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NEWSLETTER

September 2026

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CIRCULAR ON MODIFICATION IN THE REGULATORY FRAMEWORK FOR ONLINE BOND PLATFORM PROVIDERS

The Securities and Exchange Board of India ("**SEBI**"), vide its circular[1] has modified the regulatory framework for Online Bond Platform Providers ("**OBPPs**"), with the objective of promoting ease of doing business. Pursuant to this circular, certain amendments have been made to the SEBI (Issue and Listing of Non-Convertible Securities) Master Circular dated October 15, 2025 ("**NCS Master Circular**"), which includes: (i) expanding the ambit of the permissible list of products and services that OBPPs may offer on their platforms under clause 5.2.5 of the NCS Master Circular, to include products or securities or services regulated by International Financial Services Centres Authority; (ii) insertion of clause 5.2.6 permitting OBPPs to offer bonds issued under Section 54EC of the Income Tax Act, 1961 / Section 85 of the Income-tax Act, 2025; (iii) modification to the eligibility requirements for the compliance officer under Annexure-XXIA of the NCS Master Circular, replacing the erstwhile mandate to appoint a company secretary as the compliance officer with the requirement to appoint a compliance officer in accordance with the SEBI (Stock Brokers) Regulations, 2026, who shall comply with the applicable certification requirements, i.e., the National Institute of Securities Markets Series-III-A: Securities Intermediaries Compliance (Non-Fund) Certification Examination prescribed for stock brokers.

The provisions of this circular shall be implemented with immediate effect.

MASTER CIRCULAR FOR MERCHANT BANKERS

The Securities and Exchange Board of India ("**SEBI**") has issued an updated Master Circular[2] for Merchant Bankers consolidating the applicable regulatory framework and circulars governing merchant bankers registered with SEBI. The Master Circular has been updated to align with the amendments to the SEBI (Merchant Bankers) Regulations, 1992 ("**MB Regulations**"), notified on December 5, 2025. It also incorporates the provisions of circulars dated May 2, 2017, January 2, 2026, and June 11, 2026, pertaining to the online registration mechanism for securities market intermediaries, specification of the consequential requirements with respect to the amendment of the MB Regulations, and extension of timelines for compliance with certain provisions of the circular dated January 2, 2026, respectively. The key updates introduced pursuant to the amendments to the MB Regulations include: a revised capital adequacy framework with new liquid net worth requirements as well as timelines for re-categorisation as Category I or Category II merchant bankers; mandatory National Institute of Securities Markets certifications for key personnel and compliance officers; independence of the compliance officer from the principal officer and operational staff; a cap on underwriting obligations at 20 times the liquid net worth of the merchant banker; minimum revenue thresholds from permitted activities to be achieved by the merchant bankers; and an outright prohibition on outsourcing of core merchant banking activities.

The additional circulars rescinded by this Master Circular are as follows:

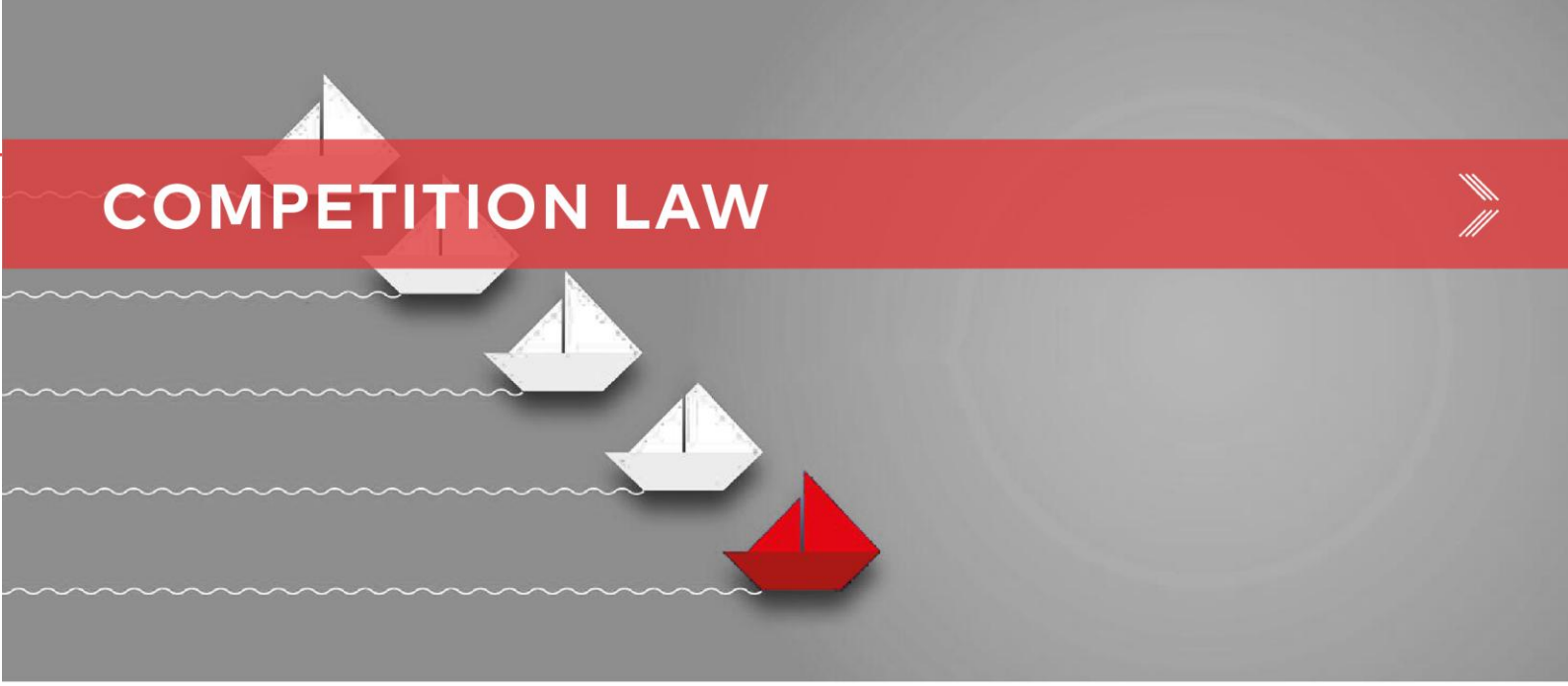
Sr. No.	Date of Circular	Reference No.	Subject / Title
1.	June 5, 1998	SEBI RMB CIRCULA	Comprehensive clarification regarding various aspects of SEBI

[1] HO/17/11/(2)2026-DDHS-POD1/I/18769/2026 dated August 14, 2026

[2] HO/49/14/15(3)2026-CFD-POD1/I/16178/2026 dated July 14, 2026

		R NO. 1(98-99)	(Merchant Bankers) amendment regulations, 1997 and SEBI (Merchant Bankers) Amendment Regulations, 1998
2.	March 30, 1999	RMB/CIRCULAR NO.4 (98-99)	All registered merchant bankers
3.	September 17, 2002	RMB Circular No. 1 (2002-2003)	Conditions for granting registration to applicants notwithstanding that a connected persons has been previously granted registration
4.	December 17, 2002	SEBI Cir. No. PMD/MBD/AK/24351/2002	Application procedure for registration/renewal as merchant banker
5.	July 25, 2008	MIRSD/DPSIII/Cir-24/08	Designated e-mail ID for regulatory communication with SEBI-Merchant Bankers
6.	January 22, 2007	SEBI Circular No. MIRSD/DPS III/Cir-01/07	Exclusive e-mail ID for redressal of investor complaints
7.	August 2, 2011	SEBI Circular No. CIR/MIRSD/14/2011	Revised procedure for seeking prior approval for change in control through single window
8.	May 2, 2017	SEBI Circular No. SEBI/HO/MIRSD/MIRSD1/CIR/P/2017/38	Online registration mechanism for securities market intermediaries
9.	May 6, 2008	SEBI Cir. No. MIRSD/DPS-2/MB/Cir-16/2008	Reporting of information on a half yearly basis - merchant bankers
10.	June 17, 2011	SEBI Circular No. CIR/MIRSD/7/2011	Periodical report - grant of prior approval to merchant bankers
11.	May 14, 2012	SEBI Circular No. CIR/MIRSD/6/2012	Review of regulatory compliance and periodic reporting
12.	August 11,1998	SEBI RMB CIRCULAR NO. 2(98-99)	Activities carried out by merchant bankers other than that in the securities
13.	January 10, 2012	SEBI Circular No. CIR/MIRSD/1/2012	Disclosure of track record of the public issues managed by merchant bankers
14.	November 23,2021	SEBI/HO/CFD/DIL1/P/CIR/2021/0660	Publishing investor charter and disclosure of complaints by merchant bankers on their websites
15.	March 26, 2021	SEBI/HO/MIRSD/DOR/CIR/P/2021/46	Transfer of business by SEBI registered intermediaries to other legal entity
16.	March 25, 2021	SEBI/HO/MIRSD/	Prior approval for change in control: Transfer of

		DOR/CIR/P/2021/42	shareholdings among immediate relatives and transmission of shareholdings and their effect on change in control
17.	November 3, 2020	SEBI/HO/MIRSD/DOR/CIR/P/2021/42	Advisory for financial sector organizations regarding Software as a Service (SaaS) based solutions
18.	August 24, 2014	CIR/MIRSD/17/2011	Processing of investor complaints in SEBI Complaints Redress System (SCORES)
19.	August 28, 2014	CIR/MIRSD/3/2014	Information regarding grievance redressal mechanism
20.	April 27, 2007	SEBI Circulars No. MRD/DoP/Cir-05/2007	Permanent Account Number (PAN) to be the sole identification number for all transactions in the securities market
21.	March 23, 2011	SEBI Circulars No Cir/ISD/1/2011	Prevention of circulation of unauthenticated news by SEBI registered market intermediaries through various modes of communication
22.	March 24, 2011	Cir/ISD/2/2011	Prevention of circulation of unauthenticated news by SEBI registered market intermediaries through various modes of communication
23.	December 15, 2011	SEBI Circular No. CIR/MIRSD/24/2011	Guidelines on outsourcing of activities by intermediaries
24.	August 27, 2013	SEBI Circular No. CIR/MIRSD/5/2013	General guidelines for dealing with conflicts of interest of intermediaries, recognised stock exchanges, recognised clearing corporations, depositories and their associated persons in securities market
25.	August 10, 2023	SEBI Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/141	Procedure for seeking prior approval for change in control with respect to merchant bankers and bankers to an issue
26.	January 2, 2026	SEBI Circular No. HO/49/11/11(106)2025-CFD-RACDIL3/I/1796/20	Specification of the consequential requirements with respect to amendment of Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
27.	June 11, 2026	SEBI Circular No. HO/49/14/15(2)2026-CFD-POD1/I/13567/2026	Extension of timelines for compliance with certain provisions of circular dated January 02, 2026



CCI PENALISES AGRO-INPUT TRADE ASSOCIATIONS FOR COORDINATED BOYCOTT OF ONLINE PLATFORMS

The CCI, vide order dated 21 August 2026, penalised Agro Input Dealers Association ("**AIDA**"), Agro Input Welfare Association ("**AIWA**") holding them in contravention of Section 3(3)(b) read with Section 3(1) of the Act.

Ulink Agritech Private Limited, the Informant, alleged that the AIDA and AIWA initiated campaigns threatening its "Saathi Store" that any store maintaining a dealership with the Informant would face consequences. The AIDA and AIWA were further alleged to have circulated social media messages as part of a coordinated effort to deter their members from buying and selling agri-input products through online platforms, including threatening to boycott seed and pesticide companies that continued dealing with the Informant.

After examining the letter dated 05 August 2022 issued by AIDA to agri-input manufacturers, the Commission concluded that the language employed was not a mere request or representation — by declaring that cooperation would be extended only to companies operating through offline channels and by seeking written confirmation of compliance, AIDA effectively communicated a decision to boycott online agri-input platforms. Although the OPs had also written letters to Government authorities raising regulatory concerns about online sales, the Commission found that their coordinated communications to manufacturers and retailers went beyond the expression of regulatory concerns and constituted an attempt to control the commercial decisions of market participants in violation of Section 3(3)(b) of the Act.

The Commission held that AIDA, as the national association, acted as the principal platform through which the boycott was initiated, while AIWA actively participated in its implementation within Gujarat. The Presidents and key office-bearers of both associations were held personally liable under Section 48 of the Act. Two further individuals, Mr. Pravinbhai Patel (General Secretary of AIDA) and Mr. Sanjay Kumar Raghuvanshi (National Spokesperson), were found liable under Section 48(3) for circulating misleading communications, including a letter falsely representing that the Commission had rejected the case and messaging citing incorrect legislation to discourage members from transacting with online platforms.

The Commission imposed penalties at 10% of average relevant income on all OPs and individuals and, considering the cooperative conduct during investigation and the absence of prior violations, applied a mitigating reduction to arrive at penalties at 5% of average income.

CCI FINDS BID-RIGGING BY TYRE DEALERS IN PUBLIC PROCUREMENT TENDERS

The CCI, vide order dated 21 August 2026, found Rekha Agencies (OP-09) and SS Marketing (OP-10) and their respective representatives liable for bid-rigging in contravention of Section 3(3)(d) read with Section 3(1) of the Act. The proceedings arose from a reference filed by the State of Haryana in relation to procurement tenders for tyres by State Transport Undertakings.

The case originated from a September 2018 Haryana Roadways tender for procurement of new steel radial tyres and other categories of tyres. J.K. Tyre & Industries Limited (OP-1) was the sole bidder and had quoted prices substantially higher than rates approved in previous procurement cycles. The DG subsequently expanded its investigation to other tyre manufacturers and examined tender participation patterns across various STUs.

The CCI held that the pre-bid exchange of commercially sensitive pricing information between OP-9 and OP-10 undermined the independence of the bidding process and distorted competitive conditions in the tender. It specifically observed that competitors must not share bid-related information, including prices, quantities, costs or intended terms, before or during a tender process. The CCI therefore

found that OP-9 and OP-10 had acted in a concerted manner amounting to bid-rigging under Section 3(3)(d) read with Section 3(1) of the Act.

