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NEWSLETTER

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EXTENSION OF TIMELINE FOR FORMULATION OF IMPLEMENTATION STANDARDS PERTAINING TO SEBI CIRCULAR ON "SAFER PARTICIPATION OF RETAIL INVESTORS IN ALGORITHMIC TRADING"[1]

Securities Exchange Board of India ("SEBI") issued a circular "Safer participation of retail investors in algorithmic trading" dated February 04, 2025, which aimed at ensuring safer participation of retail investors in algorithmic trading, with implementation standards to be developed by the Brokers' Industry Standards Forum under stock exchanges and in consultation with SEBI by April 1, 2025. However, upon receiving a request from the stock exchanges for an extension to address unresolved issues, SEBI decided to postpone the effective date of implementation standards to May 01, 2025, and the applicability of the circular's provisions to August 01, 2025. Exchanges are directed to implement the necessary systems, amend relevant rules, inform brokers, and publicize the circular. The circular is issued under SEBI's authority to protect investors and regulate the securities market.

This circular came into effect immediately.

RECOGNITION AND OPERATIONALIZATION OF PAST RISK AND RETURN VERIFICATION AGENCY (PARRVA)[2]

SEBI has issued guidelines on the external and internal evaluation of the performance of statutory committees within Market Infrastructure Institutions ("MIIs") such as stock exchanges, clearing corporations, and depositories. The evaluation will assess various committees including the member committee, nomination and remuneration committee, risk management committee, and others.
On February 04, 2025, SEBI issued Circular No. SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/51, introducing a revised framework to facilitate the safer participation of retail investors in algorithmic trading. Under this framework, brokers are designated as principals, while algorithm ("algo") providers act as their agents. All algo orders transmitted via Application Programming Interfaces ("APIs") must be tagged with a unique identifier. Brokers are mandated to implement stringent security measures, including whitelisting static IPs, enforcing two-factor authentication, and adopting OAuth-based authentication protocols. Additionally, brokers bear the responsibility for investor grievance redressal and continuous monitoring of API usage. Stock exchanges are tasked with overseeing algo trading activities, approving algos, and establishing empanelment criteria for algo providers.

The circular classifies algos into two categories (a) white box and (b) black box. White box algos, characterized by transparent and disclosed logic, are subject to a fast-track registration process. In contrast, black box algos, which feature non-replicable logic, require research analyst registration and detailed reporting. Stock exchanges are directed to develop both fast-track and standard registration processes for algos, ensuring compliance with confidentiality measures. The Broker's Industry Standards Forum, operating under SEBI's guidance, is responsible for finalizing implementation standards by April 01, 2025.

SEBI has mandated that stock exchanges take necessary steps to implement the provisions of this circular. This includes establishing appropriate systems and procedures, amending relevant bye-laws, rules, and regulations, and disseminating the provisions to brokers through their websites. The circular is issued under SEBI's authority to protect investor interests and regulate the securities market. The provisions outlined in this circular aim to enhance the safety and transparency of retail investor participation in algorithmic trading. This circular came into effect immediately.

[1] SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/46.

[2] SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/51.

CLARIFICATION ON THE POSITION OF COMPLIANCE OFFICER IN TERMS OF REGULATION 6 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015[3]

SEBI, vide Circular no. SEBI/HO/CFD/PoD2/CIR/P/2025/47 dated April 01, 2025 issued a clarification which states that Regulation 6(1) of the SEBI (LODR) Regulations, 2015, as amended on December 12, 2024, requires the Compliance Officer of a listed entity to be in whole-time employment, designated as Key Managerial Personnel, and positioned not more than one level below the board of directors. SEBI clarified that "one level below" refers to the Compliance Officer's placement directly under the Managing Director or Whole-Time Director(s) on the organizational chart. If the entity lacks such directors, the officer should report not more than one level below the CEO, Manager, or equivalent person overseeing daily operations.

RELAXATION OF PROVISION OF ADVANCE FEE RESTRICTIONS IN CASE OF INVESTMENT ADVISERS AND RESEARCH ANALYSTS[4]

SEBI vide Circular no. SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/48 provides relaxations on advance fee. The amendments to the SEBI (Research Analysts) Regulations in December 2024, received feedback that limiting advance fees to three months for Research Analysts and two quarters for Investment Advisers discouraged long-term recommendations. In response, SEBI proposed and has approved extending the permissible advance fee period to one year for both RAs and IAs, subject to client agreement. These fee-related provisions—including limits, payment modes, and refund rules—apply only to individual and Hindu Undivided Family (HUF) clients who are not accredited investors, while non-individual clients, accredited investors, and institutional clients seeking proxy advice will operate under bilaterally negotiated contracts. The circular aims to balance investor protection with industry flexibility. This circular came into effect immediately.

STANDARDIZED FORMAT FOR SYSTEM AND NETWORK AUDIT REPORT OF MARKET INFRASTRUCTURE INSTITUTIONS (MIIS)[5]

SEBI vide Circular No. SEBI/HO/MRD/TPD/P/CIR/2025/50, issued on April 29, 2025, states that it will assign unique IDs to each observation in a bid to simplify the tracking of both current and historical audit issues. This new framework aims to improve data quality, ensure compliance with regulatory requirements, and streamline the monitoring of audit observations. This will apply to audits conducted from the fiscal year 2024-25, or the second half of the fiscal year, depending on the audit frequency.

The standardized format for system and network audit report would help to increase the data quality, capture of relevant information as per regulatory requirements in a streamlined and standardized manner across MIIs, monitor compliance requirements in a more focused manner, ease of traceability of current/historical open observations found during audit at the end of MII and Sebi by assigning a unique ID to each observation. Presently, all MIIs are required to conduct system and network audit and each MII has adopted a different template for such reporting. As per the circular, the standardized system and network audit report format include several key sections to ensure comprehensive reporting.

Going by the format, MIIs are required to disclose basic information such as name, address, and contact details of the auditee and audit team. Furthermore, they need to disclose audit details such as period, methodology, and tools used. The IT environment overview highlights major projects or developments undertaken during the audit period, providing insights into the technological landscape of the MII.

The scope of audit involves the compliance with relevant regulatory requirements and identifies any technical glitches encountered. SEBI stated that observations and findings detail the issues discovered during the audit, with each observation assigned a unique ID to facilitate easy tracking and follow-up.

The compliance status section assesses adherence to Sebi mandates, including critical area like disaster recovery drills, stress testing, and business continuity planning. Additionally, the report includes a list of pending issues, detailing unresolved observations from previous audits along with reasons for their non-closure. The final notes cover any limitations of the audit, auditor comments, and a concluding assessment. This circular will come into effect for the audit period of FY 2024-25 or second half of the FY 2024-25.

CLARIFICATION ON REGULATORY FRAMEWORK FOR SPECIALIZED INVESTMENT FUNDS ('SIF')[6]

SEBI, through its circular dated February 27, 2025, addressed clarifications on the Regulatory Framework for Specialized Investment Funds ("SIFs") following industry feedback. It clarified that the provisions regarding security maturity in interval schemes under the Mutual Fund Master Circular dated June 27, 2024 will not apply to Interval Investment Strategies within SIFs. Additionally, the minimum investment threshold has been revised to require an aggregate investment of at least INR 10,00,000 (Indian Rupee Ten Lakh)

[3] SEBI/HO/CFD/PoD2/CIR/P/2025/47.
[4] SEBI/HO/MIRSD/ MIRSD-PoD/P/CIR/2025/48.
[5] SEBI/HO/MRD/TPD/P/CIR/2025/50.
[6] SEBI/HO/IMD/IMD-I POD1/P/CIR/2025/54.

at the PAN level across all SIF strategies, with exemptions for mandatory Asset Management Companies investments by designated employees. These changes aim to enhance regulatory clarity and investor protection. This circular shall come into effect immediately.

AMENDMENT TO CIRCULAR FOR MANDATING ADDITIONAL DISCLOSURES BY FOREIGN PORTFOLIO INVESTMENTS ("FPIS") THAT FULFIL CERTAIN OBJECTIVE CRITERIA[7]

SEBI through its Master Circular for Foreign Portfolio Investors ("FPI"), Designated Depository Participants and Eligible Foreign Investors dated May 30, 2024, had introduced enhanced disclosure requirements for FPIs and Offshore Derivative Instruments ("ODI") subscribers meeting a specified equity AUM threshold in Indian markets. Initially set at INR 250,000,000,000 (Indian Rupee Twenty-Five Thousand Crore), the threshold applied to individual FPIs or investor groups under Regulation 22(3) of the SEBI (Foreign Portfolio Investors) Regulations, 2019. Such disclosure rules also applied to subscribers of ODIs, as per a SEBI circular issued on December 17, 2024.

To ease compliance while still maintaining regulatory oversight, SEBI has now revised the threshold under the size criteria from INR 250,000,000,000 (Indian Rupee Twenty-Five Thousand Crore) to INR 500,000,000,000 (Indian Rupee Fifty Thousand Crore). As a result, multiple sub-paragraphs in Parts C and D of the FPI Master Circular have been modified to reflect this updated threshold. These changes aim to focus enhanced disclosure requirements on only the largest market participants, reducing the compliance burden on smaller FPIs.

This circular has been issued under SEBI's authority to protect investor interests, promote market development, and ensure effective regulation. This update underscores SEBI's commitment to balancing transparency with practical considerations for foreign investors. This circular shall come into effect immediately.

TRADING WINDOW CLOSURE PERIOD UNDER CLAUSE 4 OF SCHEDULE B READ WITH REGULATION 9 OF SECURITIES AND EXCHANGE BOARD OF INDIA (PROHIBITION OF INSIDER TRADING) REGULATIONS, 2015 ("PIT REGULATIONS") – EXTENSION OF AUTOMATED IMPLEMENTATION OF TRADING WINDOW CLOSURE TO IMMEDIATE RELATIVES OF DESIGNATED PERSONS, ON ACCOUNT OF DECLARATION OF FINANCIAL RESULTS[8]

SEBI vide SEBI Circular No. SEBI/HO/IMD/IMD-RAC/P/CIR/2025/54, issued on April 29, 2025, introduced significant amendments to the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, aimed at enhancing transparency and investor protection in public offerings.

Under Clause 4 of Schedule B and Regulation 9 of the PIT Regulations, trading by Designated Persons ("DP") is monitored using a concept called a "notional trading window." This window must be closed whenever the Compliance Officer determines that DPs or a class of such persons may have access to Unpublished Price Sensitive Information (UPSI). One of the common instances of trading window closure is around the announcement of financial results — from the end of a financial quarter until 48 hours after the disclosure of results.

Key changes include the until now, the focus of automated restrictions — including PAN-level trading freezes — was primarily on DPs themselves. However, SEBI's new circular mandates extending this automation to their immediate relatives as well. This is a significant move, considering that trading via family members was a known grey area in insider trading enforcement.

This updated framework will now automatically restrict the trading capabilities of not just the DPs but also their immediate family members during specified blackout periods. It will be done by freezing their PANs at the security level — covering both on-market and off-market transactions, as well as pledge creation

The process will be rolled out in two phases:

Phase 1 (Effective July 01, 2025): Applies to the top 500 (five hundred) listed companies by market capitalization as on March 31, 2025.

Phase 2 (Effective October 01, 2025): Will cover all remaining listed companies, including those that list after this circular.

Key Compliance Measures

- Companies must confirm and upload data at least 2 (two) trading days before the window closure.
- The DD will inform Stock Exchanges and other depositories at least one trading day before the blackout.
- The PAN-level freeze will include all equity and derivative trades and apply to all identified demat accounts.
- Any updates to DP or family member information must be processed within two trading days.

[7] SEBI/HO/AFD/AFD-POD-3/P/CIR/2025/52.

[8] SEBI/HO/ISD/ISD-PoD-2/P/CIR/2025/55.

- The companies may also request exemptions under specific provisions of the PIT Regulations, which must be processed within defined timelines.

These regulatory changes aim to bolster investor confidence by ensuring greater accountability and transparency in the capital markets.

CHANGE IN CUT-OFF TIMINGS TO DETERMINE APPLICABLE NAV WITH RESPECT TO REPURCHASE/ REDEMPTION OF UNITS IN OVERNIGHT SCHEMES OF MUTUAL FUNDS[9]

SEBI, through its circular dated December 12, 2023, introduced a framework titled "Upstreaming of clients' funds by Stockbrokers (SBs)/Clearing Members (CMs) to Clearing Corporations (CCs)," aimed at strengthening the protection of investors' funds. Under this framework, SBs and CMs are required to upstream all clear credit balances of clients to the Clearing Corporations at the end of each day. These funds can be placed in the form of cash, lien on fixed deposit receipts created from client funds, or as pledged units of Mutual Fund Overnight Schemes (MFOS), ensuring funds are safeguarded within a secure and regulated system.

To facilitate the upstreaming of client funds using pledged MFOS units, a working group including AMFI, mutual fund industry participants, and the Mutual Funds Advisory Committee (MFAC) proposed a revision to the NAV cut-off timings for repurchase of overnight fund units. This proposal, following industry consultation and public feedback, led to an amendment in paragraph 8.4.5.4 of SEBI's Mutual Fund Master Circular. The updated regulation introduces specific cut-off timings for applying NAV: applications submitted by 3:00 PM will use the NAV of the day before the next business day, while those submitted after 3:00 PM will use the NAV of the next business day. Notably, for online applications, a later cut-off time of 7:00 PM is introduced for overnight fund schemes.

The updated cut-off timing framework is designed to enhance operational efficiency and ensure timely settlement of pledged MFOS units, thereby supporting the broader objective of upstreaming client funds. Issued under SEBI's statutory powers, this circular reinforces SEBI's commitment to safeguarding investor interests and maintaining robust regulatory oversight across market intermediaries. This circular shall come into effect from June 01, 2025.

SPECIALIZED INVESTMENT FUNDS ("SIF") – APPLICATION AND INVESTMENT STRATEGY INFORMATION DOCUMENT ("ISID") FORMATS[10]

SEBI Circular No. SEBI/HO/IMD/IMD-RAC/P/CIR/2025/54, introduces significant amendments to the SEBI (Mutual Funds) Regulations, 1996, aimed at enhancing transparency and investor protection in mutual fund schemes. The circular mandates that Asset Management Companies ("AMCs") disclose the results of stress testing for all mutual fund schemes, providing investors with insights into the schemes' resilience under various market conditions. Additionally, the circular requires AMCs to disclose the half-yearly returns and yield of schemes, along with a standardized risk-o-meter, to facilitate better-informed investment decisions.

To improve transparency, the circular also mandates the separation of expense ratios and returns data for regular and direct plans of mutual funds. This segregation aims to provide clearer information to investors, enabling them to make more informed choices based on the costs and performance of different investment options. Furthermore, the circular introduces a color-coded system for the risk-o-meter, ranging from low to very high, to visually represent the levels of risk associated with each scheme.

The circular also standardizes the communication of any changes in the risk-o-meter to investors, ensuring that such modifications are promptly and clearly conveyed. These measures are part of SEBI's ongoing efforts to simplify mutual fund disclosures, making them more accessible and easier to understand for investors. By promoting greater transparency and consistency in disclosures, SEBI aims to enhance investor confidence and foster more informed decision-making in the mutual fund industry. This circular shall come into effect immediately.

TIMELINES FOR COLLECTION OF MARGINS OTHER THAN UPFRONT MARGINS – ALIGNMENT TO SETTLEMENT CYCLE[11]

SEBI has updated the margin collection framework for Trading Members ("TMs") and Clearing Members ("CMs") in the cash segment as outlined in the Master Circular dated August 9, 2024. While it was already mandatory for TMs/CMs to collect upfront VaR ("Value at Risk") margins and ELM ("Extreme Loss Margins"), they were previously allowed up to T+2 working days to collect other margins from clients. However, following the reduction of the settlement cycle in the cash market to T+1 from January 27, 2023, SEBI has revised the timeline, now requiring collection of all other margins (excluding VaR and ELM) by the settlement day itself.

The modifications to the Master Circular specify that TMs/CMs must collect VaR and ELM upfront before trading, while other margins must be collected no later than the settlement day. If the client makes full pay-in (of both funds and securities) by the settlement day, any pending other margins will be considered as collected, and no penalty will apply. However, if the pay-in is not completed and the

[9] SEBI/HO/IMD/PoD2/P/CIR/2025/56.
[10] SEBI/HO/IMD/IMD-RAC/P/CIR/2025/54.
[11] SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/57.

margins are also not collected by the settlement day, penalties will be levied. The extended time until the settlement day is given only for practical ease and should not be interpreted as an extension of the client's obligation to delay margin payment.

SEBI has directed all Stock Exchanges and Clearing Corporations to make the necessary rule amendments and inform all market participants accordingly. This circular has been issued under SEBI's regulatory powers to ensure investor protection and the orderly functioning of securities markets by reinforcing robust risk management practices in line with the T+1 settlement cycle. This circular shall come into effect immediately.

