary and that the petition had been filed 24 years after his death.

The petitioner contended that her husband's appointment was substantively akin to regular recruitment, involving formal advertisement, competitive selection, and adherence to procedural rules, despite the wording "purely temporary" in the appointment letter. She further argued that the grant of a compassionate appointment to her after her husband's death demonstrated that the State itself recognized his employment as substantive. The petitioner emphasized that pension is a vested right, not a matter of bounty, and that delayed claims cannot extinguish such rights, which accrue continuously on a monthly basis. Denial of family pension would, therefore, amount to unjust deprivation of statutory entitlements and violation of constitutional protections under Articles 14 and 21.

[23] MFA (ECC) No. 27 of 2024

[24] S. B. Civil Writ Petition No. 4901/2014

The State opposed the petition on two grounds. First, it argued that the appointment was temporary, and therefore the deceased was not entitled to pensionary benefits applicable only to substantive employees. Second, the State relied on the long delay in filing the petition, asserting that entertaining such claims would disrupt administrative and financial arrangements and open the door to stale claims. The State also contended that the compassionate appointment granted to the petitioner was a welfare measure unrelated to substantive recognition of the husband's employment.

The Hon'ble Court rejected the State's contentions and ruled in favour of the petitioner. Justice Anand Sharma observed that the selection process followed in 1989 mirrored that of substantive appointments, and the mere use of the term "purely temporary" could not override the substantive nature of employment. The compassionate appointment granted to the petitioner was further evidence of the substantive character of her husband's service. Referring to Rule 268A of the Rajasthan Service Rules, 1951, the Court emphasized that family pension is payable to dependents irrespective of temporary or permanent status of the government servant. On the question of delay, the Court held that pension is a vested right accruing monthly, and its enforcement cannot be barred by limitation or laches, particularly where the State's refusal caused prolonged deprivation.

The Court accordingly allowed the petition, directing the State to release all family pensionary benefits along with interest at 9% per annum. The judgment reaffirmed that technical classification of employment and procedural delays cannot defeat the statutory and constitutional rights of dependents, ensuring protection and justice for widows and other dependents of government servants.

WRITTEN COMPLAINT REQUIRED UNDER POSH ACT; HOSTILE WORK ENVIRONMENT WITHOUT SEXUAL ELEMENT NOT SEXUAL HARASSMENT: KERALA HIGH COURT[25]

In the case of X v. Abraham Mathai & Ors. the Hon'ble High Court of Kerala examined whether proceedings under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("**POSH Act**") could be initiated without a written complaint, and whether a hostile work environment without any sexual element constitutes sexual harassment.

The Hon'ble Court was hearing a writ appeal filed by the Managing Director of Amstor Information Technology (India) Pvt. Ltd., challenging the judgment of a Learned Single Judge, which had quashed the District Collector's compliance directive based on the recommendations of the Local Level Committee under the POSH Act.

The dispute arose from an anonymous complaint forwarded to the District Collector, alleging misconduct by the Managing Director. The Local Committee conducted an inquiry and directed the Managing Director to apologize, pay ₹19 lakhs as compensation, and constitute an Internal Complaints Committee. The Managing Director challenged the proceedings on the ground that no written complaint, as mandated under Section 9 of the POSH Act, had been filed, and that the allegations related to labour disputes rather than sexual harassment.

In the present appeal, it was contended by the Appellant that the Single Judge had erred in quashing the proceedings since the Local Committee had statutory jurisdiction to act, and that the appellant's conduct did not constitute sexual harassment. On the other hand, the Respondent argued that the Local Committee had acted in accordance with law and that the compliance directive was valid.

The Hon'ble Court examined the requirements under Section 9 of the POSH Act and Rule 6 of the 2013 Rules, emphasizing that a written complaint is mandatory to initiate proceedings. The Court clarified that while the Act aims to provide a safe workplace for women, not every instance of unfair treatment or hostile behaviour constitutes sexual harassment. The Court observed that in the present case, the allegations pertained to labour disputes, rumours, and general hostility, and did not involve any unwelcome sexual conduct as defined under Section 2(n) of the POSH Act.

The Hon'ble Court reaffirmed the legal position that the absence of a written complaint invalidates proceedings under the POSH Act, and that hostile work environments devoid of sexual elements do not fall within the scope of "sexual harassment." Consequently, the Court upheld the Single Judge's order quashing the compliance directive issued by the District Collector.

Therefore, the judgment clarifies that compliance with the statutory requirement of a written complaint is essential under the POSH Act, and that the definition of sexual harassment does not extend to non-sexual labour disputes, ensuring that workplace protections are applied in accordance with both the Act and principles of natural justice.

[25] WA NO. 1622 OF 2025

RESERVE BANK OF INDIA (RBI) RELEASES MASTER DIRECTION ON REGULATION OF PAYMENT AGGREGATOR (PA)

RBI, vide its notification no. RBI/DPSS/2025-26/141, CO.DPSS.POLC.No.S-633/02-14-008/2025-26 dated September 15, 2025, has issued the Master Direction on Regulation of Payment Aggregators, 2025 (**"Directions"**). The Directions consolidate, rationalise, and supersede earlier circulars governing PAs. They have been issued under the authority of Section 18 read with Section 10(2) of the Payment and Settlement Systems Act, 2007, and Sections 10(4) and 11(1) of FEMA, 1999, with the object of ensuring systemic stability, merchant due diligence, consumer protection, and secure digital payments infrastructure.

The Directions apply to all banks and non-bank entities undertaking Payment Aggregator business, as well as to Authorised Dealer Banks and Scheduled Commercial Banks engaged with such entities.

These Directions have been issued after consultations and comments received from the stakeholders on the 'New draft directions on regulation of Payment Aggregators – Physical Point of Sale' (**"Draft Directions"**) as released by RBI on April 26, 2024. The key changes introduced vide these Directions are as follows:

Definitions

Payment Aggregator has been categorised as follows:

- PA – Physical (PA–P): These are PA's which facilitates transactions where both the acceptance device and payment instrument are physically present;
- PA – Cross-Border (PA–CB): These are PA's which facilitates aggregation of cross-border payments for current account transactions permissible under FEMA; and
- PA – Online (PA–O): These are PA's which facilitates transactions where the acceptance device and payment instrument are not physically proximate.

Net Worth Requirements for Non-Bank PA-P Entities

The Draft Directions stipulated that existing non-bank PA-P entities must have a minimum net worth of INR 15,00,00,000/- (Indian Rupees Fifteen Crore) at the time of application and attain INR 25,00,00,000/- (Indian Rupees Twenty Five Crore) by March 31, 2028. The final Directions maintain the same net worth thresholds, but with a minor modification; the INR 25,00,00,000/- (Indian Rupees Twenty Five Crore) net worth is now required to be achieved within three financial years from the date of authorisation, instead of a fixed calendar date.

Flexible Settlement Timelines

Under the Draft Directions, PAs were bound by prescriptive timelines for final settlement with merchants. The consolidated Directions mark a significant shift by liberalising this framework; settlement credits to merchants can now to be affected in accordance with the agreement between the PA and the merchant, provided such agreements are fair, equitable, and transparently disclose the settlement timelines.

Escrow Account Requirements

The Directions consolidate and clarify the rules governing escrow and collection accounts for PAs. PA-CB entities must maintain inward and outward collections in separate Inward Collection Accounts (InCA) and Outward Collection Accounts (OCA), subject to specific operational restrictions such as prohibitions on co-mingling, limits on pre-funding, and the requirement to maintain separate currency-wise accounts for INR and each non-INR transaction, whereas, PA-O and PA-P entities shall use the same escrow account for both the business activities. In addition to the above, the concept and calculation of a 'core portion', eligible for interest under the escrow accounts has been restated and explicitly extended to cover PA-P as well as PA-O entities. Further, third-party payouts from escrow accounts are now permitted only if the merchant has a physical or online presence, an annual turnover exceeding INR 40,00,000/- (Indian Rupees Forty Lakh) or an annual export turnover exceeding INR 5,00,000/- (Indian Rupees Five Lakh), and the third party is the payee directly interfacing with the payer, for purchase / delivery of goods, services or investment products, for the underlying transaction.

Cross Border Payment Limits

The Directions provides for a cap of INR 25,00,00,000/- (Indian Rupess Twenty Five Crore) per transaction for cross-border payments processed by PA's. Entities must maintain separate inward and outward collection accounts for cross-border transactions, while ensuring no commingling of funds.

Reporting, Audit and Governance

The Directions set out a detailed governance schedule, including the requirement to obtain quarterly auditors' certificates on escrow balances, undertake monthly reporting of statistics of the transactions handled by the PA, to the RBI, and submit both an annual system audit report and an annual cyber-security audit report conducted by CERT-In empanelled auditors, along with ongoing cyber incident reporting. Additionally, the Directions specify that promoters and directors of PA entities must satisfy the RBI's 'fit and proper' criteria as provided under the Clause 7 of the Directions, including but not limited to financial integrity; good reputation and character; honesty; disclosure of any pending proceedings against them etc.

Change in KYC Requirements

The Directions require mandatory use of the Central KYC Records Registry (CKYCR) for undertaking KYC of the merchants at the time of their onboarding, replacing the earlier requirement of general compliance with the KYC norms prescribed under the Reserve Bank's Master Direction- Know Your Customer (KYC) Direction, 2016 . Additionally, the non-bank PAs (including those whose applications for RBI authorisation are pending) are now required to register with the FIU-IND and comply with reporting obligations under the Prevention of Money-Laundering Act, 2002 and the rules framed thereunder

Operational Timelines for Escrow Migration

PA-P entities are required to migrate all funds into escrow accounts within two months from the date of authorisation from the RBI, ensuring timely protection of merchant funds and smooth settlement operations.

Extended Deadline for Non-Bank PA-P Entities to Apply for Authorisation

The deadline for non-bank PA-P entities to apply for authorisation has been extended to December 31, 2025. Entities that fail to submit their application by this date are required to wind up their operations by February 28, 2026. This extension provides additional time for entities to comply with regulatory requirements and complete the authorisation process.

DSK Views: *The RBI Master Direction on Regulation of Payment Aggregators, 2025 constitutes a comprehensive codification of regulatory expectations for the payment aggregation sector. The framework enhances transparency, strengthens consumer protection, prescribes uniform capitalization standards, and introduces robust requirements for merchant due diligence, escrow management, and cybersecurity compliance. The Directions aim to harmonize domestic and cross-border PA operations, while clearly delineating PA and marketplace models. Recognition of escrow accounts as designated payment systems, together with strict audit and reporting obligations, is expected to strengthen regulatory oversight. Entities engaged in PA activities must promptly review their governance, compliance, technology, and settlement frameworks to ensure alignment with the new regime. Non-compliance with authorization or capital requirements may necessitate cessation of business by 28 February 2026.*

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RBI ISSUES DIRECTIONS ON AUTHENTICATION MECHANISMS FOR DIGITAL PAYMENT TRANSACTIONS

RBI, vide its notification no. RBI/2025-26/79, CO.DPSS.POLC.No.S-668/02-14-015/2025-26 dated September 25, 2025, has issued the Reserve Bank of India (Authentication Mechanisms for Digital Payment Transactions) Directions, 2025 (**"Digital Payments Directions"**).The Digital Payments Directions seek to strengthen the security framework for digital payment transactions in India, promote use of alternative authentication mechanisms, enhance consumer protection, and align domestic rules with cross-border transaction safeguards.

The Digital Payments Directions apply to all payment system providers and participants (banks and non-banks) undertaking digital payment transactions in India, except where specific exemptions apply.

Definitions

- Card Not Present (CNP) transaction: A transaction where the card and acceptance infrastructure are not present in close proximity while making the transaction.

- Card Present transaction: A transaction that is carried out through the physical use of card at the point of transaction.

- Cross-border CNP transaction: A payment instruction wherein the card, issued by an Indian issuer, is used for undertaking a payment transaction favoring a merchant acquired by an overseas acquirer. For such transactions, outflow of foreign exchange is envisaged.

Core Principles for Authentication

The Digital Payments Directions mandate that all digital payment transactions be subject to two-factor authentication, requiring at least two distinct authentication credentials unless specifically exempted. Further, at least one of these factors, except in the case of card present transactions, must be dynamically generated and unique to each transaction, thereby ensuring transaction specific verification. Importantly, the framework requires that the authentication mechanism be robust, such that the compromise of one factor does not undermine the security or reliability of the other.

