

# NEWSLETTER

June 2026

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## MASTER CIRCULAR ON SURVEILLANCE OF SECURITIES MARKET

The Securities and Exchange Board of India (“SEBI”) has issued a Master Circular<sup>1</sup> on Surveillance of Securities Market (“**Surveillance Master Circular**”), originally issued on March 23, 2011 and last updated on May 15, 2026. It consolidates all applicable circulars and incorporates provisions of three new circulars into the existing framework.

The Surveillance Master Circular is structured subject-wise under the following five principal heads:

- trading rules and requirements relating to shareholding in dematerialised form;
- monitoring of unauthenticated news circulated by SEBI-registered intermediaries through social media platforms/ instant messaging services/ blogs/chat forums/e-mail or any such medium;
- the newly incorporated Financial Disincentives for Surveillance Related Lapses Framework applicable to Market Infrastructure Institutions;
- disclosing reporting under the SEBI (Prohibition of Insider Trading) Regulations, 2015; and
- trading window closure, comprising the updated provisions on transactions exempt from trading window restrictions.

With the issuance of the Surveillance Master Circular, all directions and instructions contained in the circulars listed in the Appendix stand rescinded to the extent they relate to surveillance of the securities market.

The additional circulars rescinded by the Surveillance Master Circular are as follows-

Sr. No.	Date of Circular	Reference No.	Subject / Title
1	September 02, 2010	SEBI/Cir/ISD /1/2010	Trading Rules and Shareholding in dematerialized mode
2	March 23, 2011	Cir/ISD/1/2011	Unauthenticated news circulated by SEBI Registered Market Intermediaries through various modes of communication
3	March 24, 2011	Cir/ISD/2/2011	Addendum to Circular no. Cir/ISD/1/2011 dated March 23, 2011
4	May 11, 2015	Cir/ISD/1/2015	Disclosures under SEBI (PIT) Regulations, 2015
5	September 16, 2015	Cir/ISD/2/2015	Revised Disclosures formats under SEBI (PIT) Regulations, 2015
6	July 19, 2019	SEBI/HO/ISD /ISD/CIR/P/ 2019/82	Standardizing reporting of violations related to Code of Conduct under SEBI (PIT) Regulations, 2015
7	July 23, 2020	SEBI/HO/ISD /CIR/P/P/20 20/133	Allowing Offer for Sale (OFS) and Rights Entitlements (RE)

<sup>1</sup> HO/43/15/12(3)2025-ISD-POD2/I/11734/2026

			transactions during trading window closure period
8	July 23, 2020	SEBI/HO/ISD /CIR/P/P/20 20/135	Reporting to Stock Exchanges regarding violations of SEBI (PIT) Regulations, 2015 relating to Code of Conduct
9	September 09, 2020	SEBI/HO/ISD /CIR/P/P/20 20/168	Automation of Continual Disclosures under Regulation 7(2) of SEBI (Prohibition of Insider Trading) Regulations, 2015-System driven disclosures
10	February 09, 2021	SEBI/HO/ISD /CIR/P/P/20 21/19	Revised disclosure formats under Regulation 7 of SEBI (Prohibition of Insider Trading) Regulations, 2015
11	March 01, 2021	SEBI/HO/ISD /ISD/CIR/P/ 2021/22	Master Circular on Surveillance of Securities Market
12	June 16, 2021	SEBI/HO/ISD /ISD/CIR/P/ 2021/578	Automation of Continual disclosures under Regulation 7(2) of SEBI (PIT) Regulations, 2015-System driven disclosures for inclusion of listed Debt Securities
13	August 13, 2021	SEBI/HO/ISD /ISD/CIR/P/ 2021/617	Automation of Continual Disclosures under Regulation 7(2) of SEBI (PIT) Regulations, 2015-System driven disclosures- Ease of doing business
14	August 05, 2022	SEBI/HO/ISD /ISD-SEC-	Trading Window closure period under Clause 4 of Schedule B

		4/P/CIR/202 2/107	read with Regulation 9 of PIT Regulations-Framework for restricting trading by Designated Persons ("DPs") by freezing PAN at security level
15	September 13, 2022	SEBI/HO/ISD /ISD-PoD- 2/P/CIR/202 2/118	Master Circular on Surveillance of Securities Market
16	March 23, 2023	SEBI/HO/ISD /ISD-PoD- 2/P/CIR/202 3/039	Master Circular on Surveillance of Securities Market
17	July 19, 2023	SEBI/HO/ISD /ISD-PoD- 2/P/CIR/202 3/124	Trading Window closure period under Clause 4 of Schedule B read with Regulation 9 of PIT Regulations-Extending framework for restricting trading by DPs by freezing PAN at security level to all listed companies in a phased manner
18	June 06, 2024	SEBI/HO/ISD /ISD-PoD- 1/P/CIR/202 4/73	Framework of "Financial Disincentives for Surveillance Related Lapses" at Market Infrastructure Institutions
19	July 09, 2024	SEBI/HO/ISD /ISD-PoD- 2/P/CIR/202 4/99	Master Circular on Surveillance of Securities Market
20	September 23, 2024	SEBI/HO/ISD /ISD-PoD- 2/P/CIR/202 4/126	Master Circular on Surveillance of Securities Market
21	December 30, 2024	SEBI/HO/ISD /ISD-PoD- 2/P/CIR/202 4/180	Allowing subscription to the issue of Non-Convertible Securities during trading window closure period

22	April 21, 2025	SEBI/HO/ISD /ISD-PoD-2/P/CIR/2025/55	Trading Window closure period under Clause 4 of Schedule B read with Regulation 9 of PIT Regulations-Extension of automated implementation of
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			trading window closure to Immediate Relatives of Designated Persons, on account of declaration of financial results
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## CCI ORDERS INVESTIGATION INTO ALLEGED ANTI-COMPETITIVE CONDUCT IN DELHI LIQUOR MARKET

The Competition Commission of India (“CCI” or the “Commission”), by an order dated May 4, 2026, passed under Section 26(1) of the Act, directed the Director General (“DG”) to investigate allegations of anti-competitive conduct involving various liquor manufacturers, wholesalers, and retailers operating in Delhi under the Delhi Excise Policy, 2021-22.

The information was filed by Mr. Mohit against multiple entities, including Pernod Richard India Private Limited (“Pernod Richard”), United Spirits Limited, International Spirits & Wines Association of India, Indo Spirits Private Limited and several other liquor manufacturers, wholesalers, and retailers. The allegations broadly related to (i) bid rigging in tenders floated by the Excise Department for the wholesale supply of country liquor in Delhi, and (ii) cartelisation and exclusion dealing arrangements amongst liquor manufacturers, wholesalers, and retailers under the Delhi Excise Policy, 2021-22.

With respect to the allegations of bid rigging in tenders issued during 2022-23 for the procurement of country liquor, the Commission examined material placed on record, including responses filed by the Excise Department. The Commission noted that the first tender, dated April 22, 2022, had been cancelled because certain bidders disclosed their financial quotes in violation of tender conditions, while the second tender, dated May 24, 2022, was cancelled because the bids fell within a narrow pricing band suggestive of possible pooling arrangements.

However, after examining the tender history for earlier years and negotiations conducted by the Excise Department with bidders, the CCI held that there was insufficient material to

form a *prima facie* view of bid rigging in relation to the country liquor tenders. The CCI also noted that complete information relating to IMFL tenders was unavailable because the relevant records were with the CBI in connection with investigations concerning the Delhi Excise Policy, 2021-22. Accordingly, no *prima facie* case of bid rigging was found at that stage.

The CCI thereafter examined allegations relating to cartelisation and anti-competitive vertical arrangements in the IMFL market in Delhi. It noted allegations that Pernod Richard entered into arrangements with wholesalers and retailers, including Indo Spirits and related retail entities, to secure preferential placement and ‘brand pushing’ for its products in Delhi. The CCI observed that the allegations, if established, would fall within the scope of ‘exclusive dealing agreements’ under Section 3(4)(b) of the Act.

For the purpose of *prima facie* assessment, the CCI delineated the relevant market as the ‘market for sale and supply of IMFL in the NCT of Delhi’ and noted that Pernod Richard consistently held the highest market shares in wine, spirits, and liquors over several years, thereby *prima facie* indicating a position of strength in the relevant market.

The CCI also relied on material, including extracts from prosecution complaints filed by the Enforcement Directorate and findings in the CAG Report concerning Delhi Excise Policy, 2021-22. The material referred to alleged arrangements involving corporate guarantees, financial support to select retailers, preferential supply structures, and close links between wholesalers and retailers. The CCI particularly referred to an internal e-mail allegedly exchanged amongst Pernod Richard employees discussing strategic partnerships with retailers in multiple Delhi retail zones and financial support through corporate guarantees.

The CCI observed that such conduct, if established, could incentivise retailers to favour Pernod Richard products and restrict competing brands, thereby distorting competition and limiting consumer choice. Accordingly, the CCI formed a *prima facie* opinion that the alleged arrangement between Pernod Richard and certain wholesalers and retailers warranted investigation under Section 3(4)(b) read with Section 3(1) of the Act and directed the DG to investigate the matter under Section 26(1) of the Act.

### **COMPETITION COMMISSION OF INDIA CLOSES PROCEEDINGS AGAINST NABARD AND INFOSYS IN CBS PROCUREMENT MATTER**

The CCI, via order dated April 20, 2026, closed proceedings under Section 26(2) of the Competition Act, 2002 (“Act”), holding that no *prima facie* case of contravention of Section 3 or 4 of the Act was made out against the National Bank for Agriculture and Rural Development (“NABARD”) and Infosys Limited (“Infosys”).

The information was filed by M/s Natural Support Consultancy Services Private Limited (“Informant”) alleging that NABARD and Infosys entered into anti-competitive arrangements in relation to the procurement of Core Banking Solutions (“CBS”) services for Rural Cooperative Banks (“RCBs”). The Informant challenged the 2023 Request for Proposal (“RFP”) floated by NABARD for migration and upgradation of Finacle CBS software across cooperative banks, alleging that the eligibility conditions unfairly restricted participation to system integrators authorised by Infosys, the original equipment manufacturer of the Finacle software.

The CCI delineated the relevant market as the “market for procurement of CBS services for RCBs in India”, observing that CBS solutions for RCBs possess distinct characteristics and are not substitutable with generic banking software. The CCI held that NABARD occupies a dominant position in this market, given its statutory role under the NABARD Act, 1981 and its regulatory functions in relation to RCBs across India.

However, the CCI found no abuse of dominance under Section 4 of the Act. It noted that the impugned RFP was specifically intended for the migration of banks already operating on the Finacle platform from version 7.x to version 10.2.25, and that limiting participation to authorised partners of Infosys was commercially and technically justified, considering software compatibility, system integrity, cybersecurity, and continuity of banking operations. The CCI accepted that the cooperative banks had voluntarily chosen to continue with the Finacle platform and that the procurement process was conducted transparently.

The CCI also rejected the allegations under Section 3 of the Act, holding that the continuation of the Finacle platform and the requirement that bidders be authorised partners of Infosys did not amount to exclusive dealing or refusal to deal, and that there was no evidence of any anti-competitive agreement or collusion between NABARD and Infosys causing an appreciable adverse effect on competition (“AAEC”).

The CCI also noted that parallel proceedings initiated by the Informant before vigilance authorities and the Delhi High Court had not yielded findings supporting the allegations and concluded that the Informant had failed to demonstrate either exclusionary conduct or anti-competitive coordination between the opposite parties.

### **CCI APPROVES ACQUISITION OF SIEMENS’ LOW VOLTAGE MOTORS BUSINESS BY INNOMOTICS INDIA**

The CCI, by order dated February 12, 2026, approved the acquisition of the low voltage motors (“LVM”) business of Siemens Limited (“Siemens”) by Innomotics India Private Limited (“Innomotics India”) under Section 31(1) of the Act.

The transaction was notified pursuant to a Slump Sale Agreement dated December 8, 2025, executed between Siemens, Innomotics India, and Innomotics Pte. Ltd. Under the proposed combination, Innomotics India proposed to acquire Siemens’ LVM business in India as a going concern through a Slump Sale arrangement for a lump sum consideration.

The CCI noted that Innomotics India is engaged in the manufacture and supply of industrial motors and large drive systems, while the target business is engaged in the sale of low-voltage motors for industrial applications in India. The target business follows an outsourced manufacturing model and does not manufacture low-voltage motors in India.

For the purpose of competition assessment, the CCI examined the activities of the acquirer, its group entities controlled by KPS Capital Partners, LP, and the target business. It was observed that both parties were present in the broader electric motors market in India. However, the CCI recorded that neither Innomotics India nor the relevant KPS group entities sold low-voltage motors in India, and therefore, no overlap existed at the narrower product level relating to low-voltage motors. The CCI also found that there were no vertical or complementary linkages between the businesses of the parties in India.

The CCI left the precise delineation of the relevant market open, noting that the proposed transaction was not likely to

cause any AAEC in any plausible relevant market in India. It further observed that, even at the broadest level of the electric motors market, the combined market share of the parties remained in the range of [5-10] %, with only a minimal incremental addition. The market was also characterised by the presence of several established competitors.

Accordingly, based on its assessment under Section 20(4) of the Act, the CCI approved the proposed transaction.

### **NCLAT SETS ASIDE CCI'S ORDER AGAINST GRASIM ON GROUNDS OF VIOLATION OF PRINCIPLES OF NATURAL JUSTICE**

The National Company Law Appellate Tribunal ("NCLAT") allowed the appeal filed by Grasim Industries Ltd ("Grasim") against the order of the CCI dated March 16, 2020, whereby CCI had held Grasim guilty of abuse of dominant position in the market of supply of viscose staple fibre ("VSF") to spinners in India and imposed a penalty of INR 301.61 crores.

The NCLAT noted that the DG, in its investigation report, had found contraventions under Sections 4(2)(a)(ii) and 4(2)(d) of the Act on account of discriminatory pricing and imposition of supplementary obligations. However, the DG had also specifically observed that non-disclosure of Grasim's pricing and discounting policy did not by itself amount to a contravention of the Act and that Grasim was under no obligation to keep traders in business by supplying VSF to them.

The NCLAT observed that, despite these findings, the CCI in its final order directed Grasim to make its discount policy transparent and publicly accessible and further directed that buyers of VSF should be free to use the product for spinning, trading or any other lawful purpose. According to the NCLAT, these directions amounted to a departure from the DG's findings, since the CCI had effectively required disclosure of the discount policy and permitted trading by buyers, contrary to the DG's observations.

The principal issue before the NCLAT was whether the CCI could differ from the DG's findings without first issuing a notice and granting the affected party an opportunity to respond. Relying on its earlier decisions, the NCLAT reiterated that where the CCI proposed to disagree with findings favourable to a party in the DG's report, principles of natural justice require that the party be informed of such disagreement and afforded an effective opportunity to rebut the proposed findings.

The NCLAT rejected the CCI's contention that there was no material variance between the DG's report and the final order. It held that the CCI's directions regarding publication of the discount policy and permitting trading by buyers were clearly inconsistent with the DG's conclusions and therefore could not have been imposed without prior notice to Grasim.

Accordingly, the NCLAT held that the CCI had violated principles of natural justice by failing to issue a show cause notice or otherwise provide Grasim an opportunity to address the CCI's disagreement with the DG's findings. The impugned order was therefore set aside, and the matter was remanded back to the CCI with directions to provide Grasim an opportunity to respond wherever the CCI intended to differ from the DG's findings and thereafter decide the matter afresh in accordance with law.

### **CCI APPROVES ELLIOTT GROUP'S ACQUISITION OF STAKE IN TOYOTA INDUSTRIES CORPORATION**

The CCI, via its order dated January 27, 2026, approved the proposed acquisition by Elliott Associates, L.P., Elliott International, L.P. and The Liverpool Limited Partnership of certain equity shareholding and voting rights in Toyota Industries Corporation ("TICO") through on-market purchase on the Tokyo Stock Exchange and Nagoya Stock Exchange. The transaction was notified under Section 6(2) of the Act and approved under Section 31(1) of the Act.

The CCI noted that the Acquirers are investment entities managed and/or advised by Elliot Investment Management L.P., while TICO is engaged in India in material handling equipment and related services, automated logistics solutions, and textile machinery businesses.

For competition assessment purposes, the CCI observed that there were no horizontal overlaps between the parties. However, it identified a vertical linkage between TICO's activities in the market for the manufacture, sale and rental of material handling equipment in India and the Elliot Group's presence in the market for the provision of mine developer and operator ("MDO") services in India.