EXTENSION OF TIMELINE FOR IMPLEMENTATION OF PROVISIONS OF SEBI CIRCULAR DATED DECEMBER 10, 2024, ON OPTIONAL T+0 SETTLEMENT CYCLE FOR QUALIFIED STOCK BROKERS (QSBS)[12]

SEBI, through its circular dated December 10, 2024 (SEBI/HO/MRD/MRD-PoD-3/P/CIR/2024/172), introduced an optional T+0 rolling settlement cycle in the equity cash markets, in addition to the existing T+1 cycle. This initiative was designed to enable quicker settlement for investors and initially mandated that Qualified Stock Brokers ("QSBs") who met specific criteria, including a minimum number of active clients as of December 31, 2024, implement the necessary systems and processes to support seamless investor participation in the optional T+0 cycle starting May 1, 2025.

However, after considering feedback from QSBs and in consultation with Market Infrastructure Institutions ("MIIs") such as stock exchanges, clearing corporations, and depositories, SEBI has decided to extend the implementation deadline. QSBs are now required to put the necessary systems in place by November 1, 2025. This extension aims to ensure a smooth and effective rollout of the optional T+0 settlement cycle without operational disruptions for brokers or investors.

All other provisions of the original December 2024 circular remain unchanged. SEBI has directed all MIIs to make necessary system adjustments, amend relevant regulations, and inform market participants and investors about the revised implementation timeline. The circular is issued under SEBI's statutory authority to protect investor interests, enhance market efficiency, and maintain robust regulatory oversight. This circular shall come into effect immediately.

CLARIFICATORY AND PROCEDURAL CHANGES TO AID AND STRENGTHEN ESG RATING PROVIDERS (ERPS)[13]

SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/P/CIR/2025/59, issued on April 29, 2025, SEBI released a circular detailing procedural clarifications and updates to strengthen ESG Rating Providers ("ERPs"). The circular refines the withdrawal process for ESG ratings.

SEBI has amended rules governing credit rating agencies in a bid to enhance clarity and transparency. An ESG rating provider following a subscriber-pays business model shall share the ESG rating report with its subscribers and the rated entity or the issuer whose securities have been rated at the same time and provide two working days to such rated entity or the issuer to provide its comments. Further, all comments or clarifications received from the rated entity within the specified timeline will be included in the addendum to the ESG rating report by the ERP. If the rated entity or the issuer has a different viewpoint on the data stated in the report, ERPs, after taking into account such viewpoint, can either revise the report or issue an addendum to the report with its remarks, for circulation to all its subscribers. Moreover, ERPs are required to disclose the policy regarding the sharing of ESG rating reports with the rated entity or the issuer whose securities have been rated and the subscribers on its website. Also, ERP will provide a facility to the rated entity or the issuer whose securities have been rated to seek any clarification, including the ESG rating methodology or assumptions.

For subscriber-pays ERPs, ratings can be withdrawn if no subscribers exist, except for bundled ratings (e.g., indices like Nifty 50), and may also be withdrawn if the issuer lacks a BRSR. For issuer-pays ERPs, ratings of securities may be withdrawn after three years or half the tenure of the security (whichever is higher), with NOC from 75% (seventy five percent) of bondholders; issuer/entity ratings may be withdrawn after 3 (three) years.

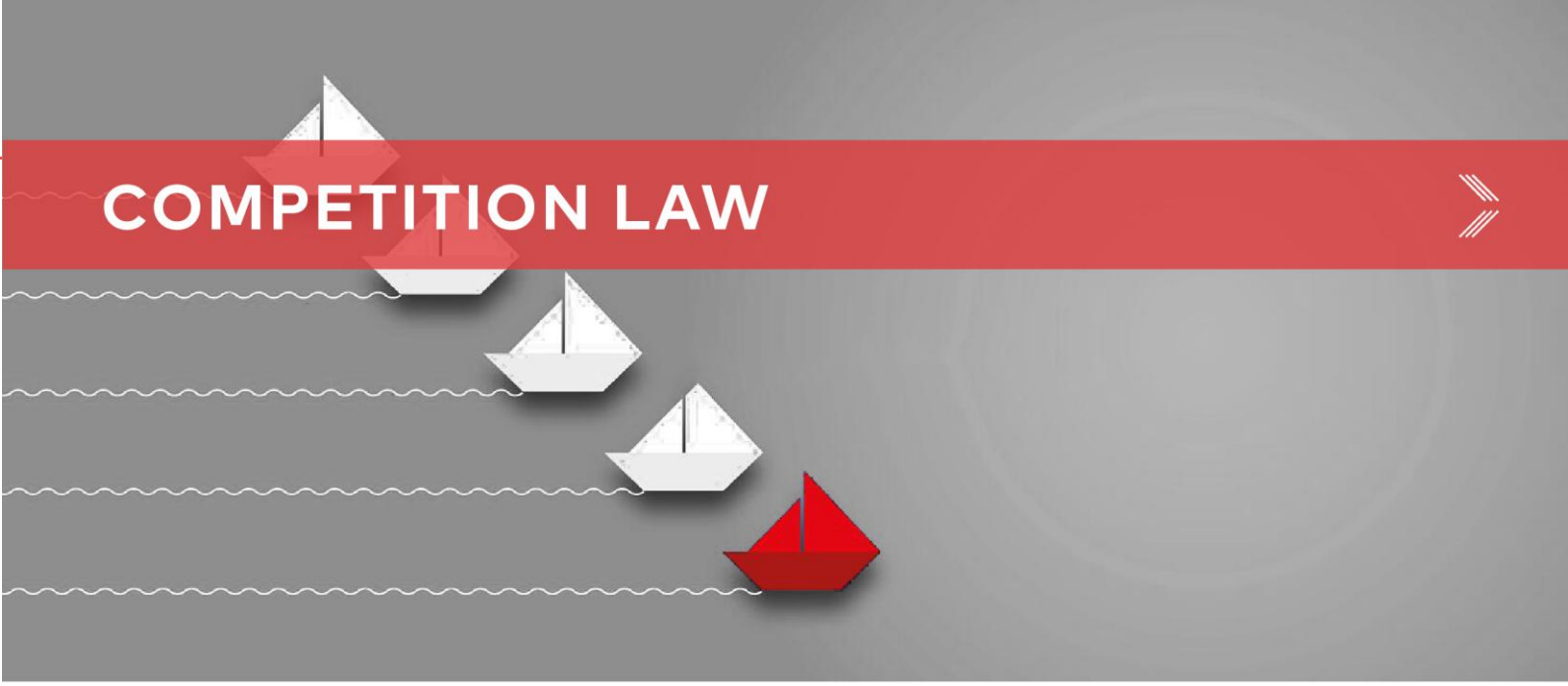
SEBI has defined subscriber-pays business model as a business model where the ESG rating provider derives its revenues from ESG ratings from subscribers including banks, insurance companies, pension funds, or the rated entity itself. An ESG rating provider following a subscriber-pays business model will have to ensure that assigned rating is based only on publicly available information and that the fee paid by the subscriber is the lowest fee paid amongst all the subscribers if the rated entity or issuer is a subscriber itself.

Only group companies or associates of an entity, whose core business requires ESG ratings of such an entity or the securities issued by such entity and are regulated by the financial sector regulator(s) can subscribe to the ESG rating. However, there should not be any conflict of interest or any potential or actual abuse or misuse. ERPs will have to state on its website the financial sector regulator or authority under whose purview it undertakes ESG ratings for each product and will have to comply with the applicable laws administered by such financial sector regulator or authority.

[12] SEBI/HO/MRD/MRD-PoD-3/P/CIR/2025/58.

[13] SEBI/HO/DDHS/DDHS-PoD-2/P/CIR/2025/59.

Regarding disclosures, subscriber-pays ERPs must publicly disclose assigned ratings in a specific format but may limit rating rationale access to subscribers. Stock exchanges must also display ESG ratings under a designated section for listed entities or securities. The internal audit requirement for Category II ERPs is deferred for two years, and audit eligibility is expanded to include ICMAI qualifications. Governance provisions, including forming an ESG Ratings Sub-Committee and a Nomination and Remuneration Committee, are also deferred for Category II ERPs for two years. The circular, effective immediately, also provides a standard format for rated entities to respond to rating rationales and defines confidentiality boundaries to protect proprietary ERP methodologies. This circular shall come into effect immediately.



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

CCI PENALISED UFO MOVIEZ AND QUBE HELD FOR ANTI COMPETITIVE CONDUCT IN SUPPLY OF DIGITAL CINEMA EQUIPMENT

The Competition Commission of India (**CCI**), by its order dated April 16, 2025, imposed a monetary penalty on UFO Moviez India Ltd. (**UFO**), its wholly owned subsidiary, Scrabble Digital Ltd. (**Scrabble**), and Qube Cinema Technologies Pvt. Ltd. (**Qube**), for the supply of Digital Cinema Equipment (**DCE**) on lease to Cinema Theatre Owners (**CTOs**) and the market for provision of Post-Production Processing (**PPP**) services in India.

The CCI noted that UFO and Qube have significant market power in the *market for provision of services of supply of DCE by a digital cinema service provider on lease/rent to CTOs in India.*

CCI also noted that CTOs are *inter se* in a vertical relationship with the DCE suppliers and on the bare perusal of the exclusive clauses in the agreement for the lease of DCI compliant DCEs, exhibit that the UFO and Qube are indulging in tie-in arrangement with respect to provision of DCI-Compliant DCE on lease, by tying-in supply of content along with it in violation of Section 3(4)(a) of the Competition Act,2002 (**Act**).

With regards to the allegations of exclusive supply agreements, CCI noted that UFO was restricting CTOs from acquiring or otherwise dealing with any cinematographic film other than that which has been processed by Scrabble. Qube on the other hand was only allowing content leased by it on its leased DCEs and thereby restricting supply of any content from other PPP service providers in violation of Section 3(4)(b) of the Act.

Lastly, CCI also noted that such refusal to CTOs from otherwise leasing out content from other PPP services providers, both UFO and Qube have also violated Section 3(4)(c) of the Act.

Thus, basis the abovementioned findings, the CCI found that the conduct was causing AAEC in the market and imposed a monetary penalty of INR 1.04 crores on UFO and Scrabble, and a penalty of INR 1.65 crores on Qube.

CCI APPROVES ACQUISITIONS IN BW COAL MINE BY NIPPON STEEL AND JFE STEEL

On December 20, 2024, the CCI received a notification from Nippon Steel Corporation, NS Blackwater Pty Ltd, JFE Steel Corporation, and JFE Steel Australia (BW) Pty Ltd regarding their proposed acquisition of stakes in the BW Coal Mine, Queensland, Australia. The notification followed a series of agreements signed on August 21, 2024, involving the sale of assets and land by Whitehaven entities to the notifying parties. Under the proposed transactions, NS Blackwater will acquire a 20% stake, and JFE Steel BW will acquire a 10% stake in the BW Coal Mine, along with related coal offtake agreements.

The CCI reviewed the transactions independently of the offtake agreements and assessed potential horizontal and vertical overlaps in the coal and steel markets in India. It noted minor overlaps, with combined market shares ranging between 0-5% and 5-10% in the relevant coal markets, and 5-10% and 15-20% in the steel sector. Given the fragmented nature of these markets and the presence of significant competitors, the CCI concluded that the transactions are unlikely to cause any appreciable adverse effect on competition.

Accordingly, on careful evaluation under Section 20(4) of the Act, the CCI approved the proposed combination under Section 31(1) via its order dated February 18, 2025.

CCI APPROVES ACQUISITION OF RAJ PETRO SPECIALITIES BY SHELL GROUP ENTITIES

The CCI, *vide* an order dated March 4, 2025, approved the acquisition of 100% of the subscribed and paid-up equity share capital of Raj Petro Specialities Private Limited (**Target**) by Shell Deutschland GmbH (**Acquirer 1**) and Shell Overseas Investments B.V. (**Acquirer 2**) (the transaction is referred to as the "**Proposed Transaction**").

The CCI noted that businesses of the parties exhibit horizontal overlaps in the manufacture and sale of lubricants, including, industrial, commercial, and consumer segments as well as coolants, with combined market shares predominantly in the range of 0-10% and modest increments of 0-5% will not likely to raise any competition concerns.

With regards to the vertical overlap, CCI noted that the Acquirer group's base-oil production and the Target's lubricant manufacturing, exhibit vertical relationship. However, given the meagre market share and presence of significant competition in the market, CCI approved the proposed transaction.

CCI APPROVES AMALGAMATION OF SVATANTRA GROUP ENTITIES

The CCI, *vide* its order dated February 18, 2025, approved the scheme of amalgamation whereby Chaitanya India Fin Credit Private Limited ("**Chaitanya**") and Svatantra Holdings Private Limited (**Svatantra Holdings**) merged into Svatantra Microfin Private Limited (**Svatantra Microfin**) – which is the surviving entity.

The CCI noted that Chaitanya is already a wholly owned subsidiary of Svatantra Microfin and that Svatantra Holdings functions solely as a holding company, with no independent operations beyond its minority stake in Svatantra Microfin and Svatantra Micro Housing Finance. The CCI further noted that key investors already hold governance rights across the entities involved and that combined market presence in broader lending and narrower retail-loans segments is negligible.

Concluding that the transaction would not alter control or competition dynamics in any plausible market, the CCI granted approval to the amalgamation.

CCI APPROVES GOOGLE SETTLEMENT IN ANDROID TV ANTI-TRUST CASE

The CCI, *via* its order dated April 21, 2025, in Case No. 19 of 2020, accepted a first of its kind settlement application by Google LLC and Google India Pvt. Ltd. in a matter initiated on information filed by Kshitiz Arya and Purushottam Anand under Section 19(1)(a) of the Act. The dispute centred on Google's Television App Distribution Agreement (**TADA**) and Android Compatibility Commitments (**ACC**), which the Director General found imposed unfair conditions, tying the Play Store with other Google TV services (including YouTube) and barring device-makers from using Android forks. Under the settlement, Google offered to introduce a "New India Agreement" license allowing OEMs to preinstall the Google Play Store and Play Services without any obligation to load other Google apps, waive ACC requirements for devices that ship without Google apps, and remind partners of their rights to use Android Open Source Project and competing Operating Systems. Google has committed to these measures for five years and paid a settlement amount of INR 20.24 crores.

The CCI noted that these remedies directly address the DG's findings, namely, the mandatory bundling of Google's full app suite under TADA and the denial of market access for Android forks by untying the Play Store and removing barriers to alternative operating systems. With compliance monitored through annual reports over the five-year term and legal safeguards for enforcement, the CCI concluded that competition concerns are sufficiently mitigated and closed the proceedings without imposing further penalties.

DISPUTE RESOLUTION

ARBITRATION UPDATES

SIAC RULES 2025 COME INTO FORCE

The Singapore International Arbitration Centre (**SIAC**) has brought into effect the 7th Edition of its Arbitration Rules from 1st January 2025. These revised Rules follow extensive global stakeholder consultation and introduce several notable procedural enhancements, aimed at increasing the efficiency and flexibility of SIAC-administered arbitrations. Amongst the key changes is the launch of the SIAC Gateway—an integrated electronic platform for all filings and case-related communication—which aims to simplify and centralize procedural interactions. The Rules also consolidate existing practices and introduce new features to address the growing complexity and multi-party nature of commercial disputes.

Strengthened Emergency Arbitrator Mechanism

The 2025 SIAC Rules strengthen the emergency arbitrator (**EA**) framework by allowing the issuance of preliminary orders on an ex-parte basis within 24 hours of appointment, where it's necessary to preserve assets or prevent imminent harm. These preliminary orders may be followed by a final decision within 14 days. Significantly, the Rules now allow a party to apply for emergency relief even before filing a Notice of Arbitration, provided that the notice is submitted within seven days thereafter. These changes are expected to make the emergency arbitration mechanism more accessible and effective in protecting parties' rights in urgent situations.

Streamlined and Expedited Procedures for Small and Mid-Value Claims

To address the growing number of lower-value arbitrations, SIAC has introduced a new "Streamlined Procedure" applicable to disputes valued less than SGD 1 million. This procedure dispenses with oral hearings, document production, and witness testimony; and is conducted entirely based on written submissions before a sole arbitrator. Separately, the threshold for SIAC's existing "Expedited Procedure" has been raised from SGD 6 million to SGD 10 million. These changes aim to reduce the time and costs of arbitration, particularly for SMEs and parties in emerging markets.

Greater Flexibility in Multi-Contract and Multi-Party Arbitrations

The revised Rules introduce mechanisms to allow greater procedural coordination in multi-contract and multi-party disputes. Specifically, SIAC may now permit two or more arbitrations involving common questions of fact or law to be conducted together, concurrently, or sequentially, even where the parties are not the same. This is expected to streamline proceedings, reduce duplicity, and ensure consistency in outcomes where disputes are contractually or factually interlinked.

Mandatory Disclosure of Third-Party Funding

A notable addition to the 2025 SIAC Rules is the requirement for parties to disclose the existence of any third-party funding arrangements, along with the identity and contact details of the funder. This disclosure must be made at the time of filing the Notice of Arbitration or upon finalization of the funding arrangement. Furthermore, the Rules restrict a party from entering into third-party funding agreements after the tribunal has been constituted, where such funding may give rise to a conflict of interest. These changes reflect SIAC's commitment to promoting transparency and integrity in proceedings.