Further, the Commission noted that although OP-1 had emerged as the sole bidder and had quoted higher prices, the investigation had not produced evidence of communication or coordination between OP-1, OP-2 or any other tyre manufacturer. The CCI emphasised that higher bid prices, in the absence of evidence establishing collusion, cannot by themselves establish a contravention of Section 3.

On penalty, the CCI imposed penalties of ₹1,29,901 on Rekha Agencies, ₹2,13,274 on SS Marketing and ₹6,40,240 on Shri Vidya Sagar Gadhok, Managing Director of Rekha Agencies, under Section 48(1).

CCI APPROVES ADITYA BIRLA GROUP'S ACQUISITION OF ROYAL CHALLENGERS BENGALURU FRANCHISE

The CCI, vide order dated 30 June 2026, approved the proposed acquisition of 100% of the issued, subscribed and paid-up equity share capital of Royal Challengers Sports Private Limited ("**RCSPL**"), the owner and operator of the Royal Challengers Bengaluru ("**RCB**") franchise, by a consortium comprising Big Banyan Holdings Pte. Ltd., Bolt IPL Holdings LLC, Times Internet Limited, Times Cricket LLP, ICQ Opportunities RC Holdco, Ltd. and Asia Investment Topco II Pte. Ltd., along with the related investment transactions.

RCSPL is primarily engaged in the ownership and operation of the Royal Challengers Bengaluru franchise, including the Bengaluru-based professional cricket teams participating in the Indian Premier League and the Women's Premier League, together with ancillary activities including kit and digital sponsorship, official partnerships, licensing of the RCB trademark for merchandise, and licensing of the "RCB Bar & Café" franchise.

The Commission examined plausible overlaps and linkages across four areas: publication of digital content; licensing of the RCB Bar & Café franchise and RCB trademark; the sponsorship-advertising services linkage between TIL (which provides advertising inventory) and RCSPL (which enters into sponsorship arrangements with brands); and procurement of content production and event management services. Upon finding that none of these overlaps were likely to cause AAEC, the Commission left the precise delineation of relevant markets open and approved the proposed combination.

CCI APPROVES BRINK'S ACQUISITION OF NCR ATLEOS IN ATM SERVICES SECTOR

The CCI, vide order dated 22 July 2026, approved the proposed combination involving acquisition of 100% shareholding of NCR Atleos Corporation ("**Target**") by Brink's Company ("**Brinks**"/ "**Acquirer**").

Brink's is a global provider of cash and valuables management services, digital retail solutions, and ATM managed services. In India, it is active in cash replenishment services — the secure transportation and loading of cash into ATMs — and provides first-line maintenance ("**FLM**") as an ancillary service. The Target's activities in India principally comprise the manufacture and supply of ATM hardware (including from a manufacturing facility in Chennai), the development and licensing of ATM software, ATM managed services, and FLM and second-line maintenance services.

The CCI noted that the Parties exhibit horizontal overlaps in ATM software services (through KAL India and NCR India respectively) and FLM services, and complementary linkages in cash replenishment services and ATM hardware.

The Commission noted that the incremental market share arising from the horizontal overlaps is in the range of [0–5]% in both the ATM software services market and the FLM services market. On the complementary linkages, the Commission noted that the Acquirer's market share in cash replenishment services is in the range of [0–5]%, while the Target holds a [25–30]% share in FLM services and a [35–40]% share in the ATM hardware market — findings which, given Brink's limited presence, were not found to raise foreclosure concerns.

The Commission approved the Proposed Combination under Section 31(1) of the Act on 22 July 2026, leaving precise market delineation open.

CCI APPROVES UPGRAD'S ACQUISITION OF UNACADEMY

The CCI, vide order dated 07 July 2026, approved the proposed acquisition by upGrad Education Private Limited ("upGrad") of 80.52% of the equity share capital of Sorting Hat Technologies Private Limited ("Sorting Hat"), the parent company of Unacademy, on a fully diluted basis. The transaction was structured as a share swap pursuant to a binding term sheet dated 6 May 2026, involving the issuance of compulsorily convertible preference shares by upGrad to 22 institutional shareholders of Sorting Hat, followed by the proposed merger of Sorting Hat into upGrad.

upGrad has operations across formal and non-formal education in India and multiple overseas jurisdictions, including study abroad services, university-partnered certificate programmes, upskilling courses, and internship and recruitment services. The Target — the parent company of Unacademy — has direct presence in test preparation services (through entities including PrepLadder and Sorting Hat Solutions), medical postgraduate entrance exam preparation, language learning, course creation software (Graphy), and technology upskilling (CodeChef).

The Commission considered horizontal overlaps in the broad market for non-formal education in India, segmented into test preparation services and upskilling services, with further sub-segments for government competitive exam preparation and technology upskilling.

The CCI noted that the combined market share of the Parties in each of these segments was in the range of [0–5]%, with several strong players including Allen Career Institute, PhysicsWallah, Aakash Educational Services, Eruditus, Coursera, and Veranda Learning remaining active in the market. Thus, based on the above, the Commission approved the proposed combination under Section 31(1) of the Act.



M/S. SANTOSH ASSOCIATE PRIVATE LIMITED VERSUS HARYANA STATE INDUSTRIAL AND INFRASTRUCTURE DEVELOPMENT CORPORATION LTD

In *M/s Santosh Associate Private Limited v. Haryana State Industrial and Infrastructure Development Corporation Ltd.*[3], a two-Judge Bench of the Supreme Court examined the enforceability of a contractual stipulation requiring a contractor to furnish a pre-deposit before invoking arbitration.

While acknowledging that the three-Judge Bench decision in *S.K. Jain v. State of Haryana*[4] remained binding upon it, the Court expressed reservations concerning the validity of such pre-deposit requirements and requested the Hon'ble Chief Justice of India to consider whether the questions formulated in the judgment warrant consideration by a larger Bench.

Factual Background

HSIIDC awarded Santosh Associate a works contract in May 2017 containing Clause 25-A(vii), which required a contractor raising claims exceeding INR 1 lakh to furnish security equivalent to 10% of the claim amount before reference to arbitration. Following disputes, a Sole Arbitrator was appointed under Section 11(6) of the Arbitration Act.

On HSIIDC's objection under Section 16, the Arbitrator directed compliance with the pre-deposit requirement and, upon the Appellant's refusal, dismissed the claims. The Commercial Court upheld the order under Section 37(2), resulting in the appeal before the Supreme Court.

Contentions of the Parties

The Appellant contended that Clause 25-A(vii) was arbitrary, discriminatory and contrary to Article 14 and Section 18 of the Arbitration Act, since the pre-deposit obligation operated exclusively against the contractor. It further argued that *S.K. Jain* had not authoritatively determined the Article 14 challenge and was, to that extent, *sub silentio*, relying upon *Municipal Corporation of Delhi v. Gurnam Kaur*[5]. Reliance was also placed on *ICOMM Tele Ltd. v. Punjab State Water Supply & Sewerage Board*[6], *Lombardi Engineering Ltd. v. Uttarakhand Jal Vidyut Nigam Ltd.*[7] and *Central Organization for Railway Electrification v. ECI-SPIC-SMO-MCML (JV)*[8].

HSIIDC, in response, submitted that *S.K. Jain*, being a three-Judge Bench decision, continued to bind the Court. It distinguished *ICOMM Tele* on the ground that the clause considered therein contemplated forfeiture even where the claimant succeeded, whereas the present deposit was refundable. *Lombardi Engineering* was similarly distinguished on the basis that the impugned stipulation there effectively impaired access to arbitration. HSIIDC accordingly maintained that a refundable deposit intended to deter frivolous claims was neither arbitrary nor disproportionate.

Supreme Court's Observations

The Supreme Court recognized an apparent tension between *S.K. Jain* and the subsequent reasoning in *ICOMM Tele* and *Lombardi Engineering*. Although the Bench expressed prima facie agreement with reasoning in *ICOMM Tele*, it held that judicial discipline prevented a two-Judge Bench from

[3] M/s Santosh Associate Private Limited v. Haryana State Industrial and Infrastructure Development Corporation Ltd., 2026 INSC 872.
[4] S.K. Jain v. State of Haryana, (2009) 4 SCC 357.
[5] Municipal Corporation of Delhi v. Gurnam Kaur, (1989) 1 SCC 101.
[6] ICOMM Tele Ltd. v. Punjab State Water Supply & Sewerage Board, (2019) 4 SCC 401.
[7] Lombardi Engineering Ltd. v. Uttarakhand Jal Vidyut Nigam Ltd., (2024) 4 SCC 341.
[8] Central Organisation for Railway Electrification v. ECI-SPIC-SMO-MCML (JV), (2025) 4 SCC 641.

disregarding the binding three-Judge Bench decision in *S.K. Jain*. It further noted that *Lombardi Engineering* had expressly found no conflict between *S.K. Jain* and *ICOMM Tele*, while neither *Lombardi Engineering* nor the Constitution Bench decision in *CORE* had declared *S.K. Jain* to be bad law. The Court therefore considered authoritative reconsideration by a larger Bench appropriate.

Questions Identified for Consideration by a Larger Bench

The Court requested the Hon'ble Chief Justice of India to consider whether the following questions, or such other questions as may be considered relevant, warrant reference to a larger Bench:

- Equal treatment under Section 18: Whether a contractual stipulation requiring the contractor alone to furnish security or fees before reference of disputes to arbitration is inconsistent with Section 18 of the Arbitration Act, which mandates equal treatment of parties at all stages of the arbitral process.
- Impact upon alternative dispute resolution: Whether pre-deposit requirements discourage recourse to arbitration and undermine the objective of alternative dispute resolution as a mechanism for reducing the burden upon courts.
- Article 14, right to sue and Section 28 of the Contract Act: Whether a pre-deposit condition imposed prior to reference to arbitration constitutes an arbitrary restraint upon the right to pursue legal remedies and is consequently violative of Article 14 of the Constitution and Section 28 of the Indian Contract Act, 1872.
- Nexus with frivolous claims: Whether requiring a pre-deposit bears any rational nexus with the object of discouraging frivolous claims, particularly when the frivolity of a claim cannot ordinarily be determined before adjudication and may adequately be addressed through costs under Section 31(8) of the Arbitration Act.
- Refundability of deposit: Whether a pre-deposit stipulation may nevertheless be sustained where the security or fees deposited are refundable upon conclusion of the arbitral proceedings.
- Continued authority of *S.K. Jain*: Whether *S.K. Jain v. State of Haryana* continues to constitute valid and binding precedent in light of the subsequent decisions in *ICOMM Tele*, *Lombardi Engineering* and *CORE*.

Obiter Dicta / Notable Observations

The Court further observed that the right to sue inheres in every person unless expressly barred by statute and drew attention to Section 28 of the Contract Act, 1872, which invalidates agreements absolutely restricting enforcement of contractual rights through ordinary legal proceedings, subject to the recognized exception for arbitration. Importantly, the Court observed that an arbitration clause cannot impose a pre-deposit condition so onerous as to render the right to pursue a claim illusory or nugatory. A substantial upfront financial condition may suppress legitimate claims, deter parties from invoking arbitration and thereby undermine the very object sought to be achieved through alternative dispute resolution.

PEN INDIA PRIVATE LIMITED V. RELIANCE ENTERTAINMENT STUDIOS PRIVATE LIMITED[9]

In *Pen India Private Limited v. Reliance Entertainment Studios Private Limited*[10], the National Company Law Tribunal, Mumbai Bench considered whether an amount advanced under a Security Deposit Agreement could constitute a "*financial debt*" under Section 5(8) of the Insolvency and Bankruptcy Code, 2016 ("**IBC**"), notwithstanding an express contractual stipulation stating that the arrangement did not constitute a money-lending transaction. The Tribunal held that the legal character of the transaction must be determined from its commercial substance, repayment structure and consideration for the time value of money, rather than its contractual nomenclature alone.

Factual Background

Under a Security Deposit Agreement dated 14 November 2022, Pen India Private Limited advanced INR 20 crore to Reliance Entertainment Studios Private Limited in connection with financing of a cinematographic project, carrying interest at 21% per annum compounded monthly. Pursuant to an Additional Agreement dated 6 October 2023, Friday Filmworks Private Limited paid INR 15 crore to Pen India. The balance remained unpaid. The Corporate Debtor thereafter addressed communications acknowledging the outstanding principal and interest and proposed successive repayment schedules, which were not honored, resulting in a Section 7 application.

Contentions of the Parties

The Corporate Debtor contended that Clause 15 expressly excluded any lending or borrowing character and that Clause 4(B) contemplated repayment through a third-party satellite or digital rights provider. It further invoked the Maharashtra Money-Lending (Regulation) Act, 2014 and the "*Disputed*" status recorded by NeSL. Pen India submitted that the transaction involved financial assistance, consideration for

[9] **C.P. (IB) No. 1063/MB/2025**

[10] Pen India Private Limited v. Reliance Entertainment Studios Private Limited, C.P. (IB) No. 1063/MB/2025, National Company Law Tribunal, Mumbai Bench-VI, decided on 19 August 2026.

time value of money and a definite repayment obligation, reinforced by the Corporate Debtor's repeated acknowledgements of liability and repayment proposals.

NCLT's Observations

The Tribunal held that the true character of a transaction must be determined from the agreement read as a whole and its commercial effect, rather than the nomenclature employed by the parties or an isolated clause. The INR 20 crore disbursement constituted financial assistance carrying 21% compounded interest and a definite repayment obligation, thereby satisfying the essential attributes of a borrowing under Section 5(8) of the IBC. Clause 15 could not alter that commercial character. The Tribunal further held that Clause 4(B) merely prescribed an alternative payment mechanism through a third party and neither novated nor extinguished the Corporate Debtor's primary repayment obligation.