Interoperability and Open Access

Payment System Providers and Participants must offer authentication/tokenisation services accessible to all applications/token requestors within a given operating environment, consistent with RBI directions on "Tokenisation – Card Transactions" dated January 08, 2019.

Risk Based Approach

Issuers are permitted to adopt a risk based authentication framework, evaluating transactions against behavioral and contextual parameters such as location, device attributes, user behavior, and transaction history. Where higher risk is detected, issuers may impose additional authentication measures beyond the mandated two factors. Further, issuers are encouraged to leverage DigiLocker as a platform for notification and confirmation in respect of high-risk transactions.

Responsibility of the Issuer

Issuers are required to ensure the robustness and integrity of authentication mechanisms prior to deployment. In the event of any customer loss arising from non-compliance with these Digital Payments Directions, the issuer shall be liable to compensate the customer in full, without demur. Additionally, issuers must ensure strict adherence to the provisions of the Digital Personal Data Protection Act, 2023.

Cross-Border Transactions

While the Digital Payments Directions currently apply only to domestic transactions, issuers are required to implement, by October 01, 2026, mechanisms to validate non-recurring Cross-Border CNP transactions, including Bank Identification Numbers ("**BIN**") registration with card networks. Additionally, issuers must establish a risk based framework for managing all cross-border CNP transactions by the same deadline.

DSK Views: *The Digital Payments Directions signal a major shift in India's digital payments framework by mandating two-factor authentication with dynamic factors, enhancing interoperability through tokenisation, promoting risk-based authentication aligned with global standards, and strengthening consumer protection by placing liability on issuers, while also aligning domestic authentication requirements with cross-border safeguards. Issuers and payment system providers must implement mechanisms to validate non-recurring cross-border CNP transactions, including BIN registration, and establish risk-based frameworks for all cross-border CNP transactions by October 01, 2026, alongside upgrading their authentication, tokenisation, and fraud-prevention frameworks to meet the compliance deadline of April 01, 2026.*

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RBI ISSUES CIRCULAR ON REPORTING RETURNS UNDER CENTRALISED INFORMATION MANAGEMENT SYSTEM (CIMS)

RBI, vide its circular RBI/2025-26/77 dated September 05, 2025, addressed all Scheduled Commercial Banks (including RRBs), UCBs, StCBs, DCCBs, Payment Banks, and Small Finance Banks regarding the submission of following returns on the CIMS portal:

Sr. No.	Return Name	Return Code	Frequency
1	Internet Banking Return	R065	Monthly
2	Mobile Banking Return	R102	Monthly

Accordingly, banks have been advised to submit the returns listed below on the CIMS portal for the reporting period **August 2025 onwards**, following the reporting guidelines. The above returns for every month are required to be submitted by the **7th of the succeeding month.**

INFRASTRUCTURE AND ENERGY

CERC ON PCLAIMS FOR CHANGE IN LAW AND FORCE MAJEURE RELIEF

The Central Electricity Regulatory Commission (CERC), in its order dated 01.09.2025 in *Udupi Kasargode Transmission Limited v. BESCOM & Ors.* (Petition No. 303/MP/2024), addressed *inter alia*, the following issues:

- Whether Udupi Kasargode Transmission Limited (**UKTL**) could seek an in-principle declaration of Force Majeure and Change in Law events prior to commissioning of its project; and
- Whether the Transmission Service Agreement (**TSA**) permitted such pre-commissioning reliefs in order to secure financing and avoid coercive action by Long-Term Transmission Customers (**LTTCs**).

For context, Articles 11 and 12 of the TSA dated 28.02.2019 govern relief for Force Majeure and Change in Law events, while Article 16.3.1 vests jurisdiction with CERC for disputes. UKTL, a transmission licensee, was awarded the Udupi–Kasargode 400 kV transmission project through tariff-based competitive bidding. The project, of strategic importance for relieving congestion in the Southern grid, has faced significant delays owing to COVID-19, forest clearance issues, Right of Way (**RoW**) disputes in Karnataka and Kerala, and litigation before the High Courts. UKTL also cited Changes in Law impacts, such as increased RoW compensation, afforestation charges, and higher IDC/IEDC costs.

Claiming cost escalation of nearly 77% (about ₹600 crores), UKTL sought an in-principle declaration of these events to secure continued funding from REC Limited, which had expressed reluctance without regulatory recognition.

The dispute arose when Karnataka ESCOMs and KSEBL opposed maintainability, arguing that the TSA does not permit pre-commissioning declarations, and that Force Majeure and Change in Law claims must be substantiated with operational data post-COD. They relied on judicial precedents, including *Energy Watchdog v. CERC*, to contend that premature claims are speculative and outside the scope of the TSA.

CERC's findings

CERC dismissed UKTL's request for in-principle recognition of Force Majeure and Change in Law events at the pre-commissioning stage. The Commission held that since the project was still under implementation, it would be inappropriate to decide on the claimed events in advance. However, CERC granted liberty to UKTL to approach the Commission after completion of the project to seek appropriate relief in accordance with the TSA and applicable law. Importantly, while denying the relief sought by UKTL, CERC directed that no coercive action be taken by the LTTCs, including encashment of Contract Performance Guarantees, pending project completion, as the subsistence of the TSA was vital for implementation. The Commission emphasised that UKTL must continue sincere efforts to complete the project at the earliest.

Significance of the Judgment

This order reiterates CERC's long-standing position that relief under Change in Law and Force Majeure can only be granted once their impact is actually felt by the power developer after project commissioning, and no declaratory relief can be granted beforehand. The absence of such declaratory reliefs often leaves lenders without complete clarity on project dynamics and financial viability at the stage of extending financial support for the project to the power developers.

APTEL ON ADOPTION OF TARIFFS IN BESS PILOT PROJECTS UNDER SECTION 63 OF THE ELECTRICITY ACT

The Appellate Tribunal for Electricity **(APTEL),** in its judgment dated 12.09.2025 in *JSW Renew Energy Five Limited v. CERC & Ors.* (Appeal No. 26 of 2025) and *Solar Energy Corporation* *of India v. CERC & Ors.* (Appeal No. 54 of 2025), addressed the following issues:

- Whether the Central Electricity Regulatory Commission (**CERC**) was justified in rejecting adoption of the competitively discovered tariff for the 500 MW/1000 MWh Battery Energy Storage System (**BESS**) Pilot Project on the ground that the tariff was not market aligned; and
- Whether the delays in issuance of the Letter of Award (**LoA**), execution of the Battery Energy Storage Sale Agreement (**BESSA**), and execution of the Battery Energy Storage Purchase Agreement (**BESPA**) could be attributed to SECI.

For context, Section 63 of the Electricity Act, 2003 mandates the Commission to adopt tariffs discovered through a transparent competitive bidding process. The BESS pilot project was conceived by the Ministry of Power to strengthen grid stability, integrate renewable energy, and develop markets for storage services, with SECI acting as the nodal agency.

The dispute arose after SECI filed Petition No. 138/AT/2024 before CERC seeking adoption of the tariff discovered in the August 2022 e-reverse auction, where JSW was the lowest bidder. CERC, by order dated 02.01.2025, rejected adoption, noting significant delays of 145 days in issuance of the LoA, 160 days in execution of BESSA, and 245 days in execution of BESPA, after signing of the BESSA; and holding that subsequent bids in 2023–24 revealed tariffs nearly 50% lower than JSW's quoted tariff. CERC concluded that adoption would confer unintended benefits on the developer at the cost of consumers. JSW challenged the rejection in Appeal No. 26 of 2025, while SECI, in Appeal No. 54 of 2025, disputed CERC's findings of delay on its part.

APTEL's findings

APTEL upheld CERC's rejection of tariff adoption, holding that Section 63 does not mandate blind acceptance of the lowest tariff if it is not market aligned. Relying on *Jaipur Vidyut Vitran Nigam Ltd. v. MB Power (M.P.) Ltd.*, (2024) 8 SCC 513, it emphasised that commissions can assess market alignment to safeguard consumer interest. The Tribunal noted that the 18-month delay between bidding and the tariff petition, along with delays in executing the LoA, BESSA, and BESPA, led to misalignment with subsequent lower bids. Accordingly, JSW's appeal was dismissed, while SECI's appeal was disposed of with clarifications that not all delays were attributable to SECI.

Significance of the Judgment:

This judgment is significant as it confirms that tariff adoption under Section 63 is not an automatic or mechanical process. By emphasising "market alignment" as a guiding principle, both CERC & APTEL have reinforced consumer interest and sectoral fairness, particularly in fast-evolving technologies like BESS, where costs are rapidly declining. The decision highlights the importance of adhering to project timelines, as delays can distort discovered tariffs and jeopardise viability. It also provides regulatory clarity for future storage projects, balancing the need to incentivise investment while safeguarding consumers against inflated tariffs.

CENTRAL ELECTRICITY REGULATORY COMMISSION (CONNECTIVITY AND GENERAL NETWORK ACCESS TO THE INTER-STATE TRANSMISSION SYSTEM) (THIRD AMENDMENT) REGULATIONS, 2025

The CERC issued the Central Electricity Regulatory Commission (Connectivity and General Network Access to the Inter-State Transmission System) (Third Amendment) Regulations, 2025 (GNA Regulations), on 31.08.2025, published in the Gazette of India on 09.09.2025, introducing several refinements to the connectivity and GNA framework. The amendment addresses new definitions, withdrawal procedures, connectivity eligibility, scheduling rights, and conversion of connectivity.

Objective

These amendments seek to strengthen the implementation of the GNA framework by improving clarity on application and withdrawal processes, introducing stricter discipline in handling bank guarantees, expanding connectivity options for renewable and storage projects, and operationalising scheduling rights linked to solar and non-solar hours.

Relevant Key Clauses:

- **New Definitions (Regulation 2.1):** The amendment introduces and refines multiple terms. *"ISTS Cluster"* has been defined as a grouping of substations declared by CTU based on proximity, technical feasibility, and planning considerations. *"Host RLDC"* has been introduced to denote the RLDC of the region in which the applicant entity is geographically located. Further, detailed definitions of *Solar hours*, *Solar hour access*, *Non-solar hours*, and *Non-solar hour access* have been incorporated to support the scheduling framework.
- **Withdrawal of Applications (Regulation 3.7):** The provisions relating to withdrawal of applications for Connectivity or GNA have been comprehensively revised. Forfeiture norms for application fees and bank guarantees now vary depending on the stage of processing, pre-approval, post-in-principle grant, after final grant but before signing of agreement, and after signing. The amendment also permits proportionate withdrawal in case of partial capacity constraints, while ensuring minimum eligibility thresholds are maintained. Notably, applicants are allowed to make equivalent payments in lieu of encashment of bank guarantees through online modes, subject to timelines.

- **Connectivity Eligibility (Regulation 4):** The eligibility criteria have been broadened. Generating stations, including REGS and standalone ESS of 50 MW and above, remain eligible. In the North-Eastern Region and Sikkim, the minimum threshold has been relaxed to 25 MW. Special provisions have been added for *Bhakra Beas Management Board (BBMB)* systems, enabling REGS/ESS of 5 MW and above to seek ISTS connectivity through BBMB's transmission network, with separate procedures for projects below 5 MW.

- **Solar/Non-Solar Access (Regulation 5.11 and Annexure IV):** The amendment provides clarity on scheduling rights during solar and non-solar hours. Renewable generators or ESS can apply for restricted access depending on the time blocks declared by NLDC each week. The framework ensures non-discriminatory allocation of access while maximising grid utilisation.
-
- **Conversion of Connectivity (Regulation 11A):** The amendment introduces a flexible framework for developers to convert their connectivity. If a developer's LOA or PPA is terminated for reasons not attributable to them, they can convert their Connectivity from the LOA/PPA-based route to the land or Bank Guarantee (**BG**) based route. This allows them to retain their granted Connectivity and its timeline, providing a crucial safety net for projects that lose their initial offtake agreement. Conversely, a developer who initially applied for Connectivity via the land or BG route and subsequently secures an LOA or PPA can convert their application to the PPA-based route. This aligns their project milestones, particularly for financial closure, with the timelines linked to the PPA. The amendment also allows for a "re-conversion." If an entity converts to the PPA route but that PPA is later terminated, they are permitted to revert to the land/BG route. This re-conversion, however, is subject to a non-refundable fee of Rs. 50,000 per MW. Further, to prevent speculative switching, this flexibility is limited. Once an entity completes a cycle of converting from the land/BG route to the PPA route and back, any subsequent conversion to the PPA route is not permitted.