Revised Fee Schedule

SIAC has introduced a revised fee schedule under the 2025 Rules, reflecting an increase in the filing and administrative fees to account for the expanded institutional services and digital infrastructure. However, to ensure cost-accessibility for smaller disputes, SIAC has introduced a discounted administrative fee under the Streamlined Procedure, set at 50% of the standard rate. This is expected to encourage the

use of institutional arbitration in lower-value claims that may otherwise be deterred by cost considerations.

SUPREME COURT CLARIFIES LIMITATION COMPUTATION FOR SECTION 34 PETITIONS

In *R.K. Transport Co. v. Bharat Aluminium Co. Ltd.* (2025 INSC 438), the Supreme Court of India clarified the method of calculating the limitation period under Section 34(3) of the Arbitration and Conciliation Act, 1996. The Court held that the three-month period for challenging an arbitral award excludes the date of receipt of the award in accordance with Section 12(1) of the Limitation Act, 1963. Additionally, if the deadline falls on a court holiday, the petition may be filed on the next working day by virtue of Section 4 of the Limitation Act. The Court also confirmed that the limitation period should be computed using the "calendar month" method, and not the fixed 90-day count. This ruling provides greater procedural certainty and prevents inadvertent rejection of petitions due to mere technicalities in date calculation.

VALIDITY OF EXCLUSIVE JURISDICTION CLAUSES IN EMPLOYMENT CONTRACTS

In *Rakesh Kumar Verma v. HDFC Bank Ltd.* and *HDFC Bank Ltd. v. Deepti Bhatia* (2025 INSC 473), the Supreme Court upheld the validity of exclusive jurisdiction clauses contained in employment agreements. The Court observed that such clauses are valid and do not contravene Section 28 of the Indian Contract Act, 1872, so long as they confer jurisdiction on a court of competent authority and clearly reflect mutual intent. While the clauses in question conferred jurisdiction on courts in Mumbai, the Supreme Court directed that the suits filed in Delhi were to be returned—not rejected—so that the plaintiffs could refile in the appropriate forum. The Court also clarified that such plaintiffs could seek exclusion of the time spent in the wrong forum when computing the period of limitation under Section 14 of the Limitation Act, 1963. This decision strengthens the enforceability of contractual forum selection clauses, while parallelly ensuring procedural fairness for employees.

ARBITRAL TRIBUNAL CAN IMPLEAD NON-SIGNATORIES IF BOUND BY ARBITRATION AGREEMENT

In *Adavya Projects Pvt. Ltd. v. Vishal Structurals Pvt. Ltd. and Ors.* (2025 INSC 507), the Supreme Court, by judgment dated 17.04.2025, clarified that an arbitral tribunal has the jurisdiction to implead non-signatories to arbitration proceedings if they are found to be bound by the arbitration agreement. The Court ruled that neither the non-service of a notice under Section 21 of the Arbitration and Conciliation Act, 1996 **("A&C Act")** nor exclusion from a Section 11of the A&C Act application, is determinative of jurisdiction. The dispute arose from a Limited Liability Partnership Agreement under which Adavya Projects initiated arbitration against only one of the parties and later sought to implead two others based on their participation in the contractual relationship. The arbitral tribunal and Delhi High Court had earlier ruled that these additional parties could not be impleaded, citing procedural grounds. However, the Supreme Court reversed these findings, holding that the tribunal failed to exercise its jurisdiction under the principle of *kompetenz-kompetenz*. The Court emphasized that the tribunal must independently determine whether non-signatories have consented to arbitration through their conduct and role under the agreement. It held that R2 and R3, though non-signatories, had effectively bound themselves to the arbitration clause and therefore, the court directed that they be impleaded. The decision underscores that although service under Section 21 is mandatory, but the lack of such service is not fatal where the parties are otherwise bound. The Court also urged for expeditious completion of the proceedings, recognizing that the claim had been pending since 2022.

FOURTH SCHEDULE OF THE A&C ACT NOT APPLICABLE TO INTERNATIONAL COMMERCIAL ARBITRATIONS

In *National Highway Authority of India v. Ssangyong Engineering & Construction Co. Ltd.* (2025 DHC 2110), the Delhi High Court, in its decision dated 28.03.2025, ruled that the fee structure prescribed under the Fourth Schedule of the A&C Act does not apply to international commercial arbitrations. The dispute stemmed from a contract for highway construction, where the arbitral tribunal had fixed its fees per sitting without a cap, and the petitioner sought to limit the fees to Rs. 30,00,000 per arbitrator as per the Fourth Schedule. The High Court rejected this plea, finding that the petitioner's contention of "unilateral fixation" was unsupported by the pleadings, and that the tribunal had acted within its authority. The Court placed reliance on the Supreme Court's ruling in *ONGC Ltd. v. Afcons Gunanusa JV*, which emphasized the importance of party autonomy in fee determination. The Court also clarified that the Fourth Schedule is not mandatorily applicable in international commercial arbitrations under the combined reading of Section 2(1)(f)(ii) and the explanation attached to Section 11(14) of the A&C Act. Accordingly, the arbitral tribunal's decision to reject the request for fee modification was upheld, and the Court declined to exercise its writ jurisdiction in the absence of any exceptional circumstances or mala fides.

DELIVERY OF AWARD TO HOLDER OF POWER OF ATTORNEY IN COMPLIANCE WITH SECTION 31(5) A&C ACT

In *Kiran Suran v. Satish Kumar and Ors.* (2025 DHC 2365-DB), the Delhi High Court in its decision dated 07.04.2025, held that delivery of an arbitral award to a duly authorized Power of Attorney (**PoA**) holder who has also represented the party during the arbitration proceedings constitutes a valid compliance of Section 31(5) of the A&C Act. The appellant had sought condonation of a 287-day delay in filing a Section

34 petition to set aside an arbitral award, arguing that she was unaware of the proceedings and had not received a copy of the award. She alleged that her mother had unauthorizedly represented her based on a forged PoA. The Commercial Court had previously rejected the plea, finding her aware of the award based on contemporaneous correspondence. The Division Bench upheld this view, observing that the PoA holder had been served and had even participated in the proceedings. The Court emphasized that once an award is served on an authorized representative, the limitation period under Section 34(3) gets triggered. The Court further held that technical objections of non-service cannot be raised to extend limitation indefinitely, particularly when the party has taken no steps to challenge representation or raise objections in a timely manner. The ruling reinforces the object of the A&C Act to ensure efficient dispute resolution and prevent abuse of process through belated claims of non-receipt.

GOVERNMENT OF ASSAM REVISES PROFESSIONAL TAX SLABS FOR WAGE AND SALARY EARNERS

The Government of Assam, Finance Taxation Department has issued a notification dated and effective from April 1, 2025, under the Assam Professions, Trades, Callings, and Employments Taxation Act, 1947. The said notification revises the professional tax slab rates for wage and salary earners.

According to the revised schedule, employees earning up to INR 15,000 (Rupees Fifteen Thousand) per month are exempt from paying professional tax. For those with monthly salaries ranging from INR 15,001 (Rupees Fifteen Thousand and One) but less than INR 25,000 (Rupees Twenty Five Thousand), the tax is set at INR 180 (Rupees One Hundred Eighty) per month, while individuals earning INR 25,000 (Rupees Twenty Five Thousand) or above will contribute INR 208 (Rupees Two Hundred Eight) per month.

BONUS ENTITLEMENT FOR WORKERS IN TRUST-OPERATED FACTORIES: SUPREME COURT OF INDIA

The Supreme Court of India, in the case of *The Management of Worth Trust v. The Secretary, Worth Trust's Union,* vide judgement dated April 2, 2025, has ruled that workers employed in factories under the umbrella of a charitable trust cannot be denied benefits under the Payment of Bonus Act, 1965.

The case involved the 'Workshop for Rehabilitation and Training of the Handicapped Trust', originally established by the Swedish Red Cross Society, which argued that it was exempt from paying bonuses under Section 32(v)(a) or (c) of the Payment of Bonus Act, 1965. The workers' union contended that since the trust engaged in commercial activities, including manufacturing and sale of automobile parts in its factories, and profits are being generated, its employees were entitled to statutory bonuses.

The Supreme Court upheld the decision of High Court of Madras, affirming that the trust's industrial operations fall under the Factories Act, 1948, and the Industrial Disputes Act, 1947, making the workers eligible for bonuses. The judgment emphasized that charitable activities do not exempt an organization from fulfilling statutory obligations toward its employees and thus the trust was directed to pay bonuses to its workmen as per the provisions of the Payment of Bonus Act, 1965.

EMPLOYEES' PROVIDENT FUND ORGANISATION INTRODUCES REFORMS FOR FASTER CLAIM SETTLEMENTS AND SIMPLIFIED BANK VERIFICATION

The Employees' Provident Fund Organisation ("**EPFO**") through a circular dated April 3, 2025 has removed certain requirements for online claim settlement process in order to facilitate the speedy settlement of claims filed online and to reduce the rejection of claims due to the non-fulfilment of the removed requirements. Under the new circular, members are no longer required to upload an image of their cheque leaf or attested bank passbook while filing claims online, provided their bank account seeded with the Universal Account Number (UAN) is validated by the concerned bank or the National Payments Corporation of India ("**NPCI**").

Furthermore, the EPFO has removed the requirement for employer approval in the bank account seeding process, allowing automatic approval of pending Know Your Client ("**KYC**") seeding requests once verification from the bank or NPCI is completed.

EXCLUSIVE JURISDICTION CLAUSES UPHELD IN PRIVATE EMPLOYMENT CONTRACTS: SUPREME COURT OF INDIA

The Supreme Court of India, in the case of *Rakesh Kumar Verma v. HDFC Bank Ltd.*, on April 8, 2025, has upheld the validity of exclusive jurisdiction clauses in private employment contracts. The dispute arose when 2 (Two)

employees of HDFC Bank Ltd. *i.e.* Rakesh Kumar Verma and Deepti Sharma, were terminated from their respective posts. Their employment contracts contained exclusive jurisdiction clauses conferring jurisdiction on courts in Mumbai. Contrary to these clauses, Rakesh filed a civil suit in Patna, and Deepti initiated proceedings in Delhi. HDFC Bank moved applications to reject the plaints on the ground of lack of jurisdiction. The Supreme Court ruled that such clauses are enforceable if they are clearly worded and do not violate Section 28 of the Indian Contract Act, 1872, or Section 20 of the Civil Procedure Code, 1908 and designate a court that inherently possesses jurisdiction. It laid down a 3 (Three) part test for assessing these clauses: (a) they must not bar legal remedies entirely, (b) must choose a court that has jurisdiction under the law, and (c) must explicitly exclude other courts.

The ruling clarified that while public employment involves constitutional and statutory protections, private employment is governed by contract law, and parties are bound by mutually agreed terms, including jurisdiction. The Supreme Court also dismissed concerns about unequal bargaining power in private employment contracts, reinforcing that all contracts are presumed valid unless legally flawed.

GOVERNMENT OF HARYANA NOTIFIES THE HARYANA CONTRACTUAL EMPLOYEES (SECURITY OF SERVICE) AMENDMENT ACT, 2025

The Government of Haryana has notified the Haryana Contractual Employees (Security of Service) Amendment Act, 2025 on April 9, 2025 amending the Haryana Contractual Employees (Security of Service) Act, 2024. The amendment has been made in effect retroactively from January 31, 2025.

The notification amends Explanation 2 to clause (ii) of section 3 in the Haryana Contractual Employees (Security of Service) Act, 2024 to replace words "in a calendar year" with "during a period of one year contractual service," clarifying the duration considered for employment security calculations. Additionally, the Haryana Contractual Employees (Security of Service) Amendment Ordinance, 2025 has been repealed. However, actions taken under the said ordinance will continue to be recognized under this amended act.

PUBLIC UTILITY STATUS FOR IRON ORE MINING INDUSTRY EXTENDED UNTIL OCTOBER 2025

The Ministry of Labour and Employment, Government of India through a gazette notification dated April 11, 2025, has extended the designation of a public utility service to the iron ore mining industry under the Industrial Disputes Act, 1947, for an additional 6 (Six) months, effective from April 14, 2025. This decision follows an earlier notification issued on October 14, 2024, which initially granted the industry public utility status for 6 (Six) months.

The extension is based on the government's assessment that maintaining this status is necessary for public interest. Declaring an industry as a public utility service imposes specific obligations on employers and workers, including restrictions on strikes and mandatory dispute resolution mechanisms to ensure continued operations.

GOVERNMENT OF PUNJAB REVISES MINIMUM WAGE RATES FOR UNSKILLED WORKERS AND ACROSS OTHER CATEGORIES OF WORKERS IN RESPECT OF SCHEDULED EMPLOYMENT

The Model Welfare Centre, Government of Punjab vide notification no. ST/8340 dated April 16, 2025 announced a revision in minimum wage rates for unskilled workers and other categories of workers in scheduled employment, effective March 1, 2025. The adjustment is based on the new Consumer Price Index for industrial workers with a base of 2016=100, replacing the previous series linked to the 2001 base index.

Under the revised wage structure, unskilled workers will receive INR 11,389.64 (Rupees Eleven Thousand Three Hundred Eighty-Nine and Sixty-Four Paise) per month, semi-skilled workers will now earn INR 12,169.64 (Rupees Twelve Thousand One Hundred Sixty Nine and Sixty Four Paise), while skilled workers will receive INR 13,066.64 (Rupees Thirteen Thousand Sixty Six and Sixty-Four Paise) per month. Highly skilled workers have also seen a wage hike, with new rates set at INR 14,098.64 (Rupees Fourteen Thousand Ninety-Eight and Sixty-Four Paise) monthly. The notification extends to outsourced and casual staff employed by the Punjab Government, local authorities, and affiliated boards and corporations. Staff categories A, B, C and D have received proportional wage increases, with category staff A entitled to INR 16,559.64 (Rupees Sixteen Thousand Five Hundred Fifty Nine Six Four Paise) per month, Category B INR 14,889.64 (Rupees Fourteen Thousand Eight Hundred Eighty Nine Sixty Four Paise), Category C INR 13,389.64 (Rupees Thirteen Thousand Three Hundred Eighty Nine Sixty Four Paise), and Category D INR 12,189.64 (Rupees Twelve Thousand One Hundred Eighty Nine Sixty Four Paise).

Additionally, agricultural labour wages have been adjusted, with annual consolidated pay for unskilled attached workers now at INR 77,086.64 (Rupees Seventy-Seven Thousand and Eighty-Six Sixty Four Paise). Daily wage rates for other agricultural labour have increased from INR 410.97 (Rupees Four Hundred Ten Ninety-Seven Paise) with meals to INR 456.91 without meals. The brick kiln industry, which operates on piece rates per 1,000 (One Thousand) bricks, has also seen new wage rates.

PERSON IN SUPERVISORY ROLE LIABLE FOR NON-REMITTANCE OF ESI CONTRIBUTIONS REGARDLESS OF DESIGNATION: SUPREME COURT OF INDIA

The Supreme Court of India in its judgment dated April 17, 2025, in the case of *Ajay Raj Shetty v. Director*, has clarified that individuals in supervisory roles can be held liable for non-remittance of Employees' State Insurance ("**ESI**") contributions, irrespective of their official designation. The ruling emphasized that under Section 2(17) of the Employees' State Insurance Act, 1948 ("**ESI Act**"), a person exercising supervision and control over an establishment can be deemed a 'principal employer,' even if their designation does not explicitly reflect this role.

In the aforementioned case, M/s Electriex (India) Ltd. was declared a sick company by Board for Industrial and Financial Reconstruction in 2001, leading to legal proceedings on its management and financial obligations. In 2011, ESI Corporation officials found that INR 8,26,696 deducted from employees' salaries had not been remitted. Official records listed Mr. Ajay Raj Shetty as General Manager and Principal Employer, making him liable under the ESI Act, 1948. The trial court sentenced him to 6 months' imprisonment and INR 5,000 fine, a decision upheld by appellate court.

The Supreme Court of India ruled that under Section 2(17) of the ESI Act, 1948, supervisory responsibility determines liability regardless of formal designation. It rejected the defence that Mr. Ajay Shetty lacked financial authority and found that he failed to provide evidence proving otherwise. The Supreme Court dismissed the appeal, instructing Mr. Ajay Shetty to undergo the prescribed sentence.

GOVERNMENT OF TELANGANA ISSUES NEW DRAFT BILL FOR GIG AND PLATFORM WORKERS' WELFARE AND RIGHTS

The Government of Telangana in April 2025, released the draft Telangana Gig and Platform Workers (Registration, Social Security and Welfare) Act, 2025, for providing comprehensive social security, health, safety and welfare measures as well as employment and service conditions for gig and platform workers across the state of Telangana. The proposed legislation extends to every aggregator, platform and primary employer operating within Telangana's borders, including those based elsewhere but delivering one or more services in the state of Telangana and it covers all gig and platform workers who are registered with the Telangana Gig and Platform Workers Welfare Board ("**Board**") which shall be constituted on the date of effect of the draft bill.

Under the draft bill, every gig and platform worker shall have the right to be registered with state government upon onboarding and be provided with a Unique Identification Number ("**UID**"), applicable across all platforms, and shall have access to social-security schemes once they meet a minimum level of gig activity with any aggregator or platforms in a quarter. The Board, headquartered in Hyderabad, will oversee scheme implementation, UID issuance, data security, and a dedicated grievance-redressal mechanism designed to resolve complaints and disputes swiftly.