Contemporaneous Conduct and Acknowledgement of Debt

The Tribunal placed particular emphasis on the Corporate Debtor's conduct subsequent to execution of the agreements. Even after receipt of INR 15 crore from Friday Filmworks, the Corporate Debtor repeatedly quantified the outstanding principal and interest, proposed revised repayment schedules and acknowledged its continuing obligation to discharge the balance liability. The Tribunal held that such contemporaneous correspondence constituted significant evidence of how the parties themselves understood the transaction and materially undermined the Corporate Debtor's subsequent contention that its liability had stood extinguished under Clause 4(B).

Money-Lending Act and NeSL Objections

The Tribunal rejected the objection founded upon the Maharashtra Money-Lending (Regulation) Act, 2014, observing that the material on record did not establish that Pen India was carrying on the business of money lending. The transaction arose from an individual commercial arrangement concerning financing of a cinematographic project. It further observed that proceedings under Section 7 concern the existence of financial debt and occurrence of default and, in the event of inconsistency, Section 238 of the IBC accords overriding effect on the Code.

The Tribunal also rejected the contention that the petition was liable to fail merely because NeSL had recorded the authentication status of default as "Disputed". Such recording reflected only the Corporate Debtor's dispute before the Information Utility and did not constitute a judicial determination capable of displacing otherwise cogent documentary evidence of debt and default. The Tribunal clarified that, unlike proceedings under Section 9, the mere existence of a dispute does not constitute an independent ground for rejection of an application under Section 7.

Decision

Having found that the amount advanced under the Security Deposit Agreement constituted a financial debt, that the contractual provisions relied upon by the Corporate Debtor did not extinguish its repayment obligation, and that default stood established, the Tribunal admitted the Section 7 application and commenced CIRP against Reliance Entertainment Studios Private Limited. The Tribunal, however, clarified that it had not crystallized the precise quantum claimed in the application and left such amount to be collated by the Interim Resolution Professional.

Obiter Dicta / Notable Observations

The Tribunal's broader observations reinforce that contractual drafting cannot, by nomenclature alone, alter the substantive legal character of a transaction where the operative provisions disclose disbursement against consideration for time value of money coupled with an enforceable repayment obligation. The decision also underscores the evidentiary importance of subsequent conduct and contemporaneous acknowledgements in construing the commercial understanding between parties. Further, the Tribunal observed that a disputed authentication status before an Information Utility is not determinative of the existence of default and cannot substitute the Adjudicating Authority's independent examination of the documentary record.

ONE97 COMMUNICATIONS LIMITED V. NIGHTSTAY TRAVELS PRIVATE LIMITED & ORS.[11]

In *One97 Communications Limited v. Nightstay Travels Private Limited & Ors.*, the Commercial Court, New Delhi considered whether a claim for recovery of an amount collected towards GST, but allegedly not deposited with the tax authorities, was non-arbitrable merely because the underlying loss concerned denial of Input Tax Credit ("**ITC**"). The Court held that where the relief sought is confined to recovery or indemnification between contracting parties and does not require adjudication of tax liability or exercise of sovereign taxing powers, the dispute constitutes a right in personam and is capable of resolution by arbitration.

Factual Background

Under a Deed of Assignment dated 14 December 2018, One97 acquired intellectual property relating to the "*Nightstay App*" for INR 5.50 crore, exclusive of applicable

[11] ARB.A.(COMM.) No. 3/2024; SLP(C) No. 23694/2026

taxes. The Respondents raised an invoice for INR 6.49 crore, including INR 99 lakh towards GST, which One97 paid. Alleging that the Respondents neither deposited the GST nor uploaded the relevant invoice in GSTR-1, resulting in denial of ITC, One97 invoked arbitration seeking recovery of INR 99 lakh with interest. The Sole Arbitrator, acting under Section 16, held the dispute non-arbitrable.

Contentions of the Parties

One97 contended that its claim arose from the contractual allocation of tax obligations under Clause 5.2 and the indemnity provisions and sought only monetary recovery, without requiring adjudication of any statutory tax liability. Reliance was placed upon *Spectrum Power Generation Ltd. v. GAIL (India) Ltd.*[12]. The Respondents contended that GST obligations were statutory, that the Deed imposed no obligation to deposit GST or file GSTR-1, and that Section 162 of the CGST Act rendered the dispute non-arbitrable, relying inter alia upon *Booz Allen & Hamilton Inc. v. SBI Home Finance Ltd.*[13]

Court's Observations

The Court distinguished adjudication of statutory tax liability from determination of the contractual consequences arising between private parties. It observed that Clause 5.1 expressly contemplated consideration exclusive of direct and indirect taxes, while Clause 5.2 required the Assignor and Founder to bear taxes payable under applicable law. The contemporaneous invoice separately levied GST of INR 99 lakh, demonstrating that GST formed part of the transaction. Since One97 sought no direction against the State or determination of tax liability, but only recovery of money allegedly retained by the Respondents, the dispute concerned inter se contractual rights and was therefore arbitrable.

Arbitrability of the Recovery Claim

Applying *Vidya Drolia v. Durga Trading Corporation*[14], the Court held that the claim did not concern a right in rem, affect third-party rights, or require adjudication of an inalienable sovereign function. The mere existence of a statutory forum under the CGST Act was insufficient, by itself, to render the dispute non-arbitrable. The Court emphasized that One97 was not challenging any tax assessment, levy or governmental action; rather, it sought recovery from the Respondents of an amount allegedly collected towards GST but not remitted to the exchequer. The dispute therefore remained one in personam between contracting parties.

Decision

The Commercial Court held that the Sole Arbitrator had erred in treating the dispute as non-arbitrable. The Section 37 appeal was accordingly allowed, and the parties were directed to appear before the Sole Arbitrator for adjudication of the dispute. The Court did not adjudicate One97's substantive entitlement to compensation or indemnification, expressly leaving those issues within the arbitral domain. The judgment was thereafter challenged before the Supreme Court in SLP(C) No. 23694/2026. By order dated 22 July 2026, the Supreme Court stated that it was not inclined to interfere with the impugned judgment and dismissed the Special Leave Petition.

Obiter Dicta / Notable Observations

The Court observed that the existence of a specialized statutory forum does not, without more, establish an implied bar against arbitration. It further noted that where a supplier collects tax from a purchaser but fails to remit the same to the Government, the purchaser's remedy against the supplier may survive independently of the statutory machinery governing tax collection and ITC. The Court also recognized that questions of compensation or restitution arising from retention of money may fall within the arbitral domain even where the underlying transaction has an incidental taxation element, provided adjudication does not trench upon sovereign tax functions.

[12] Spectrum Power Generation Ltd. v. GAIL (India) Ltd., 2022 SCC OnLine Del 4262.

[13] Booz Allen & Hamilton Inc. v. SBI Home Finance Ltd., (2011) 5 SCC 532.

[14] Vidya Drolia v. Durga Trading Corporation, (2021) 2 SCC 1



DEARNESS ALLOWANCE UNDER AN ACCEPTED PAY COMMISSION PATTERN BECOMES AN ENFORCEABLE RIGHT, CANNOT BE STAGGERED OR WITHHELD INDEFINITELY: PUNJAB AND HARYANA HIGH COURT

The Punjab and Haryana High Court, vide its judgment dated August 3, 2026, in the case of Additional Chief Secretary to Government of Punjab v. Nirmal Singh Dhanoa and Ors., held that once the state implements recommendations pertaining to dearness allowance/dearness relief ("**DA/DR**"), it ripens into a binding enforceable right.

In the present case, the Punjab and Punjab State Power Corporation Limited ("**PSPCL**") accepted the 6th Punjab Pay Commission's recommendation to continue DA/DR on the central government pattern and consistently implemented DA/DR revisions tracking central rates for over 5 (Five) years.

However, subsequently, the state government withheld accrued instalments indefinitely and deferred payment of admitted arrears through a "Liquidation Plan" staggered over a period of 5 (Five) years.

The Punjab and Haryana High Court struck down the Liquidation Plan as arbitrary and violative of Article 14 of the Constitution of India, both for extending beyond its stated statutory basis and for splitting pensioners into age-based tiers, with younger pensioners relegated to 42 (Forty Two) monthly instalments without interest.

It also found it discriminatory that All India Service ("**AIS**") officers posted in Punjab continued to draw DA/DR at full central rates from the same state exchequer while other government and PSPCL employees were held back.

Accordingly, the State Government and PSPCL were directed to release all pending DA/DR at par with AIS officers within a fortnight, failing which the amount would carry 6% (Six Percent) simple interest.

RATIFICATION OF RESIGNATION ACCEPTANCE BY COMPETENT AUTHORITY RELATES BACK, BUT EMPLOYEE'S OWN CONDUCT AFTER RESIGNATION ALSO BARS WITHDRAWAL: SUPREME COURT OF INDIA

The Supreme Court of India, vide its judgement dated August 4, 2026, in the case of Delhi Technological University v. B.S. Rawat, examined 2 (Two) connected disputes over an employee's right to withdraw a tendered resignation.

In the first matter, the respondent's resignation from Delhi Technological University had been accepted by an officer holding only additional charge of vice-chancellor, and not the board of management, the statutorily competent authority. The Supreme Court of India held that once the board later ratified that acceptance, the ratification related back to the original date of acceptance, so that by the time the employee sought withdrawal 4 (Four) months later, no resignation remained in existence to withdraw. It also held, independently of ratification, that the employee's own conduct, requesting an earlier relieving date, accepting his no-dues certificate and experience certificate, and using that certificate to secure a fresh appointment elsewhere, treated the resignation as final and barred him from later disowning it on the principle against approbation and reprobation.

In the second matter, involving the National Institute of Technology, Calicut, the Supreme Court of India held that once a resignation is accepted by the competent authority, it takes effect from the date of acceptance itself, not from communication or expiry of the notice period, and that a subsequent request for withdrawal made only to pursue another opportunity can lawfully be refused for recorded reasons.

The Supreme Court of India allowed Delhi Technological University 's appeal and set aside reinstatement, dismissed the employee's appeal for back wages, and dismissed the special leave petition against National Institute of Technology, Calicut.

GOVERNMENT OF RAJASTHAN NOTIFIES THE CODE ON WAGES (RAJASTHAN) RULES, 2026

The Labour Department, Government of Rajasthan, vide notification dated August 12, 2026, in exercise of powers to make rules under Section 67 of the Code on Wages, 2019, notified the Code on Wages (Rajasthan) Rules, 2026 ("**Rajasthan Wage Rules**"), after considering objections and suggestions received on the draft rules published on January 13, 2026.

The following was introduced under the Rajasthan Wage Rules:

- the minimum rate of wages shall be calculated on a day basis, having regard to a standard working class family of 3 (Three) adult consumption units, with norms for caloric intake, clothing, housing rent and miscellaneous expenses prescribed thereunder;
- minimum wages shall be fixed basis geographical area, experience in the employment, and level of skill, and a technical committee headed by the labour commissioner has been constituted to advise on categorisation of occupations into unskilled, semi-skilled, skilled and highly skilled categories;
- variable dearness allowance shall be revised twice a year, on April 1 and October 1, based on the price index prepared by the Labour Bureau, Ministry of Labour and Employment, Government of India;
- normal working hours shall not exceed 48 (Forty Eight) hours a week, and the spread over, inclusive of rest intervals, shall not exceed 10.5 (Ten Point Five) hours a day for a 6 (Six) day work week, or 12 (Twelve) hours a day where flexible working days of less than 6 (Six) days a week are adopted with the consent of the negotiating union or a majority of employees; and
- every employer is required to maintain an employee register, a register of wages, overtime, advances, fines and deductions, and an attendance register-cum-muster roll, and to issue wage slips to employees on or before the payment of wages.

The Rajasthan Wage Rules repeal the erstwhile Rajasthan Payment of Wages Rules, 1961, the Rajasthan Minimum Wages Rules, 1959, and 5 (Five) other allied state rules, while preserving rights, liabilities and proceedings arising under the repealed rules. The Rajasthan Wage Rules came into force from August 12, 2026.

'HONORARIUM' CANNOT BE USED TO DENY DIGNIFIED WAGES TO COMMUNITY HEALTH VOLUNTEERS: BOMBAY HIGH COURT

The Bombay High Court, vide its judgement dated August 13, 2026, in the case of Municipal Corporation of Greater Mumbai v. Sangeeta Devdas Salvi, dismissed a batch of writ petitions filed by the Municipal Corporation of Greater Mumbai ("**MCGM**") challenging a common order dated September 7, 2020, passed under the Minimum Wages Act, 1948, i.e., the Assistant Commissioner of Labour, Mumbai City, directing MCGM to pay Community Health Volunteers ("**CHVs**") the difference between minimum wages, along with special allowance, and the honorarium already paid to them.

In the present case, MCGM contended that CHVs were not employed by it in any capacity, that no employer-employee relationship existed, and that the question of their status as workmen was pending before the Supreme Court of India. The Bombay High Court observed that the CHVs' separate demand for absorption into municipal service had no bearing on their entitlement to minimum wages.

The Bombay High Court further held that every person paid remuneration for services rendered to the MCGM, whether permanent, temporary, casual, ad hoc, work-charged, contractual or badli, falls within the meaning of "employee" under the Minimum Wages Act, 1948 and that mere branding of such remuneration as honorarium cannot deny CHVs this status for the limited purpose of minimum wage entitlement.

Relying on the decision by the Supreme Court of India in State of Punjab v. Jagjit Singh and Ors, the Bombay High Court reiterated that the government cannot pay wages at its own discretion, and that casual or temporary workers must be paid dignified wages, at least at the minimum of the scales drawn for permanent employees. The Bombay High Court held that CHVs must nonetheless be paid at the minimum rates prescribed for the 5 (Five) hours of duty performed by them daily, and that financial burden alone cannot justify denying dignified and living wages.

Accordingly, the Bombay High Court dismissed the writ petitions filed by MCGM and upheld the order granting minimum wages to the CHVs.

