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NEWSLETTER

July 2025

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REVISED INDUSTRY STANDARDS ON "MINIMUM INFORMATION TO BE PROVIDED TO THE AUDIT COMMITTEE AND SHAREHOLDERS FOR APPROVAL OF RELATED PARTY TRANSACTIONS"

The Industry Standard Forum ("ISF"), consisting of representatives from ASSOCHAM, CII and FICCI, under the aegis of the Stock Exchanges and in consultation with SEBI formulated the Industry Standards on "Minimum information to be provided for review of the audit committee and shareholders for approval of a related party transaction" ("Industry Standards").

Listed entities were required to follow the aforesaid standards with effect from April 01, 2025, however the applicability of the Industry Standards was pushed to July 01, 2025, pursuant to feedback and requests made by various stakeholders.

Based on this feedback, ISF in consultation with SEBI came out with the revised Industry Standards. Accordingly, Section III-B of the of the Master Circular dated November 11, 2024[1], relating to disclosures and other obligations of listed entities in relation to Related Party Transactions has been modified as follows;

i. Paragraph 4 under Part A of Section III-B shall stand substituted by the following paragraph:
"The listed entity shall provide the audit committee with the information as specified in the Industry Standards on "Minimum information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions", while placing any proposal for review and approval of an RPT."

ii. Paragraph 6 under Part B of Section III-B shall stand substituted by the following paragraph:
"The notice being sent to the shareholders seeking approval for any RPT shall, in addition to the requirements under the Companies Act, 2013, include the information as part of the explanatory statement as specified in the Industry Standards on "Minimum information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions."

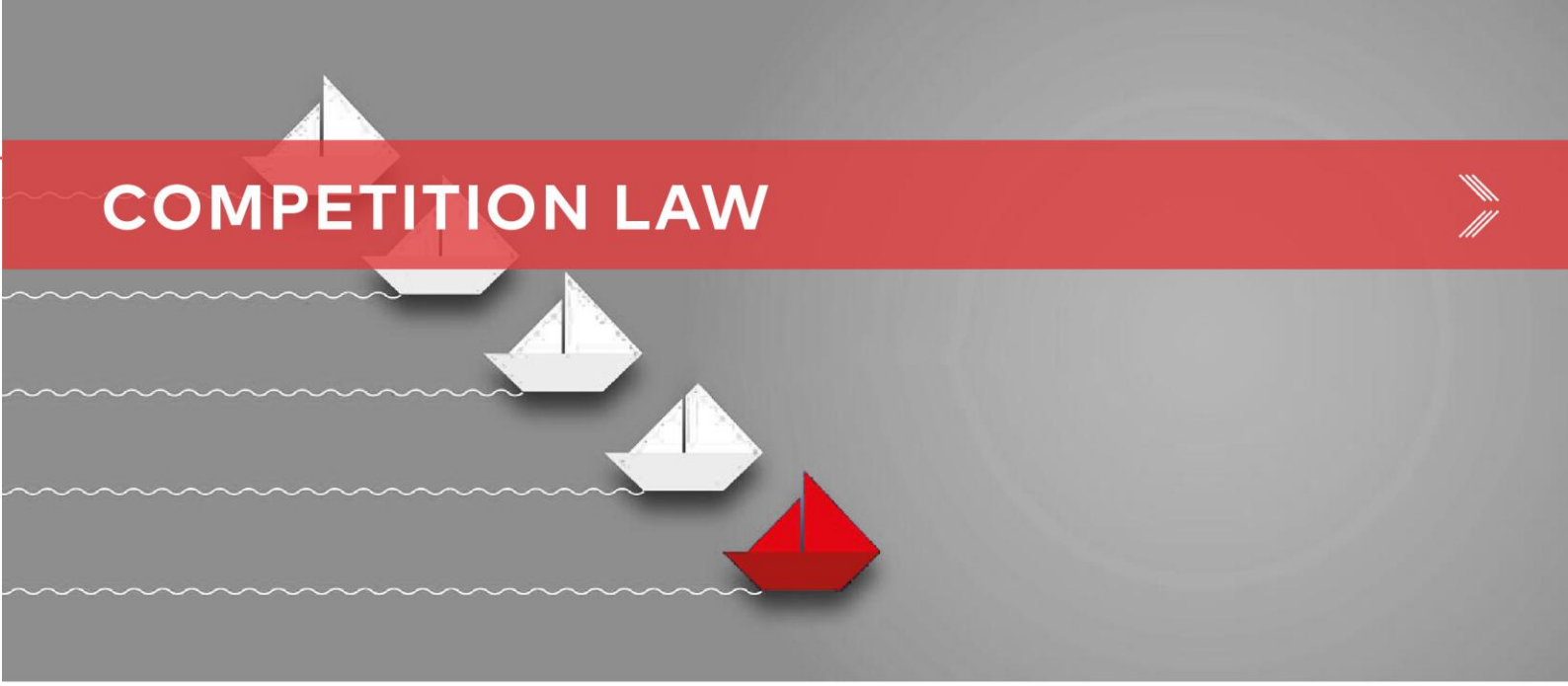
These aforementioned amendments shall come into effect from September 01, 2025.

SEBI TO INTRODUCE "VALIDATED UPI HANDLES" AND "SEBI CHECK" FOR SECURED PAYMENTS BY INVESTORS

SEBI introduced steps with the aim of enhancing investor protection and combatting unauthorized money collection in the securities market. These steps are;

i. Introduction of a structured and validated Unified Payment Interface (UPI) address mechanism featuring the exclusive "@valid" handle;
ii. Development of a new functionality called "SEBI Check" which will allow investors to verify the authenticity of UPI IDs either by scanning a QR Code or entering the UPI ID manually.

[1] SEBI/HO/CFD/PoD2/CIR/P/0155



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

MADRAS HIGH COURT REJECTED GOOGLE'S APPLICATION TO DISMISS TESTBOOK'S CIVIL SUIT

The Madras High Court, vide its order dated June 11, 2025, dismissed an application jointly filed by Google India Private Limited and Google India Digital Services Private Limited (collectively, "**Google**") in the matter of *Google India Private Limited & Another vs Testbook Edu Solutions Private Limited & Others*. The said application prayed for dismissal of the civil suit filed by Textbook Edu Solutions Private Limited ("**Testbook**"), which challenges the legality of Google's new billing systems on Google's Play Store.

Testbook had sought a declaration that Google's Developer Distribution Agreement ("**DDA**") and related billing terms were illegal and unenforceable. Referring to the clauses in DDA, Testbook alleged that Google's sudden imposition of service fees amounted to a breach of the terms of the DDA and was therefore unfair. It sought a permanent injunction preventing Google from removing its apps from the Play Store due to its refusal to comply with the contested billing system.

Google argued that the suit was substantially similar to earlier rejected claims made by other startups. However, the court held that the complaint filed by Testbook differed from the earlier batch of cases since the earlier cases primarily focused on Google's alleged abuse of its dominant position. The court held that the current suit raised specific contractual issues regarding the Testbook's agreements with Google and was not a copy of the prior cases, as it raised new legal points.

The court also acknowledged and clarified that while Testbook could have approached the Competition Commission of India ("**CCI**"), it did not bar the present civil suit.

CCI APPROVES ACQUISITION OF MAJORITY STAKE IN ITD CEMENTATION BY ADANI GROUP AFFILIATE RENEW EXIM DMCC

The CCI, via its order dated January 28, 2025, approved the acquisition of equity shares of ITD Cementation Indian Limited ("**Target**") by Renew Exim DMCC ("**Acquirer**") from Italian-Thai Development Public Company Limited ("**Seller**"). The proposed transaction involved:

(i) the acquisition of approximately 46.64% of the total issued and voting equity share capital of the Target; and
(ii) the further acquisition of approximately 26% of the voting share capital of the Target under an open offer ("**Open Offer**"), pursuant to the requirements under the Securities and Exchange Board of India ("**SEBI**") (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("**Takeover Regulations**").

Post the Open Offer process, the Acquirer will hold approximately 72.64% of the voting share capital of the Target (collectively, "**Proposed Combination**").

The Acquirer is a Dubai-based holding company involved in the business of investment in commercial enterprises and management. It does not have any business operations/ presence in India and belongs to the Adani group (as the ultimate beneficial owner).

The Target is a publicly listed company in India and is engaged in the engineering and construction business undertaking heavy civil, infrastructure and engineering, procurement and construction ("**EPC**") business.

The CCI observed that there are no horizontal overlaps between the Acquirer and the Target. However, certain affiliates of the Adani group are present in the provision of

Operation and Maintenance ("**O&M**") in downstream vertical markets.

Further, the Target is present in provision of EPC services across various segments such as in roads/ highways, water and wastewater treatment plants, airports, maritime projects and power projects, *i.e.*, input EPC services at the upstream level that may be required for Adani group's activities in O&M at the related downstream levels for each activity/ sector.

The CCI observed that given the nature and extent of the overlaps in the upstream and downstream markets, the Proposed Combination was not likely to cause an appreciable adverse effect on competition in any of the plausible markets.

Further, due to the presence of the parties and their affiliates in the vertically overlapping markets and the competition landscape of the upstream and downstream markets, coupled with the presence of credible players in each of the market segments, the CCI concluded that the Parties did not possess the ability or incentive to cause foreclosure in any of the markets.

Thus, the CCI opined that the Proposed Combination was not likely to have an appreciable adverse effect on competition in India and approved the Proposed Combination.

CCI APPROVES INCREASE IN STAKE BY 360 ONE PRIVATE EQUITY FUNDS IN VASTU HOUSING FINANCE CORPORATION

The CCI, vide its order dated August 6, 2024, approved the acquisition of equity shares of Vastu Housing Finance Corporation Limited ("**Target**") by 360 ONE Private Equity Funds ("**360 Fund**") acting through its investment manager, 360 ONE Alternates Asset Management Limited ("**AAML**") (360 Fund and AAML are collectively referred to as "**Acquirer**").

The present transaction relates to the proposed acquisition of 4.12% shareholding (on a fully diluted basis) of the Target by the Acquirer ("**Proposed Combination**"). The Proposed Combination will increase the shareholding of the Acquirer in the Target from 5.44% to 9.56% (on a fully diluted basis).

360 Fund is registered with SEBI as a Category II Alternative Investment Fund. It is managed by AAML. AAML is a wholly owned subsidiary and is ultimately controlled by 360 ONE WAM Limited ("**360 OWL**"). It provides investment management services to 360 ONE Group and also undertakes portfolio management services, including co-investment management services. The Acquirer is a wholly owned subsidiary of 360 OWL.

The Target is engaged in the provision of home loans, home extension loans, plot and construction loans, loans against property and micro/ MSME loans. The Target is the ultimate parent entity of the "Vastu Group". It has one subsidiary, namely, Vastu Finserve India Private Limited ("**VFIPL**") (collectively referred to as "**Target Group**").

VFIPL is a wholly owned subsidiary of VHFCL. VFIPL is a Non-Banking Financial Company ("**NBFC**") engaged in the business of providing financial services, specifically, the provision of loans and credit/advance money with or without security to any individual, firm, body corporate or any other entity.

The CCI observed that the Target is engaged in the business of providing financial services, specifically, the provision of loans and lending services. The Acquirer is also present in the market of loans and lending services through its wholly owned subsidiaries, 360 ONE Prime Limited and Northern Arc Capital Limited. Further, certain portfolio entities of 360 ONE Group are also engaged in the provision of loans and lending services.

Accordingly, the activities of the Acquirer exhibited horizontal overlaps with those of the Target at various levels, including: (i) the broader market for the provision of loans in India; (ii) the narrower market for the provision of retail loans in India; and (iii) further delineated segments such as: (a) provision of home loans in India, (b) provision of loans against property; (c) provision of loans to small businesses/ MSMEs; (d) provision of vehicle loans in India; and (e) provision of commercial vehicle (including tractors and three-wheelers) loans and construction equipment loans in India.

The CCI noted that the combined market shares of the parties in each of the relevant markets are in the range of [0-5] % only, in terms of value. Further, each of the markets has the presence of other players such as State Bank of India, HDFC Bank, ICICI Bank, Axis Bank, Punjab National Bank, Bank of Baroda, Cholamandalam Investment and Finance Limited, IndusInd Bank, etc.

Based on the above assessment, the CCI opined that the Proposed Combination was not likely to have an appreciable adverse effect on competition in India. Therefore, the CCI approved the Proposed Combination as per the provisions of Section 31(1) of the Act.

CCI APPROVES MULTIPLES GIFT FUND'S ACQUISITION OF STAKES IN VASTU, APAC FINANCIAL, AND QUANTIPHI

The CCI, via its order dated April 8, 2025, approved the acquisition by Multiples Plenty Private Equity GIFT Fund ("**Multiples GIFT Fund**" or "**Acquirer**"), acting through its investment manager, Multiples Asset Management IFSC LLP ("**Multiples IFSC**").

The proposed transaction ("**Proposed Combination**") contemplates the acquisition by Multiples GIFT Fund of:

(i) 21% shareholding of Vastu Housing Finance Corporation Limited ("**Vastu**") from Multiples Private Equity Fund II LLP ("**Multiples Fund II**"), Plenty and Plenty CI Fund I Limited ("**Plenty CI**");
(ii) 18.91% shareholding of APAC Financial Services Limited ("**APAC**") from Plenty Private Equity Fund I Limited ("**Plenty**") and Multiples Fund II; and
(iii) 17.20% shareholding of Quantiphi, Inc. ("**Quantiphi**") from Plenty and Multiples Fund II.

The Acquirer is a newly incorporated trust, formed under the Indian Trusts Act, 1882 and registered with the International Financial Services Centres Authority as a restricted scheme (non-retail). The Acquirer is managed by Multiples IFSC, a limited liability partnership incorporated under the Limited Liability Partnership Act, 2008. Multiples IFSC is a subsidiary of Multiples Alternate Asset Management Private Limited ("**MAAMPL**").

Vastu is a housing finance company. It is the holding company of Vastu Finserve India Private Limited. Vastu, directly or through its subsidiary, is engaged in the provision of retail loans, *i.e.*, home loans and loans to micro, small and medium enterprises ("**MSMEs**"), auto loans and loans against property.

APAC is a Non-banking Financial Company – Middle Layer registered with the Reserve Bank of India. APAC is engaged in the provision of retail loans to MSMEs. It has also recently obtained the license to operate as a corporate agent for the distribution of insurance products from the IRDAI.

Quantiphi, incorporated in the United States, is engaged in, *inter alia*, the provision of various artificial intelligence and machine learning solutions and data analytics.

The CCI, in its order, noted that some of the affiliates of the Multiples Group were engaged in the provision of loans and lending services in India. Accordingly, the affiliates of both Multiples Group and Vastu and APAC exhibited horizontal overlaps with regard to loans and lending business in India.

Within the loan and lending business, they exhibited horizontal overlaps with regard to the retail loans and lending segment, and within the retail loans and lending segment, they exhibited horizontal overlaps with regard to auto loans, housing loans, loan against property, and MSME loans. The CCI observed that the combined market shares for the said overlapping segment and sub-segments were less than 1%.

Further, some of the affiliates of the Multiples Group were engaged in the provision of life and general insurance.

Therefore, the insurance distribution activities of the Targets exhibited a vertical interface with the insurance provision activities of said affiliates of the Multiples Groups. The CCI observed that the market share of the affiliates of the Multiples Group for the provision of life and general insurance was less than 1%. Further, the presence of the Targets engaged in the distribution of the insurance products was not significant.

Based on the above assessment, the CCI was of the opinion that the proposed combination was not likely to have an appreciable adverse effect on competition in India. Therefore, the CCI approved the proposed combination.

BOMBAY HIGH COURT CLARIFIES SCOPE OF ARBITRABILITY IN ASYMMETRICAL CLAUSES

The Bombay High Court, in *Samruddhi Industries Ltd. v. Kotak Mahindra Bank Limited* [2], dismissed an application filed under Section 11 of the Arbitration and Conciliation Act, 1996 ("**Act**") seeking the appointment of an arbitrator in relation to disputes arising under a Master Facility Agreement dated December 18, 2018 ("**Agreement**"). The Court held that the disputes raised by the applicant did not fall within the scope of the arbitration clause, given the substantive nature of the issues involved. The Court, *inter alia*, clarified that asymmetrical arbitration clauses do not, by themselves, render an arbitration agreement invalid, as parties are at liberty to mutually determine the categories of disputes that are amenable to arbitration.