Every aggregator and platforms shall be required to register with the Board within 45 days from the date of commencement of the said act, and shall submit to the Board its databases of all gig and platform workers onboarded and registered with them within 60 days from the date of commencement of the said act, such data shall be electronically shared with the Board for their registration.
The aggregator/platform shall be required to maintain transparency by informing the platform and gig worker in simple language known to each worker regarding the procedure to seek information in respect of the automated monitoring and decision making systems employed by the aggregator/platform as well as implement proactive measures preventing discrimination on grounds of religion, caste, gender, disability or place of birth, including regular audits of their algorithmic processes.

Before the said bill is finalized and enacted, the Telangana government has invited feedback from stakeholders including written submissions and online consultations on or before April 28, 2025 which has been extended by 3 weeks.

AADHAR CARD MANDATORY FOR FARMERS' BENEFITS UNDER THE PRADHAN MANTRI ANNADATA AAY SANRAKSHAN ABHIYAN

The Ministry of Agriculture and Farmers' Welfare, Government of India has issued a notification dated and effective from April 21, 2025, requiring Aadhaar authentication for farmers seeking benefits under the Pradhan Mantri Annadata Aay Sanrakshan Abhiyan (PM-AASHA) scheme. The directive mandates that beneficiaries must either, undergo authentication, provide proof of possession of Aadhaar number or apply for enrolment in the event the individual does not already have an Aadhaar number. It aims to integrate Aadhaar based identity verification into agricultural subsidy programs for more efficient implementation.

Under the notification, the National Agricultural Cooperative Marketing Federation of India Limited and National Co-operative Consumers' Federation of India Limited through the state level agencies shall ensure enrolment of beneficiaries who are yet to be enrolled or update their Aadhaar through appropriate measures. Till such time an Aadhaar number is assigned to a beneficiary, the said beneficiary can establish their identity using alternative documents, including but not limited to acknowledgment of enrolment in Aadhar, voter ID, ration card, passport, or driving license.

RBI REVISES GUIDELINES FOR OPENING AND OPERATION OF DEPOSIT ACCOUNTS OF MINORS

The Reserve Bank of India ("**RBI**") revised its guidelines on the 'Opening and Operation of Deposit Accounts of Minors' ("**Revised Guidelines**"), with effect from April 1, 2025 (*accessible here*). Under the Revised Guidelines: (a) minors of any age may open and operate savings and term deposit accounts through a natural or legal guardian, including the mother as guardian; (b) minors above 10 years may independently open and operate such accounts subject to banks' risk management policies, with terms to be clearly communicated; (c) upon attaining majority, fresh operating instructions and specimen signatures must be obtained, and balances confirmed if operated through a guardian; (d) banks may offer additional facilities such as internet banking, debit cards, and cheque books to minor account holders, ensuring that accounts always maintain a credit balance and conducting customer due diligence as per the KYC Master Directions. These Revised Guidelines repeal earlier circulars from the effective date.

RBI CAPS MAXIMUM COMPOUNDING AMOUNT AT ₹2 LAKH FOR CERTAIN FEMA CONTRAVENTIONS

The RBI, through a circular dated April 24, 2025 (*accessible here*), has amended its Master Directions on compounding contraventions under the Foreign Exchange Management Act (FEMA), 1999, ("**Master Directions**") by introducing a new provision (Para 5.4.II.vi) that caps the maximum compounding amount at ₹2,00,000 per contravention, subject to the compounding authority's discretion based on the nature of contravention, exceptional circumstances, and public interest. This cap specifically applies to contraventions listed under row 5 of the computation matrix in the Master Directions (*accessible here*).

RBI INTRODUCES 'ON TAP' APPLICATION FACILITY FOR THEME-NEUTRAL REGULATORY SANDBOX

The RBI has expanded its Regulatory Sandbox framework by allowing 'Theme Neutral' applications under an 'On Tap' facility, as announced in the Statement on Developmental and Regulatory Policies on April 9, 2025 (*accessible here*). This initiative enables entities to submit applications at any time to test innovative products or solutions falling within the RBI's regulatory ambit. Applications may involve emerging areas *inter alia* digital financial literacy, alternate credit scoring, e-KYC, AI, Blockchain, RegTech, SupTech, sustainable finance, financial inclusion, grievance redressal, etc.

RBI RELEASED DRAFT RBI (CO-LENDING ARRANGEMENTS) DIRECTIONS, 2025

The RBI on April 9, 2025 released the Draft Reserve Bank of India (Co-Lending Arrangements) Directions, 2025 (accessible here), expanding the regulatory framework for co-lending arrangements ("CLAs") beyond the earlier priority sector lending ("PSL") regime ("Draft CLA Directions"). The Draft CLA Directions are applicable to commercial banks (excluding SFBs, RRBs, and LABs), All-India financial institutions, and all NBFCs (including HFCs) ("Permitted REs"). It defines CLAs as formal agreements involving joint funding, risk sharing, and sourcing or servicing by only REs and prohibits co-lending with non-REs, and all such arrangements must comply with extensive disclosure and internal documentation requirements, including blended interest rate mechanisms, borrower disclosures through Key Fact Statements, and publicly available information on Permitted REs' websites.

The Draft CLA Directions further provides that each loan under a CLA must be jointly funded from first disbursement through a non-discretionary ex-ante Inter Creditor Agreement, with REs ensuring compliance via audit oversight and maintaining continuity plans to safeguard borrower

servicing. This marks a shift from the earlier PSL co-lending model, where banks retained discretion to assume or reject individual loan exposures. Disbursements must be routed through an escrow account, and each RE must independently comply with KYC obligations. While the earlier 20% minimum risk share requirement for NBFCs has been dropped, the Draft CLA Directions allow default loss guarantees (DLG) up to 5% of the outstanding loan amount, extending the June 2023 DLG Guidelines (originally limited to digital lending) to all CLAs.

The draft CLA Directions is open for stakeholder feedback until May 12, 2025.

RBI MANDATES MIGRATIONS OF BANK WEBSITES TO '.BANK.IN' DOMAIN TO STRENGTHEN CYBERSECURITY FRAMEWORK

The RBI has announced the operationalisation of the exclusive '.bank.in' internet domain for banks, as part of its initiative to enhance trust in the financial sector and combat rising digital payment frauds (*accessible here*). The Institute for Development and Research in Banking Technology (IDRBT), authorised by the National Internet Exchange of India (NIXI) under MeitY, will serve as the sole registrar for this domain. Banks must initiate the registration process by contacting IDRBT at sahyog@idrbt.ac.in and are required to complete the migration to the '.bank.in' domain by October 31, 2025.

RBI LAUNCHES VERIFIED WHATSAPP CHANNEL TO STRENGTHEN PUBLIC AWARENESS

The RBI has expanded its public awareness initiatives under the 'RBI Kehta Hai' campaign by launching a verified 'Reserve Bank of India' account on WhatsApp (*accessible here*). This new channel aims to deliver important financial information directly to the public in a simple, accessible, and effective manner, complementing RBI's existing outreach through text messages, television, and digital advertisements. By leveraging WhatsApp's wide reach, the RBI seeks to ensure that vital messages related to financial literacy, consumer protection, and digital finance security are accessible across all geographies, thereby enhancing trust, transparency, and resilience within India's digital financial ecosystem.

RBI MANDATES PROCESSING OF REGULATORY APPLICATIONS THROUGH PRAVAAH PORTAL

The RBI has launched the PRAVAAH (Platform for Regulatory Application, Validation And Authorisation) portal to streamline online applications for regulatory authorisations, licenses, and approvals, ensuring efficient, secure, and transparent service delivery (*accessible here*). Effective May 1, 2025, all applicants, including REs, must submit their applications through PRAVAAH using the prescribed forms, while those unable to do so can continue submitting directly to RBI, which will then process them through PRAVAAH (*accessible here*). The portal allows applicants to track status updates via SMS and email, and offers features for submitting additional information, along with access to a user manual, FAQs, and videos for guidance.

RBI PERMITS NPCI TO REVISE UPI P2M TRANSACTION LIMITS

The RBI has empowered National Payments Corporation of India ("**NPCI**") to revise the transaction cap for Unified Payments Interface ("**UPI**") person-to-merchant ("**P2M**") payments beyond the existing ₹2 lakh limit (*accessible here*), to accommodate emerging use cases. The ₹1 lakh cap for UPI person-to-person ("**P2P**") transactions remains unchanged, while banks may continue to prescribe their own limits within NPCI's revised thresholds, subject to risk safeguards.

NPCI MANDATES DISPLAY OF ULTIMATE BENEFICIARY NAME IN UPI TRANSACTIONS

NPCI has issued an addendum (*accessible here*) mandating that only the ultimate beneficiary name (as per bank records) be displayed during P2P and P2M transactions on UPI apps, replacing aliases or names from QR codes. Apps must also remove any feature that lets users alter the beneficiary's name within the interface. All UPI ecosystem members to adhere to the same June 30, 2025, post which it shall be treated as non-compliance.

NPCI TIGHTENS CONTROLS ON UPI API USAGE TO PREVENT SYSTEM OVERLOAD

NPCI has issued a circular (*accessible here*) mandating stricter controls on the use of UPI APIs to address system overloads caused by excessive "check transaction status" calls. PSP and acquiring banks must now initiate such API calls only after a defined cooling period—initially 90 seconds, later 45–60 seconds post-authentication and limit them to three per transaction within a two-hour window. Standalone or unintended API usage is prohibited without prior approval, and all banks must conduct immediate and annual audits via CERT-In empanelled auditors. Non-compliance may attract penal action, with rate limiters also under consideration to safeguard UPI system stability.

RECIPROCAL TARIFFS AND INDIA: AN INTERNATIONAL TRADE PERSPECTIVE

Reciprocal tariffs—duties imposed in response to similar measures by a trade partner—are a strategic instrument in international trade diplomacy. They function not merely as economic countermeasures but also as legal and political tools to promote equity, defend against protectionism, and negotiate fairer trade relationships.

For India, reciprocal tariffs have increasingly become part of a recalibrated trade strategy that emphasizes strategic autonomy, domestic industrial growth, and fair market access. This approach aligns with India's dual commitment to safeguarding its economic interests while supporting a transparent, rules-based multilateral trading system under the aegis of the World Trade Organization (WTO).

India's strategic use of reciprocal tariffs serves multiple trade law and economic objectives, notably the protection of domestic industries such as agriculture, electronics, and steel, which have gained temporary relief from foreign competition under initiatives like Make in India and Atmanirbhar Bharat. These tariffs also function as leverage in trade negotiations, as seen in the U.S. retaliatory tariff case, which helped revive discussions on GSP status and broader trade normalization. Additionally, while they cannot fully resolve structural imbalances like the USD 101.02 billion trade deficit with China in FY 2022–23, reciprocal tariffs act as a signalling tool to reduce dependency on specific trade partners and encourage domestic alternatives in critical sectors.

U.S. Reciprocal Tariffs Under Trump – II and India

The U.S. has announced Reciprocal tariffs which have been calculated as the tariff rate necessary to balance bilateral trade deficits between the U.S. and each of their trading partners. For India this is calculated at 26%. While the Trump administration later temporarily paused the implementation of the reciprocal tariffs, a 10% baseline tariff, since April 5, remains in force.

Crucially, punitive Section 232 tariffs on steel, aluminum, and automobiles remain unchanged, preserving existing trade frictions in these key sectors. However, the continued exemption of pharmaceuticals, semiconductors, and critical minerals suggests a selective and strategic application of protectionism, with potential room for escalation, especially as Trump warns of possible future tariffs on the pharmaceutical industry.

India’s diplomatic outreach, including recent discussions between External Affairs Minister S. Jaishankar and U.S. Secretary of State Marco Rubio, underlines its intent to secure broader tariff relief. As the only country in active trade negotiations with the U.S. since the beginning of the Trump administration, India is uniquely positioned to shape a mutually beneficial trade framework.

India’s Application of Reciprocal Tariffs in the past

A. U.S.–India Trade Dispute (2018–2020)

In 2018, the United States imposed tariffs of 25% on steel and 10% on aluminum imports under Section 232 of the Trade Expansion Act, citing national security concerns. These measures impacted Indian exports significantly. In response, India notified the WTO and introduced retaliatory tariffs worth approximately USD 1.4 billion on 28 U.S. products, including almonds, apples, and chemical goods.

After multiple postponements in light of bilateral negotiations, these tariffs were implemented in June 2019. The dispute also led to India being removed from the Generalized System of Preferences (GSP) in 2019, under which Indian exports previously enjoyed duty-free access to the U.S. market. These developments marked a turning point in U.S.–India trade dynamics,

wherein tariffs became a negotiation tool rather than mere trade barriers.

B. Measures Against China Post-Galwan (2020)

In the wake of the Galwan Valley clashes in June 2020, India undertook a suite of economic and trade responses, many of which—while not strictly reciprocal tariffs—aligned with broader global practices linking trade to national security.

These included:

- Increased customs duties on imports such as electronics, toys, and furniture.
- Banning over 200 Chinese mobile applications citing cybersecurity threats.
- Tightening FDI rules, requiring prior government approval for investments from countries sharing land borders with India, including China.

These measures sought to curtail economic dependence on a single source and were underpinned by national security exceptions under WTO law (Article XXI of GATT).

C. Withdrawal of MFN Status from Pakistan (2019)

Following the Pulwama terrorist attack in February 2019, India revoked Pakistan's Most Favored Nation (MFN) status, raising tariffs on Pakistani imports to 200%. Although this was a unilateral move grounded in national security imperatives, it served as a demonstration of India's willingness to leverage tariff instruments for broader geopolitical and trade policy goals.

Challenges and Legal Considerations

A. Risk of Trade Retaliation and Disputes

Reciprocal tariffs, though legally justifiable, can escalate into protracted disputes if perceived as excessive or discriminatory. Compliance with WTO rules on MFN and national treatment remains essential to preserving legal defensibility.

B. Economic Costs and Consumer Impact

Higher tariffs may increase input costs for industries dependent on imported components and raise consumer prices, especially in sensitive sectors such as consumer electronics and pharmaceuticals.

C. Multilateral System Integrity

India has consistently voiced support for a reformed and robust WTO and must ensure that its tariff actions align with broader multilateral commitments, including transparency and proportionality in trade defense instruments.

DSK View

Reciprocal tariffs constitute a critical component of India's evolving trade strategy—used to safeguard strategic sectors, compel fair negotiations, and address trade asymmetries. Their application must remain judicious, WTO-consistent, and strategically aligned with broader policy goals.

With recent developments in U.S. policy—such as enhanced visa facilitation, a recalibrated H-1B regime, and active trade engagement—India finds itself well-positioned to transition from tariff-based defense to proactive global integration.

Going forward, India's challenge will be to leverage ongoing talks to convert the current pause in punitive tariffs into a more comprehensive and durable exemption, possibly through an FTA, thereby stabilizing export flows and ensuring predictability for Indian industries.

MEDIA & ENTERTAINMENT

DELHI HIGH COURT RULES INFLUENCERS CAN CRITICISE BRANDS IF BACKED BY FACTS

The Delhi High Court ("Court") ruled that social media influencers can criticize brands if their statements are backed by credible evidence. This decision came from a case where influencer Arpit Mangal along with three other influencers claimed that San Nutrition's whey protein had less protein than advertised by the brand, and such reviews were supported by lab tests. The Court rejected San Nutrition's request to block these reviews, citing the influencers' right to free speech as a fundamental right. It also dismissed claims of defamation and trademark infringement, noting that reviews don't constitute commercial use. The judgment supports influencers as both promoters and watchdogs and is set to influence future advertising regulations in India. Legal experts see this as a step towards clearer guidelines for influencer marketing, with the Advertising Standards Council of India (ASCI) likely to take note as it refines its regulatory framework. San Nutrition's lawsuit will proceed to a full trial, but the court's refusal to grant an interim injunction allows the influencers to continue their reviews pending the final outcome.

DELHI HIGHT COURT ORDERS A.R RAHMAN, PONNIYIN SELVAN 2 MAKERS TO DEPOSIT ₹2 CR OVER COPYRIGHT DISPUTE

The Delhi High Court ("Court") has ordered music composer A.R. Rahman and production house Madras Talkies to deposit ₹2 crore in relation to a copyright suit filed by singer Faiyaz Wasifuddin Dagar. The case involves allegations that the song 'Veera Raja Veera' from the film Ponniyin Selvan 2 copied the classical composition 'Shiv Stuti' by the Junior Dagar Brothers. In an interim order dated on April 25, 2025, Justice Prathiba M. Singh stated that, to an average listener, 'Veera Raja Veera' appears "*not just inspired but identical*" to Shiv Stuti.

The Court also mandated that all OTT and online versions of the film must include a dedicated credit slide acknowledging the contribution of the late Junior Dagar Brothers. Additionally, it awarded ₹2 lakh to Junior Dagar Brothers' family in appreciation of their musical legacy. The Court held that the disputed song retained the fundamental structure of the original composition, differing only in lyrics and the inclusion of modern elements.

HUL AND HONASA RESOLVE THEIR ADVERTISING DISPUTE AS COMPETITION INTENSIFIES IN INDIA'S SUNSCREEN MARKET

The Delhi High Court ("Court") formally acknowledged the settlement between Honasa Consumer Limited (parent company of Mamaearth) and Hindustan Unilever Limited (HUL), resolving a dispute over disparaging advertising campaigns and social media posts.