GOVERNMENT OF INDIA ISSUES CORRIGENDUM TO NOTIFICATION ON COMPOUNDING OF OFFENCES UNDER THE CODE ON WAGES, 2019

The Ministry of Labour and Employment, Government of India, vide notification dated August 19, 2026, issued a corrigendum to its notification dated May 12, 2026, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (ii), Issue No. 2363, vide S.O. 2455(E).

The corrigendum replaces the phrase "to compound the offences punishable with imprisonment only, or with imprisonment and also with fine," with "to compound any offence under the Code on Wages, 2019, other than an offence punishable with imprisonment only or with imprisonment and also with fine" of the said notification.

Accordingly, the scope of the power to compound offences under the notification has been clarified to cover any offence under the Code on Wages, 2019, except offences punishable with imprisonment only or with imprisonment and also with fine.

REFORMULATED TEST FOR 'INDUSTRY' UNDER THE INDUSTRIAL DISPUTES ACT TO APPLY PROSPECTIVELY, PENDING MATTERS TO CONTINUE BEING GOVERNED BY THE BANGALORE WATER SUPPLY CASE: SUPREME COURT OF INDIA

The Supreme Court of India, vide judgement dated August 20, 2026, in the case of State of Uttar Pradesh v. Jai Bir Singh, examined whether the triple test laid down by a seven-judge bench in case of Bangalore Water Supply and Sewerage Board v. A. Rajappa, (1978) ("**Bangalore Water Supply Case**") for determining what constitutes an "industry" under Section 2(j) of the Industrial Disputes Act, 1947 ("**ID Act**"), required reconsideration.

Under the Bangalore Water Supply Case, as per the triple test laid down, an activity was held to constitute an industry where there existed a systematic and organised activity, cooperation between employer and employee, and production or distribution of goods or services aimed at satisfying human wants and wishes, irrespective of the presence of a profit motive.

In the present appeal, before a 9 (Nine)-judge bench, the Supreme Court of India, by majority, reformulated the triple test to additionally require that the production, distribution or provision of goods or services possess a discernible commercial character analogous to trade or business, while continuing to hold that the absence of a profit motive remains irrelevant.

The Supreme Court of India clarified that the reformulated test shall apply prospectively and shall not disturb concluded decisions or pending proceedings, which shall continue to be adjudicated in accordance with the triple test as laid down in the Bangalore Water Supply Case. It was further clarified that the interpretation is confined to the ID Act and does not extend to the definition of "industry" under the Industrial Relations Code, 2020.

On the correctness of the Bangalore Water Supply Case itself, the bench remained divided, with 4 (Four) judges specifically affirming that the erstwhile interpretation continues to correctly govern the scope of "industry" and requires no interference, and the Chief Justice along with 3 (Three) other judges favouring the reformulated test. Justice PS Narasimha, while agreeing that pending matters ought to continue being governed by Bangalore Water Supply, reasoned that the question had become largely academic since the ID Act is replaced by the Industrial Relations Code, 2020.

Accordingly, the Supreme Court of India slightly modified the principle established in the Bangalore Water Supply Case and admitted the appeal/reference.

MADHYA PRADESH ASSEMBLY PASSES THE CODE ON EMPOWERING WORKSPACES (SHRAM SHAKTI SANHITA), 2026

The Madhya Pradesh Legislative Assembly has passed the Madhya Pradesh Code on Empowering Workspaces (Shram Shakti Sanhita), 2026 ("**Code**"), in its monsoon session, which has since received the Governor's assent. The Code consolidates 6 (Six) existing state labour enactments, including the Madhya Pradesh Shops and Establishments Act, 1958 and the Madhya Pradesh Industrial Relations Act, 1960, into a single framework aligned with the 4 (Four) central labour codes. It will come into force on such date as the state government notifies, and different provisions may be brought into effect on different dates.

The Code introduces the following key changes:

- **One-time lifetime registration:** Employers give a single intimation to the competent authority through a designated electronic system, upon which a registration certificate and unique establishment number are generated automatically. No periodic renewal is required, though employers must update details when changes occur and intimate closure separately.
- **Prohibition of coercive employment practices:** Employers are barred from withholding employees' identity documents, certificates or travel documents, and from transferring an employee to another employer without written, informed consent.
- **Working hours:** No daily cap applies by default, but weekly hours are subject to a prescribed limit, with overtime triggered once that limit is crossed. Employees cannot be required to remain available during non-working hours unless the terms of engagement expressly provide for on-call duty, and such periods are treated as overtime.
- **Two-tier penalty structure:** Minor procedural lapses attract a penalty of up to INR 5,000 (Rupees Five Thousand), with a mandatory 60 (Sixty) day compliance notice before any proceeding is initiated. Serious contraventions, including violations of the coercive-employment prohibition, attract a penalty of up to INR 1,00,000 (Rupees One Lakh).

The Code marks a significant shift towards simplified compliance, stronger employee protections, and a more streamlined labour regulatory framework in Madhya Pradesh.



RBI ISSUES AMENDMENT DIRECTIONS ON CONDUCT OF NBFCS IN RECOVERY OF LOAN DUES AND ENGAGEMENT OF RECOVERY AGENCIES

The RBI, on August 06, 2026, issued the Reserve Bank of India (Non-Banking Financial Companies – Responsible Business Conduct) Third Amendment Directions, 2026 ("**NBFC Amendment Directions**") (*accessible here*). The NBFC Amendment Directions apply to NBFCs, excluding Mortgage Guarantee Companies, Core Investment Companies, NBFC-Account Aggregators, Standalone Primary Dealers, Non-Operating Financial Holding Companies and NBFCs without customer interface, and shall come into effect from January 01, 2027. The NBFC Amendment Directions introduce requirements governing recovery of loan dues and engagement of recovery agencies, including requirements relating to recovery policies, due diligence and training of recovery agents, codes of conduct, disclosure of recovery agencies to borrowers, fair treatment of borrowers, documentation and recording of recovery-related calls, and conduct during recovery visits.

The NBFC Amendment Directions also regulate the use of technology-based mechanisms that restrict or disable functionalities of a mobile device financed by an NBFC for recovery of the related loan dues. Such mechanisms may be used only where the device was financed by the NBFC and the loan agreement expressly permits such action. Any restrictions must be introduced gradually, with essential functions such as incoming calls, SMS and emergency SOS features remaining available, and the borrower must be given prior notice of the proposed restrictions. Restrictions must be reversed within one hour of repayment of the dues, failing which the NBFC may be required to compensate the borrower at ₹250 per hour for wrongful restrictions or delays attributable to it. The NBFC and its service providers are also prohibited from accessing or using personal data stored on the device, such as contacts, SMS, call logs, photos or location history, for loan recovery.

IFSCA MODIFIES AML/CFT AND KYC GUIDELINES TO STRENGTHEN REPORTING REQUIREMENTS AND EXPAND NRI ONBOARDING JURISDICTIONS

The International Financial Services Centres Authority ("**IFSCA**"), on August 03, 2026, issued modifications to the IFSCA (Anti Money Laundering, Counter-Terrorist Financing and Know Your Customer) Guidelines, 2022 (the "**Modifications**") (*accessible here*). The Modifications update the reporting framework by requiring all reports to be filed online through the FINgate 2.0 portal (*accessible here*), and by introducing Cross-Border Wire Transfer Reports as an additional reporting requirement alongside existing reporting requirements, including Non-Profit Organization Transaction Reports and Suspicious Transaction Reports.

The Modifications further permit the IP address of Non-Resident Indian ("**NRI**") customers, for onboarding purposes, to originate from India or from the United States of America, Japan, South Korea, the United Kingdom (excluding British Overseas Territories), Canada, UAE, Singapore, Australia or the European Union, subject to such jurisdictions not being identified by the Financial Action Task Force as high-risk jurisdictions subject to a Call for Action or under Increased Monitoring, or designated by the Central Government as high-risk jurisdictions for money laundering, terrorist financing or proliferation financing.

The same jurisdictions have also been prescribed for onboarding NRI customers classified as low-risk through the Video-based Customer Identification Process, subject to the applicable conditions under the above guidelines.

SEBI ALIGNS CYBER INCIDENT REPORTING PORTAL WITH FIRE FORMAT

The Securities and Exchange Board of India ("**SEBI**"), on August 24, 2026, issued a circular aligning its Cyber Incident Reporting Portal ("**Portal**") with the Format for Incident

Reporting Exchange framework developed by the Financial Stability Board (*accessible here*) ("**Circular**"). The alignment introduces a standardised format for reporting cyber incidents, including common information fields, standardised definitions and a consistent classification of incident-related information. This is intended to make cyber-incident reporting more structured and consistent across different sectors and jurisdictions. The Portal will also allow regulated entities to update an incident report progressively, starting with the information available when the incident is first identified, followed by further updates as more information becomes available, and ultimately a final report when the incident is closed.

Under the existing SEBI Cybersecurity and Cyber Resilience Framework, regulated entities are required to report cyber incidents through *mkt_incidents@sebi.gov.in* within 6 hours and through the Portal within 24 hours. The Circular does not change these reporting timelines but requires regulated entities to use the Portal for cyber-incident reporting and put in place the necessary systems and processes to implement the revised reporting framework, including amendments to their relevant bye-laws, rules and regulations, where applicable.

RBI REVISES CONCENTRATION RISK FRAMEWORK FOR IDF-NBFCs IN THE UPPER LAYER

The RBI, on August 25, 2026, issued the Reserve Bank of India (Non-Banking Financial Companies – Concentration Risk Management) Fourth Amendment Directions, 2026 ("**Fourth Amendment Directions**"), revising the large exposure requirements applicable to Infrastructure Debt Fund-Non-Banking Financial Companies ("**IDF-NBFCs**") subject to Upper Layer regulations (*accessible here*). The Fourth Amendment Directions provide that IDF-NBFCs subject to Upper Layer regulations will be required to comply with the same large exposure limits applicable to NBFC-Infrastructure Finance Companies. This requirement applies to IDF-NBFCs that are subject to Upper Layer regulations under the applicable provisions governing NBFC group entities of Scheduled Commercial Banks. The Fourth Amendment Directions have come into force with immediate effect.

IFSCA PROPOSES FINANCIAL SOUNDNESS CRITERIA FOR PAYMENT SYSTEM OPERATORS IN IFSC

The IFSCA, on August 04, 2026, issued a consultation paper proposing financial soundness criteria ("**Proposed Criteria**") for existing Payment System Operators ("**PSOs**") and applicants seeking authorisation to operate payment systems in the International Financial Services Centre (*accessible here*) under the IFSCA (Payment and Settlement Systems) Regulations, 2024 ("**Consultation Paper**"). The Proposed Criteria would apply to various categories of payment systems, including Large Value Payment Systems ("**LVPS**"), Trade Repositories ("**TRs**"), issuers of Legal Entity Identifiers ("**LEIs**"), Card Payment Networks and Trade Receivables Discounting System ("**TReDS**") platforms. Under the Proposed Criteria, entities operating LVPS and Card Payment Networks would be required to have sound financial status, TRs would be required to maintain net worth equivalent to at least one year's operating costs calculated on a half-yearly basis, LEI issuers would be required to maintain minimum net worth of USD 0.2 million, and TReDS operators would be required to maintain minimum net worth of USD 1 million. Existing PSOs would be required to comply with the Proposed Criteria within 6 (six) months from the issuance of the final circular, while applicants seeking authorisation would be required to satisfy the Proposed Criteria before issuance of authorisation by IFSCA.

Comments on the Consultation Paper may be submitted to IFSCA by August 28, 2026, in the prescribed format as provided in the Consultation Paper.



INFRASTRUCTURE AND ENERGY

MINISTRY OF NEW AND RENEWABLE ENERGY MANDATES DATA LOCALISATION FOR ROOFTOP SOLAR INVERTERS UNDER PM SURYA GHAR: MUFT BIJLI YOJANA

The Ministry of New and Renewable Energy ("**MNRE**"), rooftop solar division, has issued an office memorandum dated August 17, 2026, addressing cybersecurity and data sovereignty concerns arising from the large-scale rollout of Rooftop Solar ("**RTS**") systems under the PM Surya Ghar: Muft Bijli Yojana ("**PMSG: MBY**"). MNRE stated that inverter communication modules transmitting data to servers located outside India could expose generation data to cybersecurity risk and enable unauthorised control of devices, MNRE has directed that all inverter Original Equipment Manufacturers or manufacturers participating in PMSG: MBY ("**OEMs**") ensure that any application, associated monitoring and control servers, and real-time data of RTS systems, including data hosted on cloud platforms, be stored in an encrypted, secure environment located exclusively within India.

This builds upon MNRE's earlier Central Financial Assistance Guidelines dated June 07, 2024 (requiring inverters to have SIM or dongle-based data communication facilities), the office memorandum dated July 21, 2025, mandating machine to machine sim communication protocols, and the Guidelines dated December 24, 2025, on 'Inverter Communication Devices, Dataloggers and Remote Monitoring Systems for the Centralised IoT SCADA Platform'.

Operationally, all inverter OEMs or manufacturers are required to furnish written confirmation of their compliance with these data residency and secure communication requirements to REC Limited (with a copy to MNRE), in the prescribed format, within 30 days of issuance of the office memorandum. This confirmation must also intimate an official point of contact for the manufacturer and disclose the location of servers or data centres where inverter-level data resides. All inverter OEMs are further required to share daily cumulative generation data mapped against the inverter serial number with the National Portal through a uniform application programming interface, until State or distribution company level central servers are developed for this purpose. Failure to furnish the written confirmation within the stipulated 30 (Thirty) days will result in the inverter OEM or manufacturer being barred from installing systems under PMSG: MBY.

DSK View: *This office memorandum signals a tightening of data localisation requirements for India's critical renewable energy infrastructure. Inverter OEMs or manufacturers using offshore cloud infrastructure or foreign hosted platforms must migrate data and undertake back to India.*

Read more here

MNRE INVITES COMMENTS ON DRAFT REVISED SPECIFICATIONS FOR SOLAR PUMP CONTROLLERS

The MNRE, through its standards and quality control division, has issued an Office Memorandum dated August 12, 2026, placed a draft revised specifications for Solar Pump Controllers, prepared by the National Institute of Solar Energy ("**NISE**"). The draft is aimed at systems deployed under Component-B of the PM-KUSUM Scheme, which has enabled standalone solar photovoltaic water pumping across the country.