The CCI noted that the parties' market shares in both markets were in the range of [0-5]% and that the markets were characterised by the presence of several significant competitors. Accordingly, it concluded that the proposed transaction was unlikely to alter competition dynamics or cause an AAEC in India and therefore approved the combination.

# DISPUTE RESOLUTION



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## IF BOTH PARTIES AGREED TO BYPASS PRE-ARBITRATION STEPS, STATUTORY REQUIREMENTS FOR INVOKING ARBITRATION CAN BE WAIVED: DELHI HIGH COURT

The Hon'ble Delhi High Court in ***Viva Infraventure Pvt. Ltd. v. National Highway Authority of India, O.M.P. (I) (Comm.) 217/2026*** vide HMJ Harish Vaidyanath Shankar decided that if both parties agreed to bypass pre-arbitration steps, statutory requirements for invoking arbitration can be Waived.

The petitioner, an EPC contractor, and NHAI had entered into an Engineering, Procurement and Construction Agreement dated 09.02.2022 for the four laning of the Honnavar Port Connectivity Road in Karnataka under Bharatmala Phase-I. NHAI issued a Notice of Intention to Terminate dated 04.05.2026 under Clause 23.1(i) of the Agreement. The contractor approached the Court under Section 9 seeking restraint against termination, against invocation of the performance bank guarantees, and against coercive measures such as blacklisting and debarment, along with status quo and related directions.

The Agreement (Article 26) provided a layered dispute resolution structure: mediation by the Authority Engineer, reference to a Dispute Resolution Board, conciliation before the Authority's Conciliation Committee of Independent Experts, and, failing all of these, arbitration under the Rules of SAROD with New Delhi as the venue.

The issue before the Court was whether, the parties being agreed to arbitrate, the Court could dispense with the untried pre-arbitral tiers and waive the statutory requirements of a Section 21 invocation notice and a Section 11 application, and refer the disputes directly to arbitration? Both parties were *ad idem* that the disputes be referred to arbitration in terms of Article 26.3 and were further agreed to forego such pre-arbitration dispute resolution steps as had not yet been resorted to. Proceeding on that consensus, the Court took the view that adjudication ought not to be

unduly delayed and accordingly waived both the requirement of a Section 21 notice for invoking the arbitration clause and the requirement of a Section 11 application for the constitution of the tribunal.

The Court laid down a timeline for constituting the tribunal: each party to nominate its arbitrator within one week, the nominated arbitrators to appoint the presiding arbitrator within ten days thereafter, and the tribunal to furnish the disclosures required under Section 12(2) within one week of entering upon the reference. All rights and contentions, including the substance of the interim reliefs originally sought, were left open for adjudication by the tribunal on merits, with the express caveat that nothing in the order reflected any opinion on the merits.

The interim reliefs prayed for under Section 9 were therefore not decided; the petition was disposed of by the reference itself.

The petition was disposed of, the disputes referred to arbitration under SAROD, and the contractual multi-tier mechanism along with the Section 21 and Section 11 requirements waived by consent. This case assumes importance because it is a useful illustration of how, on consensus, a multi-tier ADR clause and the statutory invocation steps may be collapsed into a single expedited reference.

## ARTICLE 142 OF THE CONSTITUTION OF INDIA CAN BE USED TO MODIFY FLAWED ARBITRATION AWARDS: SUPREME COURT

The Hon'ble Supreme Court in ***Bhupesh Bhayana v. Kunal Seth, 2026 INSC 546*** vide HMJ Sanjay Kumar and HMJ Vinod Chandran held that Article 142 of the Constitution of India can be used to modify flawed Arbitration Awards.

The case concerns an appeal arising from a long-running construction dispute, which the Court used to apply the

Constitution Bench ruling in *Gayatri Balasamy v. ISG Novasoft Technologies Ltd.*, (2025) 7 SCC 1 on the limited power to modify (as distinct from set aside) an arbitral award. The Court held the award to be patently illegal but, rather than annul it after thirteen years of litigation, invoked its power under Article 142 of the Constitution to modify it and bring the dispute to a close.

Under an agreement dated 09.04.2010 (“the Agreement”), the builder undertook to reconstruct the owners' building, retaining the second floor (without roof rights) and paying the owners ₹64,00,000 in instalments by way of earnest money and compensation. Clause 7 of the Agreement required completion within twelve months of the vacant land being provided, with a two-month grace period, after which the builder was liable to pay penalty at ₹10,000 per day for the delay. Clause 13 of the Agreement provided that on the builder's breach the earnest money and compensation would stand forfeited, and on the owners' breach they would pay double the earnest money.

The builder paid ₹45,00,000, abandoned construction in August 2011 after completing the basement, stilt, ground floor and chajja, and the owners terminated the agreement on 11.11.2011. On the builder's invocation of the arbitration clause, a sole arbitrator passed an Award dated 21.10.2013 holding the builder in breach, awarding the owners penalty under Clause 7 of ₹72,00,000 (computed over two years), but declining forfeiture under Clause 13 of the Agreement on the reasoning that it would penalise the builder twice, and directing refund of the builder's ₹45,00,000 along with ₹36,92,400 in uncontested construction costs.

Only the builder challenged the Award under Section 34 of the Arbitration and Conciliation Act, 1996 (“the Arbitration Act”). The Single Judge upheld it with modifications, recomputing the penalty period and reducing the owners' compensation to ₹42,00,000. On cross appeals under Section 37 of the Arbitration Act, a Division Bench held that the Single Judge had impermissibly substituted her own view and set aside the owners' damages entirely on the ground that they had led no independent evidence of actual loss. The owners appealed to the Supreme Court.

The Hon'ble Supreme Court reaffirmed that the power to interfere under Sections 34 and 37 is confined to the grounds in Section 34, a domestic award being liable to be set aside under Section 34(2A) of the Arbitration Act for patent illegality on its face. Applying *Gayatri Balasamy*, it held that modification and setting aside carry different consequences, the former alters the award, the latter annuls it in its entirety, that modification is a limited and nuanced power directed at just outcomes, that the Section 37 jurisdiction is coterminous with that under Section 34, and that the power under Article 142 may be exercised to do substantial justice rather than relegate parties to a fresh round of litigation.

The Hon'ble Court further held that although the award, being patently illegal, deserved to be set aside, it declined to do so. Setting it aside after litigation stretching back to 2012 would impose hardship and cause further delay. It therefore exercised its power under Article 142 to modify the award and give the dispute a quietus.

### **A COLLABORATOR, NOT BEING A SIGNATORY TO THE CONTRACT COULD INVOKE ARBITRATION: SUPREME COURT**

The Hon'ble Supreme Court in *Elecon Engineering Company Ltd. v. Bhartiya Rail Bijlee Company Ltd. and Ors.*, Civil Appeal No. 7116 of 2026 held that a collaborator (“the Appellant”), whose technical credentials were essential to qualify the contractor's bid and who had executed a Deed of Joint Undertaking (“DJU”) in favour of the employer, was a veritable party to the contract containing the arbitration clause, and was therefore entitled to invoke it under Section 11(6) of the Arbitration and Conciliation Act, 1996, notwithstanding the employer's plea of want of privity. The decision applies the settled principle that a non-signatory may be bound by, and may invoke, an arbitration agreement where it is in truth a party to it.

The employer awarded a contract for installing a Coal Handling Plant Package for the Nabinagar Thermal Power Project. The bid eligibility required experience in the design and commissioning of an integrated bulk material handling plant of a rated capacity of 1,000 metric tonnes per hour or above, operated successfully for at least a year, a criterion the contractor could meet only through collaboration. The contractor accordingly relied on the collaborator for its design capabilities and equipment supply, and the bid documents required a DJU, in the prescribed NTPC format, to be executed jointly by the contractor and the collaborator in favour of the employer for successful performance. The DJU was executed on 22.02.2010. The main contract between the contractor and the employer admittedly contained an arbitration clause.

The contractor was subsequently ordered to be liquidated on 16.01.2020. The employer thereafter repeatedly called upon the collaborator to take up full responsibility for performance under the DJU, invoking their joint and several liability and threatening to complete the balance work at the collaborator's risk and cost. A tripartite agreement dated 05.04.2016 between the contractor, collaborator and employer provided for payments to be made directly to the collaborator. When the collaborator invoked arbitration by notice dated 02.07.2022, referring to the DJU, the delay caused by the contractor's default, and the wrongful encashment of the collaborator's bank guarantee, the employer declined by its reply dated 29.07.2022, asserting absence of privity. The High Court rejected the collaborator's petition under Section 11(6) of the Arbitration and Conciliation Act, 1996, reasoning that the Section 21 notice

disclosed no inextricable connection and had itself sought consent to initiate arbitration.

The Hon'ble Court proceeded from the established principle that even a non-signatory may invoke an arbitration clause where it is, in substance, a party to the arbitration agreement. On the facts, the contract itself necessitated the joint undertaking by the contractor and the collaborator, whose collaboration was the very basis on which the bid qualified. The DJU, executed jointly in favour of the employer, made the collaborator an inseparable part of the contract and its execution, carrying joint and several liability for due completion.

Significantly, the employer's own conduct confirmed this. Following the contractor's default and liquidation, the employer expressly invoked the DJU and the joint and several responsibilities, called upon the collaborator to complete the project, and threatened risk-and-cost action against it. Having held the collaborator to the obligations of the contract, the employer could not consistently deny it access to the contract's arbitration clause on the ground of privity.

The Court rejected the inference drawn by the High Court from the Section 21 notice. The consent sought in the notice dated 02.07.2022 was a consent to refer the dispute specifically to the Delhi International Arbitration Centre, not an acknowledgement that no arbitration agreement existed; the agreement to arbitrate was already available in the main contract to which the collaborator was an inextricable party.

The tripartite agreement of 05.04.2016 did not eclipse or wipe out the earlier contract; it merely affirmed the collaborator's responsibility and ensured direct payment to it. On this reasoning, the collaborator was a veritable party entitled to invoke the arbitration clause in the contract between the contractor and the employer, of which the DJU formed an inextricable part.

The decision is useful authority on when a non-signatory bound under a deed of joint undertaking may be drawn into arbitration and confirms that seeking consent for a particular arbitral forum is not an admission that no arbitration agreement exists.

# EMPLOYMENT LAW

## STATUTORY UPDATES

### NOTIFICATION OF CENTRAL RULES UNDER THE FOUR LABOUR CODES

In a major step towards implementation of the labour codes, the Ministry of Labour and Employment (“**Ministry**”) has notified the central rules under all four labour codes on 8 May 2026, namely (i) Code on Wages (Central) Rules, 2026; (ii) Industrial Relations (Central) Rules, 2026; (iii) Code on Social Security (Central) Rules, 2026; and (iv) Occupational Safety, Health and Working Conditions (Central) Rules, 2026, collectively (“**Central Rules**”).

The notification of the Central Rules marks a significant development towards operationalisation of the labour codes and the transition to a consolidated labour law framework intended to rationalise and modernise India’s existing employment and social security regime. The Central Rules sets out the detailed compliance framework relating to wages, industrial relations, social security, occupational safety, registrations, maintenance of records, inspections, and enforcement mechanisms.

### ISSUANCE OF DRAFT RULES UNDER FOUR LABOUR CODES BY STATE GOVERNMENTS

During May 2026, several states continued to advance the labour codes framework by publishing draft rules, including:

- the Government of Haryana has issued draft rules under the Occupational Safety, Health and Working Conditions Code, 2020 (“**OSHWC Code**”) on 04 May 2026, Industrial Relations Code, 2020 (“**IR Code**”) on 05 May 2026, Code on Wages, 2019 (“**Wages Code**”) on 04 May 2026, and Code on Social Security, 2020 (“**SS Code**”) on 07 May 2026;
- the Government of Himachal Pradesh has issued draft rules under the OSHWC Code on 22 May 2026;

- the Government of Maharashtra has issued draft rules under SS Code and the OSHWC Code on 05 May 2026;
- the Government of Madhya Pradesh on 06 May 2026 have issued draft rules under the SS Code; and
- the Government of Goa has issued draft rules under the OSHWC Code on 08 May 2026.

Collectively, these developments reflect increasing momentum towards operationalisation of the labour codes at the State level. As more States release draft rules, employers should closely monitor developments in the States in which they operate, as the final rules will shape practical compliance requirements relating to employment documentation, social security, workforce engagement, industrial relations, and workplace governance.

### APPOINTMENT OF OFFICERS UNDER FOUR LABOUR CODES

Alongside the notification of the Central Rules, the Central Government has also appointed various authorities and officers under the labour codes.

- **Wages Code:** Appointment of Inspector-cum-Facilitators, appellate authorities and other designated officers responsible for inspections, dispute resolution and enforcement.
- **IR Code:** Appointment of certifying officers, conciliation officers and other authorities responsible for administration of standing orders, trade unions and industrial disputes.
- **OSHWC Code:** Appointment of an authority to advise on determination of “core activities”, an important concept governing engagement of contract labour.
- **SS Code:** Appointment of Inspector-cum-Facilitators, ESIC authorities, recovery officers and compounding

officers to oversee social security compliance and enforcement.

### **STRENGTHENING OF POSH COMPLIANCE BY MAHARASHTRA GOVERNMENT**

The Maharashtra Government has increased its focus on workplace sexual harassment compliance by issuing directions for stricter monitoring and implementation of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“**POSH Act**”) across government, semi-government and private establishments.

The Women and Child Development Department, Government of Maharashtra, on 14 May 2026, in its notification, has enclosed a checklist setting out the prescribed requirement such as verification of several compliance parameters including constitution and composition of the Internal Committee (“**IC**”), formulation and dissemination of the POSH policy, display of notices at conspicuous places, onboarding and disclosures on the SHE-Box portal, maintenance of complaint and inquiry records, confidentiality safeguards, timelines for inquiry and implementation of recommendations, employee sensitisation initiatives, training of IC members, and submission of annual reports, failing which such establishments may be exposed to penalties and other consequences under Section 26 of the POSH Act.

In light of the above, employers may consider undertaking an immediate review of their existing POSH framework, to ensure alignment with the statutory requirements and the compliance parameters presently being examined by the authorities.

### **HARYANA AND MAHARASHTRA GOVERNMENT EXEMPTS ESTABLISHMENTS FROM DUAL REGISTRATION**

The Government of Maharashtra and Haryana has introduced measures aimed at reducing duplicative registration requirements for establishments. The exemptions have been notified through a circular dated 30 April 2026 issued by the Government of Maharashtra (“**Maharashtra Circular**”) and a gazette notification dated 4 May 2026 issued by the Government of Haryana (“**Haryana Notification**”).

Through this aforesaid Maharashtra Circular, it has been clarified that establishments obtaining registration under the OSHWC Code shall not be required to obtain a separate registration under the Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2017 (“**Maharashtra S&E Act**”). Similarly, the Haryana Notification has exempted establishments covered under the Haryana Shops and Commercial Establishments Act, 1958 from provisions relating to registration and intimation of commencement of business under Sections 13 and 13A of the said legislation. However, establishments in

Maharashtra employing less than ten (10) workers shall continue to submit intimation of commencement of business as required under the Maharashtra S&E Act.

These developments reflect a broader policy objective of reducing overlapping compliances and streamlining registrations under the emerging Labour Codes framework.

### **HARYANA GOVERNMENT REVISES CONTRIBUTION LIMIT OF LABOUR WELFARE FUND**

The Government of Haryana has recently revised the maximum monthly contribution payable under the Haryana Labour Welfare Fund Act, 1965 (“**HLWF Act**”), pursuant to which employees working in establishments covered under the HLWF Act shall continue to contribute 0.2% of their monthly salary or wages towards the Labour Welfare Fund (“**Fund**”). The maximum monthly contribution ceiling has been increased from Indian Rupees Thirty-Four (INR 34) to Indian Rupees Thirty-Five (INR 35) with effect from 1 January 2026.

The notification further states that the contribution ceiling under the HLWF Act shall continue to be revised annually in line with the Consumer Price Index with effect from January 1 of each year, thereby ensuring that contribution levels remain aligned with inflationary trends and increasing living costs.