The disputes arose from the Respondent's imposition of penal interest rates on the Applicant's loan account. In an invocation notice dated May 13, 2024, the Applicant contended that it had discovered the Respondent was levying exorbitant interest rates that were not contemplated under the terms of the Agreement. Additionally, the Applicant raised grievances regarding the arbitrary blocking of its bank account between February 22, 2022 and February 25, 2022, without any prior notice or justification. Accordingly, the disputes and differences between the parties pertain to the operation and implementation of the Agreement.

The core contention of the Respondent was that the arbitration agreement would apply only where the monetary claim or dispute falls below the pecuniary jurisdiction of the Debt Recovery Tribunal ("**DRT**"). Hence, the arbitration clause contained an inherent pre-condition, however for the limit provided to be relevant, the dispute must fall within the substantive jurisdiction of DRT. Referring to the Application, the Respondent submitted that the dispute raised by the Applicant involved a claim exceeding Rs. 1 Crore. Since the pecuniary threshold under Section 1(4) of the Recovery of Debts and Bankruptcy Act, 1993 ("**RDB** Act") is Rs. 20 Lakhs, the Respondent argued that the dispute was within the jurisdiction of the DRT and, therefore, not arbitrable under Clause 11.7 of the Agreement ("**the Clause**").

The Court held that Clause 11.7 of the Agreement is applicable only in cases where the Bank seeks recovery of an amount below ₹20 lakhs. Given that the jurisdiction of the Debt Recovery Tribunal (under Section 17 of the RDB Act) is confined to recovery applications filed by banks or financial institutions, the disputes raised by the Applicant in the present case fall outside its substantive scope. The Court observed that since the genus of the dispute necessary for arbitration agreement to exist is a dispute that would otherwise be amenable to substantive jurisdiction of DRT, the threshold of pecuniary jurisdiction is a secondary feature. Nevertheless, relying on its earlier ruling in the case of *Tata Capital v. Vijay Devji Aiya & Anr* [3] , the Court reaffirmed that asymmetry in an arbitration clause does not, by itself, render the agreement invalid. It emphasized that parties are at liberty, under Section 7 of the Arbitration and Conciliation Act, 1996, to determine which categories of disputes they wish to submit to arbitration, and which they prefer to leave to other fora.

In this context, the Court concluded that the Arbitration Clause reflects an arrangement where disputes concerning the recovery of debt initiated by the Respondent may be referred to arbitration, while disputes such as the Applicant's allegations of wrongful imposition of penal interest would be outside its purview and must be adjudicated by courts or other competent forums.

[2] 2025 SCC OnLine Bom 2392

[3] 2025 SCC OnLine Bom 1357

BOMBAY HIGH COURT REAFFIRMS HARMONIUS INTERPRETATION OF SECTION 11 AND SECTION 42 OF THE ARBITRATION ACT, 1996

In a jurisdictional tangle in the case of *Tata Motors Finance Solutions Ltd. v. Parbez Hamid* [4], the Bombay High Court clarified the interplay between Section 11 and Section 42 of the Arbitration and Conciliation Act, 1996 (" **the Act**"), especially in the context of which High Court has jurisdiction to entertain an application for appointment of an arbitrator when a prior application under Section 9 of the Act is filed in a district court outside that High Court's supervisory jurisdiction.

Tata Motors Finance Solutions Ltd. filed an application under Section 11 of the Act before the Bombay High Court to appoint an arbitrator in relation to disputes arising from loan agreements. However, an earlier application under Section 9 of the Act had already been filed in the City Civil Court at Kolkata (a district Court). The key question was whether the Bombay High Court could exercise jurisdiction under Section 11 of the Act, despite Section 42 of the Act mandating that all subsequent applications be made before the "Court first approached".

The Court analyzed the interplay between Section 11 and Section 42 of the Act and held that once any application under the Act is made before a competent court, all subsequent applications arising out of the same arbitration agreement must be made before that court alone. This reflects the legislative intent to prevent forum shopping and ensure procedural consistency in arbitration-related proceedings. While acknowledging that the City Civil Court at Kolkata was competent to entertain the Section 9 application, the Court clarified that it lacked jurisdiction under Section 11, which vests the power to appoint arbitrators exclusively in the High Court. The Court further held that, although the loan agreement conferred jurisdiction on Mumbai courts, such contractual stipulations cannot override the statutory scheme once proceedings have been initiated under Section 9 before another forum.

Relying on the Supreme Court's decision in *Ravi Ranjan Developers Pvt. Ltd. v. Aditya Kumar Chatterjee* [5] , the Court held that the appropriate High Court for the purposes of Section 11 is the one exercising supervisory jurisdiction over the Court first approached under Section 9—in this case, the Calcutta High Court. Consequently, the Bombay High Court declined to exercise jurisdiction under Section 11 and directed the applicant to move the Calcutta High Court for appropriate relief.

PARTIAL SETTING ASIDE OF ARBITRAL AWARD BY BOMBAY HIGH COURT ON ACCOUNT OF PERVERSITY

The Bombay High Court in, *HPCL v. G.R. Engineering Pvt. Ltd.*[6], partially set aside an Arbitral Award under Section 34 of the Arbitration and Conciliation Act, 1996 ("**Act**") on account of the perverse findings in a portion of the Arbitral Award being severable from the other parts of the Arbitral Award. The Arbitral Award directed Hindustan Petroleum Corporation Ltd. **("HPCL")** to refund over Rs. 11 crore to G.R. Engineering Pvt. Ltd. **("GRE").**

The dispute stemmed from delays in completion of GRE's contract to construct LPG storage mounded bullets at HPCL's refinery, completed more than two years past the original deadline. HPCL withheld various amounts citing non-conformity in civil works, delayed insurance and also imposed liquidated damages. The Tribunal rejected these claims and directed HPCL to refund the same.

With respect to HPCL's claim for liquidated damages, the Tribunal rejected the same primarily on the premise that HPCL had failed to prove its losses *'in a more concrete fashion'*. The Court observed that the Tribunal had rejected HPCL's claim without considering its submissions, contractual provisions and Judgments relied upon by parties. The Court observed that contrary to the ratio laid down in *Kailash Nath Associates v. DDA*[7], the Tribunal had not even dealt with whether it was difficult or impossible to prove the loss in instant case. Hence, this portion of the Arbitral Award was found to be perverse. Accordingly, the Court set aside the portion regarding HPCL's claim for liquidated damages as being perverse, manifestly arbitrary for want of reasoning and contrary to Indian legal principles in relation to liquidated damages, whilst upholding the other components of the Arbitral Award.

The Court applied the principle of severability of arbitral awards and relied on the Supreme Court's Judgment in *Gayatri Balasamy v. ISG Novasoft Technologies Ltd.*[8]. The Court observed that the portion of the Arbitral Award which is being set aside is not interlinked/interconnected to the rest of the Arbitral Award and that such partial setting aside will have no bearing or impact on the other portions of the Arbitral Award.

RAJASTHAN HIGH COURT PARTIALLY SETS ASIDE ARBITRAL AWARD ON ACCOUNT OF AWARDING OF CLAIMS BEYOND CONTRACTUAL TERMS

The Hon'ble Rajasthan High Court in, *The State of Rajasthan v. Sanwariya Infrastructure Pvt. Ltd.*, partially set aside an Arbitral Award under Section 37 of the Act as the Tribunal

[4] Bombay High Cout - ARBAP/121/2024
[5] 2022 SCC OnLine SC 568
[6] 2025 SCC OnLine Bom 2393
[7] (2015) 4 SCC 136
[8] 2025 INSC 605

had erred in awarding claims which were beyond the express terms of the Concession Agreement **("Agreement")**.
Under the Agreement, the Respondent was entrusted to construct Pali Bypass, Jodhpur-Sumerpur road on a Build-Operate-Transfer **("BOT")** basis and operate the same for concession period of 70 months.

The dispute stemmed from delays in handing over full possession of land, and the Respondent's consequent claim for compensation and non-closure of a level railway crossing (LRC). The Tribunal awarded damages over ₹50 crore (including interest), towards delayed toll collection despite the absence of a clause in the agreement permitting monetary compensation. The State of Rajasthan **("State")** challenged the Award under Section 34 of the Act on the ground that the claim of losses was barred by limitation and that there was no provision in the Contract which entitled the Respondent to receive compensation for delayed handover of land as the Respondent was duly compensated by extending the concession period. The Court rejected the submissions of the State and upheld the Arbitral Award.

However in Section 37 Appeal, the Court held that there were no provisions in the Agreement which entitled the Respondent to recover losses incurred due to non-closure of level railway crossing and claim interest for delay in start of collection of toll and further interest thereon. The Court observed that award of damages on said counts amounted to patent illegality and exceeded terms of contract and that the Respondent was duly compensated by extending the concession period.

In light of the Supreme Court's Judgment in *Gayatri Balasamy v. ISG Novasoft Technologies Ltd.*[9], the Court found that the grant of loss incurred due to non-closure of level railway crossing and the interest for delay in start of collection of toll and further interest thereon was severable from the other components of the Arbitral Award. Accordingly, the Court partially set aside the Arbitral Award on account of patent illegality whilst upholding the other portions of the Arbitral Award. The Court held that the power to sever part of the award under Section 34 of the Act also applies to an appeal under Section 37 of the Act.

BOMBAY HIGH COURT QUASHES TRIAL COURT ORDER ALLOWING AMENDMENT OF WRITTEN STATEMENT POST COMMENCEMENT OF TRIAL

The Bombay High Court in, *Shashikala Sriram Shetty v. Nikita Jagannath Shetty & Ors.*, allowed the Writ Petition **("Petition")** by setting aside an order of the Civil Judge, Pune, which had allowed amendment of the Written Statement post commencement of trial. The Court observed that the trial court's approach in allowing the amendment despite recording a finding that Defendant No. 2 had lacked diligence in filing the amendment application, was a jurisdictional error.

The dispute arose from a suit for partition and declaration of shares in ancestral properties originally held by one Shridhar Babu Shetty. The Plaintiffs (i.e. daughters of Shridhar) alleged illegal usurpation of their rightful shares through forged documents by Defendant No. 1 (now deceased) and his adopted daughter, Defendant No. 2. After years of litigation, Defendant No. 2 sought to amend her Written Statement, citing the engagement of a new lawyer and a need for better particulars and to raise additional defences and contentions.

The trial court allowed amendment application. In appeal, the Court held that once the trial had commenced, the *proviso* to Order VI Rule 17 of CPC strictly barred amendments unless the party showed that, despite *due diligence*, the amendment could not have been raised earlier. However, in the facts of instant case, Defendant No.2 had failed to provide any such explanation, apart from there being a change in counsel, which the Court held to be insufficient.

Relying on precedents including *Vidyabai & Ors. v. Padmalatha & Anr.*[10], *Chander Kanta Bansal v. Rajinder Singh Anand*[11], and *Samuel v. Gattu Mahesh*[12], the Court emphasized that the requirement of "due diligence" is a jurisdictional threshold. A party cannot seek amendment merely due to a change in legal representation or strategy post commencement of trial in a suit. The Court further held that even though more liberal standards apply to amendments in Written Statements than Plaints, those standards do not override the mandatory requirement of justifying the delay under the *proviso*.

The Court held that the Trial Court's order which was passed despite recording that Defendant No.2 had lacked diligence in filing the amendment application, was legally unsustainable. Accordingly, the Court quashed and set aside the order and rejected amendment application.

[9] 2025 INSC 605
[10] (2009) 2 SCC 409
[11] (2008) 5 SCC 117
[12] (2012) 2 SCC 300

STATUTORY UPDATES

MANDATORY REGISTRATION OF ESTABLISHMENTS IN DELHI ON THE SHE-BOX PORTAL

The Department of Women and Child Development (Women Empowerment Cell), Government of NCT of Delhi, has issued a Public Notice directing all establishments operating in Delhi, across both public and private sectors, to mandatorily register their organizational details on the SHe-Box Portal (Sexual Harassment Electronic Box). The portal is a centralised online platform launched by the Ministry of Women and Child Development, Government of India to facilitate single-window access for women to file complaints related to workplace sexual harassment. Once submitted, complaints are directly routed to the concerned authority for timely action.

This mandatory requirement flows from the orders of the Hon'ble Supreme Court in the case of *Aureliano Fernandes v. State of Goa & Ors.*[13] *[Miscellaneous Application No. 001688 - / 2023]* and aims to ensure seamless complaint resolution and create a central repository of data. Therefore, all public sector organizations, private sector entities and their subordinate offices are accordingly advised to comply with the Public Notice at the earliest.

This is a vital step towards contributing to a safer and more respectful workplace for women.

PUNJAB EXTENDS PERMISSION FOR ESTABLISHMENTS TO OPERATE 365 DAYS A YEAR

Pursuant to a Notification bearing No. LabOPSCA/2/2024-5L/495 dated 17 June 2025, the Department of Labour, Government of Punjab, has extended the exemption granted to all establishments from complying with the provisions of Section 9 (opening and closing hours) and Section 10(1) (close day) of the Punjab Shops and Commercial Establishments Act, 1958 (the "**Punjab S&E Act**"), and has permitted them to remain open on all three hundred sixty-five (365) days of the year for a further period of one (1) year, subject to compliance with the conditions stipulated in the said Notification.

Please note that there appears to be a discrepancy regarding the duration of the exemption. While the opening paragraph of the Notification states that the exemption shall remain in force until 31 May 2026, Condition No. 1 stipulates that the exemption shall be operative for a period of one (1) year from the date of publication in the Official Gazette, i.e., until 17 June 2026. This inconsistency may warrant clarification from the issuing authority to ascertain the precise period of exemption.

To avail the said exemption, establishments must comply with the following stipulated conditions, amongst others: (i) provide one (1) day of paid holiday per week and display a list of such holidays on the establishment's notice board; (ii) ensure no employee works for more than ten (10) hours a day or forty-eight (48) hours a week, and is given one (1) hour of rest after every five (5) hours of continuous work; (iii) the daily spread over of an employee shall not exceed twelve (12) hours in a day; (iv) if the establishment remains open after 10:00 p.m., adequate safety and security arrangements shall be made for employees and visitors; (v) female employees will not be allowed to work after 8:00 p.m. unless their written consent has been obtained and adequate arrangements have been made to ensure their safety and safe transportation home; (vi) female employees shall be provided with separate lockers and rest rooms at the workplace; (vii) ensure compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, particularly regarding

[13] **DSK Note**: This case is pending adjudication before the Hon'ble Supreme Court of India.

the constitution of a functioning Internal Committee (IC); and (viii) employees shall be provided all the facilities mentioned in the relevant labour laws.

In case of violation of any of the above-mentioned terms and conditions or any provision of the Punjab S&E Act, the Competent Authority reserves the right to cancel the exemption after giving a due opportunity of being heard to the employer.

MINISTRY OF CORPORATE AFFAIRS INTRODUCES MANDATORY LABOUR LAW DISCLOSURES IN BOARD REPORTS

The Ministry of Corporate Affairs, *vide* its Notification bearing No. G.S.R. 357(E) dated 30 May 2025 (effective from 14 July 2025), notified the Companies (Accounts) Second Amendment Rules, 2025, thereby amending the Companies (Accounts) Rules, 2014 to modernize and digitize compliance reporting by companies. Key changes include the replacement of various physical forms with their electronic counterparts (e-Forms) and the introduction of new disclosure requirements in the Board Report.

From a labour and employment law compliance perspective, companies are now required to provide a statement of compliance with the provisions of the Maternity Benefit Act, 1961, and details pertaining to complaints of sexual harassment.

With respect to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (the "**POSH Act**"), the following disclosures are now mandatory: (i) number of complaints of sexual harassment received during the year; (ii) number of complaints disposed off during the year; and (iii) number of complaints pending for more than ninety (90) days. Previously, under the Companies (Accounts) Amendment Rules, 2018, companies were only required to include a statement regarding compliance with the provisions relating to the constitution of the Internal Committee (IC) under the POSH Act.

Additionally, the extract format enclosed therein requires companies to disclose the number of transgender, female, and male employees employed as on the closure of the financial year.

These developments signal a regulatory shift towards greater transparency, accountability, and gender-inclusive governance in corporate India. Companies must, therefore, proactively align their compliance frameworks to ensure timely and accurate adherence to these enhanced requirements.

MANDATORY REGISTRATION OF ESTABLISHMENTS IN RAJASTHAN ON THE SHE-BOX PORTAL

The Department of Women and Child Development, Government of Rajasthan, has issued a Public Notice (the "**Notice**") dated 23 June 2025 mandating all establishments, including private and government establishments, head offices, departments, public sector undertakings and banks, operating within the State to register on the SHe-Box Portal within fifteen (15) days from the date of issuance of the Notice. This requirement is in furtherance of the provisions of the POSH Act.