Recognising that these systems are often underutilised for large parts of the year once irrigation needs are met, and that photovoltaic module technologies and voltage ratings continue to evolve, the draft proposes wider photovoltaic input voltage ranges, stronger MPPT (maximum power point tracking) performance requirements, and compatibility with induction, permanent magnet synchronous motor, and brushless DC motor types.

DSK View: *The draft specifications propose broader and more flexible solar pump systems for agricultural and domestic use. If finalised, manufacturers and system*

integrators will need to comply with higher efficiency, safety, and environmental standards.

Read more here

MINISTRY OF PORTS, SHIPPING AND WATERWAYS ISSUES NATIONAL WATER METRO GUIDELINES, 2026

The Ministry of Ports, Shipping and Waterways has issued the National Water Metro Guidelines, 2026 vide Office Memorandum dated August 13, 2026, laying down a structured framework for the development of water-based mass transit systems in Indian cities. A "Water Metro" has been defined to mean a mechanically propelled mass passenger transport system on inland, coastal, or other water bodies, covering passenger vessels and Ro-Pax (excluding cruise vessels). It may operate across intra-city, inter-city, coastal and inter-island corridors, including rivers, canals, lakes, backwaters, estuaries, creeks and coastal waters and is not restricted to notified inland waterways.

DSK View: *The National Water Metro Guidelines, 2026 represent a policy framework towards formalising water-based urban transit as a mainstream public transport mode in India. The Guidelines introduce a structured framework for project development, vessel standardisation, financing, and multi-agency coordination, which will have direct implications for infrastructure developers, private concessionaires, vessel manufacturers, and urban local bodies.*

Read more here

GOVERNMENT OF INDIA NOTIFIES REVISED CAPTIVE POLICY FOR WATERFRONT AND LAND AWARD AT MAJOR PORTS

The Ministry of Ports, Shipping and Waterways has issued a new policy for allotting waterfront and land to Port Dependent Industries ("**PDI**") at major ports, replacing the 2016 policy. A PDI is an industry that depends on a particular port for at least 70% (Seventy Percent) of a proposed facility's capacity, based on its import or export volumes over the past 3 (Three) years (or projected volumes, for new entities). As before, such facilities are awarded through competitive bidding open only to PDI, based on the royalty rate offered, subject to a reserve price and a minimum net worth requirement for bidders.

The new policy adds four things that was not there in the old policy. It allows Government bodies in sectors like fertiliser, food, oil and gas, coal and steel to get facilities without competitive bidding, at a market-linked price. It sets out a clear process for renewing existing concessions, at the higher of the market rate or the existing escalated rate, capped at 30 (Thirty) years. It allows existing operators to apply for capacity expansion, provided they have used at least 75% (Seventy Five Percent) of their existing capacity, though this still goes through a bidding process (with the existing operator getting a right to match the best bid) and it introduces relief for changes in law or unforeseen events that hurt project viability, such as extending the concession period or allowing a change in cargo.

DSK View: *This is a practical update rather than a major overhaul, principally filling gaps around renewal, expansion and relief for changed circumstances issues that existing operators have long raised. Overall, the policy strengthens certainty for long-term capital deployment at major ports while preserving competitive bidding as the default norm for fresh capacity.*

Read more here

MORTH PROPOSES AMENDMENTS TO CENTRAL MOTOR VEHICLES RULES TO REVISE LIGHTING AND RETRO-REFLECTIVE SAFETY REQUIREMENTS

The Ministry of Road Transport and Highways ("**MoRTH**"), on August 13, 2026, issued draft rules proposing amendments to the Central Motor Vehicles Rules, 1989 ("**CMVR**") in relation to lighting, retro-reflective markings and other visibility and safety requirements applicable to various categories of motor vehicles. A key proposal is that, with effect from April 1, 2028, retro-reflective tapes, markings, reflectors and other retro-reflective devices fitted on specified categories of vehicles will be required to comply with the performance requirements prescribed under AIS-200:2025. In particular, Type II and Type III buses of Category M3 are proposed to be required to carry rear retro-reflective contour markings conforming to the size and installation requirements under AIS 008 (Rev.3):2025, while retro-reflective markings fitted on other specified vehicle categories will be required to comply with the applicable installation requirements under AIS 008 (Rev.3):2025 or AIS 009 (Rev.3):2025. The draft rules *inter alia* prescribe requirements for retro-reflective triangles fitted on M3 category vehicles, including compliance with AIS-200:2025 (subject to specified exclusions), positioning at least one metre above ground level, and colour requirements, with the front triangle being white and the rear triangle being red.

DSK View: *The proposed amendments seek to update and standardise the lighting and visibility-related safety requirements under the CMVR by aligning a range of retro-reflective markings, devices, rear marking plates and warning triangles with AIS-200:2025, while also introducing updated standards for lighting components. If notified in their present form, vehicle manufacturers and component manufacturers will have until April 01, 2028, to align the affected vehicle models and components with the revised technical standards. Given that the proposed amendments apply across several vehicle categories, including buses, agricultural tractors, construction equipment vehicles,*

combine harvesters and power tillers, relevant manufacturers/stakeholders should assess the proposed requirements against existing vehicle designs and component specifications and consider submitting comments to MoRTH within the prescribed consultation period.

Read more here

HIGHWAY DEVELOPERS SEEK RECONSIDERATION OF PROVISIONS IN REVISED BOT (TOLL) MODEL

MoRTH has revised the Model Concession Agreement ("**MCA**") for Build-Operate-Transfer ("**BOT**") (Toll) highway projects to encourage greater private-sector participation in highway development. The revised MCA was introduced in August 2026 following stakeholder concerns regarding the earlier framework. The National Highways Builders Federation ("**NHBF**") has subsequently requested MoRTH to reconsider 16 provisions of the revised MCA, stating that certain issues relating to risk allocation, project viability and financial sustainability remain unresolved.

A key concern raised by NHBF relates to the dispute resolution mechanism. Under the revised MCA, disputes above approximately INR 10,00,00,000 (Indian Rupees Ten Crore) would not be referred to arbitration and would instead be subject to a conciliation mechanism. NHBF has argued that the monetary restriction on arbitration could create concern for investors and lenders involved in large-value, long-term highway projects and has sought an appropriate institutional or ad-hoc arbitration framework.

NHBF has also sought reconsideration of provisions relating to concessionaire default in the event of a decline in traffic on the relevant highway stretch. The industry body has indicated that these provisions, together with the dispute resolution framework, could affect the viability and attractiveness of BOT projects for private participants.

DSK View: *This development indicates that while MoRTH is seeking to revive private participation in BOT highway projects through the revised MCA, certain aspects of the revised risk-allocation and dispute-resolution framework remain a concern for developers and financiers. The treatment of high-value disputes and the allocation of traffic-related risk will be particularly relevant to private developers and lenders when assessing the bankability of future BOT projects.*

Read more here

MINISTRY OF HOUSING AND URBAN AFFAIRS NOTIFIES RULES PRESCRIBING PROCEDURE FOR IMPOSITION AND RECOVERY OF PENALTIES UNDER THE DELHI DEVELOPMENT ACT

The Ministry of Housing and Urban Affairs has notified the Delhi Development Authority (Manner of Holding and Imposing Penalties) Rules, 2026 ("**Rules**") on August 01, 2026, under Section 31AA of the Delhi Development Act, 1957 ("**Act**"). The Rules prescribe the procedure for adjudication, imposition, appeal and recovery of penalties for contraventions under the Act and have come into force from the date of their publication in the Official Gazette. The Rules establish a formal process for adjudication of alleged contraventions.

DSK View: *The Rules provide greater procedural clarity around the enforcement of penalties under the Act, particularly by prescribing timelines for adjudication and appeals and a mechanism for recovery of unpaid penalties.*

Read more here



RELAXATION OF ONE STAR EXPORT HOUSE NORMS IN THE FTP

INTRODUCTION

The Foreign Trade Policy (FTP) 2023, effective April 1, 2023, established a dynamic, technology-driven trade framework, departing from the fixed five-year policy cycles of its predecessors. Under this framework, the Directorate General of Foreign Trade (DGFT) has transitioned from a restrictive licensing authority to a trade facilitator. A key instrument in this facilitation agenda is the "Status Holder Certification" under Chapter 1 of the FTP, which identifies and rewards outstanding export performance. Certified Status Holders are recognized as business leaders expected to mentor new export entrepreneurs.

To lower entry barriers for smaller enterprises, the DGFT issued Notification No. 33/2026-27 on August 21, 2026, amending the eligibility criteria for "One Star Export House" status by relaxing the continuity requirement for export performance.

This article examines the Status Holder scheme, the privileges it confers, the mechanics of the August 2026 relaxation, and its strategic implications.

STATUS HOLDER CERTIFICATIONS: OBJECTIVE, CATEGORIES, AND ELIGIBILITY FRAMEWORK

The Status Holder Certification scheme is codified in Chapter 1 of FTP 2023. Its foundational parameters are summarized below.

Policy Objective

Under Paragraph 1.25(a) of FTP 2023, the objective is to recognize exporter firms as business leaders who have excelled in international trade and contributed to India's foreign trade. status holders are expected to provide mentoring and handholding to new entrepreneurs, fostering a knowledge-based trade ecosystem.

Categories of Status Holders

Under Paragraph 1.26, Exporters are categorized into five tiers based on cumulative export performance (in USD Million):

Status Category	Cumulative Export Performance Threshold (USD Million)
One Star Export House	3
Two Star Export House	15
Three Star Export House	50
Four Star Export House	200
Five Star Export House	800

Core Eligibility Criteria

An applicant must satisfy the following conditions:

- **IEC Registration:** a valid Import-Export Code (IEC) on the date of application.
- **Export Performance Basis:** Calculated on the Free on Board (FOB) value of export earnings in freely convertible foreign currencies or Indian Rupees per Paragraph 2.53 of the FTP.
- **Deemed Exports:** The Freight on Road/Rail (FOR) value in Indian Rupees is converted into USD at the CBIC-notified exchange rate applicable on April 1 of each Financial Year. Deemed exports are counted only for the purpose of One Star Export House status.
- **Performance Window:** Under Paragraph 1.25(b), status is based on achieving the threshold during the current and preceding three financial years.
- **Continuity Requirement:** Under the original Paragraph 1.25(d), active export performance in all *three* preceding

financial years was mandatory. The Gems & Jewellery sector requires export performance in the preceding *two* financial years only.

Key Restrictions

Paragraph 1.28 establishes the following integrity safeguards:

- **No Transfers:** export performance of one IEC holder cannot be transferred to another; disclaimer-based calculations are prohibited.
- **Exclusion of Re-exports:** Re-exports are excluded from status calculations.
- **SCOMET Exports:** Exports under formal Authorization, including SCOMET items, are admissible for status calculation.

PRIVILEGES AND BENEFITS CONFERRED UPON ONE STAR EXPORT HOUSES

Under Paragraph 1.29 of the FTP 2023, certified One Star Export Houses are eligible for several key privileges, as follows:

- **Clearances and Authorizations on Self-Declaration basis:** To foster a "trust-based" compliance ecosystem, One Star Export Houses are permitted to obtain various trade authorizations and execute customs clearances for both imports and exports on a self-declaration basis.
- **Priority Fixation of SION (Standard Input-Output Norms):**Where Standard Input-Output Norms (SION) have not been formally notified, One Star Export Houses can bypass the standard long-drawn process. The Norms Committee is mandated to fix input-output norms for status holders on a priority basis within 60 days. Furthermore, the DGFT is empowered to notify special, expedited SION schemes from time to time specifically for status holders.
- **Absolute Bank Guarantee Exemption:** One of the most valuable financial benefits of the scheme is the exemption from furnishing Bank Guarantees (BG) for various export promotion schemes under the FTP (e.g., Advance Authorization, EPCG).
- **Exemption from Compulsory Document Negotiation:** One Star Export Houses are granted an exemption from the compulsory negotiation of documents through banks. While all remittances and receipts must still be securely received through authorized banking channels, the flexibility to negotiate directly with foreign buyers streamlines transaction processing.
- **Preferential Customs Handling and Priority Clearance:** One Star Export Houses are legally entitled to preferential treatment and priority in cargo handling by all concerned government authorities and port custodians.
- **Liberalized Free-of-Cost (FOC) Exports for Promotion:**To facilitate global marketing and brand building, status holders are permitted to export freely exportable items (excluding restricted items, Gems & Jewellery, and articles of gold or precious metals) on a free-of-cost basis for export promotion.

THE AUGUST 2026 AMENDMENT: EASING ONE STAR EXPORT HOUSE NORMS

On August 21, 2026, the DGFT issued Notification No. 33/2026-27, amending Paragraph 1.25(d) of FTP 2023.

Statutory Scope of the Amendment

The amendment was issued under Section 3 read with Section 5 of the Foreign Trade (Development & Regulation) Act, 1992, and Paragraphs 1.02 and 2.03 of FTP 2023. It introduces a targeted proviso to Paragraph 1.25(d).

The Legal Text: Before and After

The regulatory shift is illustrated below:

Original Provision (Para 1.25 (d))	Revised Provision (Para 1.25 (d))
For granting status, an export performance would be necessary in all the three preceding financial years (and in all the two preceding financial years for Gems & Jewellery Sector).	For granting status, an export performance would be necessary in all the three preceding financial years (and in all the two preceding financial years for Gems & Jewellery Sector): ***Provided that for grant of One Star Export House status (other than for Gems & Jewellery Sector), export performance in any two out of the three preceding financial years shall be sufficient.***

Sectoral Exclusion

The Gems & Jewellery sector is explicitly excluded; exporters therein must continue demonstrating performance in both preceding financial years.