### **CENTRAL GOVERNMENT NOTIFIES PROVIDENT FUND WAGE CEILING, INTEREST RATE ON DELAYED CONTRIBUTIONS AND INSPECTION CHARGES UNDER THE SS CODE**

The Ministry has, on 29 May 2026, issued a series of notifications under the SS Code introducing key operational and compliance-related measures concerning provident fund coverage, interest on delayed payments, and inspection charges applicable to exempted establishments. These notifications include:

- The Central Government has, vide notification dated 29 May 2026, notified a wage ceiling of Indian Rupees Fifteen Thousand (INR 15,000) per month for the purposes of Chapter III of the SS Code, which governs provident fund contributions;
- The Central Government vide notification dated 29 May 2026, issued under Section 127 of the SS Code, has specified that an employer shall be liable to pay simple interest at the rate of twelve percent (12%) per annum on any amount due under the SS Code from the date on which such amount becomes payable until the date of actual payment. The notification further provides that the said provision shall be deemed to have come into force with effect from November 21, 2025; and

- Further, the Ministry has, vide notification dated 29 May 2026, prescribed revised inspection charges payable by establishments exempted under Section 143 of the SS Code. In relation to establishments exempted from the Employees' Provident Fund Scheme, 1952, inspection charges shall be payable at the rate of 0.35% of wages, subject to a minimum charge of Indian Rupees Eight Thousand Seven Hundred and Fifty Rupees (INR 8,750), payable to the Provident Fund Administration Account. Similarly, establishments exempted from the Employees' Deposit-Linked Insurance Scheme, 1976 shall be required to pay inspection charges at the rate of 0.005% of wages, subject to a minimum charge of Indian Rupees One Thousand Two Hundred and Fifty Rupees (INR 1,250), payable to the Insurance Fund Administration Account. The notification requires such charges to be remitted within fifteen (15) days from the close of every month.

#### **TELANGANA GOVERNMENT REVISES MINIMUM RATE OF WAGES UNDER THE CODE ON WAGES, 2019**

The Government of Telangana has, vide G.O. Ms. No. 6 dated 30 May 2026, revised the basic minimum rates of wages payable to employees employed in establishments covered under the Code on Wages, 2019, with effect from 1 June 2026. The notification supersedes all earlier notifications issued under the Minimum Wages Act, 1948 in the State of Telangana.

Pursuant to the notification, minimum wages have been prescribed for employees classified as Unskilled, Semi-Skilled, Skilled and Highly Skilled across three geographical zones, namely, Zone-I (Municipal Corporations), Zone-II (Municipalities), and Zone-III (Rural and other areas).

The notification further expands the scope of coverage by including additional employments such as e-commerce and courier services, offices of religious and social institutions, public amusement and recreation parks etc. Additionally, the notification prescribes certain conditions of compliance, including that trainees shall be paid seventy-five percent (75%) of the wages applicable to the relevant category, subject to a minimum of the wages prescribed for an unskilled worker. The notification also mandates payment of uniform and equal minimum wage rates to male, female, transgender and physically challenged employees performing identical or equivalent work.

#### **JUDICIAL FINDINGS**

##### **EMPLOYER CAN WITHHOLD RELIEVING LETTER WHERE EMPLOYEE BREACHES SERVICE BOND AFTER SPECIALISED TRAINING: BOMBAY HIGH COURT [05.05.2026]**

The Hon'ble High Court of Bombay in *Bharat Aviation Pvt. Ltd. and Ors v. Rahul Sudhindra Soni [W.P. No. 334 of 2026]*

held that the employer cannot be forced to issue a relieving letter or experience certificate. Herein, the Hon'ble court set aside an interim order of the industrial court which had directed the employer to issue relieving letter/experience certificate to the employee.

In the present case, the employee executed a bond to serve the company for three (3) years and to undertake specialized training of an aircraft, but he resigned without giving the stipulated notice period of sixty (60) days and without paying the liquidated damages of Indian Rupees Ten Lakhs (INR 10,00,000). The Hon'ble High Court agreed to examine whether Industrial Court can direct the employer to issue relieving letter/experience certificate to employees, who after securing training, leaves job, before completion of service agreed in the bond.

The Hon'ble High Court held that issuance of relieving letter and service certificate is just a consequential act post acceptance of the resignation. When non-acceptance of resignation is justifiable, the employer cannot be forced to issue a relieving letter or certificate.

The judgment reaffirms the enforceability of service bonds linked to specialised training and employee retention. It further recognises that where an employee exits employment in breach of the obligations stipulated under such contract, the employee may not be entitled to compel the employer for issuance of relieving or experience certificates to facilitate alternate employment opportunities.

##### **ORISSA HIGH COURT QUASHES 27-YEAR-OLD DISCIPLINARY PROCEEDING ON GROUND OF INORDINATE DELAY [14.05.2026]**

The Hon'ble Orissa High Court in *Bhabagrahi Das v. State of Odisha & Ors. [W.P. (C) No. 35254 of 2025]* held that continuation of disciplinary proceedings for over twenty-seven (27) years, without any reasonable explanation and where no delay was attributable to the employee, was legally unsustainable. The Court reiterated that disciplinary proceedings must be concluded within a reasonable timeframe, as prolonged and unexplained delay causes serious prejudice and hardship to the employee.

Accordingly, the Hon'ble High Court quashed the disciplinary proceedings and consequential demand notice and directed release of all admissible retiral benefits.

The dispute arose from disciplinary proceedings initiated against the petitioner in 1998 in relation to allegations of misappropriation of government funds. Although the petitioner had submitted his response and the enquiry report was completed in 2001, the proceedings remained pending without final adjudication for nearly three (3) decades. During this period, the petitioner retired from

service and continued to be deprived of retiral benefits, except provisional pension, due to prolonged administrative inaction.

The judgment reinforces that disciplinary proceedings should be completed in timely manner and authorities cannot keep such proceedings pending indefinitely without meaningful progress.

**KERALA HIGH COURT HOLDS THAT COMPLAINT AGAINST DIRECTOR OF INSTITUTION IS MAINTAINABLE BEFORE INTERNAL COMPLAINTS COMMITTEE UNDER POSH ACT [19.05.2026]**

The Hon'ble Kerala High Court in *Prof. (Dr.) J. Sundaresan Pillai v. Dr. K.K. Seethalakshmi & Ors.* [W.A. No. 534 of 2026] held that a Director of an institution, whose powers and functions are subject to the control and supervision of the governing bodies of the institution, would fall within the definition of an "employee" and not an "employer" under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("PoSH Act"). Accordingly, the Court held that the Internal Complaints Committee ("ICC") had the jurisdiction to receive and inquire into a complaint of sexual harassment made against such Director.

The dispute arose from a complaint of sexual harassment lodged by a woman employee of the Integrated Rural Technology Centre ("IRTC") against its Director. The Director challenged the jurisdiction of the ICC on the ground that he is an "employer" under Section 2(g) of the PoSH Act and, therefore, any complaint against him could only be inquired into by the Local Committee under Section 6 of the PoSH Act. It was contended that the overall management of the affairs of IRTC vested in the Director and, consequently, the complaint before the ICC was without jurisdiction.

The Hon'ble Court examined the relevant provisions of the PoSH Act and the Memorandum of Association of IRTC and observed that the control, administration and management of the affairs of IRTC vested in the General Body and the

Executive Committee. The Court further noted that the Director functioned subject to the control and supervision of the Executive Committee and the General Body and was appointed by the Executive Committee. In view of the same, the Court held that the Director could only be treated as an employee of IRTC and, therefore, the ICC constituted by the institution was competent to receive and inquire into the complaint. Consequently, the writ appeal was dismissed.

**KERALA HIGH COURT UPHOLDS TRANSITIONAL MECHANISM UNDER INDUSTRIAL RELATIONS CODE, 2020 TO PREVENT ADJUDICATORY VACUUM [22.05.2026]**

The Hon'ble Kerala High Court in *M.K. Suresh Kumar and Anr. v. The Union of India* [W.A. 1051/2026] upheld the constitutional validity of Section 104(1A) of the IR Code, and clarified that the provision is a valid transitional mechanism enabling existing Labour Courts, Industrial Tribunals, and statutory authorities under the repealed labour laws to continue functioning until the corresponding authorities under the IR Code become operational. The Court observed that the provision was neither manifestly arbitrary nor constitutionally invalid and instead prevented a vacuum in adjudication of labour disputes during the transition period.

The dispute arose from a challenge to the Industrial Relations Code (Amendment) Act, 2026, wherein the appellants contended that permitting authorities constituted under repealed statutes to continue adjudicating disputes was contrary to the framework of the IR Code and violated constitutional principles. It was argued that all pending matters ought to be transferred to the newly contemplated forums under the IR Code. However, the Union submitted that the provision merely ensured continuity until the new adjudicatory framework was established.

The Hon'ble Court observed that if we will not enable such transitory mechanism, there would be a complete cessation of judicial functions as required either under the repealed acts or the new code.



## SEBI DISCONTINUES IRRA PLATFORM

The Securities and Exchange Board of India (“SEBI”), through its circular dated May 07, 2026 (“Circular”), has discontinued the Investor Risk Reduction Access (“IRRA”) platform with immediate effect. The IRRA platform had been introduced as an alternative trading access mechanism for stockbrokers during disruptions to their trading systems.

In the Circular, SEBI noted that several technology-driven measures have since been implemented to strengthen the operational resilience and business continuity frameworks applicable to stockbrokers, including Business Continuity Planning and Disaster Recovery (“BCP-DR”) requirements, cybersecurity and cyber resilience measures, Market Security Operations Centres (“M-SoC”), technical glitch frameworks, and backup infrastructure arrangements. SEBI also referred to the availability and use of the Contingency Pool Trading facility provided by stock exchanges for squaring off client positions during disruptions.

SEBI further recorded that stock exchanges had informed it that the IRRA platform had become structurally redundant and had not been used since its operationalisation. Accordingly, based on stakeholder feedback and the existing regulatory and technological safeguards, SEBI has discontinued the IRRA platform with immediate effect while advising stock exchanges to review and strengthen the Contingency Pool Trading facility framework.

## SEBI PROPOSES API-BASED STP FRAMEWORK

The Securities and Exchange Board of India (“SEBI”), through its consultation paper dated May 19, 2026 (“Consultation Paper”) (available [here](#)), has proposed significant changes to the Straight Through Processing (“STP”) framework for institutional trades by replacing the existing centralised STP hub architecture with a decentralised (Application Programming Interface (API)-based connectivity model between STP Service Providers (“SSPs”).

The proposal aims to reduce latency, operational costs, and concentration risks in institutional trade processing while improving scalability and automation across the securities market ecosystem. SEBI noted that the current hub-based model creates inefficiencies, increases transmission costs, and concentrates over 95%-99% of STP traffic through a single SSP, resulting in heightened operational and systemic risk.

Under the proposed framework, SSPs would communicate directly through standardised APIs, enabling faster and more secure exchange of Electronic Contract Notes (“ECNs”) and other trade-related messages without routing through a central hub. The proposal also introduces optional API-based communication between STP users serviced by the same SSP, reducing manual uploads and downloads and minimising operational errors.

## NPCI INTRODUCES ACH DEBIT SETTLEMENT ON REALIZATION UNDER NACH

The National Payments Corporation of India (“NPCI”), through its circular dated May 15, 2026 (“Circular”) (available [here](#)), has introduced a revised settlement framework for Automated Clearing House (“ACH”) debit transactions under the National Automated Clearing House (“NACH”) system, whereby financial settlement will now occur only upon realization, with effect from July 1, 2026. The Circular discontinues the existing practice of settlement at the presentation stage and provides that settlement shall be processed only after either (i) positive confirmation from the destination bank, or (ii) deemed acceptance where no response is received within the prescribed return timelines.

The Circular provides that settlement within the NACH ecosystem will occur only for transactions that are confirmed or deemed accepted, and introduces measures relating to settlement risk and liquidity management. NPCI has clarified that presentation sessions will continue only for exchange of

ACH debit transaction data between member banks and will no longer trigger financial settlement, while negatively confirmed transactions will be excluded from settlement.

The Circular is particularly relevant for entities relying on NACH-based ACH debit collections, as it requires

corresponding changes to reconciliation, settlement, and liquidity management processes. Member banks have also been directed to strengthen acknowledgement-based reconciliation systems and ensure operational readiness before the effective date.

# INFRASTRUCTURE AND ENERGY

## **CENTRAL ELECTRICITY REGULATORY COMMISSION (CERC) PROPOSES REVISIONS TO THE GNA CONNECTIVITY LAWS**

The Central Electricity Regulatory Commission (CERC) issued the draft Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-state Transmission System) (Fourth Amendment) Regulations, 2026 on 20.05.2026 seeking comments from the public on the changes proposed in the draft amendment by 22.06.2026.

One of the major thrusts in the proposed amendments is aimed at mitigating regulatory burdens on energy storage systems (ESS). With the exception of pumped storage plants, the bank guarantee imposed on all standalone ESS applying for General Network Access (GNA) connectivity has been reduced to Rs 5 Lakh/ MW. Further, ESS developers are now permitted to install renewable energy generating systems (REGS) exclusively for charging such ESS without any additional documents related to land or financial closure. Similarly, the proposed amendments enable renewable energy projects located across multiple locations through a unified application framework, provided all projects come under the purview of a single letter of award or power purchase agreement as the case may be.

Additionally, REGs and ESS developers may apply for non-solar hours GNA connectivity instead of full day access under the proposed amendments.

The proposed amendment also includes reliefs to renewable energy developers facing delays in receiving connectivity whereby if the delay between the grant of the actual connectivity and the in-principle connectivity is more than 2 years then, developers may withdraw their full connectivity quantum as well as the bank guarantees already submitted.

For further easing up of the compliance requirements, REGs and ESS developers are now required to submit their financial closure and land documents within 15 days of the effective date of GNA.

## **CENTRAL BOARD OF INDIRECT TAXES AND CUSTOMS PASSES NEW CIRCULAR PERMITTING REMOTE CLEARANCE FOR SEA CARGO**

Central Board of Indirect Taxes and Customs (CBIC) recently eliminated the existing practice of physical onboard inspection by custom officials vide Circular No. 26/2026-Customs. As per the circular, customs approval for sea cargos for "Entry Inward" and "Vessel Sail-out Clearance" across ports in India will be granted on the basis of electronic declarations by the vessels. Vessels are mandated to provide cargo declarations like the Sea Arrival Manifest (SAM) and Sea Departure Manifest (SDM) digitally. Further, the House Bill of Lading must be submitted to the port authorities in advance. The new framework is expected to expedite the vessel turnaround times and lower operational delays.

## **THE MINISTRY OF ROAD TRANSPORT AND HIGHWAYS OPENS THE DOOR FOR LARGE PRIVATE INVESTORS IN BOT MODELLED ROAD PROJECTS**

The framework for bidding in highways projects has undergone a significant overhaul with the Ministry of Road Transport and Highways (MORTH) enabling institutional investors and other big funds to bid and directly participate in highways projects under the Build-Operate-Transfer (BOT) model through public private partnerships (PPP).

This significantly diversifies the eligible investors' portfolios since so far large private investors were restricted to only bid for Toll -Operate-Transfer (TOT). The revised framework was issued vide circular F. No. H-25011/01/2026-P&P and included large investors such as Alternative investment Funds (AIFs), sovereign wealth funds, pension funds as well as foreign investment funds to submit their bids for the BOT based highway projects. The potential investors are also permitted to form a consortium while submitting their bids.

Further, the revised bidding framework has bifurcated the potential concessionaires into two criteria; Category A and B. While bidders under Group A must demonstrate past technical expertise in engineering and construction

alongside financial capacity, bidders in Group B are evaluated solely on their financial capacity with the caveat that the successful bidder must appoint a qualified EPC contractor post the date of the award but prior to the Appointed Date, with the approval of the National Highways Authority of India.

### THE MINISTRY OF ROAD TRANSPORT AND HIGHWAYS NOTIFIES NEW APPROVAL NORMS FOR HYDROGEN VEHICLES

The Central Motor Vehicles (Eighth Amendment) Rules, 2026, notified by the Ministry of Road Transport and Highways, introduce updated safety and procedural standards for hydrogen-powered vehicles. These rules became effective on May 29, 2026, and significantly refine the regulatory framework for both internal combustion engine (ICE) and fuel cell vehicles utilizing hydrogen.

One of the most crucial changes brought about by the Amended Rules is that type approval for internal combustion engine vehicles (Categories M and N) powered by liquid or compressed gaseous hydrogen must now comply with AIS 195:2023.

Furthermore, the hydrogen fuel used in these vehicles must meet the specifications of IS 16061:2021. For hydrogen-powered Construction Equipment Vehicles (CVE), the safety requirements are set according to AIS 195A:2024. Additionally, the rules specify safety standards for hybrid vehicles running on hydrogen ICE as well as Fuel cell battery.