Pursuant to the Notice, every employer is legally obligated to constitute an Internal Committee ("**IC**") at each office or administrative unit where ten (10) or more employees are engaged. The order constituting the IC must clearly mention the names, mobile numbers, and designations of the Presiding Officer and its members and be prominently displayed at the workplace. Employers have also been directed to conduct awareness workshops on the subject and to submit annual reports to the appropriate local authority in the prescribed format.

Further, the Notice provides details of a helpline number and lists available support services, including access to counselling, medical assistance, legal aid, and police support for individuals affected by or subjected to sexual harassment in the workplace.

PUNJAB GOVERNMENT APPROVES AMENDMENTS TO PUNJAB SHOPS AND COMMERCIAL ESTABLISHMENTS ACT, 1958

Pursuant to a Cabinet Meeting held in June, the Punjab Cabinet has approved amendments to the Punjab Shops and Commercial Establishments Act, 1958 (the "**Punjab S&E Act**"), introducing significant regulatory relaxations aimed at reducing compliance burdens and promoting ease of doing business in Punjab.

While we await the issuance of any official communication, the key changes, based on publicly available information, are as follows:

- Establishments employing up to twenty (20) employees will be exempt from the provisions of the Punjab S&E Act, subject to submission of basic information to the Labour Department within six (6) months of the amendment coming into effect, or the commencement of their business.
- Establishments with twenty (20) or more employees will receive deemed approval of their registration within twenty-four (24) hours of submitting an application with the relevant authority.
- The maximum permissible overtime in a quarter has been increased from fifty (50) hours to one hundred

and forty-four (144) hours. Further, the daily spread-over period of work has been extended from ten (10) hours to twelve (12) hours (inclusive of rest intervals).

- The monetary penalties under Sections 21 (relating to inspection of registers and other records) and 26 (relating to penalties for contravention of any provision of the Act) have been enhanced. While the minimum fine has been increased to INR 1,000, the maximum fine has been enhanced to INR 30,000. Additionally, a three (3) month grace period will also be provided between the first and second offence, and for each subsequent offence to allow businesses time to achieve compliance.
- Reportedly, a new provision (Section 26A) has been introduced for compounding of offences seeking to decriminalise the Punjab S&E Act, thereby enabling out-of-court resolution of matters.

While better clarity will be gained upon the issuance of an official communication by the authorities, the reported reforms mark a positive step towards creating a more enabling and less burdensome regulatory environment for businesses in Punjab.

ANDHRA PRADESH CABINET APPROVES AMENDMENTS TO THE FACTORIES ACT, 1948

Pursuant to a Cabinet Meeting on 4 June 2025, the Andhra Pradesh Cabinet has proposed certain key amendments to the Factories Act, 1948 by way of the Andhra Pradesh Factories (Amendment) Bill, 2025 (the "**Bill**").

While we await the issuance of any official communication, the key changes, based on publicly available information, are as follows:

- The maximum permissible working hours have been increased from nine (9) hours per day, to ten (10) hours.
- Women employees will now be permitted to work in night shifts i.e., between 7 p.m. and 6 a.m. This, however, is contingent upon obtaining their prior written consent, providing transportation facilities for pick-up and drop-off, and other security measures.
- The period of work preceding the interval of rest has been increased from five (5) hours to six (6) hours.
- The periods of work (inclusive of intervals for rest) of an adult worker, earlier capped at ten and a half hours (10 hours 30 minutes), has now been raised to twelve (12) hours.
- The maximum overtime allowed per quarter has also been raised from seventy-five (75) hours to one forty-four (144) hours.

These changes aim to ease compliance, attract investments, and promote gender inclusivity by enabling safe night shift opportunities for women, marking a step towards a more flexible and equitable industrial ecosystem.

GOVERNMENT OF TAMIL NADU PROPOSES AMENDMENT TO THE TAMIL NADU SHOPS AND ESTABLISHMENTS ACT, 1947; NEW PENALTIES, ADJUDICATION, AND APPEAL PROCESS INTRODUCED

The Government of Tamil Nadu, *vide* Notification No. 263 dated 6 June 2025, has proposed key amendments to the Tamil Nadu Shops and Establishments Act, 1947 (the "**Tamil Nadu S&E Act**"). The Tamil Nadu Shops and Establishments (Amendment) Act, 2025 (the "**2025 Amendment**") shall come into force on such date as may be notified by the State Government. The 2025 Amendment proposes to substitute Chapter IX of the Tamil Nadu S&E Act with a new chapter titled "Penalties and Adjudicating Mechanism."

Notably, while the quantum of the general penalty remains unchanged, the 2025 Amendment clarifies that a "second or subsequent" offence refers only to the same or similar contravention committed by the employer within a period of three (3) years from the date of the first contravention.

Significantly, the penalty for failure to comply with Section 41-A i.e., the obligation to pay full wages to an employee pending proceedings in higher courts is now limited to a monetary penalty of up to INR 50,000, with continuing violations attracting an additional INR 200 per day, subject to a maximum of INR 1,00,000. The 2025 Amendment thereby introduces a monetary penalty and removes the possibility of prosecution, which was previously applicable for non-compliance with Section 41-A.

In addition, wilful obstruction of an inspector or a person lawfully assisting the inspector, or failure to comply with any lawful direction issued by the inspector, now attracts an enhanced penalty of INR 5,000, up from the earlier cap of INR 250.

While retaining the concept of compounding, the 2025 Amendment now restricts it to the period before the imposition of penalty, whether before or after the initiation of adjudication. The compounded amount shall not exceed the maximum penalty prescribed for the contravention. Once compounded, no further proceedings shall lie.

Additionally, the 2025 Amendment introduces:

- Adjudicating Officer – Empowered to conduct inquiries and impose penalties;
- Right to Appeal – Aggrieved parties may now file an appeal before the Appellate Authority (not below the rank of Additional Commissioner of Labour) within sixty (60) days from the date of receipt of the order. The appeal must be disposed of within sixty (60) days of filing, thereby introducing a structured and time-bound redressal mechanism; and

- Recovery as Land Revenue – If the penalty is not deposited as prescribed, the amount may be recovered as an arrear of land revenue.

JUDICIAL FINDINGS

ATTACHMENT OF GRATUITY UNDER CIVIL DECREE ALLOWED WHERE EMPLOYEE DIES BEFORE RECEIPT OF THE SAME: DELHI HIGH COURT

In the case of ***Bureau of Outreach and Communications and DD M/o Information and Broadcasting v. Canara Bank*** [***2025 SCC OnLine Del 3502***], the Hon'ble Delhi High Court was called upon to consider whether gratuity payable to a deceased employee could be subjected to attachment in execution of a decree. The matter arose from recovery proceedings initiated by Canara Bank against the estate of a deceased employee who had availed a loan during his lifetime. While the Trial Court had decreed the suit in favour of the Canara Bank, the Executing Court initially held that gratuity and other terminal dues were exempt from attachment under clauses (g), (k), and (ka) of the proviso to Section 60 of the Code of Civil Procedure, 1908 (the "**CPC**"). However, in a subsequent order, the Executing Court allowed attachment of the gratuity, citing the Delhi High Court's judgment in the case of *Ramwati v. Krishan Gopal & Ors., [(1987) SCC Online Del 390].* This led to the present Writ Petition being filed before the Hon'ble Delhi High Court.

The Petitioner contended that gratuity payable upon death is protected under clause (g) of the proviso to Section 60 of the CPC and, in the absence of claimants, could be forfeited under Rule 52 of the Central Civil Services (Pension) Rules, 1972. However, the Canara Bank argued that such protection under clause (g) of the proviso to Section 60 of the CPC applies only to the gratuity amount actually received by the employee, and in the present case, since the gratuity had not been released during the lifetime of the employee, it was part of the deceased's estate and, therefore, liable to attachment in execution.

The Hon'ble Delhi High Court agreed with the Canara Bank's argument and observed that the exemption from attachment under clause (g) of the proviso to Section 60 of the CPC applies strictly where the gratuity is payable to and received by the employee. In support of this view, the Hon'ble Court relied on the ruling in the case of *Diwansingh v. Kusumbai, [1969 MPLJ (SN) 63]*, and *Murugaiah Velar v. Velammal, [(2017) SCC OnLine Mad 2821]*, which held that once gratuity becomes payable to the legal heirs, it forms a part of the estate and is not protected under Section 60 of the CPC. The Hon'ble Court concluded that since the gratuity had not been disbursed to the employee during his lifetime, and was now payable to his legal heirs, it was no longer covered by the statutory bar on attachment and could be subjected to recovery proceedings by the decree-holder.

MATERNITY BENEFIT ACT OVERRIDES CONFLICTING STATE SERVICE RULES, HOLDS SUPREME COURT

In ***K. Umadevi v. State of Tamil Nadu & Ors.*** [***2025 SCC OnLine SC 1204***], the Hon'ble Supreme Court was called upon to determine whether a woman in government service, having two (2) surviving children, is entitled to maternity leave for a third (3rd) child born out of a second marriage, where the child is born after her entry into government service and the applicable service rules restrict maternity benefits to female employees with less than two (2) surviving children. The Appellant, employed as a teacher by the Government of Tamil Nadu, had two (2) children from her first marriage, which was ultimately dissolved. Custody of the children remained with the father. Following her remarriage, the Appellant conceived again and applied for maternity leave. The request was denied by the employer on the ground that Rule 101(a) of the Fundamental Rules of the Tamil Nadu Government (the "**Fundamental Rules**") governing government employees restricts the grant of maternity leave to women with less than two (2) surviving children.

Aggrieved, the Appellant challenged the order rejecting her request for maternity leave before the Hon'ble Madras High Court. A Single Judge Bench allowed her plea, holding that the restriction under Rule 101 (a) of the Fundamental Rules was inconsistent with the Maternity Benefit Act, 1961 (the "**MB Act**"), a central legislation with overriding effect. However, this decision was reversed in an intra-court appeal by the Division Bench of the Hon'ble Madras High Court, which held that maternity leave was not a fundamental right but a statutory entitlement subject to service rules, and that the Appellant was ineligible for benefits in view of the entitlement to maternity leave only for up to two (2) children.

The Hon'ble Supreme Court, while examining the legality of the Division Bench's order, reaffirmed that the MB Act would prevail in case of inconsistency with service rules. It noted that the MB Act does not impose a ceiling on the number of children to claim maternity benefits; it only provides for a reduced duration of leave i.e., twelve (12) weeks instead of twenty-six (26), where the woman has two (2) or more surviving children. The Hon'ble Court referred to Section 27 of the MB Act, which expressly overrides any contrary law, rule, agreement, or award. Further, the Hon'ble Court relied on its earlier decisions in the cases of *Suchita Srivastava v. Chandigarh Administration, [(2009) 9 SCC 1]*, and *Devika Biswas v. Union of India*, *[(2016) 10 SCC 726]*, to reiterate that a woman's right to reproductive autonomy is protected under Article 21 of the Constitution. Applying this reasoning, the Hon'ble Court held that the Appellant was entitled to maternity leave under Rule 101 (a) of the Fundamental Rules. The Hon'ble Supreme Court accordingly set aside the impugned order of the Division Bench with a direction to grant maternity leave to the Appellant.

UNILATERAL RECOVERY PROCEEDINGS ARE IMPERMISSIBLE WHERE THE CENTRAL GOVERNMENT INDUSTRIAL TRIBUNAL'S ORDER IS OPEN TO INTERPRETATION: BOMBAY HIGH COURT

The Hon'ble Bombay High Court in the case of ***Bajaj Finance Ltd. v. Central Board of Trustees, EPFO and Anr.*** [***WP(ST) No.15894 of 2025***], held that no unilateral initiation of coercive recovery proceedings under Section 8F of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (the "**EPF Act**") can be undertaken in cases where there are differing interpretations to a stay order issued by the Central Government Industrial Tribunal (the "**CGIT**").

The case arose out of a composite order passed by the Regional Provident Fund Commissioner- I (the "**RPFC**") assessing total dues of INR 1,10,75,77,897, of which INR 58,19,94,462 was towards principal dues under Section 7A of the EPF Act and INR 52,55,83,434 was towards interest under Section 7Q of the EPF Act. The Petitioner challenged this order before the CGIT, which granted interim protection restraining coercive recovery subject to the deposit of twenty-five percent (25%) of the amount assessed under Section 7A "only".

Despite this order, recovery proceedings were initiated under Section 8F of the EPF Act, contending that the twenty-five percent (25%) deposit ought to have been calculated on the total amount, not merely on the dues under Section 7A of the EPF Act.

The Hon'ble Court rejected this interpretation, holding that the CGIT's use of the term "only", clearly confined the deposit requirement to the amount assessed under Section 7A of the EPF Act. If the Respondent believed otherwise, it ought to have approached the CGIT for clarification or sought an appeal against the order, rather than acting unilaterally.

The Hon'ble Bombay High Court observed that coercive steps taken solely on the ground that a stay order may bear two (2) interpretations is not legally sustainable. Accordingly, the recovery order and all consequential actions were set aside, with liberty granted to the Respondent to seek appropriate clarification from the CGIT.

CHHATTISGARH HIGH COURT REFUSES TO INTERVENE IN DISCIPLINARY ACTION WHERE PRINCIPLES OF NATURAL JUSTICE WERE FOLLOWED AND PUNISHMENT WAS NOT FOUND DISPROPORTIONATE

In the case of ***Ram Krishna Soni v. Chairman- cum-Managing Director, National Banking Division Group and Ors.*** [***2025 SCC OnLine Chh 5653***], the Hon'ble Chhattisgarh High Court dismissed a writ appeal filed by a bank employee challenging the disciplinary action taken against him for charges including misbehaviour and sexual harassment of bank staff and customers. The Appellant, a Customer Assistant at the State Bank of India, had faced departmental proceedings following a complaint by a customer, and a subsequent departmental inquiry found several charges against him to have been substantiated (three (3) proved and three (3) partially proved). The matter was also referred to the Internal Committee constituted under the POSH Act, which recommended disciplinary action to be taken against the Appellant. The disciplinary authority initially imposed a penalty of reduction in pay by two (2) increments with cumulative effect until retirement and denial of increment for two (2) years. This was later modified by the appellate authority to stoppage of two (2) increments with cumulative effect after a department appeal was preferred by the Appellant.

The Writ Petition challenging the disciplinary orders was dismissed by a Single Judge Bench. Thereafter, the Single Judge Bench's decision was challenged by way of the present Writ Appeal. The Hon'ble Court held that the principles of natural justice were duly followed, the Appellant was given adequate opportunity, and there were no allegations of *mala fides* or procedural irregularities.

It relied on the Hon'ble Supreme Court's ruling in *Deputy General Manager (Appellate Authority) v. Ajai Kumar Srivastava [AIR OnLine 2021 SC 38]*, reiterating that judicial review in disciplinary matters is limited to instances of perversity or violation of principles of natural justice. Finding that the principles of natural justice were adhered to, and the penalty was neither shocking nor disproportionate, the Hon'ble Court refused to interfere and held that the appeal lacked merit.

PAYMENT OF GRATUITY ACT, 1972 OVERIDES STATE PENSION RULES: BOMBAY HIGH COURT

In the case of ***Chief Executive Officer v. Ganesh Gulabrao Nawale*** [***2025 SCC OnLine Bom 2390***], the Hon'ble Bombay High Court (Nagpur Bench) dismissed a Writ Petition filed by the Chief Executive Officer, Zilla Parishad, Amravati challenging the order passed by the Controlling Authority under the Payment of Gratuity Act, 1972 (the "**Gratuity Act**") wherein a direction for payment of INR 18,33,300 with ten (10) percent interest per annum to the Respondent–employee had been passed.

The Petitioner contended that the Gratuity Act was not applicable to employees of the Zilla Parishad and that the Respondent was governed by the Maharashtra Zilla Parishads and Panchayat Samitis Act, 1961 and the Maharashtra Civil Services (Pension) Rules, 1982 (the "**MCS Rules**"), under which the gratuity amount was capped at INR 14,00,000. It was further argued that the Respondent had pending judicial proceedings in his name, thereby disentitling him from gratuity as per Rule 130 of the MCS Rules.

The Hon'ble Court rejected the Petitioner's argument that the Gratuity Act was not applicable in the present case and cited previous judgements to hold that: (i) in the absence of a specific exemption under Section 5 of the Gratuity Act, its provisions apply to all employees covered by it; and (ii) only when a scheme formulated by the establishment is found to be more beneficial for the employee as compared to the amount of gratuity payable under the Gratuity Act, the establishment could claim that the provisions of the Gratuity Act would not be applicable.