Commercial and Socio-Economic Implications

Key implications for the Indian export landscape:

- **Mitigating Global Volatility:** A single year of operational stoppage (due to shipping disruptions, market contractions, etc.) will no longer disqualify an exporter,

provided robust performance exists in the other two preceding years.

- **Expanding MSME Access:** Since Double Weightage applies to One Star status, easing entry criteria will enable significantly more MSMEs, agricultural exporters, and units in underdeveloped regions to qualify for status recognition.
- **Optimizing Cash Flow:** a broader base of exporters achieving One Star status can access Bank Guarantee Exemptions, releasing capital previously locked as collateral.
- **Regulatory Alignment:** This relaxation complements the DGFT's concurrent rollout of automated export obligation extensions for Advance Authorization and EPCG cases, indicating a synchronized push toward administrative simplification.

DSK View: *The relaxation of One Star Export House eligibility is a commendable, pro-growth measure. By acknowledging the volatility of international trade and adjusting compliance requirements accordingly, the DGFT has delivered a reform that will directly benefit India's MSME segment. As India expands its bilateral trade agreements, such domestic regulatory agility will be critical to converting policy intent into actual trade volume.*

Eligible MSMEs, ISO/BIS-certified manufacturers, and agricultural exporters should immediately recalculate their historical export performance. By combining the "any two out of three years" rule with the Double Weightage multiplier, many enterprises previously falling short of the USD 3 Million threshold can now qualify for One Star status and its associated benefits.



MEDIA & ENTERTAINMENT

GOVERNMENT CONSIDERS A DEDICATED STATUTORY FRAMEWORK TO REGULATE OFFENSIVE OTT CONTENT

The Ministry of Information and Broadcasting (MIB) has informed a parliamentary committee that it is considering a dedicated statutory framework to regulate over-the-top (OTT) content perceived as offensive to prevailing moral standards, with a focus on stronger age verification and parental controls. The committee has separately recommended an independent post-release review panel, citing gaps in the current self-regulatory model under the IT Rules, 2021, particularly the absence of pre-release scrutiny.

BOMBAY HIGH COURT ALLOWS UNION MINISTER NITIN GADKARI TO SUE META AND GOOGLE OVER DEEPFAKES ON ETHANOL-BLENDED FUEL

The Bombay High Court ("**Court**") has granted interim relief to Union Minister Nitin Gadkari in a civil defamation suit filed against Meta, X and Google over AI-generated deepfake videos and manipulated posts that falsely linked him and his family to the E20 ethanol-blended petrol controversy. The Court directed the platforms to take down the flagged posts, including future recirculated versions and to disclose subscriber details of the uploaders.

TELANGANA HIGH COURT HOLDS THAT CBFC CANNOT WITHHOLD FILM CERTIFICATION MERELY BECAUSE OF A PENDING CIVIL DISPUTE

The Telangana High Court ("**Court**") has directed the Central Board of Film Certification ("**CBFC**") to process certification for the film titled 'Raam Bhajarang', holding that a pending civil or commercial dispute over rights in a Film cannot justify withholding certification in the absence of an actual court ordered stay. The Court clarified that the CBFC's statutory mandate is confined to content-based certification and does not extend to adjudicating private ownership disputes.

ZEE SUES BLINKIT OVER ALLEGED UNLICENSED USE OF COPYRIGHTED MUSIC IN INSTAGRAM PROMOTIONS

Zee Entertainment Enterprises Ltd. ("**Zee**") has approached the Delhi High Court ("**Court**") against Blink Commerce Pvt. Ltd. ("**Blinkit**"), which operates the platform 'Blinkit', alleging that Blinkit used Zee's copyrighted works in promotional content on its Instagram account without procuring the requisite commercial licence. The Court admitted the matter, issued summons and sought Blinkit's response to Zee's application for an interim injunction, directing Blinkit to file its written statement within 30 days and permitted Zee to place on record screen recordings of the allegedly infringing Instagram content.

DELHI HIGH COURT DECLINES INTERIM RELIEF TO SGPC OVER LIVE TELECAST OF GURBANI FROM THE GOLDEN TEMPLE

The Shiromani Gurdwara Parbandhak Committee has failed to secure an ad-interim injunction against private broadcaster Galactic Television and Communications over its live telecast of Gurbani from the Golden Temple. The Delhi High Court ("**Court**") took the preliminary view that a devotional, non-commercial recitation of sacred scripture does not, on the face of it, infringe copyright under the Copyright Act, 1957. The Court has, however, kept the matter open for further examination of broadcast reproduction rights at the next hearing scheduled for September 24, 2026.

MADRAS HIGH COURT ISSUES INTERIM ANTI-PIRACY INJUNCTION FOR THE FILM 'BATWARA 1947'

The Madras High Court ("**Court**") has issued an interim anti-piracy injunction for the film titled 'Batwara 1947', produced by Aamir Khan Productions, directing internet and telecom service providers to block infringing websites and torrent networks and restraining cable operators from unauthorised

distribution across cable, DTH, physical media and the internet. However, noting that such wide-ranging relief could affect the legitimate business interests of one or more respondents (i.e. legitimate digital businesses), the Court made the injunction conditional on the production house indemnifying network operators against potential losses until the next hearing on September 11, 2026.

MAHARASHTRA FDA ISSUES SURROGATE-ADVERTISING NOTICES TO SHAH RUKH KHAN, AJAY DEVGN AND TIGER SHROFF OVER VIMAL ELAICHI ENDORSEMENT

The Maharashtra Food and Drug Administration (FDA) has issued show-cause notices to actors Shah Rukh Khan, Ajay Devgn and Tiger Shroff over their endorsement of Vimal Elaichi, alleging that the campaign functions as prohibited surrogate advertising for the associated Vimal Pan Masala brand, a gutkha adjacent tobacco product that is banned for sale in Maharashtra. The FDA has invoked Section 24 of the Food Safety and Standards Act, 2006 ("**FSS Act**") which restricts misleading and deceptive food advertisements and Section 53 of the FSS Act, which provides for a penalty of up to Rs 10 lakh for anyone who is party to publication of misleading food advertisement(s). The FDA has asked the actors to remove the promotional material and submit formal justifications.

SUPREME COURT QUASHES FIRS AGAINST COMEDIAN SAMAY RAINA AND OTHER PERFORMERS OVER JOKES ABOUT PERSONS WITH DISABILITIES

The Supreme Court has quashed multiple FIRs against comedian Samay Raina and four other performers over jokes about persons with disabilities, holding that criminal prosecution over satirical content creates an unconstitutional chilling effect on free expression, though the Court has cautioned that comedic speech should still be exercised with sensitivity.

PERSONALITY RIGHTS

SHRUTI HAASAN SEEKS INR 15 CRORE IN DAMAGES OVER EXPLICIT AI DEEPFAKES AND UNAUTHORISED MERCHANDISE

Shruti Haasan has approached the Bombay High Court against 18 defendants, seeking INR 15 crore in damages for the unauthorised commercial use of her name, image and voice, and for the circulation of sexually explicit AI-generated content built from clips of her performances. Her claim also invokes performers' moral rights under the Copyright Act, 1957.

DELHI HIGH COURT ORDERS TAKEDOWN OF DEROGATORY AI-MORPHED CONTENT TARGETING TABU, KHUSHI KAPOOR AND JANHVI KAPOOR

In three related but separate proceedings, the Delhi High Court ("**Court**") has ordered the removal of derogatory, obscene and AI-morphed content targeting actresses Tabu, Khushi Kapoor and Janhvi Kapoor, along with unauthorised e-commerce merchandise using their names and images. The Court also granted protection against unidentified domain registrants and vendors. Notably, in Janhvi Kapoor's case, the Court declined to extend the injunction to legitimate fan pages, commentary channels or meme accounts, holding that non-commercial fan engagement does not by itself violate an individual's publicity or privacy rights.

HINDUSTAN UNILEVER SUES BECO OVER COMPARATIVE ADVERTISING CAMPAIGN ALLEGING 'HARMFUL CHEMICALS' IN SURF EXCEL AND VIM

Hindustan Unilever Limited ("HUL") has approached the Delhi High Court ("Court") against home-care brand Beco over its "WarOnWhatsHidden" campaign, which allegedly claimed that Surf Excel and Vim contain ingredients capable of causing skin irritation and allergic reactions. HUL has alleged commercial disparagement, trademark infringement and passing off in relation to the campaign, while also objecting to Beco's use of HUL's registered taglines in its comparative advertising. The Court has reserved its order on the issue of jurisdiction, with the matter listed for further hearing. The dispute highlights the legal limits of comparative advertising, particularly where comparative claims concerning a competitor's products may be perceived as disparaging or misleading, and where a competitor's trademarks and taglines are used to identify or compare its products.

SUPREME COURT STAYS CALCUTTA HIGH COURT'S ORDER HOLDING HOTEL'S UNLICENSED USE OF IPRS MUSIC CONSTITUTES COPYRIGHT INFRINGEMENT

The Supreme Court ("Court"), in the case Hotel Appolo and Tours Private Limited v. The Indian Performing Right Society Limited, stayed the operation of the Calcutta High Court's judgment dated 4 August 2026, which had held that providing cable television connections to individual hotel rooms amounts to "communication to the public" under the Copyright Act, 1957. The Calcutta High Court had restrained Hotel Appolo from communicating literary and musical works belonging to IPRS members to hotel guests through television sets installed in its rooms without obtaining a valid licence from IPRS. The high court had also set aside the Darjeeling District Judge's refusal to grant IPRS interim relief, holding that the hotel's provision of cable television services to its guests constituted commercial exploitation and "communication to the public" under the Copyright Act. Before the Court, Hotel Appolo argued that it had merely subscribed to a cable operator holding a licence from IPRS and was the recipient, rather than the transmitter, of the television signals. The Court has issued notice, stayed the

operation of the Calcutta High Court's judgment pending further proceedings, and scheduled the next hearing in matter on 12 October 2026.

ILAIYARAAJA MOVES THE SUPREME COURT AFTER THE DELHI HIGH COURT DISMISSES HIS REVIEW PLEA IN THE 'EN INIYA PON NILAVE' COPYRIGHT DISPUTE

Music composer Ilaiyaraaja has approached the Supreme Court ("Court") after the Delhi High Court dismissed his review petition against its earlier ruling that he did not hold copyright over the lyrics or sound recording of the song "En Iniya Pon Nilave" from the Tamil film "Moodu Pani". The Court had earlier held that under the Copyright Act, the term "musical work" excludes lyrics and sound recordings, and that Saregama India Limited, and not Ilaiyaraaja, held those rights pursuant to a 1980 assignment from the film's producer. The dispute arose after Saregama objected to a recreated version of the song being used in the film "Aghathiyaa" without its license, and Ilaiyaraaja's petition before the Court is expected to test how far a composer's rights extend once the underlying sound recording has been assigned to a third party.

MIB ADVISES OTT PLATFORMS AND TELEVISION CHANNELS TO DISPLAY DRUG-ABUSE WARNINGS DURING NARCOTIC-USE SCENES

The Ministry of Information and Broadcasting (MIB) has advised private satellite television channels, under an advisory dated 20 August 2026, to display the disclaimer "Illicit Narcotics Destroy Health and Guarantees Imprisonment. Say No to Drugs." at appropriate intervals during all programmes, including general entertainment content. A further advisory reportedly dated 24 August 2026 extends a similar requirement to OTT platforms, asking them to display the warning during scenes depicting the consumption or use of narcotic drugs. The move builds on an earlier, November 2024 advisory requiring OTT publishers to avoid glamorising drug use and to comply with content-classification and disclaimer requirements under the IT Rules, 2021, though industry stakeholders have raised questions about the legal basis and practical implementation of the newer warning requirement.

DELHI HIGH COURT FLAGS MISUSE OF META'S COPYRIGHT-STRIKE SYSTEM AS A TOOL FOR EXTORTION AGAINST CONTENT CREATORS

Digital creator Mohit Kumar ("Plaintiff") has obtained a Delhi High Court ("Court") order compelling Meta to disclose its internal eligibility criteria for its "Rights Manager" tool, after scammers used the tool to hijack his content and issue copyright strikes against his own channel, causing his monthly viewership to crash from roughly 80 million to 300,000. The Court has clubbed the Petitioner's petition with a connected one filed by another creator, Saurabh Maurya, and listed both for further hearing next month. The matter forms part of a broader cluster of pending disputes over fraudulent copyright-strike abuse on Meta's platforms, which also includes a suit filed by TV Today Network Limited alleging that anonymous accounts used fake copyright claims against its posts as a tool for extortion.

MOTION PICTURE ASSOCIATION REACHES ITS FIRST NEGOTIATED AI COPYRIGHT SAFEGUARD AGREEMENT, WITH BYTEDANCE

The Motion Picture Association has announced its first copyright safeguard agreement with an AI developer, ByteDance, covering the Seedance and Seedream video and image-generation tools. This follows a cease-and-desist notice the MPA had published earlier alleging that Seedance 2.0 had been trained on copyrighted film and television content and could generate unauthorised clips featuring protected characters and scenes. While the specific technical safeguards have not been made public, the agreement is being read as an early template for negotiated licensing arrangements between studios and AI developers.



RBI & FEMA

REPORTING OF FCNR(B) DEPOSITS, EXTERNAL COMMERCIAL BORROWINGS AND OVERSEAS FOREIGN CURRENCY BORROWINGS MOBILISED UNDER THE RESERVE BANK'S SWAP FACILITY

The Reserve Bank of India ("**RBI**") has, *vide* press release bearing no. 2026-2027/796 dated August 01, 2026, published the position of foreign exchange inflows mobilised under the facility for concessional swaps offered by the RBI ("**Swap Facility**") in respect of fresh Foreign Currency Non-Resident (Bank) deposits ("**FCNR(B) Deposits**"), Overseas Foreign Currency Borrowings ("**OFCBs**") and External Commercial Borrowings ("**ECBs**").