CBIC'S 2025 REGULATIONS ON FINALIZATION OF PROVISIONAL ASSESSMENT: WHAT IMPORTERS & EXPORTERS MUST KNOW

The Central Board of Indirect Taxes and Customs (CBIC) has notified the **Customs (Finalization of Provisional Assessment) Regulations, 2025** vide Notification No. 55/2025-Customs (N.T.) dated 12 September 2025, replacing the earlier **2018 Regulations**. Issued under the authority of Sections 18, 157, and 158 of the Customs Act, 1962, these new regulations mark a significant recalibration of the framework for provisional assessments. While the 2018 Regulations prescribed procedures, they operated more like administrative guidelines. The 2025 Regulations, by contrast, codify stricter timelines, impose clear outer limits, and enumerate narrow exceptions, thereby balancing compliance obligations of importers and exporters with accountability on Customs authorities.

Submission of Documents

Under the 2018 Regulations, importers or exporters were required to provide pending documents within one month, with possible extensions up to six months or beyond at the discretion of the assessing officer. This flexibility, while useful in some cases, often resulted in prolonged pendency. The 2025 Regulations restructure this process by requiring submission within two months, extendable by another two months. Further extensions can be granted only by supervisory officers for recorded reasons, but in no case may the period exceed **fourteen months** from the date of provisional assessment. This introduces, for the first time, a stricter statutory ceiling on compliance timelines.

Completion of Enquiries

The earlier framework did not prescribe a statutory limit for concluding enquiries, allowing officers significant discretion and leading to delays. The 2025 Regulations mandate that enquiries must be completed within **fourteen months**, with a written report furnished to the proper officer. This change transforms an open-ended procedure into a time-bound duty, offering predictability to businesses awaiting finalization.

Finalization of Assessment

One of the most significant changes lies in the time-limit for finalization. Under the 2018 Regulations, provisional assessments were to be finalized within six months, extendable to one year by the Deputy or Assistant Commissioner and further by the Commissioner. In practice, however, assessments often remained pending indefinitely. The 2025 Regulations require the proper officer to finalize within **three months** of receiving documents or closure of enquiry, extendable by **two-month blocks** where reasons are recorded. Crucially, a statutory outer limit of **two years** has been imposed, with only one additional year available at the discretion of the Commissioner. This converts what was previously an aspirational timeline into a binding limitation period.

Treatment of Delays

The 2018 Regulations allowed Customs to keep cases pending broadly in situations involving enquiries or litigation, which often became a justification for indefinite delay. The 2025 Regulations narrow this scope by codifying a **closed list of permissible exceptions**. The two-year limit is suspended only where information is sought from foreign authorities, appeals are pending before appellate forums, interim stay orders exist, CBIC has directed the matter to be kept pending, or cases are before the Settlement Commission or Interim Board. By restricting discretion, the new framework ensures greater certainty.

Closure and Securities

In the 2018 regime, bonds and securities furnished at the time of provisional assessment were to be cancelled or released once the assessment was finalized. In practice, however, delays often persisted in their release. The 2025 Regulations provide that bonds and securities must be cancelled or returned immediately upon finalization, subject to clearance of dues. They also create a mechanism for recovery of unpaid sums: if duties, interest, fines, or penalties remain unpaid for over ninety days, Customs may adjust the same against securities or recover the balance under Section 142 of the Act.

Penalty Provisions

The earlier regulations contained only general references to consequences under the Customs Act. The 2025 Regulations strengthen the enforcement framework by expressly linking contraventions to **Section 158(2)(ii)** of the Act. Any breach by importers, exporters, authorized representatives, or Customs Brokers now attracts explicit statutory penalties, in addition to any other consequences under law.

DSK Views: *The new regime carries important implications for both trade and administration. From a compliance perspective, importers and exporters must now maintain robust documentation systems and internal controls to ensure that all required information is furnished within the strict timelines. Failure to do so could result in adverse assessments based solely on records available with Customs, together with exposure to penalties.*

On the administrative side, Customs officers can no longer keep provisional assessments open indefinitely; they are bound by statutory ceilings and must record reasons for extensions, thereby creating a paper trail that can be scrutinized in appellate proceedings.

From a litigation standpoint, the 2025 Regulations are expected to reduce disputes under Section 18 of the Customs Act, which has historically been a contested provision before CESTAT and High Courts owing to delays in finalization, levy of interest, and release of securities. By introducing a binding two-year limit (extendable by only one year), enumerating permissible grounds for delay, and mandating speaking orders, the new framework substantially limits the scope for arbitrary action. Consequently, future disputes are likely to shift away from procedural lapses towards substantive issues such as valuation, classification, or eligibility of exemptions.
In essence, while the 2018 Regulations functioned as flexible guidelines, with timelines rarely enforced and discretion often leading to prolonged pendency, the 2025 Regulations operate as a binding procedural code. They prescribe strict deadlines, clear outer limits, narrowly defined exceptions, and sharper penalty provisions. For the trade, this means stricter compliance discipline but also predictability and quicker closure of assessments. For Customs, the reforms impose accountability and align administrative practice with India's broader trade facilitation objectives.

MEDIA & ENTERTAINMENT

BAAGHI 4' RECEIVES EXTENSIVE CENTRAL BOARD OF FILM CERTIFICATION EDITS DESPITE ADULT RATING

The film "Baaghi 4" ("**Film**") has undergone significant modifications following Central Board of Film (CBFC) review. The board required 23 (twenty -three) mandatory cuts covering sensitive religious content and explicit scenes, while filmmakers proactively removed another 19 (nineteen) sequences. The combined edits reduced the Film's duration by nearly 7 (seven) minutes, and such edits were required, even with the Film's restricted 'A' certification.

'MANUSHI' CASE: MADRAS HIGH COURT ADDRESSES CENTRAL BOARD OF FILM CERTIFICATION CENSORSHIP

The Madras High Court ("**Court**") delivered a pivotal judgment when the producers of the film "Manushi" ("**Film**") challenged Central Board of Film Certification's ("**CBFC**") extensive censorship demands. Justice N. Anand Venkatesh personally screened the Film before ruling that that certification authorities must show restraint and maintain an open-minded approach.

The Court upheld Article 19(1)(a) of the Constitution of India protections while recognizing legitimate content boundaries by ultimately prescribing specific edits and requiring CBFC to issue certificate within 2 (two) weeks of compliance, thus setting a significant precedent for future disputes.

BROADCASTERS PUSH BACK AGAINST TV RATINGS REFORM

The Indian Broadcasting and Digital Foundation (IBDF) and the Internet and Mobile Association of India (IAMAI) are finalizing their response to the Ministry of Information and Broadcasting's (MIB) proposed TV ratings amendments, which would eliminate crossholding restrictions and open the market to new players.

However, the broadcasting industry has opposed removal of these conflict-of-interest safeguards, arguing that it would compromise ratings credibility. While supporting framework improvements, the broadcasting industry advocates strengthening Broadcast Audience Research Council's existing system rather than fragmenting the market. This dispute reflects competing visions i.e. government's push for competition versus industry's preference for centralized measurement.

MINISTRY OF INFORMATION AND BROADCASTING FORMS WORKING GROUP TO TRANSFORM INDIA'S LIVE ENTERTAINMENT SECTOR

A new Joint Working Group led by Secretary Sanjay Jaju, targets making India a top 5 (five) global live entertainment destination by 2030, potentially generating 15-20 million jobs. Key initiatives include establishing a single-window clearance via India Cine Hub portal, launching a centralized music licensing registry by October 2025, and creating model policies for public venue usage.

With the sector valued at Rs. 2,08,861 Crore (Rupees Two Lakh Eight Thousand Eight Hundred and Sixty-One Crore) in 2024, the government is prioritizing streamlined processes and skill development to capitalize on rapid industry growth.

DELHI HIGH COURT PROTECTS PERSONALITY RIGHTS OF ABHISHEK BACHCHAN, AISHWARYA RAI BACHCHAN AND KARAN JOHAR THROUGH INTERIM INJUNCTIONS

The Delhi High Court ("**Court**") has issued interim injunctions safeguarding the personality rights of actors/celebrities Abhishek Bachchan, Aishwarya Rai Bachchan and Karan Johar ("**Celebrities**") against unauthorized commercial exploitation. The Court restrained various digital platforms and entities from misappropriating Celebrities' names, images, and likenesses without their consent. In Abhishek Bachchan's case, the Court prohibited the unauthorized use of his photographs, voice recordings, and signature for commercial purposes. Whereas, for Aishwarya Rai Bachchan, the Court addressed particularly egregious violations, including the circulation of AI-generated pornographic content and unauthorized use of her image on merchandise. The Court recognized these acts as serious infringements of her personality and privacy rights, emphasizing the need for stringent protection against such digital misuse. Similarly, in Karan Johar's case, the Court ordered immediate takedown of offensive material, including videos, memes, and social media posts targeting Karan Johar. The Court's order also specifically restrained various entities (including unknown defendants) from exploiting Karan Johar's name, his popular acronym 'KJo', likeness, voice, or any aspect of his persona through technological means including artificial intelligence, machine learning, deepfakes, face morphing, and GIFs, whether for commercial purposes or otherwise.

DELHI HIGH COURT UPHOLDS CBFC'S DENIAL OF CERTIFICATION TO FILM "MASOOM KAATIL" FOR THREATENING SOCIAL HARMONY

The Delhi High Court ("**Court**") has affirmed the Central Board of Film Certification's ("**CBFC**") decision to deny certification to the film titled "Masoom Kaatil" ("**Film**"), ruling that the Film's content poses a genuine threat to social harmony and violates statutory provisions. Justice Manmeet Pritam Singh Arora, presiding over the matter, found that the Film contained problematic elements including religious ridicule, communal remarks, excessive violence, and depictions of lawlessness. The Court determined these elements violated both the Cinematograph Act, 1952 and the Guidelines For Certification of Films For Public Exhibition of 1991. In her judgment, Justice Arora acknowledged that while artistic expression enjoys protection under Article 19(1)(a) of the Constitution of India, such freedom is not absolute. The Court emphasized that creative freedom must be balanced against reasonable restrictions imposed in the interests of public decency, morality, and public order.

DELHI HIGH COURT LIBERATES ACTOR ABHAY VERMA FROM CONTRACTUAL OBLIGATIONS

Avanika Films LLP ("**Plaintiff**") approached the Bombay High Court ("Court") seeking to enforce a negative covenant under an artist agreement dated June 15, 2025 ("**Agreement**") as entered into by the Plaintiff with Abhay Verma ("**Defendant**"). As per the Agreement, the Defendant had given his dates from September 05, 2025, to November 20, 2025, to the Plaintiff. The Plaintiff alleged that the Defendant unilaterally terminated the Agreement on July 12, 2025, citing prior professional commitments. The Plaintiff said that Defendant's actions amounted to breach of contract and sought an interim injunction to restrain him from working on any other project during the agreed period along with claiming Rs. 12 Crores (Rupees Twelve Crores Only) in damages. The Plaintiff contended that under Section 42 of the Specific Relief Act, 1963, the negative covenant requiring exclusivity was binding and could be enforced independent of specific performance. Whereas the Defendant submitted that the relief sought was essentially an attempt to enforce personal service obligations, which were not maintainable under Indian law. The Defendant further stated that he had prior scheduling conflicts which had been communicated to the Plaintiff and emphasised that any financial loss suffered by the Plaintiff could be adequately compensated. The Court identified that the heart of the dispute lay in clause 2.2.2 of the Agreement, which mandated Defendant's exclusive availability for the film during the specified shooting period. The Court also examined clauses 11.1 and 11.4, which dealt with breach remedies and liquidated damages for wilful non-performance. The Court noted that the Plaintiff had not sought specific performance of the Agreement. Instead, the interim injunction was effectively a final relief being sought at an interlocutory stage, which was legally impermissible. After reviewing the submissions, the Court held that the Plaintiff had not demonstrated the essential criteria for interim relief. The balance of convenience, therefore, did not lie in favour of the Plaintiff. Thus, the Court ruled that enforcing the negative covenant would, in effect, compel personal service, which was not permissible and therefore interim injunction was not granted to the Plaintiff.