The Hon'ble Court also noted that none of the conditions as prescribed under Section 4(6) (relating to forfeiture of gratuity) of the Gratuity Act were satisfied in this case.

Accordingly, the Hon'ble Court upheld the order passed by the Controlling Authority under the Gratuity Act and directed the disbursal of the gratuity amount along with interest at ten (10) percent per annum from the date of retirement.

LESSEE OF A FACTORY DEEMED AN 'OCCUPIER' UNDER THE EPF ACT AND IS LIABLE TO DEPOSIT CONTRIBUTIONS: HIMACHAL PRADESH HIGH COURT

The Hon'ble Himachal Pradesh High Court recently, in the case of ***Vinod Kumar v. State of Himachal Pradesh and Ors***. [***Cr. MMO No. 211 of 2025***] observed that a lessee of a factory would fall under the definition of 'occupier of factory' under Section 2(K) of the EPF Act and is accordingly required to deposit contributions under the EPF Act for the eligible employees.

Petitioner, who had leased the Sidhbari Cooperative Tea Factory in Dharamshala from January 2015 to December 2019, had approached the Hon'ble High Court seeking quashing of an FIR registered against him. The FIR was lodged following allegations that he deducted contributions from employees' wages under the EPF Act but failed to deposit the amounts. The Hon'ble High Court dismissed the Writ Petition, *inter alia*, citing the ruling in the case of *South India Corporation (Travancore) Ltd. v. Chief Inspector of Factories* [*1956 SCC OnLine Ker 143*], wherein it was held that a lessee would qualify as an occupier of a factory for the purposes of the EPF Act.

DELHI HIGH COURT ON LEGALITY OF RESTRICTIVE COVENANTS: AN EMPLOYEE CANNOT BE FORCED TO CHOOSE BETWEEN WORKING FOR THE PREVIOUS EMPLOYER OR REMAINING IDLE

Recently, in the case of ***Varun Tyagi v. Daffodil Software Private Limited*** [*FAO No. 167 of 2017 and CM Application No. 36613 of 2025*], the legality of restrictive covenants came up for consideration before the Hon'ble High Court of Delhi. The Appellant, in accordance with the terms of his employment agreement, was prohibited from working with any of the Respondent Company's business associates for a period of three (3) years from the date of his separation from the Respondent Company. However, post cessation of his employment, the Appellant went on to join one of the Respondent's business associates. Aggrieved by the same, the Respondent filed a suit for permanent injunction and damages against the Appellant. The Trial Court, in furtherance of the suit preferred by the Respondent, passed an order dated 23 May 2025 wherein an ex-parte ad interim injunction was passed against the Appellant, restricting him from working with or for the clients and business affiliates of the Respondent until any further order. The aforesaid ex-parte order was thereafter challenged by the Appellant in the present appeal before the Hon'ble High Court of Delhi.

Both parties cited several precedents in support of their arguments. However, the Hon'ble Court reiterated the settled position on the issue and held that under Indian law, all contracts falling within the terms of Section 27 of the Indian Contract Act, 1872 (the "**Contract Act**") are void and an employee cannot be confronted with the situation where he has to either work for the previous employer or remain idle. It was also observed that employer-employee contracts are viewed strictly as the employer has an advantage over the employee, and it is quite often the case that the employee is required to sign a standard form of employment contract or not be employed at all. The Hon'ble Court also held that the reasonableness or partial nature of the restraint is not required to be considered at all when the issue pertains to whether a term is in restraint of trade or not.

As a result, it was concluded that any terms of the employment contract that impose a restriction on the right of the employee to get employed post-termination of the contract of employment shall be void, being contrary to Section 27 of the Contract Act.

Notably, while relying upon the judgment passed in the case of *American Express Bank Ltd. v. Ms. Priya Malik* [*(2006) III LLJ 540 DEL*], the Hon'ble Court also made an observation that an employee cannot be restricted or curtailed from being employed elsewhere on the ground that the employee has the employer's confidential information.

Accordingly, the impugned order passed by the Trial Court was set aside by the Hon'ble High Court.

RBI ISSUES MASTER DIRECTION – RESERVE BANK OF INDIA (ELECTRONIC TRADING PLATFORMS) DIRECTIONS, 2025

On June 16, 2024, the Reserve Bank of India ("**RBI**") notified the Reserve Bank of India (Electronic Trading Platforms) Directions, 2025 (" **ETP Master Directions**")(accessible *here*), in supersession of the Electronic Trading Platforms (Reserve Bank) Directions, 2018 *("***2018 Directions**")(accessible *here*), and will come into effect immediately. The ETP Master Directions apply to all entities operating Electronic Trading Platforms ("**ETPs**") that facilitate transactions in eligible instruments, including securities, money market instruments, foreign exchange instruments, and derivatives.

The RBI had previously issued the draft Master Direction - Reserve Bank of India (Electronic Trading Platforms) Directions, 2024 ("**Draft ETP Master Directions**")(accessible *here*) for public comments. The finalized ETP Master Directions incorporate the feedback received during the consultation.

The following are the broad changes/additions introduced by the ETP Master Directions compared to the 2018 Directions:

(a) **Online Reporting Mechanism**: Eligible entities under the ETP Master Directions are now required to submit their application for authorization to operate an ETP to the RBI via the PRAVAAH portal. This marks a departure from the 2018 Directions, which mandated entities to submit applications directly to the RBI's general manager.

(b) **Reporting Requirements:** Under the ETP Master Directions, ETP operators are required to submit quarterly returns on the functioning of the ETP on or before the 15th day of the month following the end of each quarter. Further, an ETP operator is required to furnish a report in respect of each financial year on the status of their compliance with these Directions and the terms and conditions prescribed to them at the time of grant of authorization or subsequently on or before the 30th of April of the succeeding financial year.

ETP Data: Should the RBI cancel authorization or the ETP operator terminate its operations, the RBI may direct the ETP operator to share all data relating to ETP activities with the RBI or any other agency it deems fit. The ETP operator shall comply by providing such data in the manner and form specified by the RBI.

RBI KYC AMENDMENT 2025: RBI EASES KYC NORMS FOR LOW-RISK CUSTOMERS

On June 12, 2025, the RBI issued the Know Your Customer (KYC) (Amendment) Directions, 2025 ("**Amendment**") (accessible *here*)**,** amending the Reserve Bank of India (Know Your Customer (KYC)) Directions, 2016 ("**KYC Master Direction**")(accessible *here*).

The following are the key revisions brought about by the Amendment:

(a) **Reduced KYC compliance requirement for "low risk" customers:** For individual customers categorized as 'low risk', Regulated Entities ("**REs**") must permit all transactions and ensure KYC is updated within one year from the due date, or by June 30, 2026, whichever is later. REs are also mandated to regularly monitor accounts of such low-risk customers where periodic KYC updates are already due.

(b) **Use of Business Correspondents by banks for KYC updation:** The amendment permits a bank's authorized Business Correspondent ("**BC**") to collect KYC self-declarations for no change or for address-only changes. Banks must equip their BC systems to electronically

record these self-declarations and supporting documents.

In this regard, the bank shall obtain such self-declaration, including supporting documents, in electronic form through the BC, after successful biometric-based e-KYC authentications. Until an option is made available in the electronic mode to the customer, such a declaration may be submitted in physical form by the customer. The BC must authenticate such self-declaration and supporting documents submitted in person by the customer, then promptly forward them to the bank branch. The BC shall also provide the customer with an acknowledgment for the submitted declaration and documents. The bank is responsible for updating the customer's KYC records and notifying the customer once these records are updated in the system, as mandated by paragraph 38(c) of the Master Direction. Crucially, the ultimate responsibility for periodic KYC updation remains with the bank.

(c) **Due notices for periodic updation of KYC:** REs are required to inform their customers, in advance, to update their KYC. Before the periodic updation of KYC due date, REs are required to provide at least three advance intimations, including at least one intimation by letter, at appropriate intervals through available communication options/ channels to ensure compliance. In the event that such a customer's KYC remains un-updated, the RE shall issue at least three reminders, including at least one reminder by letter, at appropriate intervals, to such customers. Importantly, such a letter of intimation shall, *inter alia*, contain clear instructions for updating KYC, an escalation mechanism for assistance, and set out the consequences of failure to update KYC in time.

All such advance intimations and reminders must be duly recorded in the RE's system for audit trail. REs shall implement these provisions expeditiously, but no later than January 01, 2026.

RBI NOTIFICATION-REVIEW OF QUALIFYING ASSETS CRITERIA

The RBI *vide* its circular dated June 06, 2025 ("**Circular**") (accessible *here*) revised the Qualifying Assets ("**QA**") threshold for Non-Banking Financial Companies-Microfinance Institutions ("**NBFC-MFIs**") under the Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022 ("**Microfinancing RBI Directions**").

For context, the NBFC-MFI category was introduced in 2011 under the Non-Banking Financial Company-Micro Finance Institutions (Reserve Bank) Directions, 2011 ("**2011 Directions**") (accessible *here*), which mandated that at least 85% of an NBFC MIL's net assets be classified as QA. This threshold was subsequently revised under the Microfinancing RBI Directions, reducing the minimum QA requirement to 75% of total assets.

The Circular further relaxes this threshold. Under Paragraph 8.1 of the Microfinance RBI Directions, NBFC-MFIs are now required to maintain a minimum of 60% of their total assets (net of intangible assets) as QA. In cases where an NBFC-MFI fails to meet the established 60% threshold, it is required to submit a remediation plan to the RBI for review.

INFRASTRUCTURE AND ENERGY

CONCESSIONAIRE NOT TO SUBMIT DISPUTE FOR RESOLUTION BY CONCILIATION PENDING ADJUDICATION BY DISPUTE RESOLUTION BOARD

The National Highways Authority of India ("**NHAI**") vide policy circular bearing number 2.1.84/2025 dated June 12, 2025 has noted that concessionaires for road projects often submit requests for conciliation, pending adjudication before the dispute resolution board ("**DRB**"). Accordingly, NHAI has stated that it will not accept any such requests for conciliation from contractors / concessionaires, unless the dispute has been first decided by the DRB and/or if the DRB is unable to resolve the dispute.

In this regard, NHAI had incorporated certain provisions in the standard agreements for EPC, HAM and BOT (Toll) projects, with respect to dispute resolution. As per these provisions, disputes are first subject to mediation by the Independent Engineer/NHAI. If this mediation process fails, either party may refer the dispute to the DRB. Only if DRB is unable to resolve the dispute / parties are not satisfied, parties may then proceed to conciliation, and subsequently, to arbitration.

This clarification reinforces the structured dispute resolution process, promoting procedural discipline and reducing premature or parallel conciliation requests.

STAKEHOLDER CONSULTATION ON DRAFT AMENDMENTS FOR ELECTRICITY STORAGE SYSTEMS IN THE ELECTRICITY RULES, 2005

The Ministry of Power ("**MoP**") has sought stakeholder comments, vide its notification bearing number 23/2/2022-R&R dated June 11, 2025, on the proposed amendments to Rule 18 of the Electricity Rules, 2005, concerning the regulatory framework for energy storage systems ("**ESS**"). The proposed amendments aim to clarify and expand the permissible roles and ownership structures for ESS in India's power sector. Key changes include:

(i) explicit recognition of ESS as either standalone systems or components of generation, transmission, or distribution infrastructure;
(ii) permitting ESS to be developed, owned, leased, or operated by various entities including generating companies, licensees, consumers, system operators, or independent service providers; and
(iii) affirming that ESS will have the legal status as the owner.

REVISED ISTS CHARGES WAIVER FOR HYDRO PUMPED STORAGE PROJECTS AND BATTERY ENERGY STORAGE SYSTEMS

The MoP has been issuing notifications from time to time between 2016 and 2023, with respect to waiver of inter-state transmission system ("**ISTS**") charges applicable to transmission of energy generated from renewable energy sources, ESS and green hydrogen/green ammonia.

MoP has now, vide notification bearing number 12/07/2023-RCM-Part (1) dated June 10, 2025, revised the provisions for waiver of ISTS charges applicable to hydro pumped storage projects and battery energy storage systems. A 100% (one hundred percent) ISTS charges waiver will apply to Hydro PSPs awarded on or before June 30, 2028, and to co-located BESS projects commissioned by that date, provided the stored power is consumed outside the state of commissioning. Co-location requires connection of the BESS and the renewable energy project at the same ISTS substation. Projects awarded or commissioned after June 30, 2028, will not be eligible for the waiver.

ISSUANCE OF 'DRAFT GUIDELINES FOR VIRTUAL POWER PURCHASE AGREEMENT'

The Central Electricity Regulatory Commission ("**CERC**") has released the 'Draft Guidelines for Virtual Power Purchase Agreement' ("**Draft Guidelines**") to provide for a suitable regulatory framework for virtual power purchase

agreements ("**VPPA**") in India. These Draft Guidelines aim to facilitate compliance with renewable energy consumption obligations ("**RCO**") by regulated entities, by formally recognising VPPAs as a distinct category of non-transferable specific delivery based over-the-counter contracts. Key highlights are as follows:

- Under the Draft Guidelines, a VPPA is defined as a bilateral arrangement between a Consumer (*as defined under the Electricity Act)* or Designated Consumer (*as defined under the Energy Conservation Act, 2001)* and a renewable energy ("**RE**") generator, wherein the Consumer or Designated Consumer commits to pay a pre-agreed price (the "**VPPA Price**") for the electricity generated. This price may be mutually determined either directly, through an electricity trader, or by way of listing on an OTC platform.

- Notably, while the physical delivery of electricity does not occur directly between the contracting parties, the RE generator is required to sell the electricity via a power exchange or through any other mechanism authorised under the Electricity Act, 2003.

- The Renewable Energy Certificates ("**RECs**") generated from such sale of electricity are to be transferred to the Consumer or Designated Consumer, who may utilise them for the purpose of RCO compliance or to claim environmental or green attributes. Importantly, such RECs shall not be tradable in the market, thereby ensuring that they are used solely for compliance by the beneficiary entity.

- So far as pricing is concerned, the Draft Guidelines further provide that the differential between the VPPA Price and the prevailing market price shall be settled bilaterally between the RE generator and the Consumer or Designated Consumer, in accordance with the terms negotiated between the parties.

- In addition, the Draft Guidelines clarify that the RE capacity contracted under a VPPA shall be eligible for the issuance of RECs, subject to registration and fulfilment of the eligibility conditions prescribed under the applicable REC Regulations.

MINISTRY OF STEEL'S EXPANDING COMPLIANCE MANDATE: INPUT MATERIAL MAPPING RAISES PROCEDURAL CONCERNS

In a notable regulatory development, the Ministry of Steel ('**MoS**') has introduced a two-tier quality assurance framework aimed at overhauling compliance across India's steel value chain. This framework combines the **enforcement of Quality Control Orders** ('**QCOs**') for finished products with a new internal directive requiring **strict adherence to specified input material standards**. While the intent reflects a push toward higher traceability and product quality, the procedural mechanism adopted for input compliance has raised concerns about its enforceability and legal standing.

A. Regulatory Architecture: From QCOs to Input Standards

1. QCOs for Finished Steel Products

Last year, vide **S.O. 3716(E)**, the MoS brought a wide array of steel products—ranging from hot-rolled coils to structural bars—under the purview of mandatory QCOs. These orders mandate that such products must conform to corresponding Indian Standards (IS) and be BIS-certified prior to manufacture, import, or sale in the Indian market. The QCO notifications follow a due process involving public consultation and formal notification in the Official Gazette under the BIS Act, 2016.

Importantly, the **gazetted notification included two separate schedules**:

- **Schedule I** listed the **finished goods** for which the QCOs were being enforced.
- **Schedule II** outlined a **input-to-output mapping**, primarily creating enforceable compliance obligations for raw material for a few products.

This dual-structure made it clear that while finished goods would be subject to certification under Schedule I, the input-output relationships mentioned in Schedule II automatically carry the force of regulatory compulsion.

2. Input Material Mapping via Internal Memorandum

On 13 June 2025, the Ministry issued an internal order further specifying the permissible input materials for over 140 categories of finished steel products. The document mapped each final product to IS-certified inputs—e.g., deformed steel bars under IS 1786 must use billets conforming to IS 14650.

However, this internal communication appears to extend beyond the originally scope of **Schedule II** of the gazetted QCO notification. While Schedule II outlined input-to-output mapping for a limited number of products, primarily where raw material certification was deemed necessary. In the recent directive seeks to apply similar input certification requirements to a much wider range of products listed under Schedule I, which were not originally subject to such raw material conditions. Crucially, this expanded compliance mandate has been issued through an internal office memorandum rather than a gazetted QCO notification, which is the standard legal instrument for creating binding obligations under the BIS Act. As a result, questions arise regarding the procedural validity and enforceability of this directive.