These new approval norms for hydrogen vehicles set the manufacturing standards for different types of hydrogen vehicles and provides the much needed regulatory baseline for hydrogen vehicles.

### GUIDELINES FOR THE DEVELOPMENT AND OPERATIONALISATION OF SMALL HYDRO POWER DEVELOPMENT SCHEME ISSUED BY THE MINISTRY OF NEW AND RENEWABLE ENERGY

The Ministry of New and Renewable Energy (MNRE) has issued the operational guidelines for the Small Hydro Power (SHP) development scheme for the period FY 2026-27 to FY 2030-31 with an approved financial outlay worth Rs 2584.60 crores.

Integral to India's stride towards augmenting its renewable energy capacity, the SHP development scheme aims to install 1,500 MW of small hydro power capacity through projects ranging from 1 MW to 25 MW across the country, especially in targeted hilly regions.

The Solar Energy Corporation of India (SECI) has been appointed the National Programme Implementing Agency (NPIA) for the implementation of the scheme.

### THE MINISTRY OF ROAD TRANSPORT AND HIGHWAYS EXTENDS CONSTRUCTION DEADLINES FOR NATIONAL HIGHWAYS ON ACCOUNT OF ROUGH TERRAINS AND RELATED COMPLEXITIES

The Ministry of Road Transport and Highways (MORTH) has recently issued a circular which revises the timelines for construction of national highways beyond a specific financial threshold. This mainly accounts for engineering and construction complications arising on account of rough and dangerous terrains. The revised timelines will be applicable to projects awarded via Engineering, Procurement, and Construction (EPC), Hybrid Annuity Model (HAM), and Build-Operate-Transfer (BOT) contracts, tendered on or after 06.05.2026. Some of the key features of the revised framework include:

- **Base Construction Timelines:** Projects costing over Rs 15 billion now have a construction timeline of 30 months, revised up from the erstwhile 24 months. This also applies to projects spanning over 50 km or featuring major bridges exceeding 200 meters.
- **Complex Structures:** An additional 6 months is granted over the base period for critical projects involving multiple flyovers, tunnels, or elevated structures.
- **Terrain Difficulties:** An extra 12 months can be added to the enhanced base construction period to compensate for slope stabilisation and formation cutting in difficult terrains.
- **Long Bridges:** The construction period for long bridges up to 10 km is capped at 72 months.
- **Tunnels:** Base construction for a 2 km-long tunnel is set at 24 months in the Western Ghats and 36 months in the Himalayas. An additional 6 months will be added for every extra 1 km of tunnel length

### THE UNION GOVERNMENT ISSUES A NEW ORDER FOR TIME BOUND LAYING AND EXPANSION OF OIL AND GAS PIPELINES

The Ministry of Petroleum and Natural Gas (MoPNG) recently notified the amendments to the *Natural Gas and Petroleum Products Distribution (through laying, building, operation and expansion of pipelines and other facilities) Order, 2026* within the purview of the Essential Commodities Act, 1955 through Notification No. S.O. 2193(E). The Order streamlines the timelines for laying and expansion of pipelines including a 7 day window for the initial screening process in the course of authorisation and a 4 month time limit since the receipt of authorisation for laying down of the pipelines and associated facilities. The amendment further crystallises the application and approval process by introducing a centralised online portal for all applications and approvals. This covers the entire lifecycle of the project right from the submission of applications to the final grant of the Right of Way (RoW), Right of User (RoU), or any statutory permissions.

Additionally, the amendment expands the scope of competent authorities to gram sabhas and panchayats as well as nagar panchayats.

It also introduces an additional provision which mandates authorized entities expanding City Gas Distribution (CGD) networks in public areas outside a city's urban authority jurisdiction to work on a *dig and restore* basis to maintain ecological equilibrium.

### **THE SUPREME COURT OF INDIA CLARIFIES THE INDIAN RAILWAYS' STATUS AS A "DEEMED DISTRIBUTION LICENSEE" UNDER THE ELECTRICITY ACT, 2003**

While dismissing an appeal against a 2024 order of the Appellate Tribunal of Electricity (APTEL) in the case of *Indian Railways v. West Bengal State Electricity Distribution Company Limited & Ors*, the Supreme Court of India clarified who qualifies as a deemed distribution licensee and what would be their liabilities beyond the scope of open access power procurement.

#### **Background**

Indian Railways sought to procure electricity directly from generating companies through open access systems to lower traction energy costs. It claimed exemption from paying Cross-Subsidy Surcharge (CSS) and Additional Surcharge (ASC) to state distribution companies (DISCOMs). The Railways argued it qualified as a "Deemed Distribution Licensee" (DDL) under Section 14 of the Electricity Act, 2003, pointing to its infrastructure powers under the Railways Act and a 2014 Ministry of Power clarificatory letter. This was rejected by APTEL vide an order in 2024. The current appeal is against the same order.

#### **Ratio**

The Supreme Court held that to qualify as a distribution licensee, an entity must fulfil the twin statutory requirements of operating a distribution system *and* supplying electricity to independent consumers for consideration. Merely operating an internal, closed network to power its own locomotives, signals, and stations does not constitute "distribution." Because the Railways procures electricity exclusively for self-consumption, it legally functions as an end-user or "consumer" under Section 2(15) of the Electricity Act. Furthermore, executive circulars or unenacted draft bills cannot override or alter these clear statutory provisions.

#### **Judgment**

The Supreme Court dismissed the appeals filed by Indian Railways and upheld the APTEL judgment. The Court ruled that the Railways is not a Deemed Distribution Licensee and remains fully liable to pay both retrospective and future CSS and ASC for open access power procurement. The Court directed state DISCOMs and regulators to calculate the outstanding surcharge amounts and provide the Railways a

reasonable opportunity to respond before making payments.

### **AMENDMENTS RELATED TO PENALTIES IN THE ELECTRICITY ACT, 2003 MADE THROUGH THE JAN VISHWAS (AMENDMENT OF PROVISIONS) ACT, 2026 TO BE ENFORCED FROM 01.06.2026**

The Ministry of Power notified that certain provisions to the Electricity Act, 2003 which were amended through the Jan Vishwas (Amendment of Provisions) Act, 2026 will come into effect 01.06.2026 onwards. The key changes this will bring forth to the Electricity Act, 2003 are :

- **Property Damage Penalties** (Sections 139 & 140): Fines for both negligently or intentionally breaking, damaging, or injuring electrical works and supply lines have been substantially increased. Previously capped at a maximum of ₹10,000, the fines now range from a minimum of ₹5,000 to a maximum of ₹1 lakh. Repeat offenders face a minimum fine of ₹5,000 up to ₹1 lakh.
- **Omission of Outdated Law:** Section 141, which regulated penalties for extinguishing public lamps, has been entirely omitted.
- **Commission Order Non-Compliance** (Section 142): For violating laws, regulations, or Commission orders, the Appropriate Commission can now impose a penalty between ₹10,000 and ₹5 lakh per violation. Subsequent non-compliance attracts an additional daily penalty between ₹1,000 and ₹10,000.
- **General Non-Compliance** (Section 146): Failing to comply with any order or direction within the stipulated time carries a revised fine between ₹10,000 and ₹10 lakh. Continued failure after conviction incurs a daily fine ranging from ₹1,000 to ₹50,000.
- **Compounding of Offences:** Section 152 has been revised to systematically restructure the rates and collection of compounding fees.

### **THE SUPREME COURT OF INDIA ESPOUSES THE NEED FOR BALANCING ENVIRONMENTAL LITIGATION WITH THE NATIONAL INFRASTRUCTURAL DEVELOPMENT**

The Supreme Court of India was seized of an appeal in the case of *Chetan Kumar Navinray Vyas v. Union of India & Ors*. (Pipavav Port Expansion Case) wherein it declined to interfere with the environmental and Coastal Regulation Zone (CRZ) clearances granted by the National Green Tribunal (NGT) for the expansion of the Pipavav Port in Gujarat but granted liberty to the appellant to file a review petition before the NGT. The Supreme Court observed that green litigation must not be routinely used to obstruct infrastructural development of national interest.

#### **Background**

Environmentalist Chetan Kumar Navinray Vyas challenged the expansion of Pipavav Port, claiming the developer's original 2012 Environmental Clearance (EC) had expired in

2024, rendering the 2025 renewal legally unsustainable. The petitioner raised critical ecological alarms regarding the destruction of salt pans, local mangroves, and critical habitats for Olive Ridley turtles, marine mammals, and avian species along the Saurashtra coast. After the National Green Tribunal (NGT) summarily dismissed the appeal by heavily relying on the Expert Appraisal Committee's (EAC) data, the petitioner approached the Supreme Court, arguing that the NGT failed to conduct an independent merit review.

#### **Ratio**

When highly specialized, statutory environmental appraisal committees and comprehensive Environmental Impact Assessment (EIA) studies have thoroughly examined technical data, infrastructure projects will not be halted absent patent illegality. While environmental preservation remains vital under Article 21, public interest litigation must not serve as a tool to impose routine impediments on sustainable economic development.

#### **Judgment**

The Supreme Court refused to interfere with the environmental and CRZ clearances or stall the expansion works. However, the Court granted the appellant formal

liberty to file a review petition before the NGT to address specific evidentiary contradictions in the EIA report.

#### **THE MINISTRY OF PORTS, SHIPPING AND WATERWAYS NOTIFIES THE NATIONAL SHIPPING BOARD RULES, 2026**

The Ministry of Ports, Shipping and Waterways (MoPSW) notified the National Shipping Board Rules, 2026 instituting a nodal advisory body that will guide the Government of India in all shipping related matters. This officially supersedes the existing 1960 Rules.

Under the newly notified Rules, the Central Government will establish the National Shipping Board for an initial two-year term. If reconstitution is delayed, the existing board can continue for a maximum of six months, ensuring continuity in decision-making. Headquartered in New Delhi, the board will receive secretarial assistance and staff supported entirely by the Director-General's budget. The board will formally meet every three months, requiring a 15-day notice period under the management of the Chairperson.

This updated framework aims to modernize India's maritime governance by establishing a structured, effective advisory body.



## FOOD SECURITY VERSUS FREE TRADE: EVALUATING INDIA'S SUGAR EXPORT RESTRICTIONS UNDER ARTICLES XI AND XX OF GATT

### INTRODUCTION

A spoonful of sugar rarely appears political. Yet in times of inflation, food insecurity and global supply-chain instability, sugar can become the subject of export bans, diplomatic tensions, and international trade disputes. India's latest restrictions on the export of sugar demonstrate how a common household commodity sits at the intersection of domestic welfare and global trade obligations under the WTO framework.

### BACKGROUND

India on May 13 banned sugar exports with immediate effect until September 30 2026. This means that the world's second-largest sugar producer has placed a complete ban on sugar exports to safeguard domestic supply, control inflation, and prepare for future risks from El Nino, fertilizer disruptions, and declining sugar stocks.<sup>2</sup>

The export ban impacts India's diplomatic leverage in the Global South. Nations like Bangladesh, Sri Lanka, and several African Nations heavily reliant on Indian sugar will face localized food inflation. These sudden export bans create tensions between India's domestic inflation and disrupt the reliability of global agricultural supply chains. This invites criticism at the World Trade Organization from major agricultural exporters like Australia, Brazil and Guatemala who frequently challenge India's unpredictable market interventions.

<sup>2</sup> Rajendra Jadhav, India bans sugar exports until Sept 2026 to cool local prices

## INDIA'S SUGAR SUPPLY STOCKS

India is expected to produce 279 lakh tonnes of sugar in 2025-26. Combined with opening stocks of over 50 lakh tonnes, total availability stands at 329 lakh tonnes. The government has initially allowed 15 lakh tonnes of sugar exports, later increasing the quota by 5 lakh tonnes, taking the total permitted exports to 20 lakh tonnes.<sup>3</sup>

However, only about 6.5 lakh tonnes are likely to be exported. After accounting for domestic consumption of 280 lakh tonnes and exports of 6.5 lakh tonnes, India's closing sugar stocks are projected to fall to 42.5 lakh tonnes. Although closing stocks would be lowest since 2016-17, they still represent around 1.8 months of domestic consumption which is sufficient to meet demand until the next crushing season begins around November.<sup>4</sup>

As one of the world's largest producers and exporters of sugar, India has periodically imposed restrictions and quotas on sugar exports to ensure adequate domestic availability and price stability. These measures raise important questions regarding their compatibility with Articles XI and XX of the GATT 1994.

### WHAT IS ARTICLE XI OF THE GATT?

Article XI of the GATT embodies the principle of the general elimination of quantitative restrictions. Article XI:1 prohibits WTO Members from imposing bans, quotas, or other quantitative restrictions on imports or exports, except duties, taxes, or other charges. The objective of this provision is to ensure predictability and openness in international trade by preventing governments from restricting trade flows through non-tariff barriers.

<sup>3</sup> Vajiram & Ravi, Sugar Export Ban: Key Reasons Behind India's Sugar Export Ban Explained

<sup>4</sup> *Ibid.*

The wording of Article XI is broad and applies not only to import restrictions but also to export prohibitions and export licensing schemes. WTO jurisprudence has interpreted this provision expansively to include any measure that has the effect of limiting exports or imports. Therefore, export bans or quota systems imposed by governments generally fall within the scope of Article XI:1.<sup>5</sup>

However, Article XI also contains limited exceptions. Article XI:2(a) permits temporary export prohibitions or restrictions that are necessary to prevent or relieve “critical shortages” of foodstuffs or other essential products in the exporting country. This exception recognizes that states may need to prioritize domestic food security and public welfare in extraordinary circumstances. Thus, although GATT promotes trade liberalization, it also acknowledges the sovereign right of states to take emergency measures during shortages.

India’s sugar export restrictions may therefore prima facie violate Article XI:1 because they limit exports through quotas or prohibitions. Nevertheless, India could argue that such measures are justified under Article XI:2(a) if they are temporary and aimed at preventing domestic shortages or stabilizing prices of an essential food commodity.

#### WHAT IS ARTICLE XX OF THE GATT?

Article XX of the GATT provides “general exceptions” that allow WTO Members to adopt measures otherwise inconsistent with GATT obligations, provided that such measures pursue legitimate public policy objectives. These exceptions include measures necessary to protect public morals, human, animal or plant life or health, conservation of exhaustible natural resources, and other important societal interests.<sup>6</sup>

For a measure to be justified under Article XX, two conditions must be satisfied. First, the measure must fall within one of the specific exceptions listed in Article XX. Second, under the chapeau of Article XX, the measure must not constitute arbitrary or unjustifiable discrimination between countries where similar conditions prevail, nor should it be a disguised restriction on international trade.

Although Article XX does not explicitly mention food security, export restrictions intended to protect human life or health under Article XX(b) may potentially be justified if a country demonstrates that the measure is necessary to ensure access to essential food products. WTO panels generally apply a “necessity test,” examining whether the measure contributes to the policy objective and whether less trade-restrictive alternatives are reasonably available.

India may invoke Article XX(b) by contending that ensuring affordable access to food products is linked to the protection of human life and health. If rising exports threaten domestic availability and make sugar inaccessible to lower-income populations, export restrictions could be viewed as necessary public welfare measures. Nevertheless, India would still need to satisfy the chapeau requirements of Article XX by demonstrating that the restrictions are non-discriminatory, proportionate, and not disguised protectionism.

#### CONCLUSION

India has repeatedly imposed export controls on sugar in order to regulate domestic supply and curb rising food prices. In 2022, India introduced export quotas on sugar exports to ensure sufficient domestic availability and maintain price stability amid concerns regarding inflation and global food supply disruptions.<sup>7</sup> Similar restrictions have continued to emerge in response to market volatility and geopolitical uncertainty. However, countries importing Indian sugar may face sudden shortages and price shocks, thereby affecting global food security. Excessive reliance on export restrictions could encourage retaliatory measures by other states and weaken confidence in the multilateral trading system. From a WTO perspective, these restrictions may be challenged as inconsistent with GATT Article XI:1. However, India can argue that these restrictions are permissible pursuant to Article XI:2(a) and Article XX of GATT.