The dispute arose from a Lakme advertisement that aired on April 12, 2025, which claimed a rival sunscreen provided only SPF 20 protection instead of the advertised SPF 50. Honasa contested the advertisement, arguing it was misleading and could harm its reputation. Encouraged by the Court, both parties agreed to withdraw the disputed advertisements and posts. HUL revised its campaign content and assured that no future campaigns would mirror the disparaging nature, while Honasa also removed related social media content.

Additionally, the Court ordered a 50% refund of court fees to Honasa under the Court Fees Act, 1870. It also instructed both the companies to refrain from making public statements about the case, though they retain the right to seek enforcement through appropriate legal channels if necessary.

PPL CANNOT ISSUE LICENSES FOR SOUND RECORDINGS IN ITS REPERTOIRE WITHOUT REGISTERING ITSELF AS A COPYRIGHT SOCIETY

In a landmark decision, the Delhi High Court ("Court") ruled that Phonographic Performance Limited ("PPL") cannot issue licenses for public performance of music unless it is registered as a copyright society under the Copyright Act, 1957 (as amended) ("Act"). The case was initiated by Azure Hospitality Private Limited ("Azure"), which contested PPL's authority to license music, arguing that it lacked the necessary legal registration.

PPL, an Indian collective rights management organization, licenses its copyrighted sound recordings to consumers to publicly perform the songs and for radio broadcast. PPL manages public performance rights for over 400 music labels and a catalogue of more than 4 million sound recordings. Azure, which operates around 86 restaurants under brands such as 'Mamagoto', 'Dhaba', and 'Sly Granny', was previously restrained by a single judge from using PPL's copyrighted works without a license.

PPL had discovered unauthorized use of its music at Azure's venues and issued a cease-and-desist notice, which was not answered by Azure. It then filed a lawsuit seeking a permanent injunction restraining Azure from infringing its copyright and other ancillary reliefs.

In appeal, the division bench ruled that issuance or grant of licenses for exploiting of works in respect of which a person claims copyright can only be done if such person is a registered copyright society or a member of a registered copyright society. The court highlighted that under the Act, a "copyright society" is an entity authorized to collect royalties on behalf of copyright holders for the public performance of their works. This protection ensures that the owners of copyrighted material, such as composers, musicians, and lyricists, are compensated for the use of their works. Without this registration, PPL was found to have been operating outside the legal framework meant to govern copyright licensing, potentially leading to violations of the rights of creators and copyright owners.

The Court did not agree to Azure's suggestion of a deposit being directed at an interim stage, when the rival claims of the parties were yet to be adjudicated, to allow Azure to exploit the sound recordings from PPL's repertoire without paying anything to PPL. The Court thus directed Azure to make payment to PPL as per the Tariff of Recorded Music Performance Limited (RMPL), as displayed on its website, should it intend to play any of the sound recordings forming part of PPL's repertoire in any of its outlets. This judgment reinforces the need for proper legal authorization in licensing copyrighted content and upholds the regulatory framework designed to protect the rights of creators and copyright owners.

SONY MUSIC FILES PETITION AGAINST MYNTRA OVER 'MULTIPLE' COPYRIGHT VIOLATIONS, DEMANDS ₹5 CRORE IN DAMAGES

Sony Music Entertainment ("Sony") has filed a petition before the Bombay High Court ("Court"), alleging that Myntra has used its copyrighted sound recordings in promotional content without obtaining the necessary authorizations or licenses. According to Sony, the usage constitutes a violation of its exclusive rights over the musical works, prompting Sony to seek legal intervention to prevent further infringement.

During the interim hearing held on April 9, 2025, Myntra acknowledged the claims and voluntarily agreed to remove the specific songs identified by Sony from all promotional platforms within 24 hours. Additionally, Myntra assured the Court that it would refrain from using any of the disputed sound recordings until a decision is reached on the interim relief application.

The Court officially recorded Myntra's undertaking and noted it in the proceedings. The matter has been scheduled for the next hearing on June 30, 2025, where further arguments and submissions from both parties are expected to be heard.

GOVERNMENT, OTT PLATFORMS GET NOTICES ON OBSCENITY PLEA FROM THE APEX COURT

The Supreme Court ("Court") has acknowledged the need to address obscene content on OTT and social media platforms, calling it an "important concern" while emphasizing that these platforms also bear social responsibility. During a hearing on a related public interest plea, the Court issued notices to the Centre and major digital platforms, including Netflix, Amazon Prime, Meta etc. The Solicitor General stated that some content reaches levels of "perversity" and noted that while regulations exist and more are planned, censorship is not the only solution. A request was also made to create a National Content Control Authority to oversee content regulation and frame guidelines to curb obscenity on these platforms, which is an ever-growing industry in terms of viewership.

DELHI HIGH COURT ORDERS DABUR TO PROVE CLAIMS AGAINST FLUORIDE-BASED TOOTHPASTES AFTER COLGATE OBJECTS TO ADVERTISEMENT

The Delhi High Court ("Court") has directed Dabur India Ltd. ("Dabur") to present scientific evidence supporting claims made in a recent advertisement suggesting fluoride in toothpaste may cause health issues like reduced IQ in children, brittle bones, and dental spotting. The directive came after Colgate-Palmolive ("Colgate") filed a complaint, alleging the ad was misleading and disparaged fluoride-based products, including its own. The disputed ad appeared

in The Times of India on World Oral Health Day, coinciding with Colgate's promotional campaign.

Colgate highlighted that fluoride, when used within regulated limits (up to 1000 ppm), is approved by health authorities globally for preventing tooth decay. According to Colgate, Dabur's campaign amounts to unfair competition, as it discourages the use of fluoride across the board rather than offering a direct comparison with its own products. Dabur, in its preliminary response, agreed to remove the word "favourite" from its tagline "Does your favourite toothpaste have fluoride?" but maintained that its statements were based on selective studies highlighting potential—not definitive—risks. The Court has given Dabur two weeks to file its detailed reply, followed by two weeks for Colgate to file a rejoinder, with the next hearing set for May 27, 2025.

SENIOR JOURNALIST AND AUTHOR OF 'THE EMERGENCY' TO SUE MANIKARNIKA FILMS AND NETFLIX FOR HISTORICAL INACCURACIES IN KANGANA RANAUT'S FILM

Journalist Coomi Kapoor has filed a lawsuit against the producers of Emergency, including Kangana Ranaut's Manikarnika Films Private Limited ("MFPL") and Netflix, stating breach of contract and defamation. Kapoor claims the film used her name and her book, The Emergency: A Personal History, for promotion without her consent, and that the movie grossly misrepresents her work.

Kapoor signed an agreement in 2021 with MFPL and Penguin Random House, which set out that the film would not deviate from historical facts on the subject which are in the public domain and that her name or book could not be used for promotion of the film without written approval. Despite this, she discovered that the Netflix release of Emergency claimed it was based on her book, which she contests.

She also raised concerns about historical inaccuracies in the film, including false attributions to real figures, which she says damaged her reputation as a journalist. Kapoor sent legal notices to the producers, highlighting factual errors and stating the script had not been shared with her despite prior requests.

MFPL has denied wrongdoing, arguing Kapoor had granted full intellectual property rights to the producer and that the film is based on events taken from multiple sources, not just her book. MFPL defended the use of "creative liberties" in the storytelling.

JAAT CONTROVERSY: MAKERS APOLOGISE AND REMOVE CHURCH SCENE AFTER FIR AGAINST SUNNY DEOL & BACKLASH FROM CHRISTIAN COMMUNITY

The makers of the film Jaat, starring Sunny Deol and Randeep Hooda in the lead roles, have issued an official statement announcing the removal of the controversial scene from the film following backlash from the Christian community. In the now-deleted scene, Randeep Hooda's character was shown standing inside a church, directly beneath the crucifix, while people prayed. Members of Christian community alleged that the sequence portrayed "acts of intimidation and hooliganism," which they claimed showed Jesus Christ in a disrespectful light. The FIR had been lodged with the Jalandhar police and claimed that the scene in the film offended the Christian community under section 299 of the Bhartiya Nyaya Sanhita (BNS), 2023.

MINISTRY OF CORPORATE AFFAIRS ("MCA")

MINISTRY OF CORPORATE AFFAIRS ISSUES PUBLIC NOTICE FOR INVITING COMMENTS ON DRAFT COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) AMENDMENT RULES, 2025

The Ministry of Corporate Affairs ("**MCA**"), vide its notification no. File No.:2/31/CAA/2013CL-VPART dated April 04, 2025 issued a public notice to invite comments on draft Companies (Compromises, Arrangements and Amalgamations) Amendment Rules, 2025 ("**CAAA Rules**").

As per the draft CAAA Rules issued by MCA, the following new set of company classes are now proposed to be brought within the ambit of fast-track mergers under Section 233 of Companies Act, 2013, in addition to the existing categories:

- merger between one or more unlisted companies (other than Section 8 company) where every company involved in the merger meets the following criteria as on a day, not more than 30 days before the date of notice: (i) all companies involved must be unlisted, (ii) borrowings < ₹50 crore from banks /financial institutions/any other body corporate, (iii) no default in repayment of borrowings, and (iv) auditor's certificate required to confirm the above;

- merger between a holding company (listed or unlisted) and its one or more unlisted subsidiary;

- merger between one or more subsidiary company of a holding company with one or more other subsidiary company of the same holding company where the transferor company(ies) are not listed; and

- merger of the transferor foreign company incorporated outside India being a holding company with the transferee Indian company being its wholly owned subsidiary company incorporated in India referred to in sub-rule (5) of rule 25A.

The MCA has kept May 05, 2025 as the last date for submission for any comment from the public on the proposed amendment in the draft CAAA Rules.

OZONE HOMEBUYERS WITHDRAW CASES FROM 'TOOTHLESS' K-RERA

Over the past six years, cases were filed by the Association against Ozone Urbana Infra Developers Private Limited for non-completion of their flats, among multiple other charges.

Charging the Karnataka Real Estate Regulatory Authority (K-RERA) of being completely ineffective in delivering justice, home owners of the ultra-luxury Ozone Urbana residential campus in Devanahalli, withdrew all seven cases filed with the Authority over the years. They plan to file them afresh in the Karnataka High Court, with one case already being filed.

The order permitting them to withdraw all their cases was issued by K-RERA Chairman Rakesh Singh and member GR Reddy on March 18, after a request was made by the Ozone Urbana Buyers' Welfare Association on February 28.

Ozone Urbana was planned on 185 acres as a separate 'Dream City' within the city. A number of residential complexes were proposed within this city, with each having anywhere between 1,000 and 2,000 houses. A 240-bed hospital, retail mall, entertainment centre, 1lakh sqft of clubhouse and two senior citizen homes figured among its plans, say multiple home buyers. The deadline was 2017.

Over the past six years, cases were filed by the Association against Ozone Urbana Infra Developers Private Limited for non-completion of their flats, among multiple other charges.

Speaking on behalf of the association, a member who did not want to be named, billed RERA as "completely ineffective and toothless". "Ozone Urbana Developers has the maximum number of 590 cases filed against it in the state. K-RERA has issued 214 execution orders for revenue recovery, but not a single order has been honoured by the builder. We only ended up spending money on lawyer fees. Since it has failed to help the home buyers, we have decided to approach the High Court for justice and start from scratch."

Among the buyers hit hard is senior citizen couple Raju Sandhwani and his wife Bhavana, who bought two properties at Ozone Urbana for nearly Rs 1crore. A distraught Raju said, "K-RERA is a defunct body and needs to shut down. My wife and I jointly invested in a 3BHK flat at Ozone Pavilion, which was to be handed over in 2017. We are yet to get the house.

The full fee refund order issued to the builder has been ignored completely. We also invested in a 1BHK in Irene senior home, and that money too is gone. A similar RERA order for refund has again been ignored by the Ozone developer."

Stating that they have developed diabetes and other health issues due to the financial stress, he said, "Our life's savings are invested here. We had a nice plan to live together in the 3BHK and after one of us leaves this world, the other could move into the senior home."

Asked to respond to these allegations, RERA Chairman Rakesh Singh said, "We have done whatever is possible within the RERA Act. The actual process of recovery needs to be carried out by other government departments."

Read more here

HOME BUYERS IN KARNATAKA SEEK CBI PROBE AS 2,678 PROJECTS REMAIN INCOMPLETE

According to the K-RERA website, a whopping number of housing projects' completion ates have expired. The K-RERA website stated that 2,678 housing projects failed to complete as per the schedule. Expressing concern over the number of builders failing to complete the housing projects on time, Dhananjaya Padmanabhachar, Convener of Karnataka Home Buyers Forum, said that banks, builders and bureaucrats have dashed the hopes of home buyers in Karnataka because of the extremely poor implementation of RERA in the State. "The Central Government must initiate a

CBI inquiry into real estate frauds in Karnataka. There are builders in Karnataka who are not honouring the Supreme Court order on giving possession to homebuyers. The builders have the audacity to terminate the agreement without homebuyers' consent. The authorities have to monitor such builders," said Padmanabhachar.

Read more here

HOME BUYERS WANT KARNATAKA RERA TO IMPLEMENT PROJECT CLOSURE POLICY

The members of the Karnataka Home Buyers Forum have been running from pillar to post, urging the Real Estate Regulatory Authority (RERA) Karnataka to issue guidelines on the completion of housing projects, similar to those implemented by RERA in neighbouring states. They complain that many builders have failed to complete housing projects on time, and RERA Karnataka has not taken any steps to ensure that builders submit reports on project completion.

Read more here

KARNATAKA GOVERNMENT PLANS APARTMENT LAW REFORM BY 2025-END, HOMEBUYERS DEMAND CLARITY

The Karnataka government aims to finalize the new Apartment Act by the end of 2025. However, homeowners and apartment associations have expressed concerns over the prolonged delay in replacing the Karnataka Apartment Ownership Act (KAOA), which they argue is inadequate in addressing ownership and maintenance issues.
According to Uma Shankar SR, Additional Chief Secretary, the process of drafting the new legislation is underway. A second-cut draft has been prepared and revised, and it will soon be submitted to the relevant departments, ministers, and Deputy Chief Minister DK Shivakumar. While there is no fixed deadline, the government aims to finalize the law within this year.

Read more here

KARNATAKA REAT ORDERS PROMOTER TO PAY INTEREST ON REFUND

A Cooke Town couple, who had entered into an agreement of sale to buy a flat, were stranded after the apartment work never took off as the National Green Tribunal revoked its clearance. Though they were refunded Rs 51.4 lakh advance they had paid, they were denied interest. The Karnataka Real Estate Appellate Tribunal (KREAT) recently ordered the project promoter to pay interest on the refunded amount.

Read more here

BUILDER ASKED TO PAY RS 2.56 CRORE COMPENSATION AND FORECLOSE HOMEBUYER'S HOUSING LOAN DUE TO 7-YEAR DELAY IN POSSESSION OF FLAT

Who knew purchasing a home from a reputed builder under the pre-EMI scheme could turn into a nearly decade-long ordeal. This is the experience of a homebuyer who bought an apartment worth Rs 80 lakh in March 2014 by using his personal savings of Rs 15 lakh and securing a home loan for the remaining amount of Rs 65 lakh from a bank. This homebuyer signed a tripartite agreement with the bank and builder which said that all pre-EMIs would be reimbursed by the builder until the possession of the apartment is handed over, specifically by March 31, 2017. But, the builder did not deliver the apartment also did not reimburse any of the pre-emi as per the agreement, the homebuyer had to pay all the emi. Ultimately this homebuyer had to approach the Karnataka High Court in 2024 to obtain a restraining order against the bank, preventing it from initiating any sort of precipitative actions, including but not limited to civil or criminal proceedings to recover the outstanding loan amount. High court granted the appeal and later homebuyer approached Karnataka RERA tribunal to get the refund. The Karnataka RERA, after analysing the case, applied Section 18 of the RERA Act, 2016, and ordered the builder to not only foreclose the home loan but also to pay Rs 2.56 crore to the homebuyer, including interest.

Read more here

RESTRUCTURING & INSOLVENCY

KEY JUDGEMENTS

MRS. RAJANI AJAY GUPTA V. INDIAN BANK (NCLAT)

The NCLAT has highlighted the role of the adjudicating authority in the admission or rejection of an application filed under Section 94 or Section 95 of the IBC, has re-iterated that the adjudicating authority is required to separately and independently evaluate the application with the Resolution Professional's report being available to the adjudicating authority only for guidance or reference as to the material facts.

The Hon'ble National Company Law Appellate Tribunal ("NCLAT") in this judgment dated April 02, 2025 has settled the law that the adjudicating authority has to conduct an independent assessment and not solely rely on the RP's report to decide the fate of an application filed under Section 94 or Section 95 of the IBC. The tribunal, relying upon the judgement of the Hon'ble Supreme Court of India's judgement in Dilip B. Jiwrajka v. Union of India' (Writ Petition (Civil) No 1281 of 2021), has reaffirmed that the adjudicating authority is required to apply its mind independently and conduct an assessment of its own, instead of mechanically following the report as submitted by the RP.