DELHI HIGH COURT DECLINES INTERIM RELIEF TO DHARMA PRODUCTIONS IN "SHAMSHERA" COPYRIGHT DISPUTE

The Delhi High Court ("**Court**") has refused to grant interim relief to Dharma Productions ("**Production House**") in a copyright infringement case involving the film "Shamshera" ("**Film**"). The Production House's application seeking to halt the criminal investigation was rejected, allowing the probe to continue. The case stems from allegations by writer Bikramjeet Singh Bhullar ("**Writer**"), who contends that the Film contains substantial elements from his unpublished work titled "Kabu Na Chhadein Khet", which he had submitted to the Production House in the year 2007. The Writer has alleged that the Film reproduces significant portions of his original material without authorization or credit. While the Court issued notice on the Production House's petition challenging the FIR, it declined to stay the ongoing investigation. This decision allows the police investigation to proceed while the legal challenge to the FIR remains pending before the Court. The matter has been scheduled for its next hearing on October 14, 2025.

DELHI DISTRICT COURT IMPOSES ₹10,000 FINE ON NDTV'S GARGI RAWAT IN DEFAMATION CASE

A Delhi District Court ("**Court**") has ordered NDTV anchor Gargi Rawat ("**Anchor**") to pay Rs. 10,000 (Rupee Ten Thousand only) in damages to Abhijit Iyer-Mitra in a defamation case centred on social media activity. The Court ruled that the Anchor's action of 'liking' a defamatory tweet constituted republication of the offensive content. The Court's judgment establishes that endorsing defamatory content through social media interactions, including 'likes,' can attract legal liability. While Abhijit Iyer-Mitra had originally claimed damages of Rs.20,00,000/- (Rupees Twenty Lakhs only), the Court significantly reduced the award to Rs. 10,000 (Rupee Ten Thousand only) taking into account the conduct of both parties during the litigation. The Court specifically noted Anchor's non-cooperation, including her refusal to appear for examination during the proceedings, as a factor in its determination. The Court has directed the Anchor to pay the fine within 2 (two) weeks and non-compliance of the same will result in interest accruing at 6% (six) per annum from the date of the issuance of the order.

TFPC AND FEFSI REACH WAGE SETTLEMENT THROUGH COURT-MEDIATED AGREEMENT

The Tamil Film Producers Council and Film Employees Federation of South India have successfully resolved their protracted dispute concerning wages and working conditions through court-supervised mediation. Retired Justice M. Govindaraj facilitated the settlement, which was formalized through a joint memorandum of compromise submitted to the Madras High Court. Under the settlement, existing terms will continue from March 10, 2022, to March 9, 2025, after which a fresh memorandum of understanding with revised clauses will be drafted. The new memorandum of understanding will be binding on all producer associations involved in Tamil film productions and will be subject to review every 3 (three) years.

"NAYANTHARA: BEYOND THE FAIRYTALE" PRODUCERS PURSUE SETTLEMENT IN ₹5 CRORE COPYRIGHT DISPUTE

The producers of the documentary titled "Nayanthara: Beyond the Fairytale" (“**Documentary**”) are seeking an out-of-court settlement with AB International (“**Producer**”) over alleged unauthorized use of a footage from the film "Chandramukhi" (“**Film**”), produced by the Producer, in their Documentary without obtaining any permissions or licenses from the Producer. The Producer has filed a lawsuit claiming ₹5 crore in damages. The case was listed for hearing on September 10, 2025, and rather than to go to trial, Nayanthara's legal team is discussing an out-of-court settlement with the Producer, aiming to resolve the dispute before the next hearing scheduled for October 6, 2025.

MADRAS HIGH COURT RESTRAINS "GOOD BAD UGLY" RELEASE OVER UNAUTHORIZED ILAIYARAAJA SONGS

Ilaiyaraaja, the composer, approached the Madras High Court (“**Court**”) alleging copyright infringement, asserting that the producer i.e. Mythri Movie Makers (“**Producer**”) of the film titled "Good Bad Ugly" (“**Film**”) incorporated his 3 (three) classical songs i.e. .‘*Otha Rubayum Thaaren*’, ‘*Ilamai Idho Idho*’, and ‘*En Jodi Manja Kuruv*’ in the Film, without obtaining his necessary permissions or licenses. The Court has issued an interim injunction in favor of composer thereby restraining the Producer from releasing, distributing, or streaming the Film if it contains the affected songs.

PUNJAB & HARYANA HIGH COURT REJECTS CONTEMPT PETITION ON ONLINE SONGS GLORIFYING DRUGS AND ALCOHOL

The Punjab & Haryana High Court (“**Court**”) has dismissed a contempt petition seeking to extend a 2019 order restricting songs promoting drugs, alcohol, and violence to online streaming platforms. The Court clarified that the original directive was specifically aimed at controlling noise pollution at physical venues and not regulating digital content. Advocate Hardik Ahluwalia filed the contempt petition alleging that authorities had failed to enforce the 2019 ruling, noting that songs glorifying substance abuse remain accessible on platforms including YouTube, Spotify, and JioSaavn. But Justice Sudeepti Sharma held that the petitioner failed to show willful disobedience of those orders or that they ever applied to online content and thus dismissed the case.

LEGAL DRAMA UNFOLDS: THREE HIGH COURTS WEIGH IN ON "JOLLY LLB 3"

- **Bombay High Court Dismisses PIL Against Release Of ‘Jolly LLB 3’, States Judiciary Unaffected by Satire**:The Bombay High Court (“**Court**”) on September 17, 2025, dismissed a public interest litigation seeking to halt the release of the film titled "Jolly LLB 3" (“**Film**”) over allegations that the Film mocks the judiciary. The Film proceeded to release as scheduled on September 19, 2025. The petitioner objected to the Film's trailer, specifically highlighting a scene where judges are referred to as "Mamus", arguing this constituted mockery of the justice system. The bench comprising Chief Justice Shree Chandrashekhar and Justice Gautam Ankhad of the Court declined to entertain this contention.

- **Madhya Pradesh High Court to Hear PIL Against "Jolly LLB 3" Song for Allegedly Demeaning the Legal Profession:** A Public Interest Litigation (PIL) has been filed before the Madhya Pradesh High Court (“**Court**”) challenging the song ‘Bhai Vakil Hai’ (“**Song**”) from the film "Jolly LLB 3" on grounds that it presents lawyers in a derogatory light. The petitioner argued that the Song's content demeans the legal profession and erodes public trust in the judicial system. The petition alleges that the Song's portrayal of lawyers is offensive and detrimental to the dignity of the legal fraternity. According to the petitioner, such representation undermines the respect accorded to legal practitioners and potentially damages public perception of the judiciary as an institution.

- **The Delhi High Court Issues Dynamic+ Injunction to Protect JioStar's Copyright in "Jolly LLB 3":** The Delhi High Court ("**Court**") has granted a dynamic+ injunction in favour of JioStar India Private Limited ("**JioStar**"), blocking multiple rogue websites from illegally streaming the film "Jolly LLB 3" ("**Film**"), which was released in theatres on September 19, 2025. Justice Tejas Karia passed the ex-parte ad-interim order recognizing the urgent need to prevent financial losses and copyright infringement. JioStar established its ownership rights through its commissioning agreement with Kangra Talkies, which handled the development and line production of the Film. Kangra Talkies confirmed JioStar as the sole and exclusive owner of the Film, including the intellectual property rights and the exploitation rights therein. The Court's order mandates suspension and blocking of domain name registrations (DNRs) of identified rogue websites, along with complete deactivation of these platforms. Justice Karia emphasized that delays in implementing blocks could result in irreparable harm to JioStar's copyright interests and would lead to substantial financial losses Significantly, the Court included a safeguard mechanism for legitimate websites inadvertently affected by this blocking order.

"THE GREAT INDIAN KAPIL SHOW" FACES ₹25 CRORE LEGAL NOTICE OVER UNAUTHORIZED "HERA PHERI" CHARACTER PORTRAYAL

Producer Firoz Nadiadwala issued a ₹25 crore legal notice to the over-the-top platform and producers of the show titled "The Great Indian Kapil Show" ("**Show**") following comedian Kiku Sharda's unauthorized portrayal of the iconic character 'Baburao Ganpatrao Apte' ("**Character**") from the franchise film "Hera Pheri" ("**Film**"). The controversy emerged after the Show's Season 3 finale episode, which aired on September 20, 2025, featuring Akshay Kumar as guest. The producer of the Film, Mir. Firoz Nadiadwala alleged that Kiku Sharda's mimicry act violated the copyright and character rights by using the Character without his permission. The legal notice demands immediate remedial action including a public apology, removal of the controversial skit from all platforms, and compensation for damages within 2 (two) days.

DELHI HIGH COURT REVERSES COPYRIGHT ORDER AGAINST A.R. RAHMAN IN PONNIYIN SELVAN-2 CASE

The Delhi High Court ("**Court**") has overturned its April, 2025 directive requiring A.R. Rahman, Madras Talkies, and Lyca Productions to deposit Rs. 2 Crore (Rupees Two Crores only) and to modify credits of the film titled 'Ponniyin Selva - 2' ("**Film**") concerning the song "*Veera Raja Veera*". The Court rejected claims of exclusive authorship over the Dhrupad composition "Shiva Stuti", which was allegedly reproduced in the Film. The Court determined that the work belongs to the collective Dagarvani tradition and has been performed publicly by multiple branches of the Dagar family.

KARNATAKA HIGH COURT HALTS GOVERNMENT'S ₹200 CINEMA TICKET PRICE CAP

The Karnataka High Court ("**Court**") has granted an interim stay on the State Government's amended rule limiting ticket prices to ₹200 (excluding GST) for all theatres and multiplexes. The stay order came in response to petitions by the Multiplex Association of India and major film production houses. The petitioners contended that the Karnataka Cinema (Regulation) Act, 1964, restricts itself to theatre licensing and does not authorize the State to regulate ticket pricing. The petitioners further noted that the government had previously withdrawn a similar price regulation attempt in 2017 following legal challenges.

DELHI HIGH COURT QUESTIONS JURISDICTION IN SAMEER WANKHEDE'S RS. 2 CRORE DEFAMATION CASE AGAINST RED CHILLIES ENTERTAINMENTS PVT. LTD. & ORS.

The Delhi High Court ("**Court**") has directed IRS officer Sameer Wankhede ("**Plaintiff**") to establish how his Rs. 2 Crore (Rupees Two Crores only) defamation suit against the Netflix series "The Bastards of Bollywood" ("**Series**") falls under the Court's jurisdiction, ordering him to amend his plaint to demonstrate cause of action within the city. The Plaintiff has sued Red Chillies Entertainment, Netflix, and others alleging that the Series damages his reputation and misrepresents events from the year 2021 where the Plaintiff had arrested Aryan Khan and others under the Narcotic Drugs and Psychotropic Substances Act, 1985, at a drug raid in Mumbai. The Plaintiff also claims that the Series undermines public trust in anti-drug enforcement agencies and violates provisions of the Information Technology Act, 2000 and Bharatiya Nyaya Sanhita, 2023. The relief sought by the Plaintiff includes monetary damages of Rs. 2 Crores (Rupees Two Crores only), removal of the allegedly defamatory content, and an injunction restraining the defendants from producing, publishing, or disseminating any further defamatory material. Additionally, the Plaintiff seeks a John Doe injunction against unknown defendants including creators, presenters, and publishers who may generate related content across social media platforms.

MADRAS HIGH COURT DIRECTS SONY MUSIC TO DISCLOSE REVENUE FROM ILAIYARAAJA'S COMPOSITIONS

The Madras High Court ("**Court**") has ordered Sony Music Entertainment India ("**Sony**") to furnish comprehensive accounts detailing revenues earned from the commercial exploitation of composer Ilaiyaraaja's ("**Music Composer**") musical works. The directive came in response to civil suits filed by the Music Composer against Sony, Echo Recording Company, and Oriental Records for alleged unauthorized use of the Music Composer's works and non-payment of royalties. The Court has set October 22, 2025, as the deadline for Sony to produce the financial documentation. The Music Composer contends that under the Copyright Act, 1957 (i.e. under Sections 14, 17, and 57 of the Copyright Act, 1957), he maintains exclusive rights to reproduction, adaptation, public communication, and integrity of his compositions absent a written assignment agreement.