The Swap Facility was announced by the RBI on June 05, 2026, and was operationalised with effect from June 08, 2026. The Swap Facility is available up to September 30, 2026, in respect of FCNR(B) Deposits, and up to December 31, 2026, in respect of OFCBs and ECBs. Based on the data received from Authorised Dealer banks, the aggregate foreign exchange inflows mobilised under the Swap Facility up to July 31, 2026, stood at USD 40,816 million (United States Dollars Forty Thousand Eight Hundred Sixteen Million), comprising FCNR(B) Deposits of USD 36,725 million (United States Dollars Thirty Six Thousand Seven Hundred Twenty Five Million), OFCBs of USD 2,575 million (United States Dollars Two Thousand Five Hundred Seventy Five Million) and ECBs of USD 1,516 million (United States Dollars One Thousand Five Hundred Sixteen Million).

DSK View: *The RBI's concessional swap circular benefits the financial system by absorbing high USD-INR hedging costs, enabling banks to offer attractive yields that successfully draw in stable, long-term capital. This mechanism rapidly bolsters India's foreign exchange reserves with billions in inflows, ultimately easing depreciation pressures on the Indian Rupee and strengthening macroeconomic stability.*

Read more here

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

The RBI has, *vide* press release bearing no. 2026-2027/835 dated August 07, 2026, released for public comments the draft Reserve Bank of India (Commercial Banks – Prudential Norms on Capital Adequacy) Eleventh Amendment Directions, 2026 ("**Draft Leverage Ratio Amendment Directions**"). The Draft Leverage Ratio Amendment Directions have been issued in exercise of the powers conferred by Section 35A of the Banking Regulation Act, 1949, and propose to amend 'Chapter VII: Leverage Ratio framework' of the Reserve Bank of India (Commercial Banks – Prudential Norms on Capital Adequacy) Directions, 2025 ("**Capital Adequacy Directions**"), with a view to implement the latest leverage ratio framework ('leverage ratio 2017 standard') issued by the Basel Committee on Banking Supervision ("**BCBS**").

By way of background, the Capital Adequacy Directions consolidate the prudential capital framework applicable to commercial banks in India, and prescribe the minimum regulatory capital requirements, the composition and eligibility criteria of Tier 1 and Tier 2 capital, the approach for computation of risk-weighted assets in respect of credit, market and operational risk, the capital conservation and countercyclical capital buffers, and the Pillar 3 disclosure requirements. Chapter VII thereof sets out the leverage ratio framework, being a non-risk-based backstop to the risk-weighted capital requirements. Vide the Draft Leverage Ratio Amendment Directions, Paragraph 262 of the Capital Adequacy Directions is proposed to be substituted with the following, namely:

Key Features:

- **Minimum leverage ratio:** The Basel III leverage ratio is defined as the capital measure divided by the exposure

measure, expressed as a percentage. The minimum leverage ratio is proposed at 4% (Four Percent) for a domestic systemically important bank ("**D-SIB**") and 3.5% (Three Decimal Five Percent) for other banks. A branch in India of a global systemically important bank ("**G-SIB**") is required to maintain a leverage ratio of 3.5% (Three Decimal Five Percent) plus the leverage ratio buffer applicable to it as a G-SIB, including any additional leverage ratio buffer prescribed by its home regulator. A bank must meet the minimum leverage ratio requirement at all times.

- **Capital distribution constraints:** A G-SIB branch which does not meet its leverage ratio buffer requirement shall be subject to capital distribution constraints determined by reference to both its common equity tier 1 ("**CET1**") risk-based ratio and its Tier 1 leverage ratio. The capital distribution constraints imposed on the branch will depend on its common equity tier 1 (CET1) risk-based ratio and its leverage ratio as under:

  - A G-SIB branch which meets both its CET1 risk-based capital requirements (defined as a 5.5% minimum requirement, a 2.5% capital conservation buffer, the G-SIB higher loss-absorbency requirement and countercyclical capital buffer, if applicable) and its Tier 1 leverage ratio requirement (defined as a 3.5% leverage ratio minimum requirement and the G-SIB leverage ratio buffer) will not be subject to minimum capital conservation standards.

  - A G-SIB branch which does not meet one of these requirements will be subject to the associated minimum capital conservation standards.

  - A G-SIB branch which does not meet both requirements will be subject to the higher minimum capital conservation standard related to its risk-based capital requirement or leverage ratio.

- **Scope of application:** The leverage ratio framework shall follow the same scope of regulatory consolidation, including consolidation criteria, as applies to the risk-based capital framework.

- **General Measurement Principles:** The exposure measure shall generally follow gross accounting values. Unless otherwise specified, a bank shall not take account of physical or financial collateral, guarantees or other credit risk mitigation techniques to reduce the exposure measure, nor net assets against liabilities. Items deducted from Tier 1 capital and regulatory adjustments (other than those relating to liabilities) shall be deducted from the exposure measure. However, liability items shall not be deducted from the leverage ratio exposure measure. The total exposure measure shall comprise on-balance sheet exposures, derivative exposures, securities financing transaction ("**SFT**") exposures and off-balance sheet items. In relation to traditional securitisations, an originating bank may exclude securitised exposures from its leverage ratio exposure measure if the securitisation meets the operational requirements for the recognition of risk transference as described in the Capital Adequacy Directions. A bank meeting these conditions shall include any retained securitisation exposures in its leverage ratio exposure measure. In all other cases, for example traditional securitisations that do not meet the operational requirements for the recognition of risk transference or synthetic securitisations, the securitised exposures shall be included in the leverage ratio exposure measure. A bank is also required to be vigilant for transactions and structures that have the result of inadequately capturing its sources of leverage. For ensuring facilitation of monetary policies, the RBI may also temporarily exempt central bank reserves (i.e., balance maintained with it) from the leverage ratio exposure measure in exceptional macroeconomic circumstances. For ensuring resilience provided by the leverage ratio, the RBI may also increase the calibration of the minimum leverage ratio requirement commensurately to offset the impact of exempting central bank reserves. In addition, in order to maintain the comparability and transparency of the leverage ratio framework, a bank shall be required to disclose the impact of any temporary exemption alongside ongoing public disclosure of the leverage ratio without application of such exemption.

- **On-balance sheet exposures**: A bank shall include all balance sheet assets in its leverage ratio exposure measure, including on-balance sheet derivatives collateral and collateral for SFTs, except for on-balance sheet derivative and SFT assets that are covered in paragraphs 267 (derivative exposure) and 268 (SFT exposure) as mentioned below. On-balance sheet, non-derivative assets shall be included in the leverage ratio exposure measure at their accounting values less deductions for associated specific provisions. In addition, general provisions or general loan loss reserves which have reduced Tier 1 capital, shall be deducted from the leverage ratio exposure measure. For the purpose of the leverage ratio exposure measure, a bank using trade date accounting for unsettled trades shall reverse out any offsetting between cash receivables for unsettled sales and cash payables for unsettled purchases of financial assets that may be recognised under the applicable accounting framework, but may offset between those cash receivables and cash payables (regardless of whether such offsetting is recognised under the applicable accounting framework) if prescribed conditions are met. 'Unsettled trades' refer

to regular-way purchases or sales of financial assets that have not been settled. 'Regular-way purchases or sales' are purchases or sales of financial assets under contracts for which the terms require delivery of the assets within the time frame established generally by regulation or convention in the marketplace concerned.

For leverage ratio exposure measure, where a cash pooling arrangement entails a transfer at least on a daily basis of the credit and / or debit balances of the individual participating customer accounts into a single account balance, the individual participating customer accounts are deemed to be extinguished and transformed into a single account balance upon the transfer provided the bank is not liable for the balances on an individual basis upon the transfer. Thus, the basis of the leverage ratio exposure measure for such a cash pooling arrangement is the single account balance and not the individual participating customer accounts. When the transfer of credit and / or debit balances of the individual participating customer accounts does not occur daily, for purposes of the leverage ratio exposure measure, extinguishment and transformation into a single account balance is deemed to occur and this single account balance may serve as the basis of the leverage ratio exposure measure provided if all prescribed conditions are met. Cash pooling refers to arrangements involving treasury products whereby a bank combines the credit and / or debit balances of several individual participating customer accounts into a single account balance to facilitate cash and / or liquidity management.

- **Derivative exposures:** Exposures to derivatives are included by means of two components:

  – replacement cost (RC); and

  – potential future exposure (PFE).

  Derivative exposures shall be computed as a scalar multiplier alpha, set at 1.4 (One Decimal Four), applied to the sum of replacement cost and potential future exposure, with the multiplier in the potential future exposure calculation fixed at one. Collateral received shall not be netted against derivative exposures, and collateral provided shall be grossed up where it has reduced balance sheet assets.

  Cash variation margin may be recognised only where the prescribed conditions, including daily exchange and coverage by a single master netting agreement, are satisfied. Written credit derivatives shall additionally be included at their effective notional amounts, subject to specified offsetting against purchased credit protection on the same reference name.

- **SFT exposures:** SFT exposures shall comprise gross SFT assets recognised for accounting (i.e., (with no recognition of accounting netting) purposes, together with a measure of counterparty credit risk computed as current exposure without an add-on for potential future exposure. Netting of cash payables and receivables with the same counterparty is permitted only where the prescribed conditions as to same final settlement date, legal enforceability of set-off and net settlement are met. Where sale accounting is achieved for an SFT, the bank shall reverse all sales-related accounting entries and compute its exposure as though the transaction were a financing transaction.

- **Off-balance sheet items:** Off-balance sheet items, including commitments (whether or not unconditionally cancellable), direct credit substitutes, acceptances and standby and trade letters of credit, shall be converted into credit exposure equivalents by applying the credit conversion factors prescribed under the Reserve Bank of India (Commercial Banks – Capital Charge for Credit Risk – Standardised Approach) Directions, 2026.

- **Computation, disclosure and reporting:** Both the capital measure and the exposure measure shall be calculated on a quarter-end basis, with more frequent calculation (such as daily or monthly averaging) permitted with the approval of the RBI provided it is applied consistently. A bank shall publicly disclose its quarterly leverage ratio on both a standalone and consolidated basis, report the ratio together with detailed calculations to the Department of Supervision on a quarterly basis, and make disclosures in Templates LR1 and LR2 of the Pillar 3 disclosure requirements. Annex III of the Capital Adequacy Directions (i.e., Pillar 3 Disclosure requirements) shall be substituted with the annexure as provided under the Draft Leverage Ratio Amendment Directions.

The Draft Leverage Ratio Amendment Directions are proposed to come into effect from April 1, 2027. Comments on the Draft Leverage Ratio Amendment Directions have been invited till August 28, 2026, and may be submitted through the link under the 'Connect 2 Regulate' section on the website of the RBI, or forwarded to the Chief General Manager, Balance Sheet Group, Department of Regulation, RBI, Central Office, Mumbai, or by email.

DSK View: *The Draft Leverage Ratio Amendment Directions aims to enhance financial stability by aligning India's leverage ratio framework with international Basel III standards, introducing stricter thresholds of 4.0% (Four Percent) for D-SIBs and 3.5% (Three Point Five Percent) for other commercial banks. Banks with material derivative and securities financing books may find the revised exposure measure, and in particular the restrictions on recognition of collateral and netting, to have a tangible effect on leverage*

ratios, and would be well advised to run parallel computations ahead of the proposed April 01, 2027, commencement. The reservation of a power to temporarily exempt balances maintained with the RBI, along with modification of the minimum requirement, provides useful flexibility in periods of monetary policy stress while preserving the resilience the ratio is intended to deliver. Thus, by acting as a robust, non-risk-based backstop to risk-weighted capital, the framework prevents excessive leverage accumulation and fortifies the banking sector against unexpected shocks.

Read more here

DRAFT GUIDELINES FOR 'ON TAP' LICENSING OF URBAN CO-OPERATIVE BANKS

The RBI has issued the draft guidelines for 'on tap' licensing of Urban Co-operative Banks ("**UCBs**") dated August 05, 2026 ("**Draft Licensing Guidelines**"), pursuant to the Statement on Developmental and Regulatory Policies announced as part of the bi-monthly Monetary Policy Statement dated August 05, 2026. The Draft Licensing Guidelines have been issued for stakeholder consultation and *inter alia* propose resumption of licensing of UCBs on an 'on-tap' basis, after a pause of over 2 (Two) decades.

By way of background, it was decided in June 2004 to consider issuance of fresh licences to UCBs only after a comprehensive policy on UCBs, including an appropriate legal and regulatory framework for the sector, was put in place. In view of the improvement in the financial health of the sector, consolidation and closure of weak UCBs, and the strengthening of the regulatory and supervisory powers of the RBI pursuant to the Banking Regulation (Amendment) Act, 2020, the RBI published a discussion paper on licensing of UCBs on January 13, 2026, for stakeholder consultation. The comments and suggestions received thereon have been examined and the RBI has accordingly decided to issue a new framework for granting licences to UCBs.

Key Features:

- **Eligibility:** Credit co-operative societies in existence for at least 10 (Ten) years shall be eligible to apply.

- **Minimum Capital and Other Requirements:** The applicant society shall have a deposit size of at least Rs. 10,000,00,00,000/- (Rupees Ten Thousand Crore) and a minimum net worth of at least Rs. 300,00,00,000/- (Rupees Three Hundred Crore), as per audited financials as on March 31 of the previous financial year. Net worth shall be computed in terms of the Reserve Bank of India (Urban Co-operative Banks – Prudential Norms on Capital Adequacy) Directions, 2025, as updated from time to time.

- **Registration:** In the initial phase, societies demonstrating geographical diversification across multiple states shall be considered. Accordingly, the applicant society must be registered under the Multi-State Co-operative Societies Act, 2002, at the time of application.