DSK View

The NCLAT has highlighted the role of the adjudicating authority in the admission or rejection of an application filed under Section 94 or Section 95 of the IBC, has re-iterated that the adjudicating authority is required to separately and independently evaluate the application with the Resolution Professional's report being available to the adjudicating authority only for guidance or reference as to the material facts.

RAKESH BHANOT V. M/S. GURDAS AGRO PRIVATE LIMITED (SUPREME COURT)

A debtor, acting as a Personal Guarantor to a Corporate Debtor, may either personally or through an RP, file an application under Section 94 of the IBC before the NCLT, to initiate Corporate Insolvency Resolution Process (CIRP). Similarly, a creditor may also initiate CIRP against the Personal Guarantor under Section 95 of IBC.

Upon filing an application under Section 94 or Section 95, an interim moratorium under Section 96 of the IBC comes into effect on the date of filing the application, covering all debts due by the Personal Guarantor. This interim moratorium expires after the NCLT either admits or rejects the application in accordance with the provisions of Section 100 of IBC. Upon admission, a moratorium under Section 101 of IBC commences.

In this matter, the issue before the Hon'ble Supreme Court was whether the proceedings initiated against the appellants under Section 138 read with Section 141 of the Negotiable Instruments Act, 1881 ("**NI Act**") for the dishonour of a cheque should be stayed in view of the 'interim moratorium' applicable under the provisions of Section 96 of IBC.

In its judgement dated April 01, 2025, the Hon'ble Supreme Court relied on the judgment in 'P. Mohanraj & Ors. vs. Shah Brothers Ispat Private Limited' (*Civil Appeal No.10355 of 2018*) wherein, it held that the moratorium provisions under Sections 14, 96, and 101 of the IBC apply solely to civil proceedings for debt recovery. The moratorium under Section 14 protects only the corporate debtor, and not natural persons, from civil actions. The Hon'ble Supreme Court also held that the moratorium does not extend to criminal proceedings, particularly under the NI Act.

The Hon'ble Supreme Court has reiterated this position of law and held that the period of interim moratorium

prescribed under Section 96 is restricted in its applicability only to protection against civil claims which are directed towards recovery, and not from any criminal action wherein persons are prosecuted. The statutory liability against the directors under Section 138 of the NI Act, is personal.

Similarly, the acceptance of the report by the RP under Section 100 and the imposition of the moratorium which comes into effect after that will not bar the continual of any criminal action. The moratorium is not intended to shield individuals from personal criminal liabilities arising from their actions which are outside the scope of corporate debt restructuring.

DSK View

The Hon'ble Supreme Court has once again clarified the limit of the scope applicable as per the moratorium provisions under the IBC, in context of personal guarantors. Consistent with the earlier decision in P. Mohanraj & Ors. v. Shah Brothers Ispat Private Limited, the Hon'ble Supreme Court reaffirmed that the interim moratorium under Section 96 and the moratorium under Section 101 of IBC are restricted to civil recovery actions and do not extend to criminal proceedings, including prosecutions under Section 138 read with Section 141 of the NI Act.

A RAJENDRA V. GONUGUNTA MADHUSUDHAN RAO & ORS (SUPREME COURT)

The Hon'ble Supreme Court in its judgement dated April 04, 2025, considered the issue regarding the commencement of the limitation period under Section 61 of the IBC. The provisions of Section 61 of the IBC allow any person aggrieved by an order of the NCLT to file an appeal before the NCLAT within 30 (thirty) days. The NCLAT may condone a delay beyond 30 (thirty) days if sufficient cause is shown, provided that such extension does not exceed 15 (fifteen) days.

The Hon'ble Supreme Court held that for an appeal to be filed before the NCLAT under Section 61, the limitation period starts from the date of pronouncement of the order by the NCLT, and not from the date the order is made available to the parties as awaiting the receipt of certified copies would upset the time bound framework of IBC.

The Hon'ble Supreme Court clarified that the incident which triggers limitation to commence is the date of pronouncement of the order by NCLT and in case of non-pronouncement of the order, when the hearing concludes, the date on which the order is pronounced or uploaded on the website of the NCLT. However, where the judgment was pronounced in an open Court, the period of limitation starts running from that very day.

The court further clarified that the defence of Section 12(2) of the Limitation Act is available only when an application for grant of certified copy of the order is filed till the date of preparation of the said certified copy.

DSK View

The Hon'ble Supreme Court vide its judgement provided clarifications regarding the limitation period applicable with respect the provisions of Section 61 of the IBC and has observed that it begins from the date of the order passed by the NCLT, not from the date of receipt of the order.

THE OFFICIAL LIQUIDATOR V. SAVANNAH LIFESTYLE PRIVATE LIMITED (BOMBAY HIGH COURT)

The Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 ("**RBI Directions**") lay down a comprehensive, self-contained set of the regulatory guidelines governing transfer of loan exposures. The term 'permitted transferees' under the RBI Directions include Scheduled Commercial Banks, All India Financial Institutions, Small Finance Banks and All Non-Banking Finance Companies including Housing Finance Companies.

As per the RBI Directions, a transferor may transfer a single loan, a part of a loan, or a portfolio of loans to permitted transferees through assignment, novation, or a loan participation contract. A 'transferor' refers to the entity transferring the economic interest in a loan exposure under the RBI Directions, while a 'transferee' refers to the entity receiving such economic interest in the loan exposure.

The Hon'ble Bombay High Court vide its judgement dated March 11, 2025, held that a co-operative bank cannot assign a non-performing asset loan to a private party or a private company, as such assignment are in violation of the provisions of the RBI Directions.

DSK View

The Hon'ble Bombay High Court vide its judgement has examined the scope of 'permitted transferee' as per the RBI Directions, and has clarified as to which parties are qualified to be 'permitted transferees' under the scope of the RBI Directions, and has directed that a co-operative bank cannot assign a non-performing asset loan to a private party or a private company, as such assignment are in violation of the provisions of the RBI Directions.

SANDEEP KUMAR BHATT V. IBBI (DELHI HIGH COURT)

The Hon'ble Delhi High Court vide its judgement dated April 03, 2025, held that while judicial review under Article 226 is limited to examining the decision-making process and not the decision itself, the Hon'ble Delhi High Court may interfere when the process is vitiated by legal infirmities or when the penalty imposed is shockingly disproportionate. The Hon'ble Delhi High Court by the way of its judgement reiterated that disciplinary action taken by the IBBI under Section 220(2) of the IBC must be proportionate and based

on cogent reasoning, especially when there is documentary evidence supporting the Insolvency Professional's conduct.

The Hon'ble Delhi High Court relied on the judgment in '*Union of India* v. *G. Ganayutham*' (*Civil Appeal /524/1988*), affirming the application of the Wednesbury principle to judicial review of administrative and disciplinary actions. Under this standard, interference is warranted if the decision is illegal, procedurally improper, manifestly unreasonable, or if irrelevant matters were considered or relevant matters ignored. The Hon'ble Delhi High Court would also consider whether the decision was absurd or perverse.

The Hon'ble Delhi High Court additionally observed that unless the punishment imposed shocks the conscience of the court or tribunal or the proceeding displays violation of the principles of natural justice, there is no scope for interference. However, in rare and exceptional cases, to avoid prolonging litigation, the writ court may itself impose an appropriate punishment, provided cogent reasons are recorded.

DSK View

The Hon'ble Delhi High Court has upheld the principles of natural justice, and hereby clarified that disciplinary actions by regulators like the Insolvency and Bankruptcy Board of India (IBBI) must be fair and well-reasoned. Vide this judgement, the Hon'ble Delhi High Court has held that while courts normally do not interfere with such decisions, they will step in if the process is unfair, legally flawed, or if the punishment is shockingly harsh. The Hon'ble Delhi High Court's decision also deals with important constitutional rights. Article 14 of the Constitution of India guarantees equality and fairness in all actions by authorities. Article 19(1)(g) of the Constitution of India protects every person's right to practice the profession of their choice. If a regulatory action restricts these rights, it must be reasonable and based on proper grounds. By applying the Wednesbury principle of reasonableness, the Hon'ble Delhi High Court stressed that penalties must not be arbitrary or disproportionate. This judgment reinforces that regulators must act fairly, respect due process, and protect freedom to practice a profession as guaranteed under the Constitution of India.

PIRAMAL CAPITAL AND HOUSING FINANCE LIMITED V. 63 MOONS TECHNOLOGIES LIMITED & OTHERS (SUPREME COURT)

The Hon'ble Supreme Court *vide* its judgement dated April 01, 2025 set aside the National Company Law Appellate Tribunal's Order ("**NCLAT**"), holding that recoveries from fraudulent and wrongful trading transactions under Section 66 of the Insolvency & Bankruptcy Code, 2016 ("**IBC**") can belong to the 'successful resolution applicant' if the Committee of Creditors have approved such provision under the Resolution Plan in exercise of its 'commercial wisdom'.

The Hon'ble Supreme Court reiterated that the manner of distribution of proceeds under a resolution plan specifically relating to recoveries from the Avoidance Transactions and preferential, undervalued, fraudulent and extortionate ("**PUFE**") transactions squarely falls within the commercial wisdom of the Committee of Creditors ("**CoC**") of the corporate debtor. This commercial wisdom is accorded paramount importance, and the scope of judicial review by the NCLT and the NCLAT is very limited, confined only to examining compliance with the requirements of the IBC and ensuring that the plan is not discriminatory, illegal or in violation of the provisions of IBC. The Hon'ble Supreme Court observed that once the CoC, after negotiations with the prospective resolution applicants, has assessed and approved the feasibility and viability of the resolution plan and the NCLT has also granted its approval, then, the NCLAT ought not to have interfered with the commercial terms, including the treatment of recoveries arising from applications filed under the provisions of Section 66 of the IBC.

Further, the Hon'ble Supreme Court clarified that fixed deposit holders are not entitled to full repayment of their deposits under the Reserve Bank of India Act, 1934 ("**RBI Act**") or the National Housing Bank Act, 1987 ("**NHB Act**"). It affirmed that as per the provisions of Section 238 of the IBC has an overriding effect over inconsistent provisions in other laws, including the NHB Act and RBI Act, particularly when a resolution plan extinguishes claims such as those of deposit holders.

The Hon'ble Supreme Court also distinguished that applications filed in respect of 'Fraudulent and Wrongful Trading' by the Corporate Debtor cannot be classified as 'Avoidance Applications' under the IBC.

Additionally, it was held that once a Resolution Plan is approved by the NCLT under Section 31 of the IBC, it becomes a 'public document' within the meaning of Section 74 of the Indian Evidence Act, 1872.

DSK View

The Hon'ble Supreme Court once again highlighted the importance of the role of the CoC and its commercial wisdom under the provisions of the IBC, and delved into the scope of the powers of the CoC with respect to deciding how recoveries from PUFE transactions and Fraudulent/Wrongful Trading are allocated. Such decisions, once approved by the CoC and embedded in a court approved resolution plan, are binding, and judicial review by the appellate authority is confined to ensuring statutory compliance under the provisions of the IBC.

REGULATORY UPDATES

REVISION OF 'FORM H' – COMPLIANCE CERTIFICATE UNDER CIRP REGULATIONS

The Insolvency and Bankruptcy Board of India ("**IBBI**"), through the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Second Amendment) Regulations, 2025, has substituted the existing Form H under Schedule I of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (as amended) ("**CIRP Regulations**") with a new, detailed format. Form H is the compliance certificate submitted by the resolution professional under Regulation 39(4) when filing the resolution plan with the Adjudicating Authority for its approval. The revised form now requires comprehensive details such as key CIRP dates, information on the resolution applicant and realisation amount under the resolution plan, voting share and outcome of the CoC decision, realisable values and comparisons with fair/liquidation value, treatment of PUFE transactions, Carry Forward Losses and Compliance with specific provisions of IBC and CIRP Regulations.

DSK View

The revisions of the Form H mark a step towards greater standardisation and transparency in the CIRP. The additional disclosures forming part of the amendment assists in ensuring that all key aspects of the resolution plan such as feasibility, compliance, recoveries, and stakeholder treatment are clearly documented. This will not only improve the decision-making process of the NCLT but also enhance stakeholder confidence in CIRP. Overall, the amendment is aligned with IBBI's broader objective of improving governance and accountability within the insolvency framework.

INTRODUCTION OF THE PROTECTION OF INTERESTS IN AIRCRAFT OBJECTS BILL, 2025

The Protection of Interests in Aircraft Objects Bill, 2025 ("**Bill**") seeks to give effect to the Convention on International Interests in Mobile Equipment ("**Convention**") and the Protocol on Matters Specific to Aircraft Equipment ("**Protocol**"). The Bill aims to facilitate asset-based financing and leasing of aircraft by establishing a legal framework for recognition and enforcement of international interests in aircraft objects in India.

Key features of the Bill include:

- Application of the Convention and Protocol in India in respect of aircraft objects, in accordance with declarations made by India.
- Designation of the Directorate General of Civil Aviation (DGCA) as the registry authority, empowered to issue directions for implementation and maintain records related to aircraft objects.
- Remedies on insolvency: The Bill incorporates Article XI of the Protocol, which provides for relief mechanisms such as repossession, control, or lease of aircraft objects during insolvency, subject to certain conditions.
- Jurisdiction: The High Court with territorial jurisdiction is designated as the competent court for enforcement and interpretation of the Convention and Protocol.
- Overriding effect: The provisions of the Act shall override any inconsistent law for the time being in force but will not affect government rights relating to detention of aircraft for dues.
- Rulemaking powers: The Central Government is empowered to frame rules and make or withdraw declarations in relation to the Convention or Protocol.

DSK View

The introduction of this Bill marks a major reform in India's aviation and insolvency framework. A key feature of the Bill is the incorporation of Article 30 which deals with effect of insolvency proceedings. Under this Article, a registered international interest continues to remain effective and enforceable even after the commencement of insolvency, thereby giving such interests priority over unregistered or subsequently registered claims.

In the Indian context, this provision carries substantial significance. Under the IBC, the declaration of a moratorium under Section 14 of IBC generally restricts the enforcement of security interests and repossession of assets. However, the effect of Article 30 is that a creditor holding a registered international interest in an aircraft object will be entitled to enforce its rights, including repossession, provided that such interest was registered before the commencement of the insolvency proceedings.

This works towards the protection of the lessors and secured creditors, as it effectively protects their rights against the risks of insolvency resolution or liquidation processes under domestic law. It also reduces the scope for litigation and conflicting interpretations which delay the entire process. The provisions also help align the provisions of Indian law with international conventions and framework for leasing of aircrafts and engines.

DRAFT RESERVE BANK OF INDIA (SECURITISATION OF STRESSED ASSETS) DIRECTIONS, 2025

The Reserve Bank of India has issued a framework which is proposed to supplement the specific areas covered under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("**SARFAESI**"). The framework shall be applicable to All Scheduled Commercial Banks, All India Financial Institutions, Small Finance Banks, All Non-Banking Financial Companies including the Housing Financial Companies and to all overseas branches of Indian Banks.

Assets eligible for securitisation by lenders include personal loans, business loans, and loans to micro enterprises not exceeding INR 50 crore, along with other loan categories. However, all securitised loans must be homogeneous, personal loans, business loans and micro enterprises up to INR 50 crore must not be pooled with other loan types. Certain exposures are explicitly ineligible for securitisation, including exposures to other lending institutions, farm credit, education loans, accounts classified as fraud, and accounts flagged as wilful defaults.

Originators are restricted from retaining more than 20% exposure in a securitisation structure. Any exposure exceeding 10% and up to 20% shall be treated as a first loss.

Special Purpose Entities ("**SPEs**") must ensure that investors are not related parties of the borrower or disqualified persons under Section 29A of the Insolvency and Bankruptcy Code, 2016 ("**IBC**"). SPEs must acquire assets on a cash basis only, and originators must receive the full sale consideration no later than the transfer date. Loans can be removed from the originator's books only after receipt of the entire sale consideration in cash.

Originators are also required to ensure that prospective investors have access to all materially relevant information including cash flows and collateral details supporting the securitised exposure necessary for conducting thorough stress tests. Accordingly, a robust price discovery process must be followed, including at least two external valuation reports to be shared with the SPE or investors.

The framework introduces a distinct class of entities termed as Resolution Managers ("**RMs**") who shall act as 'Facility Providers', responsible for administering the resolution or recovery of underlying stressed exposures. RMs are expected to specialise in NPA resolution, including business planning, recovery strategies, loan servicing, legal advisory, reporting, and IT support.

SPEs are mandatorily required to appoint an RBI-regulated entity as the RM for personal loans, business loans, and loans to micro enterprises not exceeding INR 50 crore. For all other loan categories, SPEs may additionally appoint ReMs who may be Entities registered with a financial sector regulator in India or Insolvency Professionals registered with the Insolvency and Bankruptcy Board of India or Insolvency Professional Entities.

The framework also permits the originator to act as the RM for loan exposures it has transferred, provided it retains a minimum of 5% of the total securitisation notes issued, in line with Clause 14(a) of the Reserve Bank (Securitisation of Standard Assets) Directions, 2021.

RMs must comply with RBI Directions on fair practices code, and the loan transfer agreements must include explicit clauses to that effect. Additionally, RMs must not be disqualified under Section 29A of the IBC, nor be related parties of the originator.