NEPAL REVOKES SOCIAL MEDIA BAN FOLLOWING DEADLY YOUTH PROTESTS

Nepal has lifted its ban on 26 (twenty-six) social media platforms, including Facebook, YouTube, X (formerly Twitter) and WhatsApp ("**Social Media Platforms**"), after violent youth-led protests in Kathmandu leaving multiple persons injured and dead. The Social Media Platforms were initially banned for failing to register with the government within a 7 (seven) day deadline, as mandated by a Supreme Court directive and the government's "Directive on Regulating the Use of Social Media, 2080" The regulations required the Social Media Platforms to register before operating in Nepal, appoint local contact persons and compliance officers, and monitor unwanted content. Following massive protests against the shutdown, Minister of Communications and Information Technology Prithvi Subba Gurung, announced the ban's withdrawal after an emergency cabinet meeting. Authorities were directed to restore access immediately in response to protesters' demands. While the government had defended the registration requirements as necessary regulation, human rights groups had criticized the ban as a threat to freedom of expression and press freedom in the country.

MINISTRY OF CORPORATE AFFAIRS ("MCA")

MCA NOTIFIES COMPANIES (COMPROMISES, ARRANGEMENTS & AMALGAMATIONS) AMENDMENT RULES, 2025

The Ministry of Corporate Affairs ("**MCA**"), on September 4, 2025, notified amendments to the Companies (Compromises, Arrangements & Amalgamations) Rules, 2016. The amendments broaden the scope of fast-track mergers under Section 233 of the Companies Act, 2013. Key highlights of the amendment have been set out below:

- The fast-track route is now available to two or more unlisted companies (excluding Section 8 companies) provided:
    - Their outstanding borrowings do not exceed ₹200 crores, and
    - They have not defaulted in repayment of any borrowing.
- The facility has been extended to holding company and its subsidiary companies, where the transferor is not listed.
- It also applies to mergers of two or more subsidiaries of the same holding company, where the transferor is not listed.
- Further, the framework allows mergers of an Indian company with its wholly owned foreign subsidiary, provided such transactions comply with RBI and FEMA regulations.
- New forms (CAA-9, CAA-10, CAA-10A, CAA-11, CAA-12, etc.) have been introduced to standardize filings, alongside new procedural obligations such as notice to regulators and stock exchanges.
- The amendments seek to simplify and expedite corporate restructuring by expanding access to non-tribunal merger approvals.

MCA NOTIFIES COMPANIES (INCORPORATION) SECOND AMENDMENT RULES, 2025

The MCA, through a gazette notification dated August 26, 2025, brought into effect from September 15, 2025, the Companies (Incorporation) Second Amendment Rules, 2025. The changes primarily substitute Form RD-1 under the Companies (Incorporation) Rules, 2014. The revised Form RD-1 streamlines applications made to the Regional Director, covering matters such as shifting of registered office, conversion of public to private company, etc. The new format enhances disclosure requirements to align with digital processing on the MCA21 platform. The amendment aims to improve consistency, transparency, and efficiency in corporate filings.

RBI & FEMA

REGULATORY UPDATES

RESERVE BANK OF INDIA (AUTHENTICATION MECHANISMS FOR DIGITAL PAYMENT TRANSACTIONS) DIRECTIONS, 2025

The Reserve Bank of India ("**RBI**") issued the RBI (Authentication mechanisms for digital payment transactions) Directions, 2025 on September 25, 2025, in line with the Statement on Developmental and Regulatory Policies dated February 07, 2025.

The directions provide the broad principles to be complied with by all the participants in the payment chain, while using a form of authentication.

While these directions are applicable only to domestic transactions, in order to provide a similar level of safety for online international transactions undertaken using cards issued in India, the directions provide that card issuers shall, by October 01, 2026, put in place a mechanism to validate non-recurring, cross-border card not present (CNP) transactions, where request for authentication is raised by an overseas merchant or overseas acquirer.

These directions are applicable to payment system providers and payment system participants, including banks and non-bank entities who are required to ensure compliance by April 01, 2026.

All digital payment transactions are required to be authenticated by at least two distinct factors of authentication, where for transactions other than card present transaction, at least one of the factors of authentication will be dynamically, i.e., unique to the transaction.

Furthermore, the factors of authentication shall be such that compromise of one factor of authentication should not affect the reliability of the other factor.

RESERVE BANK OF INDIA – MASTER DIRECTION ON REGULATION OF PAYMENT AGGREGATOR DATED SEPTEMBER 15, 2025

The RBI issued the Master Directions on Payment Aggregators (PAs) on September 15, 2025 consolidating earlier circulars and significantly expanding its regulatory coverage to bring in entities that facilitate payments at physical points of sale, from small kirana stores to large retail chains, within its ambit. These directions applied to bank and non-bank aggregators, including Authorised Dealer banks and scheduled commercial banks that partner with such entities.

Under these directions, RBI has formally recognized three categories of payment aggregators ("**PA**"): (i) PA-Online for e-commerce and digital transactions where the payment device and instrument are not physically present and in close proximity during the transaction; (ii) PA-Physical for in-person proximity-based payments where the payment device and instrument are physically present and in close proximity during the transaction; and (iii) PA-Cross Border for managing international inward and outward cross-border current account payments, permitted under FEMA, for its onboarded merchants via e-commerce channels.

A key feature of these directions is the authorization and capital requirement. While banks offering PA services do not need separate authorization, non-bank entities must apply to the RBI by December 31, 2025 or exit operations by February 2026. Such non-bank entities must have a minimum net-worth of ₹15 crore at the time of tendering application for authorisation; and shall attain a minimum net-worth of ₹25 crore by the end of third financial year of grant of authorisation

The RBI Mater Directions on PA significantly tighten merchant onboarding and KYC requirements. Aggregators are required to perform risk-based due diligence, conduct physical verification of merchants where necessary, including conducting contact point verification of the business establishment for small merchants and ensure full KYC compliance.

On the operational side, aggregators must route merchant funds only through escrow accounts with scheduled commercial banks, maintain segregation of funds between merchant funds and the PA's corporate funds, and obtain quarterly and annual certifications from auditors and banks.

The RBI has also emphasized consumer protection, directing aggregators to implement transparent refund and dispute resolution frameworks, ensure refunds are credited to the original payment method, and set up grievance redressal mechanisms. To improve security and resilience, PAs must comply with PCI-DSS/PA-DSS standards, undergo annual audits by CERT-In empanelled auditors, adhere to RBI's 2024 Cyber Resilience Directions, and ensure that all payment data is stored domestically.

For cross-border aggregators, specific safeguards have been added. They must comply with FEMA, channel flows through Authorised Dealer Category-I banks, and maintain separate accounts for inward and outward remittances. Limits are imposed on outward remittances per transaction, and commingling of funds is prohibited.

REGULATORY DEVELOPMENTS

AMIT NEHRA & ANR. V. PAWAN KUMAR GARG & ORS., CIVIL APPEAL NO. 4296 OF 2025 (SUPREME COURT)

In this case, the appellants, being the bonafide homebuyers of a real estate project developed by M/s Puma Realtors Private Limited ("**Erstwhile Corporate Debtor**"), had filed an appeal under Section 62 of the Insolvency and Bankruptcy Code ("**IBC**") and challenged the order of the Hon'ble National Company Law Appellate Tribunal ("**NCLAT**") wherein the Hon'ble NCLAT had upheld the decision of the Hon'ble National Company Law Tribunal, Principal Bench, New Delhi ("**NCLT**") rejecting their claim for possession of a unit in the project, namely, "IREO Rise (Gardenia)" which was being developed by the Erstwhile Corporate Debtor.

The appellants had initially submitted their claim on October 29, 2018, and physically filed their claim form on January 11, 2019 at the project office of the Erstwhile Corporate Debtor. However, the submission of the same was disputed. In the meantime, the resolution plan submitted by the successful resolution applicant was approved by the committee of the creditors August 23, 2019 and subsequently, approved by the Hon'ble NCLT on June 01, 2021. The terms of the resolution plan provided that in the event any claim of a homebuyer which is not filed, or verified but not admitted, or admitted but not informed to the resolution applicant before the prescribed timelines then such homebuyers shall be entitled to a refund of 50% (fifty percent) of the consideration paid for such event.

Further, the resolution professional citing incomplete records of the Erstwhile Corporate Debtor, had again invited the claims and accordingly, the appellants resubmitted their claims on February 07, 2020. Thereafter, the final list of claim was published by the resolution professional on April 30, 2024 and the claim of the appellant was included in the same. However, despite such inclusion in the list of financial creditors, the possession of the allotted apartment was not granted to the appellants as their claim was considered as a 'belated claim' and were only entitled to a refund. Accordingly, an interlocutory application was filed by the appellants before the Hon'ble NCLT seeking directions for the execution of conveyance deed and handover of possession.

However, the Hon'ble NCLT concurred with the submissions of the resolution professional and successful resolution professional on the grounds that the claim was filed after the approval of committee of creditors and therefore, rejected the application vide order dated July 26, 2023. Aggrieved by the decision of the Hon'ble NCLT, the appellants preferred an appeal before the Hon'ble NCLAT. However, the same was dismissed by Hon'ble NCLAT *vide* order dated January 10, 2025.

The core issue before the Hon'ble Supreme Court was whether the claim of the appellants in the project should be treated as "belated claim" which entitles them to a partial refund of 50% (fifty percent) of their consideration under the resolution plan, or whether by virtue of their claims being admitted in the list of financial creditors, they were entitled to possession of the apartment as per the resolution plan.

The Hon'ble Supreme Court placed relied on the NCLAT judgment of *Puneet Kaur v. K.V. Developers Private Limited & Ors. (Company Appeal (AT) (Insolvency) No. 390 of 2022)*, which held that non-consideration of claims already reflected in the records of the corporate debtor results in an inequitable and unfair resolution. The Hon'ble Supreme Court observed that the appellants had nearly paid the entire consideration, submitted their claim in time which was also was duly verified and admitted, and therefore does not fall in the category of 'belated claim' which entitled them to only a partial refund of the purchase consideration and not the possession of the unit.

Further, the court observed that it would be unfair to relegate the bona fide homebuyers / allottes to the residual or discretionary category of refund who have invested a substantial amount in advance for years and therefore, would run contrary to the object of the legislative framework.

The Hon'ble Supreme Court *vide* its order dated September 09, 2025 set aside the order(s) passed by Hon'ble NCLT and Hon'ble NCLAT and directed the respondents to execute the conveyance deed in favour of the appellants and handover the possession of the unit allotted to the appellants in the residential project "IREO Rise (Gardenia)" which was developed by the Erstwhile Corporate Debtor.

DSK Views: *The Hon'ble Supreme Court highlighted the plight of homebuyers who invest their savings to secure a housing unit, and any action that may lead non-possession or any other discriminatory treatment would run contrary to the legislative object and intent behind granting homebuyers the status of financial creditors under the Insolvency and Bankruptcy Code, 2016. The Court has reiterated that once the claims of homebuyers stand verified and admitted by the resolution professional and form part of the records of the corporate debtor, they cannot be relegated to the status of belated claimants, considering that their claim has been admitted in the final list of creditors post verification of claim by the party.*

SHREE NAGANI SILK MILLS PRIVATE LIMITED V. L.D. INDUSTRIES LIMITED & ORS., SPECIAL LEAVE PETITION NO. 3821 OF 2025 (SUPREME COURT)

Certain appeals were preferred before the Hon'ble Supreme Court against the order dated October 05, 2023 passed by the Hon'ble Bombay High Court which upheld the decision of the revisional court of setting aside of proceedings initiated under Section 138 of the Negotiable Instruments Act, 1881("**NI Act**") against the respondents in view of the restraint order passed by the Board for Industrial and Financial Reconstruction ("**BIFR**") under Section 22A of the Sick Industrial Companies (Special Provisions) Act, 1985 ("**SICA**").

As per the facts of the case, the appellant had supplied goods to the respondent company, Shree Nagani Silk Mills Private Limited, against which certain cheques were issued towards meeting its part payment. However, the cheques returned dishonoured and accordingly, proceedings under Section 138 read with Section 141 of the NI Act were initiated. Subsequently, the learned magistrate had issued summons to the respondent company and its directors. The respondents on the other hand contended before the learned magistrate to recall the process on the grounds of respondent company being declared a "sick" company under the provisions of SICA and a restraint order being passed under Section 22A of SICA by BIFR thereby refraining the respondent company from disposing of its assets without the consent of the BIFR. However, the learned magistrate dismissed the application for recall filed by the respondents. Aggrieved by the same, the respondents approached the revisional court which passed an order setting aside the order of the learned magistrate and discharging the respondents of the offences punishable under Section 138 read with Section 141 of the NI Act. The appellant preferred an appeal before the Hon'ble Bombay High Court against the order of the revisional court which was also dismissed *vide* order dated October 05, 2023.