**DSK Views:** India’s sugar export restrictions illustrate the complex relationship between food security and free trade under the WTO framework. While Article XI of the GATT generally prohibits quantitative export restrictions, exceptions under Article XI:2(a) and Article XX recognize that states may adopt temporary measures to address critical shortages and protect public welfare. India’s measures can therefore be viewed as an attempt to balance domestic food security concerns with its obligations under international trade law. However, WTO law requires that such restrictions remain temporary, proportionate, and non-discriminatory. If export controls become excessive or protectionist in nature, they risk undermining the principles of transparency and predictability that form the foundation of the multilateral trading system. Ultimately, the issue demonstrates the continuing challenge of reconciling national economic sovereignty with the objectives of global trade liberalization. In an era of increasing food insecurity and geopolitical instability, this balance will remain a central concern in international trade law.

<sup>5</sup>WTO on ‘Quantitative Restrictions’, [https://www.wto.org/english/tratop\\_e/markacc\\_e/qr\\_e.htm](https://www.wto.org/english/tratop_e/markacc_e/qr_e.htm)

<sup>6</sup>WTO on ‘Article XX – General Exceptions’, [https://www.wto.org/english/res\\_e/booksp\\_e/gatt\\_ai\\_e/art20\\_e.pdf](https://www.wto.org/english/res_e/booksp_e/gatt_ai_e/art20_e.pdf)

<sup>7</sup> ChiniMandi, Govt. Fixes 21 LMT monthly sugar quota for domestic sale in June 2022



## **THE CALCUTTA HIGH COURT HAS RULED THAT VODAFONE IDEA CANNOT USE COPYRIGHTED SONGS AS CALLER TUNES WITHOUT FIRST OBTAINING A LICENCE FROM THE RELEVANT COPYRIGHT SOCIETY**

Calcutta High Court's ("Court") judgment reaffirms the statutory role of copyright societies in administering music rights and rejects attempts by telecom operators to sidestep collective licensing requirements. The Court clarified that commercial use of music, even for short-duration services such as caller tunes and ringback tones, does not relieve operators of their licensing obligations. The ruling is a major boost for India's music industry, strengthening the enforcement powers and bargaining position of copyright societies. It also sets an important precedent for the digital use of sound recordings and underlying musical works, signalling to telecom operators and streaming platforms that licensing compliance is mandatory.

## **THE DELHI HIGH COURT GRANTS AN INJUNCTION IN FAVOUR OF CINEFIL PRODUCERS PERFORMANCE LTD. (CPPL), BARRING ELECTRONICS RETAIL CHAIN HARI OM RETAIL PVT. LTD. FROM SCREENING FILMS INSIDE ITS STORES WITHOUT A PROPER LICENCE**

The Delhi High Court ("Court") found that Hari Om Retail was allegedly screening films and audiovisual content on in-store televisions and internet-enabled screens to attract customers and promote products. The Court held that this activity prima facie amounts to "communication to the public" under the Copyright Act, 1957 ("Act") and therefore requires statutory authorization. While granting an ex parte ad interim injunction, the Court noted that Cinefil Producers Performance Ltd. ("CPPL") is a registered copyright society under Section 33(3) of the Act, representing more than 750 copyright owners and a catalogue of over 8,000 films. The Court also referred to the terms of service of major OTT platforms such as Amazon, which restrict use to personal,

non-commercial, private viewing, making clear that commercial exhibition in a retail setting falls outside the permitted use.

## **ZEE ENTERTAINMENT FILES A COPYRIGHT INFRINGEMENT SUIT AGAINST NYKAA IN THE DELHI HIGH COURT, ALLEGING THAT NYKAA USED ZEE-OWNED SONGS WITHOUT AUTHORISATION IN PROMOTIONAL INSTAGRAM REELS**

Zee Entertainment Enterprises Ltd ("Zee") has sued Nykaa in the Delhi High Court ("Court"), alleging unauthorized commercial use of Zee-owned songs in promotional Instagram reels. Zee argued that platform-level music licenses are distinct from commercial licensing. Although Meta holds licenses that allow certain music to be used in ordinary user-generated content, Zee contends that these licenses do not extend to branded promotions or paid advertising campaigns, and that Nykaa's reels crossed that line without securing the necessary rights. Zee is seeking damages of approximately ₹1.7 crore and has identified multiple reels as infringing. Nykaa has since removed the disputed content following the initiation of proceedings.

## **ZEE ENTERTAINMENT ENTERPRISES LTD MOVES DELHI HIGH COURT AGAINST JIOSTAR INDIA PVT. LTD., ALLEGING THAT THE STREAMING PLATFORM CONTINUED TO USE AND EXPLOIT ZEE'S COPYRIGHTED WORKS EVEN AFTER EXPIRY OF THE LICENCE AGREEMENTS**

Zee Entertainment Enterprises Ltd ("Zee") has approached the Delhi High Court against JioStar India Pvt. Ltd. ("JioStar"), alleging continued exploitation of Zee's copyrighted works after the relevant licence agreements had expired. The licenses were executed in 2017 and 2020, and under their terms, JioStar was required to stop using the licensed works immediately upon expiry or termination. Zee alleges, however, that some content incorporating its works remained available on JioStar's platform despite repeated

requests for removal. JioStar acknowledged the issue but described the remaining instances as residual and unintentional, stating that a substantial volume of Zee's content had already been taken down and that the balance would be removed once identified. After hearing both sides, the Delhi High Court directed JioStar not to use, publish, broadcast, stream, upload, or reproduce Zee's licensed works within 15 days, and referred the parties to mediation before the Delhi High Court Mediation and Conciliation Centre to explore an amicable resolution.

#### **THE BOMBAY HIGH COURT PASSED AN ORDER DIRECTING ONLINE INTERMEDIARIES TO TAKE DOWN AN ADVERTISEMENT FEATURING A CHARACTER AND A BEHIND-THE-SCENES CLIP FROM THE FILM 'DHURANDHAR'**

The Bombay High Court ("**Court**") ordered the takedown of an advertisement featuring a character from the film 'Dhurandhar' ("**Film**"), after the film's producers alleged that the ad unlawfully exploited their copyrighted intellectual property without permission. The Court granted interim relief on the ground that the advertisement prima facie appeared to trade on the goodwill and public recognition associated with the Film.

#### **THE DELHI HIGH COURT ORDERED THE INTERIM RESTORATION OF THE YOUTUBE CHANNEL "4PM," NEARLY TWO MONTHS AFTER THE UNION GOVERNMENT SUSPENDED IT OVER CONTENT ALLEGEDLY THREATENING NATIONAL SECURITY, SOVEREIGNTY, AND PUBLIC ORDER**

Justice Purushendra Kumar Kaurav of the Delhi High Court ("**Court**") passed the order in a writ petition filed by Sanjay Sharma and a co-petitioner against the Union government and YouTube. The petitioners argued that the blocking of their YouTube channel lacked transparency, as the authorities neither disclosed the reasons for the suspension nor shared the blocking order. They further alleged that the Inter-Departmental Committee's ("**IDC**") final order was never communicated to them and that the IDC hearing lacked openness and procedural fairness. While directing restoration of the channel, the Court stopped short of granting complete relief and ordered YouTube to keep 26 videos flagged as objectionable or offensive disabled pending further proceedings.

#### **DELHI HIGH COURT REFUSES INJUNCTION OVER TRIDEV SONG REMIX IN "DHURANDHAR: THE REVENGE"**

The Delhi High Court ("**Court**") declined to grant an ad interim injunction to Trimurti Films Private Limited ("**Plaintiff**"), producer of the film 'Tridev', in a copyright infringement suit concerning the remixed song 'Tirchi Topiwale' used in the cinematograph film 'Dhurandhar: The Revenge' ("**Film**"), particularly on OTT platforms. The Court

observed that the Plaintiff's prolonged inaction, which it described as "eerie silence and complete apathetic inaction", in relation to earlier alleged infringements had led Super Cassettes Industries to invest substantially and commercially exploit the disputed songs. Although the Court refused the injunction, it directed Super Cassettes Industries to deposit Rs. 50 lakhs with the Registrar General of the High Court within 4 (four) weeks.

#### **JIOSTAR SUES ZEE OVER ALLEGED UNAUTHORISED BROADCAST OF BOLLYWOOD FILMS**

JioStar has initiated legal action against Zee Entertainment Enterprises Ltd ("**Zee**"), alleging that Zee broadcast several Bollywood films without authorisation despite JioStar holding the distribution rights to those titles. The matter has been referred to the Delhi High Court Legal Services Committee, which facilitates mediation and other alternative dispute resolution processes to help parties reach an amicable settlement outside court. If those efforts fail, JioStar has indicated that it will pursue formal litigation.

#### **ASCI STEPS IN TO SHIELD CONSUMERS FROM MISLEADING AI-POWERED ADVERTISEMENTS**

The Advertising Standards Council of India ("**ASCI**") has released draft guidelines on the labelling of AI-generated content in advertising ("**Draft Guidelines**"), setting out when disclosures would be required for synthetically created or enhanced material. The proposed framework aligns with the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Amendment Rules, 2026, and seeks to improve transparency in advertising. ASCI describes the framework as a "risk-based approach," focusing on the impact of AI-generated content on consumers rather than regulating the technology itself. Under the Draft Guidelines, the use of AI in advertising may be misleading or harmful if it creates unrealistic expectations, exploits vulnerable groups, depicts unsafe situations, or replicates a real person's likeness without consent. The Draft Guidelines classify AI-generated advertising content into three risk categories: high, medium, and low. They also exempt AI-assisted administrative and text-based uses, including the generation of advertising copy and accessibility descriptions, provided these do not create false records. The Draft Guidelines are open for public consultation, with feedback invited from industry groups, consumers, and other stakeholders until 13 June 2026, after which the finalisation process will begin.

#### **PRASAR BHARATI AND IBDF PUSH BACK AGAINST AIDCF'S PETITION AT WAVES**

The All India Digital Cable Federation ("**AIDCF**") has approached the Telecom Disputes Settlement and Appellate

Tribunal (“TDSAT”) seeking an order to stop the streaming of live linear television channels on Prasar Bharati’s platform ‘Waves’. AIDCF argues that delivering television channels through internet applications using satellite decoder infrastructure crosses a regulatory boundary historically applicable to licensed operators such as cable companies, DTH providers, IPTV services, and HITS operators. Prasar Bharati, however, argued that AIDCF is selectively targeting Waves even though similar content is freely available on YouTube, private OTT platforms, and other digital intermediaries. The dispute highlights a growing regulatory divide in India: traditional TV operators remain subject to strict licensing regimes, while OTT services—including those increasingly replicating live television—continue to operate with significantly lighter oversight.

**THE PRODUCERS OF THE FILM ‘KARUPPU’ ISSUE APOLOGY, EDIT OUT DIALOGUE PERCEIVED AS MOCKING ILAIRAJA AMID COPYRIGHT ROW**

The producers of the film ‘Karuppu’ (“Film”) have apologised and announced that they will remove a dialogue criticised for appearing to mock composer Ilaiyaraaja’s copyright enforcement efforts. The controversy relates to a scene in the Film featuring the song ‘Poradada’ from the 1985 film ‘Alai Osai’, followed by a line that was widely perceived online as a dig at the composer. Ilaiyaraaja has long pursued copyright strikes against the unauthorised use of his music in Tamil films, a stance that has divided the industry. In its statement, the production house said the dialogue was coincidental and that no offence was intended. It also stated that the line would be removed from all future versions and subsequent exploitations of the Film.

**PUBLISHERS TAKE LEGAL ACTION AGAINST META’S LLAMA AI TRAINING METHODS**

Five major publishing houses such as Hachette, Macmillan, McGraw Hill, Elsevier and Cengage, along with author Scott Turow (“Plaintiffs”), have filed a class-action suit in the U.S. District Court for the Southern District of New York against Meta Platforms and Mark Zuckerberg, alleging large-scale copyright infringement in the training of Meta’s Llama AI models. The Plaintiffs claim that Meta knowingly used pirated books, journal articles, and other scraped copyrighted material without obtaining licenses or

permission from rights holders. They further allege that Meta removed copyright-management information and trained its AI systems on datasets drawn from repositories such as LibGen and other unauthorized sources. Meta has denied any wrongdoing and argues that the use of copyrighted works for AI training may qualify as “fair use” under U.S. copyright law.

**THE DELHI HIGH COURT GRANTS PROTECTION TO ARJUN KAPOOR AGAINST UNAUTHORISED COMMERCIAL EXPLOITATION OF HIS PERSONALITY RIGHTS**

The Delhi High Court has granted actor Arjun Kapoor protection against the unauthorised commercial exploitation of his identity, restraining multiple online entities from misusing his name, image, likeness, and other recognisable attributes. The order casts a wide net, covering everything from fake endorsements and unlicensed merchandise to AI-generated content and deepfakes engineered to simulate his persona for commercial purposes.

**LEGAL ACTION FILED AGAINST AVATAR MAKERS OVER ALLEGED UNAUTHORIZED USE OF FACIAL LIKENESS**

A lawsuit has been filed in the United States District Court for the Central District of California by actress Q'orianka Kilcher (“Plaintiff”) against director James Cameron and The Walt Disney Company (“Defendants”), alleging that her facial likeness was used without consent in creating “Neytiri,” a principal Na’vi character in the *Avatar* franchise. The Plaintiff claims that the Defendants used a photograph of her taken during her teenage years while filming *The New World* as the basis for the character’s facial structure and biometric features, without authorization, compensation, or credit. She alleges violations of California publicity and likeness rights laws and seeks damages, injunctive relief, and public acknowledgment of the alleged use of her identity. Reports indicate that the defense is expected to argue that any resemblance to Kilcher was merely conceptual inspiration during early design stages and that the final CGI character was independently developed through motion-capture performances and digital modelling, particularly using actress Zoe Saldña’s performance. As of now, no substantive hearing has taken place, and no next hearing date appears to have been publicly listed on the court docket.

## FEMA (AUTHORISED PERSONS) REGULATIONS, 2026

The RBI has notified the Foreign Exchange Management (Authorised Persons) Regulations, 2026 vide Notification No. FEMA 401/2026-RB dated April 30, 2026 (notified on May 6, 2026) ("**Authorised Persons Regulations**") under Section 47(2)(h) read with Section 10 of Foreign Exchange Management Act, 1999 ("**FEMA**"). The Authorised Persons Regulations change the authorisation, renewal and operating framework for entities dealing in foreign exchange and replace the franchisee model with a principal-agent Forex Correspondent Scheme. The Authorised Persons Regulations will also consequently amend the master directions issued in this regard, from time to time.

**Some key features of the Authorised Persons Regulations are highlighted below:**

- Three categories for fresh authorisation: AD Category-I (RBI-licensed banks); AD Category-II (banks, RBI-registered NBFCs, or Full Fledged Money Changers ("**FFMC**") and Forex Correspondents ("**FxC**") of two years' standing with INR 50 crore average annual turnover); and the new AD Category-III, for entities dealing in forex incidental to their business or offering innovative forex-linked products.
- Eligibility requires a company under the Companies Act, 2013 with forex activity in its objects, fit-and-proper promoters, directors and key managerial personnels (at least 50% with financial-services experience), and a directorate of enforcement no objection certificate where any is under investigation. RBI-regulated entities are exempt from the incorporation, net-worth and fit-and-proper tests.
- Minimum net worth requirement is INR 10 crore (AD Category-II) and INR 2 crore (AD Category-III) at commencement; for renewal, INR 25 lakh and INR 50 lakh (single and multi-branch FFMC), INR 10 crore (AD

Category-II) and INR 2 crore (AD Category-III). Renewal is filed two months before expiry.

- Permitted activities: AD Category-I - all current and capital account transactions; AD Category-II - non-trade current account transactions (excluding gift and donation) and foreign trade up to INR 25 lakh per transaction; AD Category-III - as authorised; FFMC, purchase and sale of notes and travellers cheques and money transfer service scheme agency.

**DSK View:** The introduction of AD Category-III, gives fintech and travel-linked entities an opportunity to undertake forex dealing. The move to introduce net-worth and turnover thresholds, statutory-auditor certification, fit-and-proper testing, etc., aims to make the process streamlined and bring the regime closer to RBI's wider licensing scheme.

## OPERATING FRAMEWORK FOR OUTWARD REMITTANCE VIA NON-BANK ENTITIES

The RBI has put in place a standing framework for AD Category-I banks ("**AD Bank**") facilitating cross-border outward remittance of funds for non-trade current account transactions through third-party entities in online mode. Given below are an indicative list of the main provisions of the operating framework for outward remittance via non-bank entities effective immediately per A.P. (DIR Series) Circular No. 10 dated May 13, 2026 (RBI/2026-27/82) ("**Operating Framework**"):

- The AD Bank is solely responsible for FEMA compliance and KYC (per A.P. (DIR Series) Circular No. 16 dated November 28, 2025), is fully liable for the third party's acts and omissions, and cannot use the agreement to dilute any statutory obligation.
- Pre-transaction disclosure on the third-party interface must show the AD Bank's name, role and authorisation status, the foreign exchange rate with timestamp and validity, the total cost with the interbank rate and mark-

up shown separately, plus all charges, the exact amount to be credited and the maximum time for credit, and grievance contacts with timelines.