The framework also mandates quarterly reporting of transactions to the RBI by the originator and detailed disclosures in offer documents, annual accounts, and periodic investor updates. Both the originators and RMs must ensure that investors have sufficient information to assess the underlying pool, cash flows, collection/ recovery efficiency, details of the RM and credit enhancements.

DSK View

This is a significant development where the Reserve Bank of India is aligning investment norms with practices established on global scale, by encouraging participation from a wider range of investors, beyond the extant Asset Reconstruction Companies route. It provides an alternative mechanism for investment in the distressed asset space, which is expected to enhance liquidity, broaden investor participation, and ultimately reduce the cost of capital for the end borrower.

DRAFT RESERVE BANK OF INDIA (CO-LENDING ARRANGEMENTS) DIRECTIONS, 2025

The Draft Reserve Bank of India (Co-Lending Arrangements) Directions, 2025 propose a comprehensive framework to regulate all forms of Co-Lending Arrangements ("**CLAs**") between Regulated Entities which includes Commercial Banks (excluding Small Finance Banks, Local Area Banks and Regional Rural Banks), All-India Financial Institutions, and Non-Banking Financial Companies (including Housing Finance Companies) ("**REs**").

The framework is applicable to both co-lending and loan sourcing arrangements, except for specific exclusions like digital lending arrangements and loans exceeding INR 100 crore sanctioned under multiple baking, consortium banking or syndication.

It outlines that CLAs must be based on a formal legal agreement among the REs to jointly fund a loan portfolio which shall clearly outline the criteria for selection of borrowers, specific product lines and areas of operation, any

fees payable for lending services, provisions related to segregation of responsibilities, customer interface and customer protection issues.

Operationally, all borrower transactions amongst the REs must be routed through a designated escrow account, and each RE must maintain separate loan accounts. In the event of termination of CLA, the REs shall implement a business continuity plan to ensure uninterrupted service to the borrower till repayment of the loans.

A limited Default Loss Guarantee ("**DLG**") of up to 5% of the outstanding loan under CLA or sourcing arrangement is allowed. In case of default, all REs must uniformly classify the exposure as Special Mention Account/Non-Performing Asset at the borrower level.

Any transfer of loan exposure under CLA to third parties or inter transfer of loan exposure between REs shall be in accordance with the provisions of Master Directions – Transfer of Loan Exposures Directions, 2021.

The framework also requires disclosures in the financial statements regarding the quantum of CLAs, weighted average interest rates, fees charged or paid, and DLG related details. Additionally, REs must disclose on their websites the list of CLA partners, indicative ranges of blended interest rates, and applicable fees or charges under different CLAs.

With the issuance of this framework, the earlier circular dated November 5, 2020, titled Co-Lending by Banks and NBFCs to Priority Sector, stands repealed.

DSK View

The Draft RBI (Co-Lending Arrangements) Directions, 2025 introduce a formal regulatory framework for co-lending arrangements, addressing a major gap as no comprehensive framework previously existed. While co-lending transactions between banks and NBFCs have been taking place, the draft Directions aim to create a clear, uniform structure emphasizing formal agreements, proper borrower account handling, strict asset classification, and greater transparency. The framework also permits limited Default Loss Guarantee under Co-Lending Arrangement or sourcing arrangement.

DRAFT RESERVE BANK OF INDIA (NON-FUND BASED CREDIT FACILITIES) DIRECTIONS, 2025

The Draft Reserve Bank of India (Non-Fund Based Credit Facilities) Directions, 2025 aim to establish a uniform regulatory framework for all Non-Fund Based ("**NFB**") credit facilities provided by Regulated Entities ("**REs**"), including Commercial Banks, Cooperative Banks, Financial Institutions, and Non-Banking Financial Companies ("**NBFCs**") including Housing Finance Companies ("**HFCs**"). NFB facilities can only be extended to customers who maintain a business relationship with the REs through funded credit or deposit accounts.

REs may issue Financial or Performance Guarantee and all guarantees issued under these Directions must be irrevocable, unconditional, incontrovertible, and contain a clear and binding mechanism for timely honouring upon invocation. REs are required to adopt internal credit policies that specifically provide for the types of guarantees allowed, detailed credit appraisal standards, risk mitigation practices, and operational controls including delegation of authority and monitoring systems. The appraisal process must match the rigour applied to fund-based exposures, and particular diligence is required in case of long-tenor guarantees and performance obligations.

NBFCs, Urban Cooperative Banks ("**UCBs**"), Regional Rural Banks, and Cooperative Banks may issue financial guarantees, but only scheduled UCBs and NBFCs in the middle and upper layers may issue Performance Guarantees. These entities must also comply with a cap wherein the total outstanding guarantees must not exceed 5% of their total assets (as per the previous financial year), with unsecured guarantees further restricted to 25% of the overall limit. The tenor of such guarantees must not exceed 10 years.

Partial Credit Enhancement ("**PCE**") facilities may be provided by Scheduled Commercial Banks, All India Financial Institutions, and NBFCs (upper, middle, and top layers) and HFCs to enhance the credit rating of bonds to enable corporates to access funds from bond market. The PCE must take the form of an irrevocable contingent line of credit, which will be drawn in case of shortfall in cash flows for servicing the bonds. PCE shall be offered only for bonds rated BBB minus or higher. The aggregate PCE provided by an RE cannot exceed 50% of the bond issue, or 20% of its Tier 1 capital. Corporate bonds must be rated by at least two credit rating agencies, and each rating must separately disclose the impact of PCE on the credit rating and the rating calculated without considering the effect of PCE.

Drawn PCE amounts must be repaid within 30 days from its due date and the facility shall be classified as an NPA if it remains outstanding for 90 days or more. If a bond's pre-enhanced rating falls below investment grade, full capital provisioning is required. REs must also ring-fence the project's cash flows and assets using escrow account mechanism and enter into formal agreements with all stakeholders. The PCE exposure must comply with all regulatory exposure and disclosure norms.

Lastly, these Directions introduce uniform disclosure formats for NFB exposures, requiring periodic reporting of secured and unsecured exposures, guarantees and contingent liabilities. The Directions repeal several existing circulars to streamline regulatory oversight and ensure consistent treatment of NFB credit facilities across different categories of financial institutions.

DSK View

The Draft RBI (Non-Fund Based Credit Facilities) Directions, 2025standardises the regulatory approach for non-fund based exposures across all REs. By formalising norms around guarantees, tightening risk management, encouraging e-guarantees, and enhancing disclosure requirements, the framework seeks to strengthen systemic resilience and align practices with the global standards.

A particularly progressive move is the expanded regime for Partial Credit Enhancement. Originally introduced in 2015 for Scheduled Commercial Banks, the RBI now proposes to allow AIFIs, NBFCs in the Top, Upper, and Middle Layers, and Housing Finance Companies to provide PCEs. These enhancements can support bonds issued by corporates or SPVs for financing a variety of projects, as well as bonds issued by non-deposit-taking NBFCs (including HFCs) with asset sizes of INR 1,000 crore or more. The primary aim is to strengthen the credit ratings of such bonds, thereby facilitating better access to the bond market and reducing the cost of funds for corporates. This expansion is expected to boost bond market participation while maintaining adequate prudential safeguards.

SPORTS AND GAMING

SPORTS

CAS HALTS AIFF FROM DECLARING I-LEAGUE CHAMPION AMID INTER KASHI APPEAL

The Court of Arbitration for Sport (CAS) has intervened in the 2024–25 I-League title race, ordering the All India Football Federation (AIFF) not to declare Churchill Brothers as champions or hold a medal ceremony until ongoing arbitration is resolved. The move comes after Inter Kashi filed an appeal, contesting Churchill Brothers' title win following a dispute over an allegedly ineligible player fielded by Namdhari FC in a match against Inter Kashi.

Churchill Brothers finished the season atop the table with 40 points, narrowly edging Inter Kashi's 39. However, Inter Kashi challenged the final standings, arguing that Namdhari's use of an ineligible player unfairly impacted their points tally. The AIFF Appeals Committee ruled in Churchill Brothers' favour on April 18, 2025, prompting Inter Kashi to escalate the matter to CAS.

In granting provisional measures, CAS has stayed the AIFF's decision and instructed the federation not to make any official declaration or conduct any celebratory event until the arbitration concludes. CAS has also given AIFF, Churchill Brothers, and Namdhari FC until April 29, 2025 to submit full responses to Inter Kashi's claims.

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DELHI HC REJECTS RCB'S PLEA AGAINST UBER'S 'DISPARAGING' YOUTUBE AD

Royal Challengers Sports Private Limited, the owner of the Indian Premier League franchise Royal Challengers Bengaluru (RCB), filed a suit in the Delhi High Court against Uber India Systems Pvt Ltd claiming that Uber Moto's YouTube advertisement titled "Baddies in Bengaluru ft. Travis Head" disparages RCB's trademark.

Describing the video advertisement, RCB counsel said the cricketer, Travis Head, could be seen running towards Bengaluru cricket stadium with an aim to vandalise the signage of "Bengaluru Vs Hyderabad", takes a spray paint and writes "Royally Challenged" before Bengaluru making it "Royally Challenged Bengaluru" which disparages RCB's mark. The counsel representing Uber said RCB had "severely discounted" the sense of humour of the public at large. The general messaging of the advertisement, the counsel said, was that there was a match between RCB and Sunrisers Hyderabad at the Bengaluru cricket stadium on May 13, 2025, and since it was a city known for notorious traffic jams, "public must use uber moto".

Justice Saurabh Banerjee turned down the request, stating that the advertisement, being rooted in the context of cricket, did not require judicial interference at this point. The Court noted that since cricket is a sport known for its spirit of fair play, the nature of the ad did not seem harmful enough to merit any legal restraint.

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MAJORITY OF STATE UNITS DEMAND IMMEDIATE BFI ELECTIONS AS LEGAL DEADLOCK DRAGS ON

A fresh wave of dissent has emerged within the Boxing Federation of India (BFI) as 27 out of its 37 affiliated units have called for urgent elections, days after World Boxing installed an interim committee to manage BFI's affairs under outgoing president Ajay Singh. The federation's elected body, led by Singh and Secretary General Hemanta Kalita,

completed its term on February 02, 2025 but elections have remained in limbo due to ongoing legal challenges.

Returning Officer RK Gauba had halted the March 28, 2025 elections after the Delhi and Himachal Pradesh High Courts intervened, ordering inclusion of names excluded from the electoral college, including former Sports Minister Anurag Thakur. The High Court of Himachal Pradesh further mandated a new election schedule before April 28, 2025, the next hearing date.

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MOTORSPORT UK VS FIA: DISPUTE OVER STRICTER CONFIDENTIALITY REQUIREMENTS

David Richards, Chair of Motorsport UK, has criticized FIA President Mohammed Ben Sulayem over the introduction of a stricter non-disclosure agreement (NDA) for World Motor Sport Council (WMSC) meetings, describing it as a "gagging order". Richards and FIA Deputy Director for Sport, Robert Reid, were barred from attending a WMSC meeting after refusing to sign the new NDA, which reportedly forbade discussions outside official settings.

In letters to Motorsport UK members, Richards accused the FIA leadership of failing to deliver on promises, reducing transparency, and concentrating power within the President's office. The FIA defended the stricter confidentiality measures, arguing they are standard practice to protect information and foster the growth of motorsport globally, and emphasized organizational achievements under Ben Sulayem's leadership, including financial recovery, sustainability initiatives, diversity efforts, and broader participation. Richards, however, maintained that the new NDA lacked clear processes for breach evaluation and dispute resolution, calling the exclusion from the WMSC meeting unlawful under French law. While acknowledging the FIA's broader accomplishments, Richards insisted that concerns over governance and transparency must be addressed, expressing hope for a face-to-face meeting with the FIA President to resolve the matter.

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PREMIER LEAGUE CLUBS FACE FINANCIAL RISK FROM MANCHESTER CITY TRIAL OUTCOME

Premier League clubs could face significant financial consequences depending on the outcome of Manchester City's ongoing legal battle over 130 alleged financial fair play breaches. City, who went on trial in September 2024, have reportedly spent over £30 million in legal fees, with no verdict timeline yet in sight. If City are found not guilty, the Premier League's rules stipulate that the combined legal costs, estimated at around £100 million, would be deducted from the league's broadcast and commercial revenue pool, meaning each club could lose at least £5 million. This could severely impact merit payments, particularly for clubs finishing in the relegation zone, and complicate Profit and Sustainability compliance ahead of next season. Conversely, if City are found guilty, a separate hearing would determine appropriate sanctions. This legal saga has contributed heavily to the Premier League's surging administrative costs, which reached £200.2 million last season, with legal expenses driven by conflicts involving multiple clubs, including City, Everton, Nottingham Forest, and Leicester.

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JACK NICKLAUS WINS NAME RIGHTS BATTLE AGAINST NICKLAUS COMPANIES

In the ongoing legal battle between Jack Nicklaus and his former company, Nicklaus Companies, a Manhattan judge has ruled in favour of the golf legend, affirming his right to use his own name, image, and likeness for business ventures such as golf course design. The dispute stemmed from a 2007 deal in which businessman Howard Milstein invested $145 million in Nicklaus' company, leading to tensions and Nicklaus' eventual departure in 2022. The Nicklaus Companies sued to prevent him from independently using his name for business, but the court dismissed the case, allowing Nicklaus to continue promoting his services personally. However, the Nicklaus Companies retains ownership of trademarks like "Jack Nicklaus", "Nicklaus", and "Golden Bear", and can still sell merchandise and design courses under those brands without Nicklaus' involvement.

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ICC DELAYS TWO-TIER TEST CRICKET PLAN AMID BROADER WTC REFORMS

The International Cricket Council (ICC) has decided to delay plans to split Test cricket into two divisions, with the next World Test Championship (WTC) cycle, starting this summer, set to continue in its current nine-team, single-league format. While Cricket Australia had pushed for a two-division structure, citing financial and competitive benefits for the 'big three' (Australia, England, and India), the proposal will not be put to a vote at the upcoming ICC meetings in Zimbabwe. Concerns from other Test nations about financial redistribution and promotion-relegation logistics prompted the ICC to seek more time for review, though the idea could resurface for the 2027–2029 cycle.

In the meantime, significant changes to the WTC points system are under discussion, including introducing bonus points for margins of victory, weighting wins by the strength of opponents, and rewarding away victories. Over-rate penalties, which have caused widespread frustration, particularly for England, who lost significant points due to slow play, are also being reviewed, with potential reforms

including the introduction of a stop-clock to speed up over rates. Despite draws becoming increasingly rare in Test cricket, over rates remain historically low, influenced by tactical reasons in seam-friendly conditions. The upcoming WTC cycle could thus see trial implementations of these reforms, aiming to modernize the format while addressing concerns from players, fans, and administrators alike.

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IOC APPROVES RECORD 351 MEDAL EVENTS FOR THE 2028 LOS ANGELES OLYMPICS, EMPHASIZING GENDER EQUALITY AND MODERNIZATION

The 2028 Los Angeles Olympic Games will see a record 351 medal events, following the International Olympic Committee's (IOC) approval of an expanded program aimed at modernizing the Olympics and enhancing gender equality. Among the additions are sprint-distance swimming races, the 50m backstroke, breaststroke, and butterfly for both men and women as well as a mixed 4x100m track relay and a mixed-team artistic gymnastics competition. Six new mixed-gender events have been introduced across sports like golf, rowing, table tennis, and archery. Swimming will take place at SoFi Stadium, creating the largest natatorium in Olympic history, while gymnastics will be hosted at the Crypto.com Arena.

LA28 will also mark a historic milestone as female athlete quotas (5,655) will surpass male quotas (5,543) for the first time, with full gender parity achieved across team sports, boxing, and expanded formats in 3x3 basketball. LA28 will also feature the return or debut of baseball/softball, cricket, flag football, lacrosse, and squash, adding nearly 700 athlete spots. The Games preparations are also historic, as Kirsty Coventry, IOC president-elect and former Olympic champion, co-chaired the meeting that finalized the program, ahead of her formal takeover as the first woman to lead the IOC.

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US SOCCER AND RELEVENT SPORTS REACH SETTLEMENT IN THE ANTITRUST CHALLENGE IN THE US

On 9 April 2025, Relevent Sports filed to dismiss its 2019 antitrust suit before a US federal court, against the United States Soccer Federation, marking a possible end to the restrictions on staging regular season games of European domestic leagues in the US. The complaint alleged that U.S. Soccer and FIFA violated the Sherman Act by blocking a 2018 La Liga match in Miami under FIFA's home-territory restrictions. FIFA appointed a working group in 2024 to review its regulations governing international matches, a move supported by Relevent Sports.

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GAMING

TAMIL NADU DEFENDS NIGHT BAN AND AADHAAR VERIFICATION FOR ONLINE GAMING

Facing legal challenges from real-money gaming (RMG) companies such as Play Games 24X7, the Tamil Nadu government has defended its controversial measures, including a ban on online cash games from midnight to 5 a.m. and mandatory Aadhaar verification for all players. In court, the state argued that these steps are essential to protect teenagers and vulnerable users from addiction and financial harm. The companies, however, contend that the restrictions are arbitrary and infringe on constitutional rights, setting the stage for a landmark judicial decision.