The Hon'ble Supreme Court placed reliance on the judgment of *Kusum Ingots & Alloys Limited* v. *Pennar Peterson Securities Limited and others, (2000) 2 SCC 745,* and observed that Section 22 of SICA does not bar criminal proceedings initated under Section 138 of the NI Act and even when a restraint order under Section 22A exists, its impact must be assessed on the facts of each case.

The Hon'ble Supreme Court observed that the restraint order passed in this case did not prohibit the accused company from utilizing its assets for meeting day to day operations. The cheques in question had been issued towards discharge of liabilities arising from supplies made by the complainant. In these circumstances, the revisional court erred in recalling the processes and discharging the accused at the very threshold of the proceedings and the High Court compounded the error by failing to rectify it. Further, the court placed reliance on the judgment *of Southern Steel Ltd. and others* v. *Jindal Vijayanagar Steel Ltd., (2008) 5 SCC 762*, to hold that the nature of restraint order passed under Section 22A of SICA needs to be assessed before considering that the proceedings under Section 138 read with Section 141 of the NI Act cannot be initiated / continued against the accused.

The Hon'ble Supreme Court emphasized that the prayer to recall the processes was also not maintainable in light of ratio laid in *Adalat Prasad* v. *Rooplal Jindal*, *(2004) 7 SCC 338,* which has been affirmed by a constitution Bench of the Supreme Court in Re: Expeditious Trial of Cases under Section 138 of NI Act, 1881.

Accordingly, the Hon'ble Supreme Court set aside the orders dated October 05, 2023 passed by the Hon'ble Bombay High Court and revisional court and restored the complaints filed by the appellant before the learned magistrate. The learned magistrate was directed to continue with the proceedings.

DSK Views: *This ruling reinforces the principle that companies cannot evade liability under Section 138 of the NI Act merely by taking shelter under SICA proceedings or restraint orders passed by BIFR and has clarified that even* *when a company is declared sick, restraint orders need to be assessed before concluding that the proceedings under NI Act cannot be initiated or continued against the accused.*

MANSI BRAR FERNANDES V. SHUBHA SHARMA & ANR. CIVIL APPEAL NO. 3826 OF 2020 (SUPREME COURT):

Certain appeals were filed before the Hon'ble Supreme Court against the order(s) passed by the Hon'ble NCLAT. In this case, the Hon'ble NCLAT had set aside the admission of the Section 7 IBC applications by the Hon'ble NCLT, holding that the appellants i.e., Mansi Brar Fernandes v. Shubha Sharma were 'speculative investors' and that the statutory requirements introduced by the Insolvency and Bankruptcy Code (Amendment) Ordinance, 2019 (later enacted as the Amendment Act, 2020) ("**Ordinance**") were not applicable to the facts of the present case.

In determining whether an allottee is a speculative investor, the Hon'ble Supreme Court observed that the inquiry must be holistic, taking into account the terms of the agreement, the allotment letter, the payment terms and the overall conduct of the allottee. It was noted that the appellants' claims were in the nature of recovery rather than genuine insolvency resolution. The Hon'ble Supreme Court observed that this position is consistent with the principles laid down in case of *Pioneer Urban Land and Infrastructure Limited & Anr. v. Union of India & Ors., Writ Petition No. 43 of 2019,* and held that the speculative investors cannot be permitted to trigger corporate insolvency resolution process ("**CIRP**") under the provisions of IBC as this would undermine revival efforts, destabilize projects and prejudice genuine homebuyers.

The Hon'ble Supreme Court also held that where orders were already reserved prior to the promulgation of the Ordinance, the statutory requirements could not be retrospectively enforced so as to defeat vested rights. The subsequent compliance by the appellants during the appellate proceedings was held to sufficiently cure any defect and the act of the Court must not prejudice the litigant. Accordingly, the Court found that the NCLAT's determination regarding the inapplicability of the Ordinance to the facts of the present case warranted interference.

The Hon'ble Supreme Court further emphasized that the right to shelter is an integral component of the right to life under Article 21 of the Constitution of India. Allowing speculative claims to enter insolvency proceedings would dilute the intelligible differentia underlying the legislative scheme, destabilize the residential real estate sector, and prejudice the genuine homebuyers.

The Hon'ble Supreme Court also gave directions which focus on immediate corrective measures. The Hon'ble Supreme Court directed that vacancies in the NCLT and NCLAT must be filled urgently with the creation of IBC dedicated benches, even allowing retired judges to serve on *ad hoc* basis. The Union Government has been directed to file a compliance report within three months on upgrading NCLT/NCLAT infrastructure citing recent instances of courtroom closures due to poor conditions. Further, a committee chaired by a retired High Court judge was to be constituted within three months, comprising government ministries, domain experts and industry representatives, to recommend systemic reforms in the real estate insolvency framework and the committee shall submit a report in six months. States were also directed to ensure that RERA authorities are adequately staffed, properly resourced and supported by legal and consumer experts. The Insolvency and Bankruptcy Board of India in consultation with RERA was tasked to frame specific guidelines for insolvency proceedings in real estate, including project-wise CIRP timelines and safeguards for homebuyers. The Hon'ble Supreme Court further directed that real estate insolvency resolutions should proceed on a project-specific basis rather than treating the entire corporate debtor as one, unless justified otherwise. Finally, the Union Government was directed to explore setting up a revival fund under National Asset Reconstruction Company Limited (NARCL) or expanding the SWAMIH Fund to provide interim finance for stressed projects.

Further, the projects at nascent stages wherein the land is yet to be acquired or construction has not commenced, proceeds from allottees shall be placed in an escrow account and disbursed in phases aligned with project progress and every residential real estate transaction for new housing projects shall be registered with local revenue authorities upon payment of at least 20% (twenty percent) of the property cost by the allottee.

The Hon'ble Supreme Court also gave recommendations for long-term reform. The Court suggested that Insolvency and Bankruptcy Board of India shall consider adopting 'Basel-like' early warning frameworks including pre-bankruptcy mediation and preventive restructuring mechanisms, compelling directors to act before defaults escalate. It further recommended that the Union Government conduct a consultative exercise to bring uniformity in RERA rules across States to eliminate ambiguities. Housing Boards, State-level urban authorities and PSUs were urged to establish dedicated wings to revive and complete stalled projects through IBC mechanisms, thereby securing affordable housing and protecting homebuyers. The Court also highlighted the need to develop a strong domestic consulting industry by leveraging Indian think tanks and academic institutions like IIMs and IITs for sectoral restructuring. Lastly, it proposed that the Government consider creating a dedicated body corporate, similar to NARCL through Public Sector Undertakings or public-private partnerships to take over and complete stalled projects, with unsold inventory being channelled into schemes like PMAY or government housing, thus addressing both housing shortages and revival of stressed assets.

__DSK Views:__ The Supreme Court has clarified that determining speculative investor status requires a holistic assessment and they cannot be allowed to initiate proceedings as the motive of a speculative investor is not resolution but recovery which defeats the purpose of the Insolvency & Bankruptcy Code, 2016. The Court has also directed urgent filling of NCLT/NCLAT vacancies, creation of IBC-dedicated benches, infrastructure upgrades and project-wise CIRP guidelines which will enable faster and efficient insolvency resolution and revival of stalled projects.

Additionally, measures such as escrow accounts, phased disbursements for early-stage projects and homebuyer safeguards will protect genuine allottees, while long-term reforms including early warning frameworks, uniform RERA rules, and dedicated revival bodies like NARCL or PSUs will promote stability in the real estate sector and ensure completion of stalled projects.

SPORTS AND GAMING

SPORTS

SUPREME COURT ORDERS AIFF TO RATIFY NEW CONSTITUTION AND SETS GOVERNANCE REFORMS

The Supreme Court has directed the All India Football Federation (AIFF) to convene a general body meeting and adopt its long-pending draft Constitution within four weeks, warning that any delay could risk international sanctions. Prepared initially by a court-appointed Committee of Administrators in 2022 and later refined under retired Justice L. Nageswara Rao, the document aligns the federation's governance with the National Sports Governance Act, 2025, and FIFA–AFC requirements. A Bench of Justices P. S. Narasimha and Joymalya Bagchi confirmed that the current office bearers, headed by AIFF president Kalyan Chaubey, will remain in charge until their term ends in 2026, after which fresh elections will be held.

Only minimal tweaks are required to bring the draft fully in line with the new national sports law. Key reforms include a 12-year cumulative cap on any individual's tenure, limited to two four-year terms with a mandatory cooling-off period, and an age ceiling of 70 years for candidates. These measures respond to long-standing criticisms that AIFF's earlier statutes violated the 2011 National Sports Code and fell short of FIFA-AFC standards. Last month, FIFA and the Asian Football Confederation jointly warned India of possible suspension if the Constitution was not ratified by October 30, 2025.

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HIL STEPS IN AFTER UP RUDRAS' SUDDEN EXIT, WAIVES FEES TO EASE FRANCHISES' BURDEN

The Hockey India League (HIL) was thrown into turmoil when UP Rudras abruptly withdrew just two days before the 2026 mini auction, citing financial unsustainability. Their pullout left marquee players such as India vice-captain Hardik Singh and Olympic medallist Lalit Upadhyay without a team and cast doubt over the auction's credibility. Minutes before bidding began, Hockey India announced that its governing council would "adopt" the franchise for the upcoming season, guaranteeing the players' participation and maintaining competitive balance.

The council will run the team until a new owner is found, with officials assuring full operational support. In a major relief to all franchises, Hockey India is also expected to waive the steep participation fees, ₹7 crore for men's teams and ₹3 crore for women's, starting from the league's third edition and continuing for three seasons. This move aims to reduce financial strain after the league's costly restart following a seven-year hiatus.

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UEFA APPEALS BODY REDUCES SANCTIONS ON FK ARSENAL TIVAT AND DUŠAN PULETIĆ IN MATCH-FIXING CASE

On September 24, 2025, the UEFA Appeals Body issued two decisions in the anti–match-fixing proceedings against Montenegrin club FK Arsenal Tivat and the proceedings against goalkeeper Dušan Puletić. The case arose from the UEFA Conference League first-round qualifier on July 20, 2023, against Alashkert FC (Armenia), where UEFA identified match-fixing concerns. The UEFA Control, Ethics and Disciplinary Body (CEDB) had originally imposed a € 500,000 fine and a 10-year ban from UEFA competitions, requesting FIFA to extend the sanction worldwide. On appeal, the Appeals Body reduced the club's ban to 7 years (*i.e.*, up to and including the 2031/32 season) and cut the fine to € 400,000 (access the decision here). Separately, Dušan Puletić, who had received a 10-year suspension from all football-related activities, had his ban annulled after his individual appeal was upheld (access the decision here).

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PGTI SUSPENSION ROW: 17 GOLFERS CHALLENGE GOVERNING BODY'S AUTHORITY

The Professional Golf Tour of India (PGTI) has suspended 17 professional golfers, including top names such as Asian Tour winner and Olympian Gaganjeet Bhullar, Aman Raj, Harendra Gupta, Karandeep Kochhar, and Sachin Baisoya, for participating in the Indian Golf Premier League (IGPL) Invitational Tournament held at Jaypee Greens, Greater Noida, from September 17 to 19. PGTI rules require prior approval for playing outside its tour, and its five-member Disciplinary Action Committee (DAC) issued show-cause notices alongside interim suspensions. Critics, however, argue that the DAC exceeded its mandate by imposing suspensions before a full inquiry and point to inconsistencies in enforcement. Players note they were not on the entry or waiting list for the simultaneous Chennai Open and therefore believe the action is "unfair and selective." Several suspended golfers, including Ranjeet Singh and Kapil Kumar, have approached the Delhi High Court, with more legal challenges expected. They allege that PGTI members themselves participated in another unsanctioned event in Pune during a PGTI tournament, highlighting what they see as double standards.