Moreover, this directive came with a compliance window of just three days, a timeframe that is particularly challenging given the complexities and lead times involved in obtaining BIS certification.

B. Critical Departure from Due Process

At the time of issuance, the QCOs did not have input material compliance for the products listed in Schedule II. The QCOs only regulated the quality of the final product—not the sourcing of raw materials, which has historically remained a domain of operational discretion, subject only to performance conformity of the end product.

By imposing input standard restrictions via an office memo, the Ministry risks exceeding the scope of the BIS Act and the rule-making authority delegated to it. Any binding requirement that alters market access, restricts trade, or creates penal liabilities should follow formal procedures, including:

- Stakeholder consultation through public notices or draft notifications;
- Notification in the Official Gazette;
- Statutory alignment with BIS certification rules and enforcement under the BIS Act.

Without this, enforcement of such input mandates may be legally questionable, particularly in customs, trade litigation, or departmental adjudications.

C. Implications for Industry Stakeholders

The input mapping directive, though presented as a clarification, fundamentally alters the compliance burden:

- **Domestic Manufacturers** should now align raw material procurement with IS standards not originally required at the time of QCO issuance.
- **Importers and Foreign Suppliers** dealing in semi-finished or input materials face a new layer of licensing and certification obligations.

DSK View: *The Ministry of Steel's intent to enhance quality assurance and vertical traceability is laudable. However, the method of implementation—particularly the attempt to enforce input material standards via an internal memo—raises fundamental legal and procedural issues*

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The internal memo was issued with just a 3-day compliance window, a period grossly inadequate given the practical realities of the BIS certification process, which often takes six to eighteen months. Requiring businesses—both domestic and international—to comply with a new, unnotified regulatory mandate in such a short timeframe imposes a disproportionate and onerous burden on manufacturers of downstream products covered by BIS.

If the Ministry seeks to regulate input materials with the same force as finished products, it should follow the formal route of BIS notification under the BIS Act. This includes issuing a draft notification, inviting stakeholder comments, publishing them in the Official Gazette, and allowing sufficient lead time for transition. An internal directive, however detailed, cannot serve as a legal basis for enforcement or penal action.

For Indian businesses and global suppliers alike, regulatory predictability, procedural transparency, and reasonable implementation timelines are non-negotiable. Unclear mandates, informal compliance routes, and impractical deadlines undermine supply chain stability, distort trade practices, and erode business confidence.

As India positions itself as a global manufacturing and export hub, regulatory reforms should be anchored in fairness, consultation, and legal robustness. Only then can the steel sector achieve the dual goals of quality excellence and global competitiveness without compromising the ease of doing business.

MEDIA & ENTERTAINMENT

SUPREME COURT PIL CHALLENGES KARNATAKA'S UNOFFICIAL 'THUG LIFE' FILM BAN

A Public Interest Litigation ("PIL") has been filed in the Supreme Court of India, challenging the alleged extra-constitutional ban on the screening of the CBFC-certified tamil film "Thug Life" in Karnataka. The petition, filed under Article 32 of the Constitution of India, alleges that the ban enforced through threats of violence and intimidation, violates constitutional rights including freedom of speech and equal protection. The plea cites threats of arson, communal incitement, and law enforcement failures, noting that the Karnataka Film Chamber of Commerce admitted to yielding to pressure. It seeks directions for unimpeded film exhibition, prosecution of those making threats, and a status report from authorities.

ANI FILES SECOND LAWSUIT AGAINST YOUTUBER MOHAK MANGAL FOR UNAUTHORIZED VIDEO USE

Asian News International (ANI) has filed a second lawsuit in the Delhi District Court ("Court") against YouTuber Mohak Mangal and Google LLC ("Defendants"), alleging unauthorized use of ANI's video content and logo in multiple YouTube videos. ANI claims that Mangal reproduced ten of its news clips without permission and is seeking a permanent injunction and ₹50 lakh in damages for copyright infringement, trademark misuse, piracy, and unjust enrichment. The request includes a "status quo" order to prevent these videos from being re-uploaded after some were already removed. This suit comes on the heels of a defamation suit that ANI had lodged with the Delhi High Court, where Mangal accused the agency of "extortion" by demanding ₹40–50 lakh to retract copyright strikes against his channel. In that defamation case, the Delhi High Court directed Mangal to remove certain disparaging terms ("vasooli", "goondaraj", etc.) and place the video in private mode pending edits. In the new lawsuit, ANI is not questioning the defamation element but focusing squarely on copyright and trademark violations. The next hearing in the district court is set for July 26, 2025.

DPIIT SEEKS COMMENTS ON DRAFT COPYRIGHT (AMENDMENT) RULES, 2025 BY JULY 4

On June 04, 2025, the Department for Promotion of Industry and Internal Trade ("DPIIT") released proposed Rule 83(A) under the Copyright Rules, 2013, requiring licensors of literary works, musical works, and sound recordings to establish exclusive online payment systems for public communication license fees. The draft mandates that all license fee payments be processed digitally only, prohibiting cash, cheques, instalments, or other offline payment methods. Comments are invited until July 04, 2025.

DISNEY AND UNIVERSAL SUE MIDJOURNEY FOR AI COPYRIGHT INFRINGEMENT

Disney and Universal filed a joint copyright lawsuit against Midjourney on June 11, 2025, in the U.S. District Court for the Central District of California. The studios accuse the AI company of using their copyrighted characters such as Darth Vader, Elsa, Minions, Shrek, and Homer Simpson to train its image-generation models without permission. This represents the first major legal challenge by leading Hollywood studios against a generative AI company and could establish important precedents for AI use in creative industries.

KERALA HIGH COURT SEEKS GOVERNMENT RESPONSE ON MOVIE TICKET PRICE REGULATION PLEA

The Kerala High Court ("Court") admitted a Public Interest Litigation challenging unregulated 'dynamic pricing' of multiplex movie tickets, where rates fluctuate based on demand, timing, and release status. Filed by Kottayam resident Manu Nair G., the petition argues that unlike other southern states (Andhra Pradesh, Telangana, Karnataka, Tamil Nadu) that have imposed ticket price caps, Kerala lacks

oversight mechanisms, leaving consumers vulnerable to arbitrary pricing and potential constitutional violations under Article 14 of the Constitution of India. Chief Justice Nitin Jamdar and Justice Basant Balaji sought a government response and scheduled the next hearing for July 01,2025.

GETTY IMAGES VS STABILITY AI TRIAL BEGINS OVER AI TRAINING COPYRIGHT INFRINGEMENT

Getty Images ("Getty") has filed a landmark copyright lawsuit in the UK High Court against Stability AI, alleging the company "brazenly infringed" copyrights by scraping millions of images, including watermarked content, from Getty's collection to train its Stable Diffusion AI model. Opening arguments have commenced, with Getty arguing that AI developers must obtain proper licensing and cannot exploit fair-use exceptions to bypass creators' rights. Stability AI denies wrongdoing, claiming the training occurred outside the UK and emphasizing innovation and fair dealing. The trial, running through late June, could establish critical legal precedents for AI use of copyrighted material, potentially shaping future licensing practices and UK copyright law reforms.

UTTARAKHAND HIGH COURT QUASHES CRIMINAL SUMMONS AGAINST PATANJALI, BABA RAMDEV IN MISLEADING ADS CASE

The Uttarakhand High Court ("Court") has quashed criminal summons issued to Patanjali Ayurved, Baba Ramdev, and Acharya Balkrishna under the Drugs & Magical Remedies (Objectionable Advertisements) Act, 1954. Justice Vivek Bharti Sharma ruled that the complaint failed to detail how advertisements for products like Madhugrit, Livogrit, and Coronil were false or misleading, lacked expert evidence and specific allegations, making the prosecution legally baseless. The Court also noted significant procedural flaws in the complaint.

CCPA MANDATES E-COMMERCE PLATFORMS TO SELF-AUDIT FOR "DARK PATTERNS" WITHIN 3 MONTHS

The Central Consumer Protection Authority ("CCPA") issued an advisory on June 07, 2025, requiring all e-commerce platforms to conduct comprehensive self-audits within three months to identify and eliminate deceptive design practices known as "dark patterns." Following the audit, platforms must submit self-declarations confirming they are free of misleading interfaces. The directive aims to promote transparency and strengthen consumer trust in online commerce.

DELHI HC ORDERS "GHADI" TO REMOVE DEROGATORY REFERENCES TO "SURF EXCEL" FROM ADS

In a lawsuit filed by Hindustan Unilever (HUL) ("Plaintiff") against RSPL Limited ("Defendant") on grounds of commercial defamation, asserting that the Defendant disparage Plaintiff's brand "Surf Excel" by mocking its well-known tagline "Daag acche hain" and employing unsubstantiated negative claims, the Delhi High Court has issued an interim order directing RSPL Limited to remove several allegedly derogatory phrases from its "Ghadi" detergent advertisements—such as "Na na, yeh dhoka hai" ("No, no, this is a fraud"), "Aapka kare badi badi baatein, dho nahi patey" ("Your product makes big claims but doesn't wash well"), and "Iske jhaag acche hai, daam acche hai" ("It has good foam, good price"), along with references to a "blue" detergent as "XL Blue" and "sirf naam me excel hai" ("only 'excel' in the name")—by June 24 or halt their broadcasts entirely. The Delhi High Court held that while comparative advertising is permissible, it must not defame competitors, finding that the ads prima facie referred to Surf Excel and could mislead ordinary viewers. The court will revisit the matter on July 16, 2025, reinforcing that brands may promote themselves but cannot legally malign their rivals.

EIGHT MILE STYLE SUES META FOR UNAUTHORIZED USE OF EMINEM'S MUSIC

Eminem's publishing company, Eight Mile Style, has filed a $109 million copyright infringement lawsuit in a Michigan federal court against Meta Platforms (parent of Facebook, Instagram, and WhatsApp). The complaint accuses Meta of unauthorized storage, reproduction, and distribution of 243 songs from Eminem's early catalog (1995–2005), primarily through Instagram features like Reels, Reels Remix, and Original Audio—which have contributed to millions of user-generated videos and billions of streams. Seeking $150,000 per song per platform, Eight Mile Style alleges massive financial losses, diminished copyright value, and Meta's unjust enrichment. The suit further states that while some tracks (e.g., "Lose Yourself") have been removed, instrumental and cover versions remain available.

MINISTRY OF CORPORATE AFFAIRS ("MCA")

MCA AMENDS BUSINESS REPORTING RULES FOR MANDATORY ATTACHMENT OF SIGNED FINANCIAL STATEMENTS WITH FORM AOC-4

The Ministry of Corporate Affairs ("**MCA**") *vide* notification dated June 6, 2025 (*accessible here*), has amended the Companies (Filing of Documents and Forms in Extensible Business Reporting Language) Rules, 2015 ("**Business Reporting Rules**") to mandate the attachment of signed financial statements in PDF format while filing eForm AOC-4 XBRL. Pursuant to the same, companies which file their financial statements under Rule 3(1) of the Business Reporting Rules (such as listed companies and their subsidiaries, companies having paid up capital of Rs. 5 crores or above, companies having turnover of Rs. 100 crores or above, etc.) are now required to attach a copy of signed financial statements duly authenticated under Section 134 of the Companies Act, 2013, including the Board's report, auditor's report, and other related documents.

The amendment to the Business Reporting Rules shall come into force from July 14, 2025.

MCA PROPOSES AMENDMENT TO BOARD MEETING RULES TO EXEMPT FINANCE COMPANIES REGISTERED WITH IFSCA FROM REQUIREMENTS OF SECTION 186

The MCA *vide* notification dated June 26, 2025 (*accessible here*), has proposed to amend Rule 11(2) of the Companies (Meetings of Board and its Powers) Rules, 2014 ("**Board Meeting Rules**") to extend the exemption from the requirements of Section 186 (except sub-section (1)) of the Companies Act, 2013, ("**Draft Notification**") to Finance Companies registered with the International Financial Services Centres Authority ("**IFSCA**").

Pursuant to the same, Rule 11(2) has been proposed to be revised to introduce a specific carve-out for Finance Companies registered with the IFSCA that carry out activities including lending in the form of loans, commitments and guarantees, credit enhancement, securitisation, financial lease, and sale and purchase of portfolios or undertaking Global or Regional Corporate Treasury Centre activities of Regulation 5 of the IFSCA (Finance Company) Regulations, 2021, shall be deemed to be operating in the "ordinary course of business" for the purpose of Rule 11(2) of the Board Meeting Rules.

Stakeholders may submit their suggestions or comments on the Draft Notification, with brief justifications, by July 17, 2025.

MAINTENANCE OF CASH RESERVE RATIO (CRR) – PHASED REDUCTION ANNOUNCED[14]

Reserve Bank of India ("**RBI**"), vide Circular no. RBI/2025-26/46, DoR.RET.REC.23/12.01.001/2025-26, dated June 06, 2025 enhances liquidity and support credit flow in the economy, the RBI has announced a phased reduction of the Cash Reserve Ratio ("**CRR**") for all banks by 100 (one hundred) basis points. This change will be implemented in four equal tranches of 25 (twenty five) basis points each, ultimately bringing the CRR down to 3.0% (three point zero percent) of Net Demand and Time Liabilities ("**NDTL**").

Accordingly, banks will be required to maintain CRR at 3.75% (three point seven five percent), 3.5% (three point five percent), 3.25% (three point two five percent), and 3.0% (three point zero percent) of their NDTL from the reporting fortnights beginning September 06, October 04, November 01, and November 29, 2025, respectively. These changes have been notified under the powers conferred by Section 42(1) of the Reserve Bank of India Act, 1934 and Section 18(1) of the Banking Regulation Act, 1949.

The decision is aimed at boosting systemic liquidity while maintaining macro-financial stability. Banks are advised to take note of the implementation schedule and ensure compliance accordingly.

These amendments come into effect as per the respective reporting dates and supersede the earlier CRR requirements specified in the notification dated December 06, 2024.

LIQUIDITY ADJUSTMENT FACILITY – CHANGE IN RATES[15]

RBI vide Circular no. RBI/2025-26/42, FMOD.MAOG.No.152/01.01.001/2025-26, dated June 06, 2025 Pursuant to the Monetary Policy Statement dated June 06, 2025, the RBI has announced a reduction in the policy repo rate under the liquidity adjustment facility by 50 (fifty) basis points. The revised repo rate now stands at 5.50% (five point five zero percent), down from the previous 6.00% (six percent), with immediate effect.

In line with this change, the standing deposit facility rate has been adjusted to 5.25% (five point two five percent), and the marginal standing facility rate has been revised to 5.75% (five point seven five percent), also effective immediately.

All other terms and conditions under the existing liquidity adjustment facility scheme remain unchanged. This move by the monetary policy committee is aimed at enhancing monetary transmission and supporting overall economic activity.

NON-ACHIEVEMENT OF PSL TARGETS – PRUDENTIAL TREATMENT OF CONTRIBUTION TOWARDS ELIGIBLE FUNDS[16]

RBI vide Circular no. RBI/2025-26/49, DoR.CRE.REC.28/07.10.002/2025-26, dated June 09, 2025 addresses the treatment of contributions made by Primary (Urban) Co-operative Banks ("**UCBs**") on account of shortfall in Priority Sector Lending ("**PSL**") targets, the RBI has issued a clarification regarding exposure norms and capital adequacy requirements.

The RBI has decided that such contributions by UCBs towards eligible funds maintained with NABARD, NHB, SIDBI, MUDRA Ltd., or any other RBI-specified entity shall be exempt from the prudential exposure limits prescribed under para 2.1 of the earlier circular dated March 13, 2020. These limits set caps of 15% (fifteen percent) and 25% (twenty five percent) of Tier-I capital for single and group exposures, respectively. The exemption ensures that such PSL-linked contributions

[14] RBI/2025-26/46, DoR.RET.REC.23/12.01.001/2025-26.
[15] RBI/2025-26/42, FMOD.MAOG.No.152/01.01.001/2025-26.
[16] RBI/2025-26/49, DoR.CRE.REC.28/07.10.002/2025-26.

are not included when calculating aggregate exposure to these entities.

Furthermore, for the purpose of capital adequacy, these contributions will fall under the category of 'all other assets', attracting a risk weight of 100% (one hundred percent), as specified in Annexure 1 of the RBI's circular dated April 25, 2001.