- The AD Bank's homepage must list all third-party arrangements, their roles and grievance contacts, and display the bank's customer-data storage policy.
- Data collection must be need-based and consent-driven, cybersecurity standards apply, and the AD Bank must maintain a grievance framework and customer-protection policy.
- Fund flow is restricted to the remitter's bank account to the beneficiary's bank account and funds must be ringfenced from the third party's insolvency and never routed through its account in India.
- A non-resident third party must hold any licence required in the destination jurisdiction, and FATF-sensitive enhanced due diligence applies to high-risk corridors. Doorstep delivery of forex cards or notes ordered through a third party attracts the same transparency and protection norms.

**DSK View:** *The Operating Framework replaces Paragraph 10 of the Master Direction – Miscellaneous (No. 19/2015-16) dated January 1, 2016. The Operating Framework also formalises and deregulates a fintech-led remittance channel and places the entire burden of ensuring compliance, on the AD Banks. It also eases onboarding, emphasises on transparent cost disclosure, fund ringfencing, digital personal data protection-aligned data handling, etc.*

#### **DRAFT PRUDENTIAL NORMS ON SPECIFIED NON-FINANCIAL ASSETS**

The RBI has issued the draft Reserve Bank of India (Prudential Norms on Specified Non-financial Assets (SNFA)) Directions, 2026, for public comments vide Press Release: 2026-2027/210 dated May 5, 2026 ("**Draft SNFA Directions**"). The Draft SNFA Directions prescribe the prudential treatment of immovable assets acquired by a regulated entity ("**RE**") in full or partial satisfaction of its claims when other recovery means are unviable. Stakeholders were requested to submit comments by May 26, 2026; the directions are not yet in force.

#### **Key Features:**

- Applicability extends to all commercial banks (including small finance banks, local area banks and regional rural banks, but excluding payments banks), all urban, State and central co-operative banks, all AIFs, and all NBFCs including housing finance companies, and covers SNFAs acquired bilaterally or under SARFAESI.
- An SNFA is an immovable asset acquired in satisfaction or part satisfaction of claims, acquisition is recognised

only on transfer of title and proportionately extinguishes the exposure.

- Acquisition is permitted only where the exposure is non-performing and other recovery is unviable, on a non-recourse basis. Partial extinguishment is treated as restructuring, with the residual exposure following the Resolution of Stressed Assets Directions, 2025.
- Initial valuation is the lower of the net book value of the extinguished exposure or the distress sale value, the latter determined by at least two independent external valuers.
- On subsequent measurement, the SNFA is revalued at least every two years on a distress basis, valuation gains are ignored, any diminution is charged to profit and loss immediately, and it is carried at the lower of the last distress value or the revised net book value (net of notional provisions as if the exposure had remained on the books).
- The RE must make demonstrable efforts to dispose by public auction on SARFAESI principles. On failure within the RE's policy period (capped at seven years) or before the carrying value reaches zero, whichever is earlier, the asset is deemed put to own use and reclassified to fixed assets, ceasing to be an SNFA.
- The SNFA may not be sold back to the borrower or related parties, a bar that continues even after the asset ceases to be an SNFA.
- A board-approved policy must govern acquisition and disposal (limits, eligibility, delegation, disposal period). Legacy SNFAs must comply within one year of the effective date.

**DSK View:** *The Draft SNFA Directions fills a long-standing gap by giving lenders a regulated route to own collateral where SARFAESI auctions stall, while guarding against balance-sheet window-dressing. The carrying basis is deliberately asymmetric, with losses hitting profit and loss at once while gains are ignored, valuation resting on two external valuers, and partial settlements folding into the restructuring framework, together discouraging acceptance of inflated assets. REs should track the May 26 deadline, particularly on valuation mechanics, the two-year revaluation requirement and the legacy one-year transition. The Draft SNFA Directions is coming out from Section 9 of the Banking Regulation Act, 1949, which bars banks from holding non-banking assets beyond a specified period, and is issued under Section 21 read with Sections 56 and 35A of that Act, Chapter IIIB of the RBI Act, 1934, and the National Housing Bank Act, 1987.*

#### **REVISED DRAFT DIRECTIONS ON RECOVERY OF LOANS AND RECOVERY AGENTS (RESPONSIBLE BUSINESS CONDUCT)**

Pursuant to the Statement on Developmental and Regulatory Policies dated February 6, 2026, and following the first draft of February 12, 2026, the RBI released the revised draft directions via Press Release: 2026-2027/290 dated May 20, 2026 (“**Draft Recovery Directions**”). This second round of consultation applies to nine specified categories of Regulated Entities (“**REs**”). While the Draft Recovery Directions are not yet in force, stakeholders were requested to submit comments by May 31, 2026, with the final directions proposed to commence on October 1, 2026.

**Key Features:**

- New definitions of “recovery agency” and “recovery agent” capture every outsourced recovery arrangement regardless of label.
- The board-approved recovery policy must cover recovery triggers, an escalation matrix, a code of conduct, recovery on a borrower’s demise, agency due diligence (aligned to the outsourcing directions), and borrower compensation for non-compliant recovery.
- Recovery agents must hold Indian institute of banking and finance’s certification.
- Empanelled agencies must be listed across all customer-facing channels, updated within seven days of change and immediately on termination, and borrowers must

be notified of agency details before the first visit (one day by SMS or email, three days by letter where contact details are unavailable).

- Borrower information may be shared only as needed and no case may be assigned while a grievance is pending. Recovery calls must be recorded and retained for six months (longer if sub judice), with borrowers informed and incentives must not induce coercion.
- Device financing: a mechanism restricting a financed device may be used only for dues from financing that device, where the contract unambiguously permits it. Restriction must be graduated as internet, incoming calls, emergency SOS and public-safety alerts must remain live.
- A dedicated recovery-grievance mechanism must appear in the loan agreement and all communications, with compliance required under the TRAI TCCCPR, 2018.

**DSK View:** *The revised Draft Recovery Directions shifts recovery firmly toward conduct-based supervision, alongside and legitimises a tool fintech and consumer-durable lenders sought, but gates it tightly through the financed-device-only limitation and express contractual consent.*

# RESTRUCTURING & INSOLVENCY

## A SUCCESSFUL RESOLUTION APPLICANT CANNOT WITHDRAW FROM A COMMITTEE OF CREDITORS-APPROVED RESOLUTION PLAN BY SUBSEQUENTLY DISPUTING TERMS OF THE LETTER OF INTENT THAT WERE WITHIN ITS KNOWLEDGE AND ACCEPTED DURING THE CORPORATE INSOLVENCY RESOLUTION PROCESS

In *Sanjay Dave vs. Andhra Bank Ltd. & Ors.*, Civil Appeal Nos. 12264-12266 of 2024, reported as 2026 INSC 580 (“**Civil Appeal**”), the Hon’ble Supreme Court held that a successful resolution applicant (“**SRA**”) cannot evade its obligations under a Committee of Creditors (“**CoC**”)-approved resolution plan by subsequently alleging that the Letter of Intent (“**LoI**”) contains conditional stipulations.

The appellant’s resolution plan for Oracle Home Textiles Limited (“**Corporate Debtor**”) was approved by the CoC with 99.90% voting share. However, the appellant refused to accept the LoI on the ground that it was subject to the outcome of pending proceedings before the Adjudicating Authority and contemplated liabilities arising from claims of employees and workmen. Consequently, the Earnest Money Deposit (“**EMD**”) of Rs. 1 Crore was forfeited and, upon failure of the resolution process, the CoC resolved to liquidate the Corporate Debtor with 99.61% voting share.

The Hon’ble Supreme Court observed that the appellant was fully aware of the pending proceedings and the alleged contingencies, having participated in the relevant CoC meetings wherein the same were discussed and accepted. It was held that stipulations making the LoI subject to the outcome of pending judicial proceedings did not render the LoI conditional and could not constitute a basis for resiling from the approved resolution plan.

The Hon’ble Supreme Court further held that the appellant, having acquiesced to the relevant terms, was estopped from subsequently challenging them and could not be permitted to approbate and reprobate. Reliance was placed upon *Ebix Singapore Pvt. Ltd. vs. Committee of Creditors of Educomp*

*Solutions Ltd.*, (2022) 2 SCC 401 to reiterate that a CoC-approved resolution plan is binding and irrevocable as between the CoC and the SRA, and that the IBC does not contemplate post-approval negotiations, modifications or withdrawals at the instance of the SRA.

Accordingly, the Hon’ble Supreme Court upheld the forfeiture of the EMD, affirmed the liquidation of the Corporate Debtor under Section 33 of the IBC, and dismissed the appeals.

## THE HON’BLE SUPREME COURT REFERS TO A LARGER BENCH THE ISSUE WHETHER MORATORIUM UNDER PART III OF THE INSOLVENCY AND BANKRUPTCY CODE, 2016 APPLIES TO PROCEEDINGS UNDER SECTION 138 OF THE NEGOTIABLE INSTRUMENTS ACT, 1881

In *Dineshchand Surana v. UCO Bank*, Criminal Appeal arising out of SLP (Cr.) No. 12135 of 2024 and connected matters, reported as 2026 INSC 579 (“**Criminal Appeal**”), the Hon’ble Supreme Court referred to a larger Bench the issue concerning the applicability of the moratorium provisions under Part III of the Insolvency and Bankruptcy Code, 2016 (“**IBC**”) to proceedings under Section 138 of the Negotiable Instruments Act, 1881 (“**NI Act**”).

The appellant contended that upon commencement of personal insolvency and bankruptcy proceedings under Part III of the IBC, proceedings under Section 138 of the NI Act stood stayed by virtue of the moratorium contemplated under Sections 96, 101, 124 and 128 of the IBC. In this regard, reliance was placed upon the observations of the Hon’ble Supreme Court in *P. Mohanraj v. Shah Brothers Ispat Pvt. Ltd.*, (2021) 6 SCC 258, wherein it was observed that the language employed in Sections 96 and 101 of the IBC was wide enough to encompass proceedings under Sections 138 and 141 of the NI Act.

Upon an extensive examination of the nature of proceedings under Section 138 of the NI Act, the Hon’ble Supreme Court observed that cheque dishonour proceedings possess a

significant criminal element aimed at preserving the credibility and acceptability of cheques in commercial transactions. The Hon'ble Supreme Court further observed that certain aspects concerning the predominantly criminal nature of Section 138 proceedings did not appear to have been specifically considered in P. Mohanraj while characterising such proceedings as a "civil sheep in a criminal wolf's clothing".

The Hon'ble Supreme Court also examined the distinction between the punitive and compensatory components of proceedings under Section 138 of the NI Act and the interplay thereof with the moratorium provisions contained in Part III of the IBC. While discussing the issue, the Hon'ble Supreme Court expressed reservations regarding the scope of the observations in P. Mohanraj and noted the need for an authoritative pronouncement on the subject.

Accordingly, the Hon'ble Supreme Court held that the issues arising for consideration require comprehensive examination by a larger Bench and directed that the matter be placed before the Hon'ble Chief Justice of India for constitution of an appropriate three-Judge Bench. The following questions were referred for consideration:

- Whether proceedings under Section 138 of the NI Act are quasi-criminal in nature with a predominant criminal character; and
- Whether the moratorium provisions under Part III of the IBC apply to the entirety of proceedings under Section 138 of the NI Act or only to their compensatory aspect.

**AN APPEAL UNDER SECTION 61 OF THE INSOLVENCY AND BANKRUPTCY CODE, 2016 IS NOT VALIDLY INSTITUTED UNLESS ACCOMPANIED BY A CERTIFIED COPY OF THE IMPUGNED ORDER OR AN APPLICATION SEEKING EXEMPTION FROM FILING THE SAME**

In *Angelwoods Apartment Allottees Association v. M. Lalitha & Anr.*, Civil Appeal Nos. 14439-14440 of 2025, reported as 2026 INSC 479 ("Civil Appeal"), the Hon'ble Supreme Court held that mere e-filing of an appeal under Section 61 of the Insolvency and Bankruptcy Code, 2016 ("IBC") without a certified copy of the impugned order does not amount to valid institution of an appeal and such defect strikes at the very maintainability of the appellate proceedings.

The appeal arose from an order passed by the Hon'ble National Company Law Appellate Tribunal ("NCLAT") condoning delays in filing and refiling an appeal challenging approval of a resolution plan. The respondent had e-filed the appeal on the last day of the condonable period under Section 61(2) of the IBC. However, the appeal was filed without a certified copy of the impugned order and continued to suffer from multiple defects even upon refiling. Significantly, the respondent neither applied for a certified copy within the prescribed limitation period nor sought exemption from filing the same.

The Hon'ble Supreme Court observed that Rule 22(2) of the NCLAT Rules, 2016 mandates that every appeal be accompanied by a certified copy of the impugned order. Relying upon *V. Nagarajan v. SKS Ispat and Power Ltd.*, (2022) 2 SCC 244, the Hon'ble Supreme Court reiterated that obtaining a certified copy is not a mere procedural formality but a mandatory requirement demonstrating diligence in pursuing appellate remedies. It was further observed that although the NCLAT may grant exemption from compliance in an appropriate case, such exemption is not automatic and must be specifically sought.

The Hon'ble Supreme Court held that the appeal, having been filed and refiled without a certified copy of the impugned order and without any application seeking exemption, was not merely defective but fundamentally incompetent. The Hon'ble Supreme Court further observed that, having regard to the strict timelines prescribed under the IBC, such a filing could not be treated as a valid institution of an appeal in the eyes of law.

Accordingly, the Hon'ble Supreme Court held that the appeal was incurably defective, set aside the NCLAT's order condoning the delays in filing and refiling, and held that the appeal ought to have been rejected at the threshold.

**THE MINISTRY OF CORPORATE AFFAIRS NOTIFIES 26 MAY 2026 AS THE DATE OF ENFORCEMENT OF SUBSTANTIAL PROVISIONS OF THE INSOLVENCY AND BANKRUPTCY CODE (AMENDMENT) ACT, 2026**

The Ministry of Corporate Affairs ("MCA"), vide Notification S.O. 2625(E) dated 22 May 2026, has appointed 26 May 2026 as the date on which substantial provisions of the Insolvency and Bankruptcy Code (Amendment) Act, 2026 ("Amendment Act") shall come into force. The notification notifies, inter alia, Sections 2 to 6, 8 to 33, 35 to 39, 43 to 44, 48 to 59, 61 to 66, 68, clause (a) of Sections 69 and 70, specified sub-clauses of Section 70(b), and Section 72 of the Amendment Act.

The Amendment Act was enacted with the objective of strengthening the insolvency resolution framework under the Insolvency and Bankruptcy Code, 2016 ("IBC"), improving the efficiency and transparency of insolvency proceedings, and addressing practical challenges that have emerged during the implementation of the IBC. Among other things, the amendments introduce significant changes relating to the insolvency resolution process, treatment of avoidance transactions, regulatory oversight, and the powers and responsibilities of stakeholders involved in insolvency proceedings. With the coming into force of these provisions, stakeholders including creditors, resolution professionals, insolvency professionals, corporate debtors and adjudicating authorities will be required to align their processes with the amended statutory framework.



### REMEDY OF APPEALING TO RERA CANNOT BE BYPASSED TO AVOID PRE-DEPOSIT REQUIREMENT

The Punjab and Haryana High Court, in *M/s Advance India Projects Limited v. State of Haryana and Others*, CWP-14732-2025 (O&M) has held that a promoter/developer cannot directly invoke the writ jurisdiction of the High Court to challenge an order passed by the Real Estate Regulatory Authority (“RERA”), merely to avoid the statutory pre-deposit requirement prescribed for filing an appeal under the Real Estate (Regulation and Development) Act, 2016 (“RERA Act”).

In the aforementioned case, the Haryana RERA had directed the developer to refund approximately INR 1.02 crore to two allottees in relation to its project, “AIPL Joy Gallery”, Gurugram. Instead of preferring an appeal before the Real Estate Appellate Tribunal (“REAT”), the developer filed a writ petition before the High Court.