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BWF TO TRIAL 25-SECOND TIME CLOCK TO SPEED UP BADMINTON MATCHES

The Badminton World Federation (BWF) will introduce a 25-second time-clock system to quicken the pace of play, with formal enforcement trials beginning November 18–23, 2025, at select BWF World Tour events and expanding throughout 2026. Approved at the BWF Council meeting on August 29, 2025, the rule requires players to be ready for the next rally within 25 seconds of the previous point's completion. Under the new regulations, the clock starts when the umpire updates the score. The server must be prepared before the 25-second limit ends, and the receiver must be in position when the server is set. Umpires may grant extra time only for special circumstances such as medical needs or significant court maintenance. Players can still towel off, hydrate, or apply cold spray without seeking umpire permission, provided they remain within the time limit. BWF data from hundreds of major matches showed an average 22-second gap between rallies and nine-second rally lengths, leading officials to conclude that 25 seconds balances recovery with continuous play. Preliminary, non-enforced trials have already tested clock placement and visibility for players, coaches, and officials. To refine implementation, BWF has invited national federations to run internal tests and is collecting stakeholder feedback through an online survey closing September 19, 2025. The full rollout in 2026 aims to enhance the sport's pace and spectator appeal while maintaining fairness for athletes.

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UNODC UNVEILS ANTI-CORRUPTION PLAN FOR 2026 FIFA WORLD CUP AND LA 2028 OLYMPICS

The United Nations Office on Drugs and Crime (UNODC) has introduced a comprehensive anti-corruption strategy aimed at safeguarding the 2026 FIFA World Cup and the Los Angeles 2028 Olympic Games from match-fixing and related criminal activity. Drawing on the G20's High-Level Principles on Tackling Corruption in Sport, the plan urges host nations to review their legal and regulatory systems, empower investigators and prosecutors, and conduct national and local workshops to strengthen enforcement capacity. Highlighting the rising threat of illegal betting, the UNODC emphasized the need for inter-agency collaboration among national and international anti-corruption bodies and sports organizations. It also called on private-sector betting companies, especially in Europe, Latin America, Africa, and Asia, to actively monitor markets for suspicious activity. The International Betting Integrity Agency reported 63 cases of potentially suspicious betting in the first quarter of 2025, a slight quarter-on-quarter dip but an 11% increase year-over-year. Football and tennis accounted for most incidents, with table tennis showing a return to typical levels after a late-2024 spike. This coordinated plan is intended to help prevent match-fixing and illegal betting during these major global sporting events.

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CAS REJECTS REQUEST TO SUSPEND CONTESTED DECISION IN APPEAL BY IMANE KHELIF

On 5 August 2025, Algerian boxer Imane Khelif filed an appeal before the Court of Arbitration for Sport (CAS) against World Boxing, contesting a decision that barred her from "participating in the Box Cup in Eindhoven, nor in any World Boxing event until she had undergone genetic sex testing" and requesting CAS to declare Imane Khelif eligible to participate in the 2025 World Boxing Championships. As per a media release dated September 1, 2025, CAS rejected her request to suspend the contested decision until the case is heard. This case underscores evolving tensions around eligibility regulations for female athletes and the use of genetic testing in sport. A ruling in Khelif's favour could influence future policy frameworks within boxing and broader gender-access rules in international sport.

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UEFA WEIGHS SUSPENSION OF ISRAEL AMID GAZA WAR, FACES GLOBAL POLITICAL CROSSCURRENTS

European soccer's governing body UEFA is moving toward a potentially historic vote to suspend Israel from international competitions as global criticism of the Gaza war intensifies. According to sources cited by the Associated Press, a majority of UEFA's 20-member executive committee is likely to support a ban, which would bar Israeli national and club teams from tournaments including next year's World Cup qualifiers. Israel's men's side is scheduled to face Norway and Italy in two weeks, but their participation now hangs in the balance.

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GAMING

CENTRE TO FRAME RULES FOR ONLINE GAMING ACT

The Central Government informed the Delhi High Court that a regulatory body and rules under the new Promotion and Regulation of Online Gaming Act, 2025, will soon be established, as the Act has been signed but not yet brought into force. The Solicitor General clarified that no implementation will begin until official notification and the formation of an authority. The court noted that concerns were premature as the authority and rules have not yet been framed and set the next hearing for eight weeks later. Bagheera Carrom (OPC) Pvt. Ltd., an online e-sports platform, has challenged the Act in the Delhi High Court, arguing that it imposes a blanket ban on all money-based online games without distinguishing between skill and chance, despite Carrom being recognized as a skill game by Indian courts. The company contends the law is vague, was enacted without adequate stakeholder consultation, and puts legitimate, skill-based businesses at risk due to overbroad provisions.

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MADHYA PRADESH HIGH COURT ISSUES NOTICE TO CENTRE ON BLANKET BAN ON REAL-MONEY GAMING

The Madhya Pradesh High Court issued notice to the Central Government regarding a petition challenging the new law that bans all real-money online games, allowing four weeks for a government response and setting October 28, 2025 as the next hearing date. The petition, filed by Clubboom11 Sports & Entertainment (operator of Boom11), marks the third major legal challenge to the Promotion and Regulation of Online Gaming Act, 2025, following similar challenges in Karnataka and Delhi High Courts. The petitioner argued that fantasy sports have been recognized by multiple courts as legitimate skill-based activity, and contended that a regulatory approach, not prohibition, is appropriate for the sector. The petition also cited the IT Rules, 2021, which acknowledge permissible online games, and asked the court to declare the legislation arbitrary and unconstitutional, specifically calling out violations of Articles 14, 19, and 21 of the Constitution regarding penal provisions against "online money gaming," including fantasy sports. Senior Advocate Gopal Jain emphasized the need for stakeholder consultations and a regulatory framework for legitimate skill gaming businesses, highlighting inconsistencies with the Act's stated objectives.

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GST COUNCIL HIKES TAX ON MONEY GAMING TO 40%

At its 56th meeting, the GST Council raised the tax on casinos, race clubs, lotteries, betting, and online real-money gaming from 28% to 40%, reclassifying these services as "sin goods" under the GST framework, which intensifies the crisis for India's RMG sector. This follows Parliament's passage of the Promotion and Regulation of Online Gaming Act, 2025, banning online money games while exempting esports and casual games. Industry leaders warn that even if legal challenges to PROGA succeed, the 40% GST makes viable operations impossible. The Supreme Court has reserved judgment in a ₹2.5 lakh crore retrospective GST case involving major gaming platforms, but the financial and regulatory "double attack" leaves the sector struggling. Casinos, race clubs, and events like IPL, alongside online platforms, will all be taxed under this new regime. In contrast, recreational games such as chess, carrom, and ludo now face just 5% GST, revealing a policy effort to separate casual gaming from money-based activities. The government's stance, prohibition coupled with steep taxation, signals an uncertain future for an industry once heralded as a digital economy driver.

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SUPREME COURT TRANSFERS ONLINE GAMING ACT CASES TO ITSELF

On September 8, 2025, the Supreme Court allowed the Centre's petition to transfer three cases challenging the Promotion and Regulation of Online Gaming Act, 2025 (PROGA) pending in the Delhi, Karnataka, and Madhya Pradesh High Courts to the apex court. Headed by Justice J.B. Pardiwala, the Bench directed the respective High Courts to send the case records to the Supreme Court.

The Centre argued that multiple proceedings could create conflicting verdicts and that an authoritative ruling on constitutional questions, such as violations of the right to equality, freedom of expression, and federalism, as well as the distinction between skill and chance games, was necessary to settle the law. PROGA bans online money gaming along with related banking services and advertisements. The Supreme Court has fixed October 7, 2025, for hearing a set of petitions contesting the Promotion and Regulation of Online Gaming Act, 2025.

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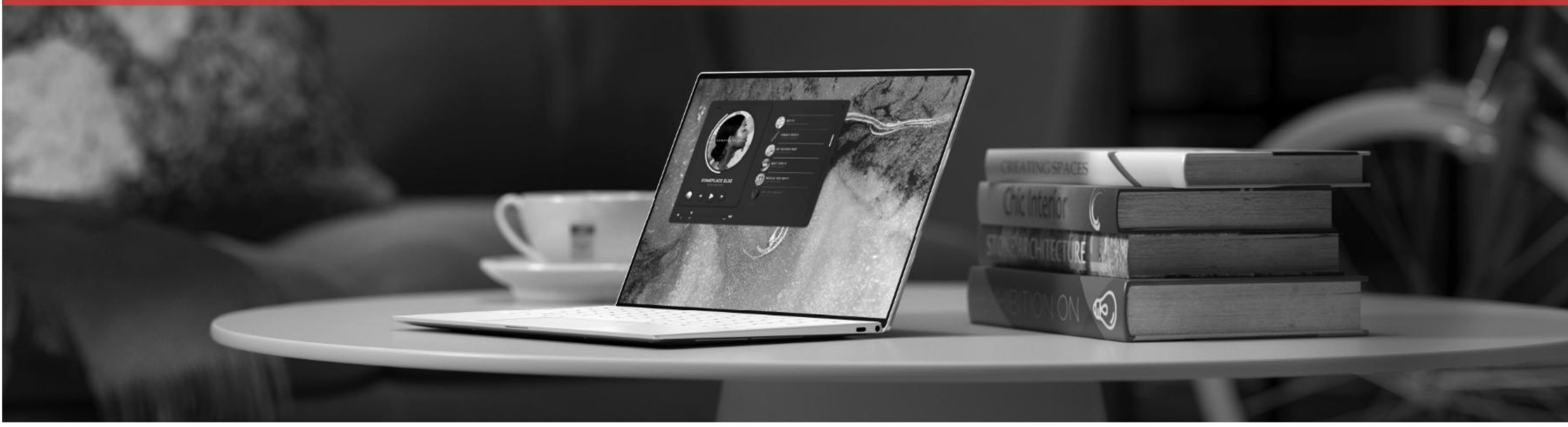

RBI MASTER DIRECTION ON REGULATION OF PAYMENT AGGREGATORS

The Reserve Bank of India (**"RBI"**), *vide* notification dated September 15, 2025, has issued a comprehensive Master Direction on the Regulation of Payment Aggregators (**"Master Directions"**) *(available here)*.This consolidated framework replaces earlier guidelines on online and cross-border payment aggregation and introduces fresh provisions for physical point-of-sale payment aggregators ("PAs"). By harmonising multiple sets of directions into a single framework, the RBI has sought to provide clarity, strengthen governance, and ensure customer protection across the payments ecosystem.

The Master Directions apply to both bank and non-bank entities, as well as authorised dealer banks and scheduled commercial banks undertaking the business of PAs. The Master Directions define three categories of PAs: ***(a)*** Physical (in-person payments), ***(b)*** Online (remote transactions), ***(d)*** and Cross Border (inward and outward payments under the exchange control laws of India), while clarifying that payment gateways only provide technology and cannot handle funds. Non-bank PAs are required to ***(a)*** obtain RBI's authorisation through its portal, ***(b)*** be incorporated under the Companies Act, 2013 while providing for PA activities in their Memorandum of Association, and ***(c)*** meet the net worth requirement of INR 15,00,00,000 (Indian Rupees Fifteen Crore) at the time of application, and increasing the same to INR 25,00,00,000 (Indian Rupees Twenty-Five Crore) within three years. Existing PAs must apply for authorization by December 31, 2025 or wind-up operations by February 28, 2026.

PAs must be professionally managed, with promoters and directors meeting fit-and-proper criteria, and any takeover, acquisition, or change in control requiring RBI's prior approval. They are required to establish dispute resolution frameworks for refunds and chargebacks, maintain fraud and risk management systems including PCI-DSS compliance, annual cyber audits, and cyber resilience measures, and provide transparent disclosures covering terms, privacy policies, refund rules, and grievance redressal mechanisms. They are prohibited from carrying out marketplace activities, imposing transaction limits by payment mode, or diverting refunds away from the original payment method unless instructed by the payer.

Due diligence of merchants must follow RBI's KYC norms, with simplified checks allowed for small merchants with turnover below INR 40,00,000 (Indian Rupees Forty Lakh) or exports under INR 5,00,000 (Indian Rupees Five Lakh). Ongoing monitoring of merchant transactions is required, and PAs must register with FIU-IND to comply with anti-money laundering and reporting obligations. All customer funds must be routed through escrow accounts maintained with scheduled commercial banks, and in the case of cross-border transactions, through designated Inward Collection Accounts and Outward Collection Accounts. Permitted credits and debits are strictly defined, and a "Core Portion" of the escrow balance, calculated as the average of the lowest balances, may earn interest, though loans or liens against these funds are prohibited. All prior authorisations and approvals remain valid and are deemed to have been issued under the new framework, which establishes uniform standards for authorisation, governance, capital requirements, business conduct, merchant checks, escrow management, and settlement.