These directions have come into immediate effect and are applicable to all Primary UBCs, excluding salary earners' banks.

INOPERATIVE ACCOUNTS / UNCLAIMED DEPOSITS IN BANKS – REVISED INSTRUCTIONS (AMENDMENT), 2025[17]

RBI vide Circular no. RBI/2025-26/52, DOR.SOG(LEG).REC/32/09.08.024/2025-26, dated June 12, 2025 intended to strengthen the process of reactivating inoperative accounts and handling unclaimed deposits, the RBI has amended the existing instructions under the Depositor Education and Awareness Fund Scheme, 2014. Previously, banks were required to transfer balances from deposit accounts that had remained unoperated or unclaimed for ten years or more to the Depositor Education and Awareness Fund.

The amendment now mandates that banks must offer Know Your Customer ("**KYC**") updation facilities for the purpose of activating inoperative accounts and processing unclaimed deposits at all branches, including non-home branches. Furthermore, banks are encouraged to enable KYC updation through the Video-Customer Identification Process, in line with the Master Direction – KYC Direction, 2016 (as amended from time to time).

In addition, banks may also utilize the services of their authorised Business Correspondents for the activation of such accounts, as specified in Paragraph 38(a)(iia) of the KYC Master Direction.

These revised instructions have come into immediate effect, and are issued under Sections 35A, 26A, 51, and 56 of the Banking Regulation Act, 1949.

UPDATION/ PERIODIC UPDATION OF KYC – REVISED INSTRUCTIONS[18]

RBI vide Circular no. RBI/2025-26/53, DOR.AML.REC.31/14.01.001/2025-26, dated June 12, 2025. The RBI has amended the instructions under the Master Direction - Know Your Customer ("**KYC**") Direction, 2016, to simplify and strengthen the process of KYC updation, especially for accounts with large pendency including direct benefit transfer/ electronic benefit transfer beneficiary accounts and Pradhan Mantri Jan Dhan Yojana accounts. The revised guidelines are issued under the RBI KYC (Amendment) Directions, 2025.

Key updates include:

Authorised business correspondents can now assist customers in the KYC updation process. Banks are advised to conduct special campaigns and camps, especially in rural/semi-urban areas, to clear the backlog in KYC updation. Banks are encouraged to take an empathetic approach while activating such accounts, as advised earlier by RBI circular dated December 02, 2024.

An annexure to the circular provides a consolidated summary of simplified KYC processes:

a. Face-to-face onboarding: Aadhaar biometric e-KYC is allowed with current address declaration via self-declaration. Digital KYC processes are also permissible.

b. Non-face-to-face onboarding: Aadhaar OTP-based e-KYC is permitted with strict monitoring and customer due diligence to be completed within a year. Other digital (DigiLocker, KYC Identifier) and non-digital (certified OVDs for NRIs/PIOs) onboarding options are available.

c. V-CIP (Video Customer Identification Process): Treated equivalent to face-to-face onboarding. Requires informed, live audio-visual interaction by an authorised official.

d. Simplified KYC Updation: Self-declarations regarding no change or only change in address can be submitted via digital or non-digital channels. KYC updation can be done at any branch. Aadhaar OTP-based e-KYC and V-CIP are allowed for periodic KYC updation. KYC records must be updated based on notifications received from central KYC registry.

These revised guidelines have immediate effect and aim to enhance customer convenience while ensuring compliance.

RESERVE BANK OF INDIA (KNOW YOUR CUSTOMER (KYC)) (AMENDMENT) DIRECTIONS, 2025[19]

RBI vide Circular no. RBI/2025-26/51 DOR.AML.REC.30/14.01.001/2025-26 dated June 12, 2025 issued an amendment to the RBI KYC Directions. RBI has issued amendments to the RBI KYC Directions, 2016 to improve customer service and enhance consumer

[17] RBI/2025-26/52, DOR.SOG(LEG).REC/32/09.08.024/2025-26.
[18] RBI/2025-26/53, DOR.AML.REC.31/14.01.001/2025-26.
[19] RBI/2025-26/51 DOR.AML.REC.30/14.01.001/2025-26.

protection, in line with the Prevention of Money Laundering Act, 2002 and associated regulations.

Key Amendments:

- Extended Timeline for Low-Risk Customers: A new clause inserted before paragraph 38(a) allows low-risk individual customers to conduct all transactions, and update KYC within one year of it becoming due or by June 30, 2026, whichever is later. Such accounts shall remain under regular monitoring. KYC Updation via business correspondents

- New clause 38(a)(iia) allows banks to accept self-declarations (no change or only address change) via authorized business correspondents. Enable business Correspondents systems to digitally record declarations and supporting documents.

- Accept biometric e-KYC until digital mode is active, physical submission is allowed. Business correspondence must authenticate and forward documents to the bank and provide acknowledgment to customers. Banks retain ultimate responsibility for periodic KYC updation.

- Mandatory Advance Intimations and Reminders: A new paragraph 38(e) requires three advance notices (one by letter) before the KYC due date. Three post-due reminders (one by letter) if KYC is still pending. Communications must include simple instructions, escalation process, and consequences for delay. All notifications must be systematically recorded for audit trail.

These amended directions come into force with immediate effect and the implementation deadline would be no later than January 01, 2026.

STRIPPING/RECONSTITUTION IN STATE GOVERNMENT SECURITIES – INTRODUCTION OF STRIPS FACILITY[20]

RBI vide Circular no. RBI/2025-26/54, IDMD.RD. S390/10.18.060/2025-26, dated June 12, 2025, the RBI announced the introduction of the Separate Trading of Registered Interest and Principal of Securities ("**STRIPS**") facility for State Government Securities ("**SGS**"), also known as State Development Loans ("**SDLs**"). This development follows consultations with State Governments/Union Territories and market participants.

Eligible securities for stripping/reconstitution include all fixed coupon SGS with a residual maturity of up to 14 (fourteen) years and a minimum outstanding amount of INR 1,000,00,00,000/- (Indian Rupees One Thousand Crore only), provided they qualify as eligible statutory liquid ratio investments and are transferable.

Requests for stripping/reconstitution can be placed via the RBI's e-Kuber system by subsidiary general ledger account holders directly or through custodians for Gilt Account Holders. The nomenclature and ISIN structure for STRIPS in SGS will mirror that of Central Government securities. These directions aim to enhance liquidity and market participation in SGS and promote better price discovery.

The facility became effective from the date of the circular and is subject to the conditions and guidelines specified in RBI's earlier circulars dated October 16, 2009, April 10, 2018, and March 25, 2010.

IMPORT OF SHIPPING VESSEL – RELAXATION FOR ADVANCE REMITTANCE WITHOUT BANK GUARANTEE[21]

RBI vide Circular no. RBI/2025-26/55, A.P. (DIR Series) Circular No. 07, dated June 13, 2025 laid down relaxation for advance remittance without bank guarantee.

In a move to promote ease of doing business and address sector-specific challenges, the RBI has permitted importers to make advance remittance of up to USD 50,000,000 (United States Dollar Fifty Million) for the import of shipping vessels without the requirement of a bank guarantee or an unconditional, irrevocable standby Letter of Credit. This relaxation is subject to the conditions specified in Para C.1.3.3 of the Master Direction – Import of Goods and Services, dated January 1, 2016.

This relaxation aims to provide flexibility in financing shipping vessel imports and is applicable only to eligible transactions under the stated provision. All Authorised Dealer Category-I banks are advised to inform their clients accordingly. These directions are issued under Section 10(4) and 11(1) of the Foreign Exchange Management Act (FEMA), 1999, and do not override any approvals required under other applicable laws.

This amendment came into effect immediately.

REVIEW OF AGENCY COMMISSION STRUCTURE FOR GOVERNMENT BUSINESS HANDLED BY AGENCY BANKS[22]

RBI vide Circular no. RBI/2025-26/57 CO.DGBA.GBD. No. S168/31-12-011/2025-2026 dated June 16, 2025, has revised the agency commission rates payable to agency banks for conducting government business, effective from April 01, 2025. This amendment modifies Paragraph 13 of the Master Circular titled "Conduct of Government Business by Agency

[20] RBI/2025-26/54, IDMD.RD. S390/10.18.060/2025-26.
[21] RBI/2025-26/55, A.P. (DIR Series) Circular No. 07.
[22] RBI/2025-26/57 CO.DGBA.GBD. No. S168/31-12-011/2025-2026.

Banks – Payment of Agency Commission" dated April 1, 2025. The updated rates are as follows: INR 40/- (Indian Rupees Forty only) per transaction for physical mode receipts, INR 12/- (Indian Rupees Twelve only) per transaction for electronic mode receipts, INR 80/- (Indian Rupees Eighty only) per transaction for pension payments, and INR 0.07/- (Indian Rupees Zero Point Zero Seven) per INR 100/- (Indian Rupees One Hundred only) turnover for all other non-pension payments.

Additionally, agency commission will now be applicable to all payment transactions handled by agency banks, except those that are pre-funded or where compensation is already provided by the respective government. Consequently, Paragraph 8(c) of the Master Circular is revised to exclude such transactions from commission eligibility. All other provisions of the original circular remain unchanged.

This amendment came into effect immediately.

ELECTRONIC TRADING PLATFORMS – MASTER DIRECTION ON AUTHORISATION, GOVERNANCE AND REPORTING REQUIREMENTS[23]

RBI vide Circular no. RBI/2025-26/, Notification No. FMRD.MIOD.03/14.03.027/2025-26, dated June 16, 2025 issued the Master Direction – Reserve Bank of India (Electronic Trading Platforms) Directions, 2025 to regulate the operation, risk management, and reporting standards of Electronic Trading Platforms (ETPs) in financial markets.

Key provisions of the Direction include:

i. Authorisation Requirement: Entities intending to operate ETPs must obtain prior RBI authorisation via the PRAVAAH portal, as per Annex 1 of the circular. Authorisation is non-transferable and may be cancelled in case of non-compliance.

ii. Access and Trading Rules: ETPs must ensure fair, non-discriminatory access to participants, verified through PAN/LEI, and must make pre- and post-trade information equally accessible. Platform rules and participant liabilities must be publicly disclosed.

iii. Risk Management and Surveillance: ETPs must adopt a comprehensive risk management framework, with real-time and post-trade surveillance, error prevention, and disaster recovery protocols. Special conditions apply for algorithmic trading.

iv. Outsourcing Norms: Operators must adhere to RBI's outsourcing norms, ensuring governance, liability, and data protection, even after the termination of contracts with third parties.

v. Business Continuity and Information Security: Operators must maintain a robust Business Continuity Plan (BCP), implement cybersecurity protocols, and conduct annual IT/IS audits through certified auditors.

vi. Data Retention and RBI Access: All trading data must be retained for at least 10 years. Data linked to investigations must be preserved for an additional 3 years. Upon authorisation cancellation, data must be submitted to RBI in the prescribed format.

vii. Periodic and Event-Based Reporting: Operators must submit quarterly operational reports (by the 15th of the following month) and an Annual Compliance Report (by April 30 each year). Immediate reporting is mandated in cases of market abuse, system disruptions, or cyber breaches.

viii. Transaction-Level Reporting: ETPs are required to report transaction-level data to trade repositories or RBI-designated platforms as per prescribed formats and timelines.

ix. Voluntary Termination of Operations: ETP operators must seek prior RBI approval, comply with specified exit conditions, and surrender the original authorisation upon closure.

x. Exemptions and Discretion: RBI may exempt or vary provisions for certain operators in public interest or to ensure financial market stability, especially in light of emerging technologies.

All regulated entities proposing to operate or currently operating ETPs must ensure compliance with the provisions outlined in the Direction

This circular came into effect immediately.

CREDIT FACILITIES TO SCHEDULED CASTES (SCS) AND SCHEDULED TRIBES (STS) – CONSOLIDATED MASTER CIRCULAR[24]

RBI vide Circular no. RBI/2025-26/56, FIDD.CO.GSSD. BC.No.07/09.09.001/2025-26, dated June 16, 2025 which aimed to strengthen inclusive financial access and enhance socio-economic development of historically disadvantaged communities, the RBI has issued a consolidated Master Circular to Scheduled Commercial Banks (including Small Finance Banks), outlining the framework for credit facilities to Scheduled Castes ("**SCs**") and Scheduled Tribes ("**STs**"). This circular compiled all previous instructions and emphasizes proactive, sympathetic, and targeted lending policies in favour of SC/ST beneficiaries.

[23] RBI/2025-26/, Notification No. FMRD.MIOD.03/14.03.027/2025-26.

[24] RBI/2025-26/56, FIDD.CO.GSSD. BC.No.07/09.09.001/2025-26.

The Master Circular directs banks to integrate SC/ST welfare into their district and block-level credit planning, ensure timely and adequate loans without insisting on collateral or deposits for government-sponsored schemes, and facilitate awareness through field visits and community engagement. Banks are also required to support development corporations, apply relaxed eligibility norms under specific schemes like the Differential Rate of Interest, and process rejections only at higher levels with justified reasons.

In addition, the circular reiterates implementation of the Credit Enhancement Guarantee Scheme for Scheduled Castes, allowing IFCI Ltd. to issue guarantees ranging from INR 15,00,000/- (Indian Rupees Fifteen Lakh) to INR 5,00,00,000/- (Indian Rupees Five Crore only) for loans to SC-majority entities, with a tenure of up to 7 (seven) years.

Banks must establish dedicated monitoring cells, conduct quarterly reviews of SC/ST lending, and ensure participation of national and state SC/ST bodies in SLBC meetings. Data reporting is to follow timelines under the Master Directions on Priority Sector Lending.

These directions are issued to promote equitable access to credit and have been consolidated from relevant RBI circulars issued between 1978 and 2013.

The circular is effective immediately.

RESOLUTION OF STRESS IN PROJECT FINANCE ACCOUNTS – HARMONISED PRUDENTIAL FRAMEWORK[25]

RBI vide Circular no. RBI/2025-26/59, DOR.STR.REC.34/21.04.048/2025-26, dated June 19, 2025 issued the RBI (Project Finance) Directions, 2025 to rationalise and harmonise regulatory treatment of project finance across regulated entities. These Directions provide a unified framework for lending, monitoring, and resolution of stress in project finance exposures across infrastructure and non-infrastructure sectors, including commercial real estate ("**CRE**") and CRE–residential housing ("**CRE-RH**").

These Directions apply to all commercial banks (excluding Payments Banks, regional rural banks, and local area banks), NBFCs (including housing finance companies), urban cooperative banks, and All India Financial Institutions, effective from October 1, 2025.

i. Classification and Resolution of Credit Events
A credit event includes default, Date of Commencement of Commercial Operations ("**DCCO**") extension, debt infusion, expiry of DCCO, or financial difficulty. On occurrence, it must be reported to Central Repository of Information on Large Credits ("**CRILC**") and triggers a Review Period of 30 (thirty) days to evaluate stress and initiate resolution. All lenders in a consortium must be informed. During this period, resolution plans must be coordinated as per the prudential framework, even for lenders which are not directly covered under it.

ii. Resolution Plans Involving Extension of DCCO
For 'Standard' classified project accounts, DCCO may be deferred along with repayment rescheduling without asset classification downgrade if the following conditions are met:

Project Type	Permitted DCCO Deferment
Infrastructure	Up to 3 years
Non-Infrastructure (CRE, CRE-RH)	Up to 2 years

Cost Overrun Financing:

Up to 10% (ten percent) of original project cost permitted. Must be funded via pre-sanctioned Standby Credit Facility ("**SBCF**"); if not, priced with a premium. Debt/Equity ratio and credit rating must remain stable or improve.
Change in scope and size: Must involve a ≥25% (twenty five percent) increase in project cost (excluding original cost overrun). Requires viability reassessment and re-rating (no downgrade >1 notch or must be investment grade for projects ≥ INR 100,00,00,000/- (Indian Rupees One Hundred Crore). Asset classification benefit allowed only once. The resolution plans must be fully implemented within 180 (one hundred and eighty) days of review period end; failure results in immediate Non-Performing Asset ("**NPA**") classification.

iii. Upgradation Criteria
If downgraded for failing to meet DCCO deferral norms: upgrade only post actual DCCO and satisfactory performance. If downgraded for documentation issues then upgrade is possible on successful plan implementation, with no further deferment.

iv. Income Recognition
Accrual basis for standard assets. NPAs to follow norms under Master Circular – Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances issued on April 01, 2025).

v. Provisioning Norms
Standard Asset Provisioning:

[25] RBI/2025-26/59, DOR.STR.REC.34/21.04.048/2025-26.