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CHHATTISGARH HC DEMANDS ACTION ON ILLEGAL BETTING & OPINION TRADING PLATFORMS

The Chhattisgarh High Court, in a PIL by Sunil Namdeo, has directed the state and central governments to clarify enforcement against illegal online betting platforms despite the 2022 Gambling Prohibition Act. It also questioned the skill element in opinion trading apps, deeming them games of chance. The state filed an affidavit detailing actions taken but admitted no complaints were received against some named platforms, with investigations ongoing. The Court granted three weeks for a detailed response and called for the Union Government's input, scheduling the next hearing for May 6, 2025. The case underscores regulatory gaps around opinion trading apps, which are regulated abroad but remain unregulated in India. Industry bodies and MeitY have urged the government to ban such platforms to curb "digital satta" risks and protect consumers.

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EPWA ARGUES ONLINE GAMING REGULATION FALLS UNDER CENTRAL JURISDICTION

The eSports Players Welfare Association (EPWA) has opposed Tamil Nadu's online gaming law in the Madras High Court, arguing that only the central government has the constitutional authority to regulate online gaming. EPWA cited the Union List's provisions on communication and online activities, warning that state-level laws could create a

patchwork of conflicting regulations and hinder the industry's growth.

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KARNATAKA INITIATES STAKEHOLDER CONSULTATIONS ON NEW ONLINE GAMING POLICY

Karnataka has set up a committee to draft a comprehensive online gaming policy. The state government is actively consulting with industry leaders, legal experts, and civil society to create a framework that balances consumer protection, responsible gaming, and industry development. The policy aims to address concerns over illegal betting, player safety, and the distinction between games of skill and chance.

Read More

GOA LAUNCHES CRACKDOWN ON HOUSIE GAMES AMID GAMBLING CONCERNS

Authorities in South Goa have begun a crackdown on commercial housie (tombola) events, citing violations of the Goa Public Gambling Act. The move follows concerns that such games, often organized by clubs and associations, are increasingly commercialized and resemble gambling. Goa's Chief Minister has defended the ban, even as the local football association and other groups call for a rethink, arguing that non-commercial, recreational games should be exempt.

Read More

MAHARASHTRA TO HOLD CONSULTATIONS ON ONLINE GAMING LEGISLATION

The Maharashtra government is preparing to introduce legislation to regulate online real-money gaming. Officials are engaging with stakeholders to draft a licensing framework that would protect users, curb illegal offshore betting, and ensure fair play. The move is seen as an effort to bring much-needed clarity to the state's booming but largely unregulated online gaming sector.

Read More

RAJKOT POLICE ARREST SEVEN MORE INFLUENCERS FOR PROMOTING ONLINE GAMBLING

In a widening crackdown on illegal online gambling, Rajkot police have arrested seven additional social media influencers. Investigations revealed these individuals promoted gambling platforms to their combined audience of over 2.8 million followers, earning commissions for each new user referred. Police warn that further arrests may follow as they continue to monitor digital promotions.

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DELHI HC DIRECTS WINZO TO DEPOSIT ₹30 LAKH IN CREATIVELAND IP DISPUTE

The Delhi High Court has ordered WinZO Games to deposit ₹30 lakh with the arbitral tribunal within three weeks, pending the outcome of an intellectual property dispute with Creativeland Advertising. The case centres on allegations that WinZO misused a campaign tagline developed by Creativeland, with the court seeking to secure potential damages while arbitration proceeds.

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KARNATAKA TO LAUNCH INDIA'S FIRST WHITELIST FOR REAL MONEY GAMING PLATFORMS

Karnataka is set to introduce India's first official whitelist of licensed real-money gaming platforms. The initiative, part of the state's upcoming regulatory framework, aims to help players distinguish between legal, skill-based gaming operators and illegal gambling sites. The whitelist will be publicly accessible and updated regularly.

Read More

HARYANA'S NEW GAMBLING LAW TO OUTLAW OPINION TRADING PLATFORMS

Haryana's proposed gambling legislation the Prevention of Public Gambling Bill, 2025, passed during the budget session in the state's Vidhan Sabha, has cast doubts on the operations of opinion trading platforms in India. The move comes amid growing concerns about the proliferation of such platforms and their impact on consumers, especially minors.

Read More

SEBI WARNS INVESTORS AGAINST UNREGULATED OPINION TRADING PLATFORMS

India's Securities and Exchange Board (SEBI) has issued a public advisory warning investors about the dangers of unregulated opinion trading platforms. SEBI emphasized that these platforms operate outside the legal financial system and pose significant risks to users' funds and data privacy.

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PIL FILED IN PUNJAB & HARYANA HC AGAINST CELEBRITY ENDORSEMENTS OF BETTING APPS

A Public Interest Litigation has been filed in the Punjab & Haryana High Court seeking action against celebrities and

the Advertising Standards Council of India (ASCI) for endorsing illegal betting apps. The PIL calls for stricter enforcement and clearer guidelines to curb misleading celebrity promotions of gambling platforms. The petition states that ASCI, the industry self-regulatory body, is failing to act against misleading advertisements. The petitioner argues that ASCI has not fulfilled its mandate, by allowing celebrity endorsements that glamorize and legitimize these illegal platforms. The petitioner has urged the court to direct ASCI to initiate legal proceedings against the celebrity endorsers and to enforce its code of advertising more stringently. The petition also calls on the Ministry of Electronics and Information Technology (MeitY) to block access to these websites and coordinate with enforcement agencies to investigate money laundering, data privacy breaches, and the misuse of Aadhaar and mobile data.

Read More

DREAM SPORTS INC. COMPLETES REVERSE FLIP TO INDIA

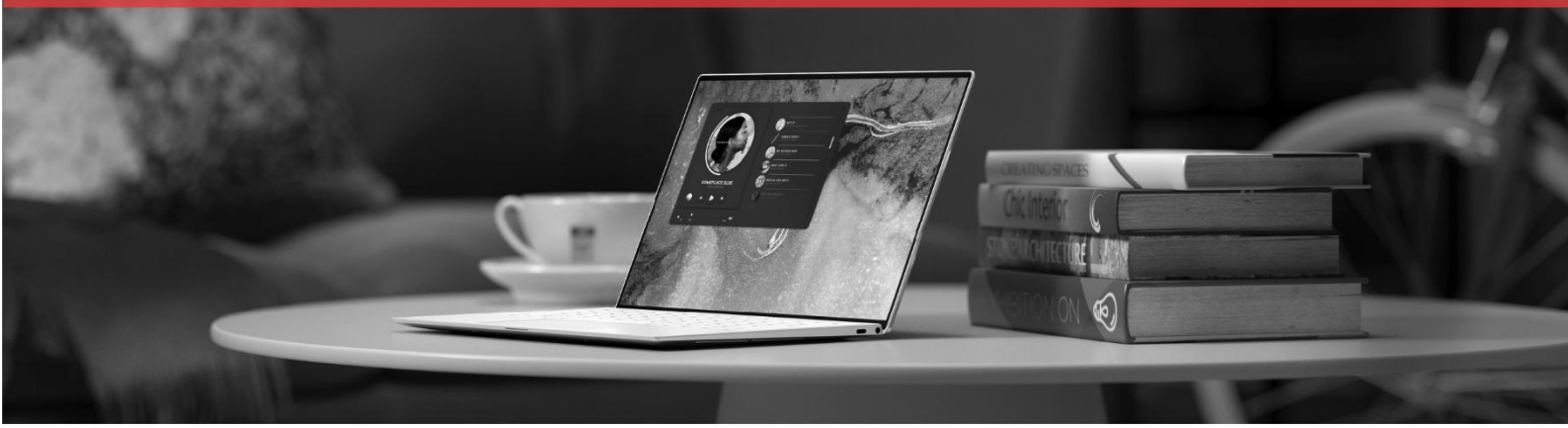
Dream Sports Inc., the parent entity of fantasy sports platform Dream11, has successfully redomiciled from Delaware, USA, to India via a reverse merger with its Indian wholly owned subsidiary, Sporta Technologies Private Limited. The reverse merger marks one of the first instances of adoption of the fast-track merger route introduced by the Ministry of Corporate Affairs in September 2024, enabling foreign entities to merge into their Indian subsidiaries without requiring prior approval from the National Company Law Tribunal (NCLT). The move aligns with the government's broader push to attract Indian startups to rebase domestically.

Access the confirmation order of the scheme **here**.

KERALA HIGH COURT RULES SERVICE TAX NOT APPLICABLE ON LOTTERY TICKET SALES

In *C.N. Mithran v. Union of India (WP(C) No. 11406 of 2018)*, the Kerala High Court held on April 10, 2025, that lottery-ticket sales do not come within the purview of auxiliary service or taxable service under the Finance Act, 1994 and are not "taxable services". The Kerala HC relied on the Supreme Court's ruling in *Union of India v. Future Gaming Solutions Pvt. Ltd.*, which held that the sale of lottery tickets constitutes a principal-to-principal relationship and not of principal-agent between the State Government and purchaser of the lottery tickets, and there being no agency and no service rendered, service tax is not leviable on such transactions.

Access the judgement **here.**



SUPREME COURT RECOGNISES 'RIGHT TO DIGITAL ACCESS PART OF ARTICLE 21' AND DIRECTS TO MAKE E-KYC PROCESS ACCESSIBLE TO PERSONS WITH DISABILITIES

The Supreme Court of India, in a landmark judgment delivered on April 30, 2025 (accessible here), has recognized the right to digital access as an integral component of the fundamental right to life under Article 21 of the Indian Constitution. This decision mandates the revision of digital Know-Your-Customer ("**eKYC**") norms to ensure accessibility for persons with disabilities, particularly those with facial disfigurements due to acid attacks and individuals with visual impairments.

The case arose from petitions filed by acid attack survivors and a visually impaired individual, who challenged the inaccessibility of the mandatory digital KYC process. The petitioners argued that the current eKYC procedures, which require live facial recognition and eye-blinking verification, effectively exclude them from accessing essential banking and e-governance services, thereby violating their rights under the Constitution and the Rights of Persons with Disabilities Act, 2016.

A bench comprising Justice J.B. Pardiwala and Justice R. Mahadevan emphasized the State's obligation to design an inclusive digital ecosystem accessible to all, including marginalized and vulnerable populations.

The Supreme Court issued directions to make the eKYC process accessible to persons with disabilities. These directions include revising digital KYC guidelines to incorporate accessibility codes and ensuring that government portals, learning platforms, and financial technology services are universally accessible.

KARNATAKA HIGH COURT DIRECTS UNION GOVERNMENT TO BLOCK SWITZERLAND-BASED PRONTON MAIN IN INDIA

On April 29, 2025, the Karnataka High Court directed the Union Government to initiate proceedings to block Proton Mail in India under Section 69A of the Information Technology Act, 2000, citing concerns over misuse of the encrypted email service for sending hoax bomb threats and harassing emails containing AI-generated deepfake images and sexually explicit content.

The Court's decision was based on a petition filed by M. Moser Design Associates India Private Limited, which reported that its female employees had been targeted with disturbing emails sent *via* Proton Mail.

HON'BLE SUPREME COURT REITERATES GRANT OF ANTICIPATORY BAIL AS AN EXCEPTION IN SERIOUS ECONOMIC OFFENCES

Serious Fraud Investigation Office v. Aditya Sarda (2025 INSC 477) (Supreme Court)

In a significant ruling emphasizing the gravity of white-collar crimes, the Hon'ble Supreme Court of India set aside anticipatory bail granted to accused persons in the Adarsh Credit Cooperative Society Ltd. ('**ACCSL**') fraud case. The ACCSL fraud case stems from a financial scandal involving alleged diversion of public funds collected by ACCSL, a multi-state cooperative society.

Facts of the case

The Serious Fraud Investigation Office ('**SFIO**') conducted an investigation into ACCSL, uncovering a large-scale alleged financial fraud involving the diversion of public funds through a complex network of over 100 shell companies. Mr. Aditya Sarda, serving as the Head of Sales and Marketing at Adarsh Buildestate Ltd. ('**ABL'**), a subsidiary of ACCSL, was accused of siphoning off ₹30.21 crore from ABL, funds that were originally from ACCSL. The SFIO alleged that Mr. Sarda misused his official position to facilitate these fraudulent transactions.

In view of the above, the Trial Court issued bailable and subsequently non-bailable warrants against Mr. Sarda and other accused individuals. However, the accused persons failed to appear before the Trial Court, leading to proceedings under Section 82 of the Code of Criminal Procedure, 1973 (CrPC). Despite such antecedents, the Hon'ble Punjab and Haryana High Court granted anticipatory bail to the accused persons, which was challenged by SFIO before the Hon'ble Supreme Court.

Conclusion

The Hon'ble Supreme Court, comprising **Justice Bela M. Trivedi and Justice Prasanna B. Varale**, emphasized that economic offences need to be viewed seriously as they constitute a distinct class, due to the involvement of huge public funds and deep rooted conspiracies, thereby posing a threat to the financial health of the country.

The Hon'ble Supreme Court also observed that in cases such as the ACCSL fraud, the accused persons who had evaded the process of law which led to issuance of non-bailable warrants and proclamation, the High Court Courts should not consider such circumstances casually while adjudicating a bail application of accused persons. The Hon'ble Supreme Court relied upon a recent judgment in the case of ***Union of India through Assistant Director vs. Kanhaiya Prasad***[14] wherein it was observed that cryptic orders which grant bail without referring to the facts or considering any of the restrictive conditions imposed on the party with regards to bail contrary and are liable to be set aside. Consequently, the Hon'ble Supreme Court set aside the Hon'ble High Court's order granting anticipatory bail and directed the accused to surrender before the Trial Court within one week.

Further, the Hon'ble Supreme Court relied on the notable judgment of ***Vijay Madanlal Choudhary and Ors. v. Union of India***[15] wherein a Three-Judge Bench examined the validity of conditions contained in Section 45 of the Prevention of Money Laundering Act, 2002 ('**PMLA**') and held that the restrictive conditions of bail are mandatory in nature. It was observed that such conditions are applicable to anticipatory bail proceedings as well.

This decision stands as a precedent reinforcing the principle of law that accused persons in white-collar crimes, however

[14] 2025 SCC Online SC 306
[15] (2023) 12 SCC 1

well-positioned or resourceful, will be dealt with seriously if they attempt to create hindrances in the process of law.

Hyeoksoo Son v. Moon June Seok & Anr., (SLP (Crl.) No. 6917 of 2024) (Supreme Court)

Facts of the case

The case pertains to an alleged financial fraud involving Daechang Seat Automotive Pvt. Ltd., a company engaged in manufacturing car seat equipment for KIA ('**Company**'). The Company accused its former employees and advisors, including Mr. Moon June Seok ('**Mr. Seok**'), a foreign national and former Chief Financial Officer of the Company of allegedly embezzling over Rs. 10 crores under the pretext of GST payments that were to be made by the company to the GST Department.

The Company was advised by N.K. Associates (a Chartered Accountant firm) to transfer Rs. 10.18 crore for GST dues, which was allegedly misappropriated and never paid to the GST Department by them in collusion with Mr. Seok. Mr. Seok allegedly received ₹1.8 crore in cash from co-accused Nikhil Kumar Singh. Therefore, N.K. Associates and Mr. Seok were accused of criminal conspiracy, breach of trust, and cheating (Sections 406, 408, 409, 418, 420, 120B read with Section 34 of the Indian Penal Code, 1860).

The Karnataka High Court ("**High Court**") quashed the criminal proceedings against Mr. Seok, holding that he was not named in the FIR and there was no evidence *prima facie* which could link him to the fraud. It was also held that his role was limited to *inter-alia* forwarding the financial documents.

Conclusion

The Hon'ble Court referred to the landmark judgment in the case of ***State of Haryana vs. Bhajan Lal***[16] wherein, with regard to the exercise of powers under Section 482 Code of Criminal Procedure, 1973, detailed 7 (seven) circumstances under which the High Court may exercise its power. The said principles were further expanded and clarified in later judgments of the Hon'ble Supreme Court (***Neeharika Infrastructure (P) Ltd. V. State of Maharashtra***[17])

The Hon'ble Supreme Court noted that Mr. Seok, in his own statement during investigation has corroborated the statement of co-accused, Mr. Nikhil Singh, and acknowledged the possibility that he received money from Mr. Nikhil Singh. Further, the Hon'ble Supreme Court noted that the connection between Mr. Seok and other accused suggested *prima facie* connection in the alleged offences. The same was not the only connection, as Mr. Seok, upon recommendation of Mr. Nikhil Singh, had appointed another accused (Accused No.2, Mr. Ritesh Merugu) as Account Manager.

Keeping in view the involvement of substantial funds, the Hon'ble Supreme Court held that it should be proved in the trial that there was no evidence against Mr. Seok, and at this stage, the Hon'ble Supreme Court was unable to come to such a conclusion.

The Hon'ble Supreme Court allowed the appeal before it and set aside the High Court's order, thereby reinstating the trial proceedings before the Additional Chief Metropolitan Magistrate, Bengaluru. The Hon'ble Supreme Court emphasized the importance of safeguarding corporate governance and investor confidence, especially in cases involving foreign-owned companies operating in India.

[16] 1992 Supp (1) 335

[17] (2021) 19 SCC 401

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