TRAI's DIRECTION ON SUBMISSION OF FTTH TARIFF PLANS UNDER PM-WANI SCHEME

The Telecom Regulatory Authority of India ("**TRAI**"), *vide* its direction dated September 12, 2025 ("**Directive**") *(available here)*, has mandated all telecom and internet service providers offering retail Fiber-to-the-Home ("**FTTH**") broadband services to report tariff details for plans made available under the Prime Minister's Wi-Fi Access Network Interface scheme ("**PM-WANI Scheme**"). The Directive has been issued under Section 13 read with Section 11 of the

Telecom Regulatory Authority of India Act, 1997, which empowers TRAI to regulate tariffs and protect the interests of both consumers and service providers.The Telecommunication Tariff Order, 1999 (as amended) requires that every service provider offering FTTH broadband extend their retail plans of up to 200 Mbps to Public Data Offices ("**PDOs**") under the PM-WANI Scheme at tariffs not exceeding twice the rate charged to retail subscribers for an equivalent FTTH plan of the same bandwidth. This ensures that PDOs, which form the foundation of the PM-WANI Scheme, are able to access affordable and proportionate pricing compared to individual customers.

To monitor the growth and usage of the PM-WANI Scheme, TRAI has mandated systematic reporting of tariffs offered to PDOs. All FTTH service providers must submit quarterly data on plans offered to PDOs under the PM-WANI Scheme, with the first report due for the quarter ending September 30, 2025. Thereafter, reports must be filed within ten days of the close of each quarter. The reporting format has been standardised to ensure uniformity and completeness. Service providers are required to furnish details of plans offered, including the plan name, description, tariff, bandwidth, fair usage policy limits, and any additional features. Corresponding details of the equivalent retail FTTH plan must also be provided for comparison. Further, providers must report the number of PDOs subscribed to each plan offered and the total data usage during the relevant quarter. Each plan must be reported separately in this format. Through this reporting mechanism, TRAI aims to reinforce transparency and accountability in tariff practices and ensure that PDOs are not charged unfairly. Quarterly monitoring will also allow TRAI to evaluate the effectiveness of the PM-WANI Scheme in driving broadband adoption and furthering digital inclusion. The Directives highlights TRAI's commitment to safeguarding fair commercial practices while advancing the government's goal of delivering affordable and accessible internet through a nationwide public Wi-Fi network.

TRAI DIRECTION ON PUBLICATION OF SERVICE PROVIDERS' QUALITY OF SERVICE PERFORMANCE

TRAI, *vide* its direction dated September 9, 2025 ("**Direction**") *(available here)*, has instructed all service providers to publish their performance against Quality of Service ("**QoS**") benchmarks specified under the Standards of Quality of Service of Access (Wireline and Wireless) and Broadband (Wireline and Wireless) Service Regulations, 2024 ("**2024 QoS Regulations**"). Regulation 15 of the 2024 QoS Regulations requires service providers to publish their performance data in a manner prescribed by TRAI. The Direction gives effect to this requirement by laying down detailed instructions on the format, frequency, and mode of publication. Under the Direction, every service provider must publish their QoS performance on their official website within fifteen days of submitting a performance monitoring report to TRAI. Wireless access service performance must be published monthly, while wireline access and broadband services must be published quarterly. The information displayed on the website must be identical to that submitted to TRAI, ensuring uniformity and credibility.

To guarantee consumer accessibility, service providers must create a dedicated "Service Quality" tab on the homepage of their websites. This tab must include sub-menus titled "Basic," "Mobile" and "Broadband (Wireline)" with performance data relevant to each category. The data must be presented in a clear, tabular, and user-friendly format, with the latest month or quarter shown by default and historical data for up to two financial years also made available. Consumers must be able to filter performance data by licensed service area or service area, with results shown in descending order by date. Any non-compliance with prescribed QoS benchmarks must be highlighted by service provider in red to enable easy identification of deficiencies. TRAI has also prescribed standard formats for wireless access, wireline access, and broadband services to ensure uniform reporting across all providers.

This Direction takes effect from November 8, 2025 and applies to all entities holding Unified Access Service Licences, Unified Licences with Access Service Authorisation, Internet Service Authorisations, and Authorisations as stated under the Telecommunications Act, 2023 to provide access or broadband services. Through these measures, TRAI seeks to improve transparency, empower consumers with reliable information on service quality, and hold service providers accountable for delivering telecom and broadband services that meet regulatory benchmarks.

SANJABIJ TARI V. KISHORE S. BORCAR & ANR

A Division Bench of Hon'ble Supreme Court of India comprising of Justice Manmohan and Justice NV Anjaria, in the matter titled, ***Sanjabij Tari v. Kishore S. Borcar & Anr***[26] had framed guidelines for compounding offences under the Negotiable Instruments Act, 1881 ("**NI Act**").

The Appeal was filed against the *ex-parte* judgment of the Hon'ble High Court of Bombay at Goa, which, by exercising the revisional jurisdiction, reversed the concurrent judgments of the Trial Court and the Sessions Court and as such the Accused was acquitted. In this case the Complainant advanced a friendly loan of Rs. 6,00,000/- to the Accused. The cheque issued by the Accused in discharge of the above said liability got dishonoured. The Accused person did not reply to the statutory notice issued by the Complainant.

It was the Complainant's case that the High Court erred in reversing the concurrent findings of the lower Courts and that the High Court acquitted the Accused contrary to the established presumptions under the NI Act. On the contrary, the Accused's case was that the Complainant did not have the wherewithal to advance the alleged loan amount and as such it was the onus of the Complainant to prove his financial capacity. In short, the Accused questioned the financial capacity of the Complainant in support of his probable defence. The Accused, in order to rebut the presumption under the NI Act, stated that a blank cheque was given by him to the Complainant to enable him to obtain a bank loan.

The Hon'ble Supreme Court, while setting aside the decision of the High Court, *inter alia* observed the following:

- The scope and intent of Chapter XVII of the NI Act is to enhance the acceptability of cheques and to ensure financial discipline. NI Act which has quasi-criminal character allows a more efficient and timely resolution of disputes.
- Once the execution of the cheque is admitted, the presumption under Section 118 of the NI Act that the cheque in question was drawn for consideration and the presumption under Section 139 that the said cheque was received by the holder of the cheque in discharge of a legally enforceable debt arises against the accused. The initial onus lies on the accused itself despite the fact that these presumptions are rebuttable.
- Any violation of Section 269SS of the Income Tax Act, 1961 would not render the transaction unenforceable under Section 138 of NI Act as there is no provision under the Income Tax Act, 1961 which state that any transaction in breach of Section 269SS would be illegal or void.
- In revisional jurisdiction, High Court can upset the concurrent factual findings of lower court, only if the findings are perverse.
- Failure of accused to reply to the statutory notice leads to an adverse inference.
- Offence under Section 138 of the NI Act is quasi-criminal in character and is compoundable.

The Hon'ble Supreme Court, formulated the guidelines for expeditious disposal and compounding of offences under NI Act:

- Service of summon shall not be limited to the regular modes and shall also be served through dasti mode and by electronic means. For the said purpose, complainant at the time of filing the complaint shall provide contact details of the accused;
- An affidavit of service shall be filed by the complainant, which if found false by the court, then the Court shall be at liberty to take appropriate actions;

[26] Criminal Appeal No(s) 1755 of 2010

- District Courts shall operationalise dedicated QR codes or UPI links for direct settlement at the threshold stage.

- Every complaint under Section 138 of NI Act shall include a synopsis.

- Given that NI Act is a special enactment, there shall be no requirement to issue summons to the accused in terms of Section 223 of Bhartiya Nagarik Suraksha Sanhita, 2023 at the pre-cognizance stage.

- Preference should be given to summary trials and courts must give cogent reasons before converting summary trial to summons trial.

- Court to record responses of the accused in the order sheet in presence of the accused and thereafter determine whether the case is to be tried summarily or not.

- Court shall encourage early interim compensation orders under Section 143A of NI Act.

- Post-summons, matters should be heard in physical courts to encourage early resolution.

In addition to the abovesaid guidelines, the Hon'ble Supreme Court also modified the guidelines for compounding offences under the NI Act:

- If the accused pays the cheque amount before recording of evidence, then compounding should be allowed without imposing any cost or penalty;

- If the accused pays the cheque amount after the recording of evidence but before the pronouncement of judgment, then compounding should be allowed on payment of additional 5% of the cheque amount as cost;

- If the accused pays the cheque amount before the Sessions Court or a High Court in revision or appeal, then compounding shall be allowed on payment of additional 7.5% of the cheque amount as cost;

- If the accused pays the cheque amount in Supreme Court, then compounding shall be allowed on payment of additional 10% of the cheque amount as cost.

ENFORCEMENT DIRECTORATE V. RAJESH KUMAR AGARWAL, 2025 SCC ONLINE DEL 5974

The Division Bench of Hon'ble Delhi High Court comprising Hon'ble Mr. Justice Subramonium Prasad and Hon'ble Mr. Justice Harish Vaidyanathan Shankar in the case of ***Enforcement Directorate v. Rajesh Kumar Agarwal,***[27] settles the interplay between Sections 8, 17 and 20 of the Prevention of Money Laundering Act, 2002 ("**the Act**"). The appeal preferred by the Directorate of Enforcement/ Appellant ("**ED**") under Section 42 of the Act, arose from the order of the Appellate Tribunal (PMLA) ("**Tribunal**"), which had set aside the Adjudicating Authority's confirmation regarding retention of property seized from the Respondent/ Accused who allegedly acted as a mediator/co-conspirator in carrying out the money laundering operations.

The High Court was called upon to examine whether the ED could justify retention of seized property solely on the basis of an application under Section 17(4) of the Act, without resort to the mandatory procedure under Section 20 of the Act.

In the facts of the present case, the allegations centred on Mr. Surendra Kumar Jain and Mr. Virendra Jain ("**Jain Brothers**"), who, through corporate entities controlled by them, laundered funds by infusing cash from M/s Jagat Projects into company accounts disguised as share subscription at inflated premiums during the year 2008 - 2009. The Respondent, a Chartered Accountant, was alleged to have acted as a mediator in these money laundering operations. Acting on reasonable belief, the ED conducted a search at the Respondent's office, seizing files, electronic devices and cash, and thereafter filed an application under Section 17(4) seeking retention of the seized property. The Adjudicating Authority allowed the retention application, but on appeal, the Tribunal, set aside the Adjudicating Authority's decision, holding that such decision was devoid of reasons and did not conform to the statutory scheme under Sections 8, 17 and 20 of the Act. Before the Hon'ble High Court, the said order was assailed.

ED urged that once a prosecution complaint had been filed and was pending before the Special Court, Section 8(3)(a) of the Act mandated continuation of the seizure, and that any alleged non-compliance with Section 20 of the Act was not raised before the Adjudicating Authority but only at the appellate stage. It was contended that Sections 17(4) and 20 of the Act operate in different spheres. Therefore, compliance with Section 20 of the Act was not necessary where adjudication under Section 8 of the Act concluded within 180 days, and that at any rate, Section 20 of the Act was only directory in nature. ED further argued that the Tribunal erred in quashing the Adjudicating Authority's order and should have remanded the matter to the Adjudicating Authority for fresh consideration.

The Respondent, raised a preliminary objection as to limitation and supported the Tribunal's decision, stressing that the Adjudicating Authority's order was mechanical and devoid of reasoning. It was submitted that under the

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statutory framework, an application under Section 17(4) of the Act must be read with Section 20 of the Act, which mandates recording and forwarding of reasons for retention to the Adjudicating Authority, failing which adjudication under Section 8 of the Act is without jurisdiction.

Reliance was placed on the principle that when law prescribes a specific procedure, it must be strictly followed, and on the Hon'ble Supreme Court's precedents[28] holding that an order bad at inception cannot be cured later. It was also urged that the Act being a special statute requires strict compliance, and that no remand was permissible once 180 days had elapsed as the Adjudicating Authority becomes *functus officio* by virtue of Section 20(3) of the Act.

[28] (2016) 12 SCC 608; (2011) 3 SCC 436; Anita (2012) 1 SCC 520

True Value, True Values

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