Project Type	Construction Phase	Operational Phase
CRE	1.25%	1.00%
CRE-RH	1.00%	0.75%
Others	1.00%	0.40%

DCCO Deferment (Additional per Quarter):

Category	Additional Provision
Infrastructure	0.375%
Non-Infrastructure (incl. CRE & CRE-RH)	0.5625%

These provisions are reversed upon commercial commencement.

vi. Existing Projects, projects with financial closure before October 01, 2025 will follow old norms unless there's: A fresh credit event, or A material changes in loan terms, post which new norms apply.

vii. NPAs, Provisioning for NPAs remains governed by the extant IRACP norms or relevant category-specific regulations.

viii. Database & Disclosures: Lenders must maintain project-specific electronic databases and update within 15 (fifteen) days of any parameter change. Financial statements must disclose resolution details as per Annex 4 format of the circular.

ix. Non-Compliance: Non-compliance attracts supervisory/enforcement actions by RBI.

x. Repeal of Earlier Guidelines: With effect from the notification date, 14 (fourteen) circulars listed in Annex 5 of the circular stand repealed. Prior actions under those guidelines will continue unless inconsistent with the new framework.

REVIEW OF PRIORITY SECTOR LENDING NORMS – SMALL FINANCE BANKS[26]

RBI vide Circular no. RBI/2025-26/61, DOR.LIC.REC.36/16.13.218/2025-26, dated June 20, 2025 revised the Priority Sector Lending ("**PSL**") norms for Small Finance Banks ("**SFBs**"), effective from financial year 2025-26. As per the revised provisions, SFBs are now required to allocate a minimum of 60% (sixty percent) of their Adjusted Net Bank Credit or Credit Equivalent of Off-Balance Sheet Exposures, whichever is higher, towards priority sector lending, down from the earlier 75% (seventy five percent).

Out of this 60% (sixty percent), 40% (forty percent) must be allocated to various sub-sectors under PSL as per existing RBI prescriptions. The remaining 20% (twenty percent) can be directed towards any one or more PSL sub-sectors where the bank holds a competitive advantage.

This revision modifies earlier licensing guidelines issued in 2014 and 2019 and is aimed at providing SFBs greater flexibility while ensuring focused credit flow to priority sectors.

These instructions are issued under Section 22(1) of the Banking Regulation Act, 1949 and come into effect immediately.

REVISED OPERATIONAL GUIDELINES – DEPOSITOR EDUCATION AND AWARENESS ("DEA") FUND SCHEME, 2014[27]

RBI vide Circular no. RBI/2025-26/62, DoR.SOG (DEA Fund) No.37/30.01.002/2025-26, dated June 25, 2025 has issued revised and consolidated operational guidelines under the DEA Fund Scheme, 2014, applicable to all Commercial Banks and Co-operative Banks. These directions, effective from October 01, 2025, are issued under Sections 26A and 35A of the Banking Regulation Act, 1949.

Key Provisions:

i. Registration and Authorised Signatories - Banks must register under the DEA Fund module on RBI's e-Kuber system and nominate up to 10 (ten) authorised signatories. Non-member banks must route registration through their sponsor banks. Specimen signatures and board authorisation must be submitted.

ii. Transfer and Claim Process - Banks must transfer unclaimed deposits (inactive for 10 (ten) years or more) and accrued interest to the DEA Fund during the last five working days of each month. Separate transfers must be made for each bank in the case of sponsor banks managing non-member banks. Claims must be filed in the first 10 (ten) working days of each month, based on repayments made to depositors. Refund claims must be supported by audited documentation (Form II), with customer-wise records maintained internally.

iii. Submission of Returns -
- Form I (Monthly Return): Auto-generated by e-Kuber; must be verified and submitted online.

[26] RBI/2025-26/61, DOR.LIC.REC.36/16.13.218/2025-26.

[27] RBI/2025-26/62, DoR.SOG (DEA Fund) No.37/30.01.002/2025-26.

Discrepancies must be reported via a Rectification Form.

- Form III (Reconciliation Certificate): Semi-annual reconciliation certificate (as of March 31 and September 30), verified by internal/concurrent auditors.
- Annual Certificate (AC): Statutory Auditors must certify itemised outstanding balances and submit by September 30 annually, including UDIN.

iv. Interest on Refunds - Interest, if applicable, must be paid to depositors by banks and then claimed from the Fund. RBI will specify applicable rates from time to time.

v. Audit & Compliance - Banks must retain customer-wise details of all transfers and claims, with internal audit verification. Returns and claim forms must be submitted both physically and via email to the DEA Fund Cell. Statutory audits must verify the integrity of records annually.

vi. Rectification Procedures

- Errors in transfers or claims must be reported within two weeks using:
- Form A for corrections in account-type allocation (IB/NIB/OTH)
- Form B for total deposit amount errors
- Form C for claim-related corrections
- All rectifications require dual authorisation and auditor certification.

vii. Disclosure and Reporting - Unclaimed liabilities must be disclosed in banks' financial statements under "Contingent Liability – Others" (Schedule 12). Format for disclosure in notes to accounts has been prescribed.

viii. Repeal and Supersession - This circular repeals previous DEA Fund-related circulars listed in Annex I, including those dated from May 27, 2014, to February 12, 2019.

These guidelines aim to streamline DEA fund operations, enhance accuracy, improve audit compliance, and facilitate timely refunds to depositors. All banks are instructed to fully comply with these revised procedures.

WHETHER A NEW PROMOTER CAN BE MADE LIABLE TOWARDS ALLOTTEES OF THE OLD PROMOTER IN SRA PROJECTS?

In a Suo Motu Case bearing Case No. SM12500050 between Messrs Charmee Enterprises ("Old Promoter") and 7 Fireflies Production LLP ("New Promoter"), the Maharashtra Real Estate Regulatory Authority ("Tribunal") had the opportunity to consider a situation where a new promoter is appointed in place of an existing promoter and its consequences vis-à-vis the existing project and the existing allottees.

The brief facts that led to the Tribunal taking Suo Motu cognizance of the aforementioned matter are set out below:

i. The Government of Maharashtra is the owner of the project land which was encroached by hutments. The project land also came to be declared as a slum under the provisions of the Maharashtra Slum Area (Improvement, Clearance and Redevelopment) Act, 1971 ("Slum Act"). The redevelopment of the project land was being undertaken by the Old Promoter under Regulation 33(10) of the Development Control and Promotion Regulations, 2034, pursuant to a Letter of Intent ("LOI") issued in its favour in the year 2007;

ii. By and under an order dated January 20, 2023, passed by the SRA in proceedings initiated under Section 13(2) of the Slum Act, the appointment of the Old Promoter was terminated inter alia on the grounds of (a) failure to implement the slum scheme, (b) non-payment of rent to slum dwellers, (c) inordinate delay and non-performance and (d) breach of the terms and conditions of the LOI. The aforesaid order of termination was not challenged by the Old Promoter;

iii. The Old Promoter had registered the project with Maha RERA under the provisions of RERA and commenced sale of flats;

iv. The slum society passed a resolution in its general body meeting held on September 12, 2023, whereby it appointed the New Promoter as the new developer. The appointment of the New Promoter as the new developer was approved by the SRA and a revised LOI dated March 13, 2024, was issued. According to condition numbers 3 and 4 of the said revised LOI, the New Promoter was to pay the amount borrowed by the Old Promoter and also pay the pending rent to the slum dwellers; and

v. Thereafter, the New Promoter made an application for registration of a new project under Section 3 of RERA.

In light of the application for registration of a fresh project when there already existed a registered project (of the Old Promoter), the Tribunal was seized with a question as to whether the application for registration of a fresh project amounts to change of promoter under Section 15 of RERA.

While answering the aforesaid issue in the negative, the Tribunal, held that the project in the present case was not one where the project was voluntarily transferred by the Old Promoter to the New Promoter. Instead, the New Promoter was appointed by the society and the appointment was confirmed by the planning authority i.e., SRA after termination of the Old Promoter. Accordingly, the application by the New Promoter for registration of a fresh project cannot be considered as change of promoter as envisaged or contemplated under Section 15 of RERA.

Secondly, the Tribunal considered whether, the New Promoter appointed by the slum society in place of the Old Promoter and confirmed by the Slum Rehabilitation Authority ("SRA") can be regarded as a 'Promoter' under RERA?

The Tribunal upon considering the definition of 'Promoter' under Section 2(zk) of RERA, held that since (i) the New Promoter had been appointed by SRA, which is the authority

mandated to recognize the promoter and had provided it with the legal authority to enter upon the land, and (ii) the New Promoter would be constructing building(s) on the project land, it would have to be recognized as the promoter under Section 2(zk) of RERA.

With respect to the rights of the allottees of the Old Promoter, the Tribunal held that since the change of promoter in the present case did not fall under Section 15 of RERA, the obligations of the Old Promoter towards the allottees cannot be fastened onto the New Promoter. The Tribunal in order to separate the obligations and duties of the Old Promoter and the New Promoter, directed the Secretary, MahaRERA to keep the registration of the project as registered by the Old Promoter in abeyance thereby ensuring that the Old Promoter continues to remain obliged to the allottees and the regulatory authorities shall be able to monitor and oversee the compliance by the Old Promoter of their obligations towards the existing allottees.

DSK View: *In view of the decision of the Tribunal, the New Promoter is not bound to provide the existing allottees with any premises in the free-sale buildings. Thus, the existing allottees are now constrained only to claim a refund along with interest from the Old Promoter and they cannot exercise their right, as granted by Section 18 of RERA, to continue in the project and claim compensation for the delay in handing over possession of the premises.*

RESTRUCTURING & INSOLVENCY

SUSPENDED MANAGEMENT CANNOT DISBURSE FUNDS OF CORPORATE DEBTOR POST-CIRP COMMENCEMENT WITHOUT AUTHORISATION OF IRP

The Hon'ble National Company Law Appellate Tribunal, Principal Bench, New Delhi ("**NCLAT**") in the matter titled **Mr. Sunil Gutte v. Mr. Avil Menezes & Ors** [28], held that once the moratorium under Section 14 of IBC, 2016 is in force, no payments can be made from the Corporate Debtor's account without the Insolvency Resolution Professional's ("**IRP**") authorisation. It was further held that even pre-dated cheques cannot be encashed after the moratorium begins. The Hon'ble NCLAT dismissed the appeal, holding the payments to be in violation of Section 14.

In the present case, the Corporate Debtor ("**CD**"), M/s. Sunil Hitech Engineering Ltd., was admitted into Corporate Insolvency Resolution Process ("**CIRP**") on 07.09.2018. The order was uploaded on 10.09.2018. The IRP was appointed and later confirmed as the Resolution Professional ("**RP**"). The Appellant (ex-promoter) and the CFO of CD made payments of ₹11.01 Crores to vendors after CIRP commencement. These payments were not routed through the IRP. The RP contended that such transactions were unauthorised. The Appellant submitted that the cheques were issued prior to the CIRP date and were necessary to preserve the business as a going concern. Accordingly, the IRP filed an application before the Ld. NCLT, Mumbai seeking setting aside of the said transactions and directing the refund of the sums involved back to the asset pool of the CD. The said application was allowed by the Ld. NCLT, against which the Appeal preferred the present Appeal.

The Hon'ble NCLAT held that the moratorium commenced from the date of the CIRP order. It noted that nine out of twelve payments were made after the effective date. It affirmed that Section 14(1)(b) imposes an absolute bar on such payments, regardless of intent. The fact that cheques were pre-dated was held to be immaterial. Reliance was placed upon **SREI Equipment Finance Ltd. v. Amit Gupta** [29] to support the contention that cheques cannot be honoured post-moratorium. It was further found that the payments were made from an account not under IRP's control (HDFC Bank), whereas legitimate CIRP-period payments were routed through UCO Bank with Committee of Creditors' ("**CoC**") approval. However, it was noted that the Appellant failed to demonstrate that the impugned transactions were authorised by the IRP. Further, the Defence of parity i.e., claiming that similar payments were not reversed, was not entertaining since illegality in one case cannot justify another. The Hon'ble NCLAT stressed that the moratorium's purpose is to preserve the asset pool and ensure orderly resolution. Hence, allowing post-CIRP payments by the suspended board would undermine the statutory process. Thus, the appeal was dismissed, and the unauthorised payments were held to be in breach of statutory provisions.

CORPORATE DEBTOR'S LIABILITIES REMAIN INTACT IF DEBENTURE RIGHTS ARE TRANSFERRED WITHOUT PRIOR APPROVAL OF HOLDERS

The Hon'ble National Company Law Appellate Tribunal, Principal Bench, New Delhi ("**NCLAT**") in the matter titled **Anil Biyani Suspended Director of Future Ideas Company Ltd. Vs. Axis Trustee Services Ltd.** [30], upheld the admission of a Section 7 application under the IBC against the Corporate Debtor - Future Ideas Company Ltd. ("**CD**"), holding that that any assignment of liability under a Debenture Trust Deed without prior consent of the Debenture Trustee is unenforceable. The Hon'ble NCLAT rejected the Corporate Debtor's reliance on an Acquisition Agreement and affirmed that such a transfer could not

[28] Company Appeal (AT) (Insolvency) No. 515 of 2025
[29] Company Appeal (AT) (Insolvency) No. 298 of 2019
[30] Company Appeal (AT) (Insolvency) No. 611 of 2025

override the rights of the original debenture holders under the principal deed.

In the present case the CD had executed a Debenture Trust-cum-Mortgage Deed dated 15.10.2018 with Axis Trustee Services Ltd. ("**Trustee**"), naming the initial debenture holders. On 29.08.2020, CD entered into an Acquisition Agreement with Rivaaz Trade Ventures Pvt. Ltd. ("**Rivaaz**"), claiming to transfer the debt worth ₹122.83 Crores by way of Non-Convertible Debentures ("**NCDs**"). The Trustee and the original debenture holders were not party to this agreement. Following a default in payment of dues, the Trustee issued a demand notice and filed a Section 7 application. The CD opposed the admission, invoking Section 10A and arguing that the debt stood transferred to Rivaaz. Rejecting the objections, the Ld. NCLT admitted the CD into CIRP.

The Hon'ble NCLAT while hearing an appeal filed by the suspended director, held that Clause 2.2 of the Acquisition Agreement required prior "no-objection" from the Trustee, which was not obtained. It was also noted that while the Debenture Trust-cum-Mortgage Deed permitted debenture holders to transfer rights, it prohibited the CD from assigning its obligations. It was further held that the Ld. NCLT was competent to examine the legal consequences of the agreement when raised as a defence. Further, the Hon'ble NCLAT rejected defence of bar under Section 10A, noting that the default occurred on 30.04.2021, well after the Section 10A suspension period had ended. It was further held that the Ld. NCLT had the power to examine whether the documents used by the CD to oppose insolvency were valid or not. Thus, the Hon'ble NCLAT dismissed the appeal and confirmed the existence of financial debt and occurrence of default.

SPORTS AND GAMING

SPORTS

FIFA LIFTS TRANSFER BAN ON MOHUN BAGAN SUPER GIANT AHEAD OF ISL SEASON

FIFA has officially lifted the transfer ban on Indian football club Mohun Bagan Super Giant, allowing them to sign new players for the upcoming season. The ban, imposed on May 5, 2025, was due to the club's failure to pay dues to Australian striker Jason Cummings' former club, Central Coast Mariners. However, Mohun Bagan acted swiftly, resolving the issue in just over a month, significantly faster than Mumbai City FC, whose similar ban took nearly three months to be lifted.

The club submitted a 107-page response to FIFA and promptly addressed two follow-up queries, leading the governing body's disciplinary committee to revoke the ban.

Additionally, Mohun Bagan is now cleared to participate in continental competitions. They were previously banned and fined by the Asian Football Confederation (AFC) after withdrawing from a Champions League 2 match in Iran against Tractor SC, citing safety concerns amid regional political tensions involving Israel and Iran. The club's refusal to travel to Tabriz led to sanctions under AFC competition rules, but they are now eligible to compete again.

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INTER KASHI WINS FIRST CAS APPEAL AGAINST AIFF; I-LEAGUE TITLE STILL UNDECIDED

Inter Kashi has won a key appeal at the Court of Arbitration for Sport (CAS) against the All India Football Federation (AIFF), marking a major development in the ongoing controversy surrounding the 2024–25 I-League title. The dispute centres on a January 13, 2025 match between Inter Kashi and Namdhari FC, where Namdhari alleged that Inter Kashi had fielded an ineligible player. AIFF's appeals committee had ruled in Namdhari's favour, which ultimately placed Inter Kashi second in the standings with 39 points and awarded Churchill Brothers the championship with 40 points.