The High Court dismissed the writ petition as not maintainable and observed that REAT is the appropriate forum to examine both factual and legal issues arising from a RERA order. The Court further held that the statutory pre-deposit requirement applicable to promoters cannot be treated as a ground to bypass the appellate mechanism provided under the RERA Act.

### SUPREME COURT SETS ASIDE NATIONAL CONSUMER DISPUTES REDRESSAL COMMISSION (“NCDRC”) ORDER, HOLDS THAT HOMEBUYERS WHO ELECTED RERA REMEDY CANNOT SUBSEQUENTLY APPROACH CONSUMER FORUM

The Hon’ble Supreme Court in *M/s Kabra and Associates & Others v. Rekha Rajkumar Hemdev & Others*, Civil Appeal No. 6936 of 2023 has held that homebuyers who have elected to pursue their remedy under the RERA Act cannot subsequently approach the consumer forum in respect of the same cause of action.

The dispute arose where the complainants had initially approached the RERA and withdrew their complaint with liberty to file a fresh complaint before NCDRC. However, instead of pursuing the RERA remedy, they later filed a consumer complaint before the NCDRC.

The Supreme Court set aside the NCDRC order which had held the consumer complaint to be maintainable, observing that once the complainants had elected the RERA remedy, they could not subsequently shift to the remedy under the Consumer Protection Act for the same cause of action.

### PUNJAB RERA: HOMEBUYERS CANNOT CLAIM REFUND OF CONTRACTUALLY AGREED SUPER AREA CHARGES

Punjab RERA, in *Megha Chowdhuri and Another v. M/s Omaxe New Chandigarh Developers Pvt. Ltd.*, Complaint No. RERA/GC No. 0445 of 2023, has held that homebuyers cannot seek refund of amounts charged on the basis of super area where the pricing structure was clearly disclosed and accepted under the buyer’s agreement.

The dispute arose from a complaint filed by the homebuyers against Omaxe New Chandigarh Developers Pvt. Ltd. in relation to a penthouse booked in the project “The Lake”, New Chandigarh. The complainants sought refund of approximately INR 75.84 lakh, alleging that the developer had wrongly charged them on the basis of super area instead of carpet area.

Punjab RERA rejected the refund claim, observing that the terms agreed between the parties are binding unless they are contrary to the prescribed model agreement or applicable law. However, Punjab RERA clarified that a developer cannot unilaterally charge for any increase in carpet area or super area unless such increase and the corresponding charges are expressly agreed under the buyer’s agreement.

### RERA AMENDMENT: IMPRISONMENT REMOVED FOR ALLOTTEES’ FAILURE TO COMPLY WITH APPELLATE TRIBUNAL ORDERS

The Ministry of Housing and Urban Affairs, through notification S.O. 2287(E) dated May 7, 2026, notified the enforcement of the amendments relating to the RERA Act under the Jan Vishwas (Amendment of Provisions) Act, 2026.

Pursuant to the amendment, Section 68 of the RERA Act, which deals with penalty for failure by an allottee to comply with orders, decisions or directions of the Real Estate Appellate Tribunal, has been revised.

Earlier, an allottee's failure to comply with orders or directions of the Appellate Tribunal could attract

imprisonment for a term extending up to one year, or a fine for every day during which such default continued, cumulatively extending up to 10% of the cost of the plot, apartment or building, or both.

The amendment removes the imprisonment component. An allottee who fails to comply with, or contravenes, any order or direction of the Appellate Tribunal is now liable only to a monetary penalty, which may extend up to 10% of the cost of the plot, apartment or building, as the case may be.



# SPORTS AND GAMING

## SPORTS

### WADA AND ASEAN RENEW THREE-YEAR ANTI-DOPING COOPERATION FRAMEWORK

The WADA, on May 19, 2026, renewed its three-year MoU with the Association of Southeast Asian Nations (“**ASEAN**”) to strengthen anti-doping governance, sports integrity, and regional cooperation across South-East Asia. In collaboration with the South-East Asia Regional Anti-Doping Organization, the initiative will support ASEAN member states in implementing the revised 2027 World Anti-Doping Code and International Standards, harmonising anti-doping policies and legislation, and strengthening the operational independence of National Anti-Doping Organizations. The revised framework is also expected to enhance compliance obligations, athlete-rights protections, and standards relating to investigations, intelligence-sharing, results management, education, and detection methodologies.

[Read more here](#)

### PRASAR BHARATI TELLS DHC IT IS NOT OBLIGATED TO ACQUIRE FIFA WORLD CUP 2026 BROADCASTING RIGHTS

In [Avdesh Bairwa v. Union of India & Ors. \(WP\(C\) No. 6469/2026\)](#), the Delhi High Court (“**DHC**”) on May 20, 2026, heard a writ petition seeking directions to ensure free-to-air broadcast of the 2026 FIFA World Cup in India through public broadcasting platforms such as Doordarshan and DD Sports. The petition was filed in light of the absence of any Indian broadcaster having acquired media rights for the tournament. During the hearing on May 20, 2026, Prasar Bharati submitted before the DHC that it was under no obligation to acquire telecast rights for the FIFA World Cup and that discussions between FIFA and broadcasters were still ongoing. The petitioner subsequently withdrew the plea

following observations by the DHC regarding the availability of alternative legal remedies.

The petition relied upon the Sports Broadcasting Signals (Mandatory Sharing with Prasar Bharati) Act, 2007 and the Ministry of Information and Broadcasting notification dated May 9, 2022, which classified key FIFA World Cup matches as “sporting events of national importance.” Reliance was also placed on the SC’s judgment in *Secretary, Ministry of Information & Broadcasting v. Cricket Association of Bengal*, wherein the SC recognised the right to receive information and access broadcasts as forming part of the freedom of speech and expression under Article 19(1)(a) of the Constitution.

[Read more here](#)

### DELHI HC UPHOLDS MATERNITY RIGHTS OF FEMALE ATHLETES

In [Vinesh Phogat v. Wrestling Federation of India & Ors.](#) (LPA 399/2026), the DHC, by judgment dated May 22, 2026, permitted wrestler Vinesh Phogat to participate in the selection trials for the Asian Games 2026 and affirmed that maternity-related circumstances cannot be used to deny female athletes competitive opportunities. Phogat had challenged the Wrestling Federation of India’s (“**WFI**”) selection policy after being excluded from the trials owing to her absence from qualifying events during maternity leave.

The DHC observed that sporting institutions must recognise the physiological realities associated with pregnancy and post-partum recovery and ensure that selection frameworks are implemented with institutional sensitivity towards motherhood. The DHC emphasised that maternity cannot operate as a disqualification in professional sports and

underscored the need for fair accommodation of women athletes returning to competition after childbirth.

Subsequently, the WFI challenged the DHC's judgment before the Supreme Court of India, contending that the order granting direct participation in the trials diluted established selection criteria and interfered with the autonomy of sports federations in matters of athlete selection. However, by order dated May 28, 2026, the Supreme Court permitted Phogat to participate in the Asian Games 2026 selection trials while issuing notice in the matter, thereby allowing the interim relief granted by the DHC to continue pending adjudication of the appeal.

[Read more here](#)

### **NATIONAL SPORTS BOARD AND NATIONAL SPORTS TRIBUNAL RULES NOTIFIED**

The Ministry of Youth Affairs and Sports notified the National Sports Governance (National Sports Board) Rules, 2026 and the National Sports Governance (National Sports Tribunal) Rules, 2026 on May 25, 2026, under the National Sports Governance Act, 2025 ("NSGA"). The rules establish the National Sports Board as the central authority responsible for granting recognition to National Sports Bodies and ensuring compliance with governance, financial, and ethical standards, while the National Sports Tribunal has been constituted as a specialised adjudicatory body for sports-related disputes aimed at ensuring independent, speedy, and cost-effective dispute resolution and reducing reliance on civil courts.

The framework also incorporates techno-legal measures for digital implementation, including a dedicated portal for filing disputes, virtual hearings, communication of orders, and maintenance of records. In addition, the NSGA framework mandates the inclusion of at least four Sportspersons of Outstanding Merit ("SOMs") in governing bodies and requires 50% women SOM representation in the General Body, with National Sports Federations required to amend their bye-laws within the prescribed six-month compliance period ending on July 12, 2026.

[Read more here](#)

### **IPL ANTI-CORRUPTION UNIT FLAGS SMART GLASSES AS INTEGRITY RISK DURING TOURNAMENT**

The BCCI's Anti-Corruption Unit ("ACU") has reportedly cautioned IPL stakeholders against the use of smart glasses and similar wearable technology in restricted areas during the tournament, citing concerns around integrity, surveillance, and potential misuse for unauthorised communication or data capture.

The warning follows repeated breaches of playing-area protocols and growing concerns over emerging technologies capable of covert recording, live transmission, and AI-assisted communication.

The advisory specifically highlights the risks posed by internet-enabled smart glasses equipped with cameras, microphones, and real-time connectivity features, particularly in sensitive zones such as dressing rooms, dugouts, and team strategy areas. The development reflects the ACU's increasing focus on technological vulnerabilities in sport and the need to strengthen anti-corruption safeguards against evolving digital tools that could compromise confidentiality, match integrity, or anti-betting protocols.

[Read more here](#)

### **CIC REVERSES 2018 ORDER, HOLDS BCCI OUTSIDE RTI FRAMEWORK**

The Central Information Commission ("CIC") has ruled that the Board of Control for Cricket in India ("BCCI") does not qualify as a "public authority" under the Right to Information Act, 2005 ("RTI Act"), thereby exempting it from mandatory disclosure obligations under the statute. The decision overturns the CIC's own 2018 ruling, which had brought the BCCI within the ambit of the RTI Act and directed it to establish mechanisms for responding to information requests.

In its fresh determination, the CIC held that the BCCI is a private society registered under the Tamil Nadu Societies Registration Act and is neither established by statute nor substantially financed or controlled by the government, which are key requirements under Section 2(h) of the RTI Act. The CIC further observed that tax exemptions and regulatory oversight do not amount to "substantial financing" or pervasive governmental control.

The ruling followed a remand by the Madras High Court, which had directed the CIC to reconsider the matter in light of relevant Supreme Court precedents. While acknowledging that the BCCI performs significant public functions in administering cricket in India, the CIC clarified that such functions alone are insufficient to classify it as a public authority under the RTI framework.

[Read more here](#)

### **ENHANCED GAMES FACE SCRUTINY AFTER LIMITED RECORDS AND VICTORIES BY "CLEAN" ATHLETES**

The inaugural "Enhanced Games", a controversial sporting event permitting the use of performance-enhancing drugs ("PEDs"), concluded in Las Vegas amid significant debate

regarding the legitimacy and effectiveness of drug-assisted competition. Despite being promoted as a revolution in elite sport that would push the limits of human performance, the event reportedly produced only one unofficial world-record performance, while several athletes competing without PEDs secured victories over enhanced competitors.

Greek swimmer Kristian Gkolomeev recorded a time of 20.81 seconds in the men's 50m freestyle, marginally surpassing the official world record. However, the performance is unlikely to receive formal recognition because it occurred in a competition permitting banned substances and the use of non-compliant equipment, including polyurethane suits prohibited under international swimming regulations.

The event drew additional attention after "clean" athletes such as Fred Kerley, Tristan Evelyn, and Hunter Armstrong won events despite competing against participants using enhancement protocols. Their victories undermined the central premise advanced by organisers that pharmaceutical

enhancement would necessarily produce superior athletic performance.

The Enhanced Games have generated widespread criticism from sporting bodies, anti-doping authorities, and athletes, many of whom argue that the format normalises drug use in sport and risks undermining decades of anti-doping regulation. Nevertheless, organisers have defended the event as a commercially successful experiment in "medically supervised enhancement" and indicated plans to expand future editions with larger prize pools and additional disciplines.

[Read more here](#)

## GAMING

### INDIA'S ONLINE GAMING FRAMEWORK BECOMES OPERATIONAL

The Promotion and Regulation of Online Gaming Act, 2025 ("PROGA") and the Promotion and Regulation of Online Gaming Rules, 2026 ("PROG Rules") came into force on May 1, 2026, and apply to all online gaming platforms, including offshore platforms, that are accessible in India. The framework establishes a three-fold classification of online games: (i) online money games, *i.e.*, games involving monetary stakes or offering an expectation of monetary reward which are prohibited; (ii) e-sports, which are recognised as a skill-based discipline and are subject to mandatory registration with the newly constituted Online Gaming Authority of India ("OGAI"); and (iii) online social games, which are permissible subject to compliance with prescribed user-safety, grievance redressal, and transparency obligations. The framework further contemplates coordinated enforcement measures involving financial institutions, payment systems, law enforcement agencies, and State Governments, and requires regulated entities to comply with directions relating to facilitation of payments connected with prohibited online money games.

[Read more here](#)

### SPORTS-EVENT PREDICTION MARKETS FACE TRIBAL CHALLENGE IN THE US

A federal lawsuit was filed against Kalshi, a regulated prediction-market exchange, in New Mexico, United States ("US"), on May 12, 2026, alleging that the company's sports-event prediction markets unlawfully infringe tribal gaming

rights protected under the Indian Gaming Regulatory Act ("IGRA"). The dispute concerns Kalshi's "sports event contracts," which permit users to trade on the outcome of sporting events. The four plaintiff tribes, *i.e.*, the Mescalero Apache Tribe, Pueblo of Isleta, Pueblo of Pojoaque, and Pueblo of Sandia, filed the complaint before the United States District Court for the District of New Mexico, alleging that Kalshi's products amount to unauthorised Class III gaming being conducted on tribal lands in violation of tribal-state gaming compacts and federally approved gaming ordinances. The tribes have further alleged that the products effectively operate as sports betting mechanisms outside the statutory tribal and state gaming framework established under IGRA, including by permitting participation by persons below the minimum gambling age prescribed under New Mexico tribal gaming compacts.

The New Mexico proceedings form part of a broader nationwide legal dispute concerning whether sports-event prediction markets should be regulated as federally supervised financial derivatives or as gambling products subject to state and tribal gaming laws, with similar actions having been initiated by tribal entities in Wisconsin and California. In a related Wisconsin proceeding, a federal court recently permitted claims against Kalshi to proceed after observing that the company's sports-event contracts could qualify as "sports wagers" for the purposes of IGRA. Such prediction-market platforms would likely be impermissible in India under the anti-betting and online gaming framework established under the PROGA.

[Read more here](#)

## **SC RULES THERE IS NO FUNDAMENTAL RIGHT TO ONLINE BETTING AND GAMBLING**

In a judgment dated May 27, 2026, in *State of Tamil Nadu v. Junglee Games India Pvt. Ltd. & Ors.* (C.A. Nos. 6124–6131/2023), the Supreme Court (“SC”) upheld the constitutional validity of laws enacted by the States of Tamil Nadu and Karnataka regulating and prohibiting online betting and wagering activities. The Court held that there is no fundamental right to engage in betting and gambling activities, observing that such activities fall within the doctrine of *res extra commercium* (outside of commerce) and therefore do not enjoy constitutional protection under Article 19(1)(g). The SC clarified that while games of skill may otherwise receive constitutional protection, betting or wagering on such games constitutes a gambling enterprise capable of being regulated or prohibited by the State. The bench accordingly set aside the judgments of the Madras High Court and Karnataka High Court, which had earlier struck down portions of the respective state legislations.

The dispute arose from amendments introduced by Tamil Nadu and Karnataka between 2020 and 2021 to address concerns relating to addiction, financial losses, depression, and suicides associated with online real-money gaming platforms. The impugned legislations expanded the scope of gaming-related offences to cover online wagering and betting, including games such as rummy and poker when played for stakes. Rejecting the challenge mounted by online gaming companies and industry associations, the SC held that once the element of betting or wagering is introduced, the distinction between games of skill and games of chance loses significance for the purposes of legislative competence under Entry 34 of List II of the Constitution.

[Read more here](#)

## **SC UPHOLDS GST LEVY ON ONLINE MONEY GAMING AND BETTING TRANSACTIONS**

In its judgment dated May 27, 2026, in *Directorate General of GST Intelligence Headquarters v. Gameskraft Technologies Pvt. Ltd.* (SLP(C) Nos. 19366–19369/2023), the SC upheld the constitutional validity of the levy of 28% Goods and Services Tax (“GST”) on online gaming activities involving monetary stakes (“**GST Judgement**”). The SC bench held that once money or money’s worth is staked on uncertain future

outcomes, the activity acquires the character of “betting and gambling” for the purposes of GST legislation, irrespective of whether the underlying game is one of skill or chance. The SC further held that organised online gaming platforms create and supply actionable claims in favour of participants, which constitute taxable supplies under Section 7 of the Central Goods and Services Tax Act, 2017 (“**CGST Act**”). Rejecting the argument that online gaming operators merely function as intermediaries, the SC clarified that such operators themselves supply actionable claims through the gaming ecosystem maintained and controlled by them.