In response, Inter Kashi filed an appeal on April 24, 2025, at CAS, which has now ruled in the club's favour. The CAS judgment, issued on June 17, 2025, set aside the AIFF appeals committee's April 18, 2025 decision and reinstated the AIFF Disciplinary Committee's earlier February 24, 2025 ruling, which had penalized Namdhari FC for fielding an ineligible player. This awarded a 3–0 win to Inter Kashi for the disputed match.

Despite this victory, the I-League title remains undecided. The CAS ruling now places Inter Kashi at 38 points and Churchill Brothers at 42. However, Inter Kashi has filed a second appeal at CAS, which could further alter the standings. If Inter Kashi succeeds in that appeal, they may reach 42 points, while Churchill Brothers could lose two points, potentially reshaping the final league outcome.

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WORLD AQUATICS BANS PARTICIPATION LINKED TO ENHANCED GAMES IN LANDMARK ANTI-DOPING MOVE

World Aquatics has become the first international sports federation to officially ban athletes, coaches, and officials from its competitions if they are involved in the controversial Enhanced Games, a new sporting event that embraces the use of performance-enhancing drugs. This unprecedented move underscores the federation's commitment to clean sport and comes ahead of the inaugural Enhanced Games scheduled for May 21–24, 2026, in Las Vegas, featuring sprinting, weightlifting, and short-distance swimming.

The new World Aquatics bylaw disqualifies individuals who support, endorse, or participate in events that promote prohibited substances or methods from being eligible for any role, athlete, coach, official, medical staff, administrator, or government representative, within World Aquatics competitions or activities. Member federations have been encouraged to adopt similar national policies to ensure consistency.

This decision follows a high-profile claim by Enhanced Games organisers that Greek swimmer Kristian Gkolomeev surpassed the world record in a 50m freestyle trial under their supervision, clocking 20.89 seconds, 0.02 seconds faster than the long-standing world record.

In response to the ban, Enhanced Games president Dr. Aron D'Souza accused World Aquatics of protecting a monopoly rather than athletes. He defended the Enhanced Games as a science-driven, medically supervised alternative that empowers athletes through fair compensation and choice and promised legal backing against the ban. He further criticized traditional federations for their lack of financial support and transparency.

The World Anti-Doping Agency (WADA) has condemned the Enhanced Games as a "dangerous and irresponsible project", citing risks to athlete health and the erosion of fair competition principles.

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BOMBAY HIGH COURT UPHOLDS ₹538 CRORE ARBITRAL AWARD IN FAVOUR OF KOCHI TUSKERS AGAINST BCCI

The Bombay High Court has upheld arbitral awards totalling over INR 538 crore in favour of the defunct IPL franchise Kochi Tuskers Kerala, rejecting the BCCI's challenge under Section 34 of the Arbitration Act. The case stemmed from BCCI's termination of the franchise in 2011 for failing to furnish a 10% bank guarantee. Kochi Tuskers, operated by Kochi Cricket Private Limited (KCPL) and led by Rendezvous Sports World (RSW), blamed delays on issues like stadium access, regulatory approvals, and reduced match allocation.

Despite the delays, BCCI had continued engaging with KCPL and accepting payments, which the arbitrator interpreted as a waiver of the bank guarantee requirement. In 2015, an arbitral tribunal awarded INR 384 crore to KCPL for loss of profits and INR 153 crore to RSW for wrongful encashment of the guarantee.

The BCCI argued the arbitrator exceeded jurisdiction and misapplied the law, but the Court held that its powers under Section 34 are limited and it cannot reassess the merits of the case. The judge ruled that the arbitrator's conclusion, finding BCCI's termination as a repudiatory breach of contract, was well-reasoned and did not merit interference. BCCI has six weeks to appeal the decision.

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ITALY GRANTS REFEREES SAME LEGAL PROTECTION AS POLICE TO COMBAT RISING ASSAULTS

Referees in Italy will now receive the same legal status and protection as police officers and public officials, as part of a new penal code amendment aimed at curbing growing violence against match officials. The change was announced by Sports Minister Andrea Abodi and forms part of a broader government decree.

The updated law introduces tougher penalties, including potential prison sentences, for acts such as hitting, pushing, or threatening referees. This protection applies across all sports and levels, following increased concerns over referee safety, particularly in Italian soccer. The decision follows pressure from the Italian Soccer Referees Association, and symbolic protests by referees, such as wearing black smudges on their cheeks during matches in December 2024. The tipping point came after a 19-year-old referee, Diego Alfonzetti, was physically assaulted at a youth match in Sicily. He was later honoured before the high-profile Lazio vs Roma derby in April.

The law aims to restore respect and safety for match officials and uphold the spirit of fair play across all sporting arenas in Italy.

GAMING

FOUR SOCIAL MEDIA INFLUENCERS ARRESTED FOR PROMOTING ONLINE GAMBLING IN GUJARAT

Devbhumi Dwarka police have arrested four social media influencers under the Gujarat Prevention of Gambling Act for allegedly promoting illegal online gambling platforms on Instagram. The accused, all residents of Kalyanpur taluka, were paid ₹8,000–₹12,000 per promotional reel by gambling site agents and instructed to post and later delete these videos. Police seized evidence from their phones and noted that the influencers' activities potentially exposed users to cyberfraud. No formal contracts with the gambling platforms were found, and all promoted games were purely chance-based.

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KARNATAKA CONSIDERS NEW LAW TO REGULATE ONLINE BETTING

Karnataka Chief Minister Siddaramaiah has announced that the state government is considering introducing legislation to regulate online betting, following concerns over increasing youth participation, particularly in cricket-related betting. IT Minister Priyank Kharge and Law Minister H.K. Patil are reviewing legal options, with a decision expected soon. The Chief Minister also directed district officials to step up enforcement against both online and traditional gambling. Karnataka Police have registered 897 online betting cases since 2023. The move comes amid ongoing legal debates, with the state challenging a 2022 High Court decision that struck down a previous law banning online games for money.

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ASCI UPDATES WHITEPAPER BASIS ₹50 CRORE LEGAL NOTICE SENT BY MPL

Galactus Funware Technology, parent company of online gaming platform MPL, has issued a ₹50 crore legal notice to the Advertising Standards Council of India (ASCI) demanding the withdrawal of its May 2025 whitepaper titled "Examining Opinion Trading in India." The notice alleges that ASCI's report is biased, relies on tampered and selectively edited screenshots of MPL's advertisements, and omits disclaimers, thereby misrepresenting the nature of opinion trading and misleading consumers. Galactus Funware also questioned ASCI's authority to comment on the legality of opinion trading, noting ongoing court cases and Supreme Court stays. ASCI acknowledged receipt of the notice but denied any tampering. The company has warned of civil and criminal action if the whitepaper is not withdrawn promptly. Thereafter ASCI updated the whitepaper removing references to specific companies after MPL's ₹50 crore defamation notice. ASCI warns that, unlike in some countries where opinion trading is regulated as either a financial instrument or gambling, India lacks clear guidelines—leaving consumers exposed to significant risks and misleading advertising. The council calls for urgent regulatory clarity and stronger consumer protections in this sector.

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MADRAS HIGH COURT UPHOLDS TAMIL NADU'S ONLINE GAMING REGULATIONS

The Madras High Court in *Play Games 24×7 Pvt Ltd & Others v. State of Tamil Nadu* dismissed petitions by online real money gaming platforms challenging Tamil Nadu's regulations, including a night ban (midnight to 5 a.m.) and mandatory Aadhaar-based KYC. The court ruled these measures are reasonable restrictions aimed at protecting public health and welfare, holding that the right to privacy is not absolute and can be limited for public interest. The decision confirms the state's legislative authority to regulate online gaming and upholds key provisions of the Tamil Nadu Prohibition of Online Gaming and Regulation of Online Games Act, 2022, and the 2025 regulations.

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ASHOK GEHLOT URGES STRICTER REGULATION OF ONLINE FANTASY GAMING AND GAMBLING

Former Rajasthan Chief Minister Ashok Gehlot has called for stricter rules to regulate online fantasy gaming and gambling platforms, expressing concern over their rapid growth and the resulting financial distress among youth. Gehlot highlighted reports of young people falling into debt and, in some cases, resorting to suicide, urging the government to take action to protect the future of the youth from these risks.

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PLAYERZPOT SUSPENDS OPINION TRADING IN HARYANA AND TAMIL NADU AMID LEGAL SCRUTINY

Real-money gaming platform PlayerzPot has suspended its opinion trading operations in Haryana and Tamil Nadu following mounting legal challenges and regulatory scrutiny, with the company likely to halt services nationwide. This move comes as courts and regulators increasingly question the legitimacy of prediction-based platforms, which many argue resemble gambling rather than skill-based gaming. Similar exits by other platforms and recent warnings from SEBI underscore the sector's uncertain legal standing and the growing push for stricter oversight.

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TN ONLINE GAMING AUTHORITY ISSUES COMPLIANCE FAQS FOLLOWING HIGH COURT RULING

The Tamil Nadu Online Gaming Authority (TNOGA) has issued detailed FAQs under the 2025 Regulations, clarifying compliance requirements for real money gaming platforms and users. The main points are:

- **Mandatory Two-Factor KYC Verification:**
  Players must complete Aadhaar-based KYC and OTP authentication before participating in any online real money game. This is not required for merely accessing or browsing a gaming platform, but is compulsory before actual gameplay involving monetary stakes.

- **Blank Hours (Prohibited Play Time):**
  No online real money games can be played between 12:00 am and 5:00 am. These restrictions do not apply to practice games or games without any monetary deposit or expectation of prize. Platforms must file a

declaration confirming compliance, and false declarations will attract penalties.

- **Age Restriction:**
  Minors (under 18) are strictly prohibited from accessing or playing online real money games. Platforms must implement robust age verification measures as part of their KYC process.

- **Monetary Limits:**
  Players must be allowed to set daily, weekly, and monthly monetary spending limits. Platforms are required to notify users with bold pop-up messages whenever money is deposited, detailing the user's set limit and current spending.

- **Caution and Addiction Warnings:**
  Pop-up caution messages must be displayed every 30 minutes after the first hour of continuous play, indicating the time spent. The login page must always display a warning about the addictive nature of online real money games.

- **Declaration and Penalty:**
  Platforms must declare which games are subject to blank hour restrictions. Any false or misleading declaration will result in penal action by the Authority.

These clarifications aim to ensure responsible gaming, protect vulnerable users, and provide clear guidance to operators as the new regulatory regime is enforced in Tamil Nadu.

Read More

FIRST FIR FILED UNDER HARYANA'S NEW GAMBLING LAW AGAINST FANTASY PLATFORM

The first FIR under the Haryana Prevention of Public Gambling Act, 2025 ("**Act**") has been registered against fantasy sports platform Sportasy, operated by Blossomfield Gamingzone Pvt. Ltd., for allegedly promoting illegal online gambling under the guise of skill-based fantasy games. The complaint, filed at Manesar Police Station on June 7, 2025, cites Section 7 of the new Act and Section 318(4) of the Bharatiya Nyaya Sanhita, 2023, and accuses Sportasy of targeting a wide user base, including minors, with real-money games and insufficient safeguards. Opinion trading platform Probo is also under investigation in Haryana for similar alleged violations. This marks the first major enforcement action since the Act's commencement, signaling strict scrutiny of online gaming platforms in the state.

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TAMIL NADU CRACKS DOWN ON SURROGATE BETTING ADS IN TNPL

The Tamil Nadu Online Gaming Authority (TNOGA) has initiated action against surrogate advertisements and sponsorships by offshore betting platforms in the Tamil Nadu Premier League (TNPL). TNOGA flagged teams such as Trichy Grand Cholas (FOMO7), Chepauk Super Gillies (Melbat), Lyca Kovai Kings (1xBat), and Nellai Royal Kings (Dafa News) for violating state law by associating with gambling-linked brands through surrogate ads. Such promotions are deemed "prima facie objectionable" under the Tamil Nadu Prohibition of Online Gaming and Regulation of Online Games Act, with violations carrying penalties of up to one year in prison or a ₹5 lakh fine. TNOGA is also considering seeking central government intervention to block access to offending platforms under the IT Act. This move signals a tougher stance against the normalization of online gambling through sports sponsorships and aims to protect consumers from misleading and unlawful promotions.

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MADRAS HIGH COURT HALTS TNOGA'S ACTION ON TNPL SPONSORSHIP AMID ALLEGATIONS OF PROMOTING GAMBLING

The Madras High Court has stayed further action by the Tamil Nadu Online Gaming Authority (TNOGA) until July 16, 2025, on its directive requiring Tamil Nadu Premier League (TNPL) teams to remove certain sponsor logos from jerseys, for allegedly promoting online gambling. The interim relief was granted after multiple team franchises, including Metro Nation Television Pvt. Ltd., challenged TNOGA's June 26 order targeting the MELBAT LIVE logo. The petitioners contended that MELBAT LIVE is a sports news platform with no direct or indirect association with gambling, and that the logo does not violate any advertising or content regulations. It was also highlighted that removing the sponsor at this advanced stage of the tournament would result in significant financial loss and operational disruption. Given that the league is at an advanced stage, Madras HC directed TNOGA to maintain status quo until the next hearing on July 16.

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SUPREME COURT REFUSES TO UNFREEZE PROBO'S ₹100 CRORE ACCOUNT, DIRECTING PROBO TO SEEK RELIEF FROM HIGH COURT

The Supreme Court has refused to entertain Probo Media Technologies' plea to unfreeze a bank account holding over ₹100 crore, directing the company to instead approach the Punjab and Haryana High Court's vacation bench for interim relief. The account was frozen following a March 2025 FIR filed by a Gurugram resident who alleged losing ₹20,000 on

the Probo app, which allows users to wager on real-world events with binary outcomes. The FIR claims users were "lured and induced into gambling and betting" under the pretext of opinion trading.

Probo, argued that freezing the entire account over a relatively small transaction was disproportionate and had effectively halted company operations. However, a bench of Justices Prashant Kumar Mishra and Augustine George Masih declined to intervene, noting that the High Court is already hearing the matter. The FIR cites Section 13 of the Public Gambling Act, 1867 and Section 318(4) of the Bharatiya Nyaya Sanhita, and names three company directors. The High Court had earlier issued notice to the Haryana government on May 22, 2025, but denied interim relief. The next hearing is scheduled for July 15.

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ED CRACKS DOWN ON ONLINE BETTING RACKET, ARRESTS TWO AND FREEZES 766 MULE ACCOUNTS

The Directorate of Enforcement (ED), Kolkata Zonal Office, arrested two individuals under Section 19 of the Prevention of Money Laundering Act (PMLA), 2002, in connection with a multi-state online betting and gambling racket. The arrests followed search operations across West Bengal, Delhi, Bihar, Uttar Pradesh, and Assam. The case stems from an FIR filed by the Siliguri Police Commissionerate under the Indian Penal Code, 1860, and the West Bengal Gambling and Prize Competitions Act, 1957, where the accused were earlier marked as absconders. As part of the investigation, the ED froze 766 mule bank accounts and 17 debit and credit cards and seized several incriminating documents and digital devices.

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DELHI HIGH COURT ISSUES NOTICE TO GOOGLE ON WINZO'S PLEA AGAINST YOUTUBE CHANNEL TAKEDOWN

The Delhi High Court issued notice to Google LLC on a petition filed by WinZO Games, challenging the removal of their official YouTube channel "WinZOOfficial." WinZO informed the Court that all its advertisements had been suspended from YouTube, resulting in significant financial losses.

According to the petitioners, the takedown was triggered by a June 16 email from the Google Ads policy team, which cited violations of YouTube's policy on the sale of regulated goods, alleging the promotion of gambling and betting. WinZO, however, contended that its platform hosts only games of skill, which are not classified as gambling under Indian law. The plea seeks to restrain Google from blocking access to the YouTube platform and to allow continued hosting of advertisements. The case is scheduled to be heard on July 3.

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ED QUESTIONS CELEBRITIES OVER ENDORSEMENTS OF ILLEGAL BETTING APPS

The Enforcement Directorate (ED) has questioned cricketers Harbhajan Singh, Suresh Raina, Yuvraj Singh, and actor Urvashi Rautela as part of its probe into celebrity endorsements for banned online betting platforms like 1xBet, which used surrogate brands such as "1xbat" to redirect users to illegal sites. The ED alleges these platforms, presented as skill-based games, actually used rigged algorithms and functioned as gambling operations, violating the IT Act, FEMA, PMLA, and government advisories. The agency is investigating whether these high-profile endorsements, which gave the platforms massive visibility, facilitated financial fraud and widespread consumer deception.

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