The GST Judgment resolves a dispute concerning the valuation of online gaming transactions under the GST framework. Prior to the 2023 amendments to the CGST Act, online gaming companies generally discharged GST at 18% on platform fees or gross gaming revenue, whereas tax authorities contended that GST was payable on the entire face value of bets or deposits made by players. Upholding the amended statutory framework, the SC affirmed the constitutional validity of imposing GST at 28% on the full value of deposits or stakes in online money gaming and betting-related transactions, while reiterating that fiscal legislation cannot be invalidated merely because it increases tax burden or adversely impacts commercial profitability.

[Read more here](#)

## **IOC SUSPENDS ESPORTS COMMISSION: OLYMPIC ESPORTS GAMES PUT ON HOLD UNDER NEW LEADERSHIP**

On May 3, 2026, the International Olympics Committee (IOC) quietly suspended its Esports Commission under President Kirsty Coventry, effectively putting the Olympic Esports Games on hold and signaling a strategic retreat from standalone esports programming; this follows the October 2025 mutual cancellation of the planned 2027 Olympic Esports Games in Saudi Arabia after the IOC terminated its 12-year partnership with the country, with no official statement explaining the move but reports indicating the new IOC leadership is prioritizing traditional sports and financial stability over a dedicated esports track, creating significant uncertainty for game publishers, event organizers, sponsors, and investors who had built commercial and contractual plans around the Olympic Esports Games framework.



## SEBI ISSUES ADVISORY ON AI-DRIVEN VULNERABILITY DETECTION TOOLS

The Securities and Exchange Board of India (“SEBI”) through its circular dated May 5, 2026, has issued an advisory addressing the cybersecurity risks posed by emerging artificial intelligence (“AI”) driven vulnerability detection tools such as *Claude Mythos* (“SEBI Circular”). The circular applies to all regulated entities (“REs”) within the securities market ecosystem, including stock exchanges, depositories, mutual funds, intermediaries, custodians, portfolio managers, AIFs and other market participants.

SEBI has recognised that rapid advancements in AI-enabled vulnerability assessment tools may significantly increase cybersecurity risks by enabling faster identification and potential exploitation of system vulnerabilities at scale. The regulator has further highlighted concerns relating to data confidentiality, integrity of applications and reliability of outputs generated by such AI systems.

The key highlights of SEBI Circular are:

- **Constitution of “cyber-suraksha.ai” Task Force:** To address the emerging risks arising from AI-based cybersecurity threats, SEBI has constituted a dedicated task force named cyber-suraksha.ai, comprising representatives from market infrastructure institutions (“MIIs”), qualified registrars and transfer agents (“QRTAs”), qualified regulated entities (“QREs”) and other stakeholders. The key mandate of the task force includes: (i) examining cybersecurity risks posed by AI-based models and formulating uniform mitigation strategies; (ii) facilitating sharing of threat intelligence, vulnerability management practices and incident response playbooks; (iii) prioritised reporting of cyber incidents, malicious activities and significant attack vectors; and (iv) reviewing the cybersecurity posture of third-party application service providers and empanelled vendors.

- **Cybersecurity Measures:** SEBI has advised regulated entities to regularly conduct vulnerability checks and security audits, install security patches on time and strengthen monitoring of third-party vendors and systems.
- **API Security and Monitoring:** Regulated entities have been advised to strengthen API security controls and improve monitoring systems, including onboarding to the Market SOC (“M-SOC”) platform for real-time threat monitoring.
- **Risk Assessment and AI Preparedness:** SEBI has directed regulated entities to regularly assess AI-related cyber risks and prepare long-term plans for using AI tools in cyber threat detection and mitigation.

**DSK View:** The SEBI Circular highlights the regulator’s increasing focus on cybersecurity risks arising from the growing use of AI tools within the securities market ecosystem. Regulated entities will therefore be required to reassess and strengthen their cybersecurity frameworks, monitoring systems, vendor management practices and risk mitigation measures to effectively address evolving AI-driven cyber threats and enhance operational resilience.

### Read more

## CERT-IN ISSUES ADVISORY ON FRONTIER AI DRIVEN CYBER RISKS

The Indian Computer Emergency Response Team (“CERT-In”), through its advisory dated April 26, 2026, titled “Defending Against Frontier AI Driven Cyber Risks” (“CERT-In Advisory”), has highlighted the increasing cybersecurity risks arising from advanced artificial intelligence (“AI”) systems capable of autonomously identifying vulnerabilities, conducting reconnaissance activities and enabling sophisticated cyber-attacks.

The key highlights of the CERT-In Advisory are:

- **Recognition of AI-Driven Cyber Threats:** CERT-In has observed that advanced AI models are capable of accelerating exploit development, conducting automated reconnaissance and facilitating AI-driven phishing, impersonation and multi-stage cyber-attacks, thereby increasing the scale and sophistication of cyber threats.
- **Strengthening Cybersecurity Preparedness:** CERT-In has advised organisations to strengthen cybersecurity monitoring systems, vulnerability management practices and incident response frameworks to effectively detect, assess and respond to evolving AI-enabled cyber threats.
- **Proactive Risk Mitigation Measures:** The CERT-In Advisory emphasises the importance of timely patch management, continuous monitoring, secure system configurations and proactive threat detection mechanisms to reduce risks arising from AI-driven attacks and system vulnerabilities.

**DSK View:** *The CERT-In Advisory like the SEBI Circular on AI reflects the increasing regulatory and governmental focus on cybersecurity risks associated with the growing use of advanced AI technologies. Organisations will therefore be required to strengthen their cybersecurity infrastructure, monitoring capabilities and risk mitigation frameworks to effectively address emerging AI-driven attack vectors and ensure greater cyber resilience.*

[Read more](#)

### DELHI HIGH COURT EXAMINES ALLEGED USE OF AI-GENERATED CONTENT IN COMMERCIAL COURT JUDGEMENT

The Delhi High Court admitted an appeal filed by SNV Aviation Private Limited (“Akasa Air”) in SNV Aviation Pvt. Ltd. v. ABS Tour and Travels (RFA (COMM) 284/2026) against a trial court decree awarding Indian 1,08,80,000 (Indian Rupees One Crore Eight Lakhs Eighty Thousand) to a tour operator for cancellation of 640 flight tickets. The High Court found the award to be prima facie unsustainable on two grounds: (a) the trial court had erroneously equated the entire ticket revenue with “loss of profits”, which is legally untenable as profits must be computed net of costs; and (b) more notably, the Court observed that the drafting and citation of Supreme Court precedents in the impugned judgment gave rise to a prima facie impression of AI-assisted drafting, with non-existent legal propositions being attributed to actual case law. The Court accordingly issued notice, stayed the operation of the decree subject to a deposit of INR 20,00,000 (Indian Rupees Twenty Lakhs) and listed the matter for August 2026.

**DSK View:** *This judgment is one more instance where an Indian appellate court has formally flagged the risk of*

*unchecked AI use in judicial drafting. The concern about “hallucinated” citations, where AI tools fabricate legal propositions and attribute them to real judgments strikes at the very foundation of precedent based adjudication.*

[Read more](#)

### CERT-IN ISSUES HIGH-SEVERITY ADVISORY ON MULTIPLE VULNERABILITIES IN INTEL PRODUCTS

The Indian Computer Emergency Response Team (“CERT-In”), in its Advisory dated May 19, 2026, titled “Multiple vulnerabilities in Intel Products” highlighted multiple security vulnerabilities across a wide range of Intel products, including processors, software drivers, and firmware commonly used in personal computers, servers, and enterprise systems. These flaws, stemming from programming weaknesses such as improper input validation and memory management errors, could allow malicious actors to gain unauthorized elevated access, extract sensitive information, or render systems inoperable.

Organizations and individuals relying on Intel-based infrastructure, particularly those running Intel Core (10th Gen through Ultra Series 3), Xeon, Pentium, Celeron, or Atom processors, alongside associated Intel software are advised to apply the relevant security patches released by Intel at the earliest to mitigate exposure to these risks. Given the potential for system compromise and sensitive data disclosure, legal and professional service firms maintaining client confidentiality obligations should treat this as a priority remediation item.

**DSK View:** *The Advisory highlights the continuing cybersecurity risks associated with widely deployed processor, firmware and computing technologies. Given the breadth of affected intel products and the high severity classification assigned by CERT-In, organizations should prioritize vulnerability assessment, patch management and deployment of Intel’s recommended security updates to mitigate risks of privilege escalation, sensitive information disclosure and operational disruption.*

[Read more](#)

### TRAI ISSUES DRAFT TELECOM CONSUMERS COMPLAINT REDRESSAL (FOURTH AMENDMENT) REGULATIONS, 2026

The Telecom Regulatory Authority of India (“TRAI”) has published the Draft Telecom Consumers Complaint Redressal (Fourth Amendment) Regulations, 2026 (“Draft Regulations”) on May 7, 2026, inviting stakeholder comments by June 5, 2026. The Draft Regulations propose amendments to the Telecom Consumers Complaint Redressal Regulations, 2012 (“Principal Regulations”) to modernise the consumer grievance redressal framework in line with the Telecommunications Act, 2023 and evolving consumer expectations.

### Scope

The Draft Regulations apply to all service providers holding Unified Access Service Licences, Unified Licences with Access Service Authorisation, Internet Service Authorisations, or any authorisation under the Telecommunications Act, 2023 for providing access or internet services (“**Service Providers**”). Internet service providers with fewer than ten thousand subscribers in the preceding financial year have been exempted from mandatory compliance but may voluntarily adopt the framework.

### Complaint Redressal and Consumer Accountability Measures

The Draft Regulations propose that Service Providers are required to establish complaint centres within prescribed timelines, which should remain accessible through multiple channels including voice calls, web portals, and mobile applications. These centres must operate 24x7, with toll-free consumer care numbers, adequate staffing, and interactive voice response systems designed with clear menu options, language selection, and access to human representatives. Consumers should be able to register complaints, appeals, and service requests digitally, with provisions for tracking status, receiving updates, and escalation. Service Providers may also enable complaint registration through chatbots and AI agents, subject to maintenance of the standards prescribed above. Additionally, dedicated support mechanisms must be implemented for Persons with Disabilities, including specialised call centre desks and accessible digital platforms in line with Government guidelines.

### Appeal Resolution and Consumer Survey Framework

The Draft Regulations propose streamlining of the appellate mechanisms by removing the Advisory Committee framework and strengthening the role of the Appellate Authority. Appeals are proposed to be resolved within 15 (Fifteen) days from receipt, and the timeline for filing appeals is proposed to be reduced from 30 (Thirty) days to 15 (Fifteen) days.

### Survey and Reporting

The Draft Regulations states that the Service Providers shall conduct mandatory consumer satisfaction surveys upon closure of each complaint or appeal using a 1–5 rating scale via SMS, email, or app. The survey results must be recorded and reported to TRAI. Additionally, service providers must submit quarterly performance reports to TRAI within 15 (Fifteen) days of each quarter-end, with separate data for complaints and appeals across each licensed service area. Such reports should include markers such as: (i) key performance indicators; (ii) average resolution time; and (iii) consumer feedback outcomes.

### Financial Disincentives and Enforcement

The Draft Regulations proposes financial disincentives for improper disposal of complaints and appeals, delay in submission of Quarterly Performance Reports, and failure to comply with regulatory obligations. Such financial disincentives may extend up to INR. 50,00,000/- (Indian Rupees Fifty Lakh) per quarter for an importer complaint, or up to INR. 10,00,000/- (Indian Rupees Ten Lakh) per instance for delayed submission of compliance reports.

**DSK View:** *The Draft Regulations represent a significant overhaul of India’s telecom consumer grievance redressal framework. By introducing standardized digital complaint mechanisms, consumer satisfaction surveys, enhanced reporting obligations, and stronger measures for the enforcement of the regulations, The Telecom Regulating Authority of India, seeks to improve accountability, transparency and consumer experience across telecom service providers which was absent in Principal Regulation.*

### Read more

### TRAI ISSUES RATING OF PROPERTIES FOR DIGITAL CONNECTIVITY (AMENDMENT) REGULATIONS, 2026

TRAI, in exercise of its powers under Section 36 read with Section 11(1) of the Telecom Regulatory Authority Act, 1997, has notified the Rating of Properties for Digital Connectivity (Amendment) Regulations, 2026, (“**Amendment Regulations**”) amending the Rating of Properties for Digital Connectivity Regulations, 2024 (“**Principal Regulations**”) with effect from May 13, 2026. The Amendment Regulations apply to property managers, Digital Connectivity Rating Agencies (“**DCRAs**”), telecom service providers and In-Building Solution (“**IBS**”) providers involved in, deployment, operation assessment and rating of digital connectivity infrastructure across residential, commercial, institutional and public properties.

The Amendment Regulations inter alia revise the property classification matrix and star rating methodology by introducing a more granular nine-level rating structure, including half-star ratings, to improve differentiation between properties based on digital connectivity readiness and performance.

**DSK View:** *The Amendment Regulations represent an important evolution of India’s digital connectivity rating ecosystem for properties and buildings. By refining the rating methodology, introducing phased certification for under construction properties, enabling optional audits and strengthening safeguards against exclusive arrangements and conflicts of interest, TRAI aims to encourage a future ready, yet consumer friendly digital connectivity infrastructure.*

### Read more

# WHITE COLLAR CRIME

## **BANK ACCOUNTS CANNOT BE FROZEN UNDER SECTION 102 OF CRPC WITHOUT ESTABLISHING ANY NEXUS WITH THE OFFENCE**

The **Bombay High Court** held that bank accounts and mutual funds units constitute 'property' that are capable of being seized under Section 102 of the Code of Criminal Procedure, 1973 ("**CrPC**"), however, such power can only be exercised when there is a direct nexus between the property sought to be frozen and the offence under investigation. The Court emphasized that Section 102 is an investigative tool that is aimed to collect evidence and aid investigation, and cannot be used as a mechanism for securing recovery, restitution or compensation for the complainant. Accordingly, freezing bank accounts for sole reason to safeguard the alleged financial claim of a complainant was held to be impermissible. The Court further observed that imposition of a prerequisite condition requiring the accused to furnish a bank guarantee for de-freezing bank accounts in absence of any demonstrated nexus was legally unsustainable.

[Geeta Kampani v. State of Maharashtra & Anr](#)

## **MERE SIMILARITY BETWEEN 'REASONS TO BELIEVE' AND 'GROUNDS OF ARREST' DOES NOT ESTABLISH NON-APPLICATION OF MIND UNDER PMLA**

The **Telangana High Court** held that mere similarity between the "reasons to believe" recorded under Section 19 of Prevention of Money Laundering Act, 2002 ("**PMLA**") and the "grounds of arrest" furnished to an accused does not, by itself, establish a non-application of mind and render the arrest illegal. The Court observed that, both these

documents may contain similar factual material as they originate from same investigation record. Accordingly, it does not mandate that the reason to believe and grounds of arrest be distinct in any form or content. The Court while rejecting the challenge to the arrest stated that the Enforcement Directorate ("**ED**") is not required to possess evidence at the stage of arrest and that the Court cannot examine the adequacy or correctness of material in exercise of its writ jurisdiction by taking a roving enquiry into the case.

[Dr. Panchipala Namratha @ Athaluri Namratha v. Union of India & Ors](#)

## **SUPREME COURT HOLDS PRE-COGNIZANCE HEARING MANDATORY UNDER BNSS IN PMLA CASES**

The **Supreme Court** while setting aside an order taking cognizance held that a Special Court cannot take cognizance of a complaint under PMLA without first giving the accused an opportunity of hearing as mandated by the first *proviso* of Section 223(1) of BNSS. The Court observed that the statute confers a substantive right upon the accused is an integral part under Article 21 of the Constitution. The Court further held that the requirement is mandatory in nature and that the cognizance taken without complying with the *proviso* would be *void ab initio*. The Court clarified the applicability of BNSS to pending PMLA proceedings and held that where cognizance is taken after the commencement of BNSS, the procedural safeguards under section 223 would apply irrespective of the date on which the complaint is filed by ED.

[Parvinder Singh v. Directorate of Enforcement](#)



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