- **Track Record:** The society must demonstrate a positive and progressive trend in its operating and financial parameters over the previous 5 (Five) years. The Capital to Risk-Weighted Assets Ratio ("**CRAR**") shall not be less than 12% (Twelve Percent) and the net non-performing assets ("**Net NPA**") ratio shall not be more than 3% (Three Percent) as on March 31 of the financial year previous to the year of application. The financials are required to be computed in accordance with the guidelines issued by the RBI as applicable to existing UCBs and shall be certified by the statutory auditor. CRAR is to be calculated as per applicable Reserve Bank of India (Urban Co-operative Banks – Cash Reserve Ratio and Statutory Liquidity Ratio) Directions, 2025 or as updated from time to time. For ascertaining the Net NPA, Asset Classification will be as per the applicable Reserve Bank of India (Urban Co-operative Banks – Income Recognition, Asset Classification and Provisioning) Directions, 2025 or as updated from time to time.

- **Fit and Proper:** No member shall hold a shareholding of more than 5% (Five Percent). The RBI shall assess the 'fit and proper' status of the board of directors, who are required to have a past record of sound credentials and integrity and must not have defaulted to any bank or financial institution. The directors shall also be qualified to be on the board in terms of the Reserve Bank of India (Urban Co-operative Banks – Governance) Directions, 2025, as updated from time to time, and the Banking Regulation Act, 1949 (As Applicable to Co-operative Societies) ("**BR Act**"). No director on the board shall discharge any executive role or hold a designation implying such a role.

- **Business Plan:** Applicants shall submit a detailed business plan stating their objectives and the manner of achieving such objectives, particularly in relation to financial inclusion, along with a project report covering business potential and viability. The report is required to include, *inter alia*, the underlying assumptions, financial projections for 5 (Five) years, target locations for branch openings, proposed product lines, target clientele, technology usage, risk management, human resource plans, priority sector compliance, compliance with prudential norms on cash reserve ratio and statutory liquidity ratio, and a comprehensive plan to separate and transfer all non-banking activities. The business plan submitted by the applicant should be realistic and

viable. In the event of deviation from the stated business plan after issuance of a licence, the RBI may consider restricting the expansion of the bank, effecting a change in management, and imposing such other penal or regulatory measures as may be necessary.

- **Call for information:** The applicant may furnish any other relevant information and documents supporting the applications. Further, the RBI may call for any other additional information, as may be required, in due course.

- **Regulatory Framework:** The bank shall be governed by the provisions of the BR Act, the Reserve Bank of India Act, 1934, the Foreign Exchange Management Act, 1999, the Payment and Settlement Systems Act, 2007, the Credit Information Companies (Regulation) Act, 2005, the Deposit Insurance and Credit Guarantee Corporation Act, 1961, and other relevant statutes, directives, prudential regulations, guidelines and instructions issued by the RBI and other regulators from time to time.

- **Procedure for Application:** Applications from eligible societies shall be accepted on an on-tap basis in Form IIIA prescribed under Rule 6 of the Banking Regulation (Co-operative Societies) Rules, 1966, along with a no-objection certificate ("**NOC**") from the Central Registrar of Co-operative Societies and a shareholder resolution. The resolution for conversion into a bank is required to be approved by a majority representing two-thirds of the shareholders, both in number and value, present in person at a meeting called for the purpose. Notice of such meeting shall be published approximately 1 (One) month in advance, at least once a week for 3 (Three) consecutive weeks, in not less than 2 (Two) newspapers circulating in the locality where the registered office of the society is situated, one of which shall be in a language commonly understood in such locality. Applications, along with the documents prescribed in Annex-1 to the Draft Licensing Guidelines, may be submitted at any time to the Department of Regulation, RBI, Central Office, Mumbai through the PRAVAAH portal.

- **Procedure for Decisions and Appeal:** The RBI shall initially screen applications to ascertain *prima facie* eligibility, and applications not meeting the prescribed norms shall be returned. Due diligence of all existing directors shall be carried out, followed by an inspection of the society to verify the financials and other information submitted. Thereafter, an Internal Screening Committee comprising 2 (Two) Deputy Governors and 2 (Two) Executive Directors shall evaluate the application and place its recommendations before the Committee of the Central Board ("**CCB**") for a final decision on grant of 'in-principle approval'. The decision of the RBI shall be final; applicants whose applications are rejected shall not be eligible to make a fresh application for a banking licence for a period of 3 (Three) years from the date of such decision, and applicants aggrieved by the decision of the CCB may prefer an appeal before the Central Board of Directors within 1 (One) month from the date of receipt of the communication from the RBI. The in-principle approval shall be valid for 18 (Eighteen) months from the date of grant and shall thereafter lapse automatically.

- **Conditions post grant of in-principle approval:** During the validity period of the in-principle approval, the entity shall put in place the necessary information technology and cyber security infrastructure in terms of extant RBI guidelines, implement a core banking solution in accordance with extant banking standards, and comply with the governance requirements relating to constitution of committees of the board, the board of management and appointment of key officers under the Reserve Bank of India (Urban Co-operative Banks – Governance) Directions, 2025 and the BR Act.

- **Amendment to byelaws:** The byelaws of the entity shall be amended to provide that: (a) admission of any other co-operative society as a member shall be prohibited; (b) the composition and tenure of the board of directors, the committees of the board and the board of management shall be in accordance with the BR Act and directions issued by the RBI from time to time; (c) a director on the board shall not be on the board of any other bank or credit society; and (d) the RBI shall have the right to assess the fitness and propriety of any member of the board and the senior management personnel, as well as compliance with the aforesaid parameters, and to require the entity to effect such changes in the board or management as it may consider necessary. Any further amendment to the aforesaid byelaws shall require an NOC from the RBI.

- **Grant of licence and commencement of business:** Upon receipt of the compliance report from the society and verification thereof by the RBI, a banking licence shall be issued. The society shall commence banking business within 6 (Six) months of grant of the licence and shall fulfil the additional requirements stated in the letter granting the banking licence, including approaching the Deposit Insurance and Credit Guarantee Corporation for deposit insurance cover within the timeline prescribed by the RBI.

- **Withdrawal of in principal approval (if adverse features are triggered):** Where any adverse feature is noticed subsequent to the grant of in-principle approval in respect of the directors, the society, or entities with

which they are associated or in which they have an interest, the RBI may impose additional conditions and, if warranted, withdraw the in-principle approval.

The RBI vide press release: 2026-2027/816 dated August 05, 2026, has invited comments and feedback on the Draft Licensing Guidelines have been invited from the public and stakeholders till September 05, 2026, and may be submitted through the link under the 'Connect 2 Regulate' section on the website of the RBI, or forwarded to the Chief General Manager, Department of Regulation, Registration and Licensing Section (Co-operative Banks), RBI, Central Office, Mumbai, or by email.

The RBI has clarified that, banking being a highly leveraged business, licences shall be issued on a very selective basis to co-operative societies which conform to the stipulated requirements and such other requirements as the RBI may deem necessary, have an impeccable track record, and are likely to conform to the best standards of governance, customer service and efficiency. Accordingly, it may not be feasible for the RBI to issue licences to all applicants meeting the prescribed eligibility criteria.

DSK View: *The Draft Licensing Guidelines mark the resumption of UCB licensing after a pause of over 2 (Two) decades and adopt a calibrated conversion-only route, restricted in the initial phase to large, well-capitalised and geographically diversified multi-state credit co-operative societies. By combining high entry thresholds prescribed on deposit size, net worth, asset quality and governance, accompanied with the on-tap application mechanism and a structured multi-tier approval and appeal architecture, the RBI aims to facilitate orderly expansion of the co-operative banking sector while preserving prudential discipline and depositor protection and financial stability.*

Read more here

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

The RBI has, *vide* press release bearing no. 2026-2027/825 dated August 06, 2026, released for public comments the draft Reserve Bank of India (Non-Banking Financial Companies – Credit Facilities) Amendment Directions, 2026 ("**Draft NBFC Credit Facilities Amendment Directions**"). The Draft NBFC Credit Facilities Amendment Directions have been issued in exercise of the powers conferred by Chapter III B of the Reserve Bank of India Act, 1934, and propose to amend the Reserve Bank of India (Non-Banking Financial Companies – Credit Facilities) Directions, 2025 dated November 28, 2025 ("**NBFC Credit Facilities Directions**").

The NBFC Credit Facilities Directions consolidate the regulatory framework governing the extension of credit by non-banking financial companies ("**NBFCs**"), and prescribe, *inter alia*, the norms applicable to the sanction and disbursement of credit facilities, exposure and concentration limits, restrictions on lending against specified securities and to related parties, and other regulatory restrictions on the credit products which NBFCs may offer.

Key Features:

- **Insertion of definitions:** Two new definitions are proposed to be inserted in paragraph 4 (1) of the NBFC Credit Facilities Directions. 'Revolving credit' is proposed to be defined as any fund based credit facility which does not meet the definition of a term loan. 'Term loan' is proposed to be defined as a fund based credit facility of a fixed principal amount made available by an NBFC to a borrower having both of the following features: (a) the sanctioned limit is disbursed in one or more instalments and is repayable in accordance with a predetermined amortisation schedule, either as periodic instalments or as a bullet payment on the stated due date; and (b) once disbursed, the sanctioned limit cannot be restored or replenished upon repayment of the whole or any part of the principal amount.

- **Restriction on revolving credit facilities:** A new Part F is proposed to be inserted in Chapter VIII (Other Regulatory Restrictions), providing at paragraph 108A that an NBFC shall only offer credit products which are in the nature of term loans and shall not offer any revolving credit products. The restriction is proposed not to apply to an NBFC authorised by the RBI to issue credit cards.

- **Deletions:** Paragraph 5 (5) of Chapter II is proposed to be deleted, as is Part D (Demand / Call Loans) of Chapter VIII of the NBFC Credit Facilities Directions. The specific rules on demand/call loans were deleted from the NBFC framework because the RBI shifted entirely away from revolving credit products and rigid micro-management. Under the updated regulations, NBFCs are broadly restricted to offering standard term loans (unless authorized to issue credit cards).

The amendments are proposed to come into force immediately upon issuance. Comments and feedback on the Draft NBFC Credit Facilities Amendment Directions have been invited from regulated entities and other interested stakeholders by August 28, 2026, and may be submitted through the 'Connect 2 Regulate' section on the website of the RBI or by email.

DSK View: *The Draft NBFC Credit Facilities Amendment Directions are directed at curbing the perpetual roll-over of risks / exposures and the opacity in asset classification that revolving structures can produce at entities which do not have access to a deposit-based funding franchise. Offering of*

revolving credit structures is proposed to be eliminated, thereby effectively removing legacy demand and call loan provisions and mandates that all credit facilities operate strictly as standard term loans with fixed amortization schedules, unless the NBFC is specifically authorized by the RBI to issue credit cards. Affected NBFCs may wish to assess the implications for existing revolving portfolios, customer contracts and funding profiles, and to seek clarity through the consultation process on the transitional treatment of facilities sanctioned prior to commencement, given that the amendments are proposed to take effect immediately upon issuance.

Read more here

RESERVE BANK OF INDIA (PRIORITY SECTOR LENDING – TARGETS AND CLASSIFICATION) SECOND AMENDMENT DIRECTIONS, 2026

The RBI has, *vide* circular bearing no. RBI/2026-27/232 FIDD.CO.PSD.BC.No.08/04.09.001/2026-27 dated August 07, 2026, issued the Reserve Bank of India (Priority Sector Lending – Targets and Classification) Second Amendment Directions, 2026 ("**PSL Second Amendment Directions**"), amending the Reserve Bank of India (Priority Sector Lending – Targets and Classification) Directions, 2025, as updated as on January 19, 2026 ("**PSL Directions**").

The PSL Directions consolidate the framework for priority sector lending by banks, and prescribe the categories of advances eligible for classification as priority sector, the overall and sub-sector targets applicable to the various classes of banks, the methodology for computation of adjusted net bank credit ("**ANBC**") and the credit equivalent of off-balance sheet exposures against which such targets are measured, and the mechanism for monitoring compliance, including the consequences of any shortfall.

The PSL Second Amendment Directions follow from the Swap Facility introduced *vide* circular FMOD.MAOG.No.S-56/01.06.016/2026-27 dated June 08, 2026 in respect of fresh FCNR(B) Deposits of a minimum tenor of 3 (Three) years and a maximum tenor of 5 (Five) years, and from the Reserve Bank of India (Cash Reserve Ratio and Statutory Liquidity Ratio) Second and Third Amendment Directions dated June 08, 2026 and June 19, 2026, respectively, by which exemption from maintenance of cash reserve ratio ("**CRR**") and statutory liquidity ratio ("**SLR**") was extended to such fresh FCNR(B) Deposits mobilised between June 08, 2026 and September 30, 2026, and to fresh Non-Resident (External) Rupee term deposits ("**NRE Deposits**") of a tenor of 3 (Three) years or more mobilised between June 19, 2026 and September 30, 2026, in each case including deposits renewed upon maturity.

Key Features:

- **Exclusion from Adjusted Net Bank Credit:** Advances extended in India against fresh FCNR(B) Deposits of a minimum tenor of 3 (Three) years and a maximum tenor of 5 (Five) years mobilised by banks between June 08, 2026 and September 30, 2026, and advances against NRE Deposits of a tenor of 3 (Three) years or more mobilised between June 19, 2026 and September 30, 2026 (in each case including deposits renewed upon maturity), shall be excluded from the calculation of ANBC.

- **Modification of paragraph 6.1:** Item no. VI in the table at paragraph 6.1 of the PSL Directions stands partially modified so as to refer to advances extended in India against fresh (as opposed to incremental) FCNR(B) or NRE deposits (including deposits that are renewed upon maturity), qualifying for exemption from CRR and SLR requirements, with the enabling reference updated from the erstwhile circulars of 2013 and 2014 to the Reserve Bank of India (Cash Reserve Ratio and Statutory Liquidity Ratio) Second Amendment Directions dated June 08, 2026 and Reserve Bank of India (Cash Reserve Ratio and Statutory Liquidity Ratio) Third Amendment Directions dated June 19, 2026, as applicable to various banks.

- **Cap on the exclusion:** The amount to be excluded from ANBC for computation of priority sector targets shall not exceed the fresh FCNR(B) or NRE deposits eligible for exemption from maintenance of CRR and SLR in terms of the aforesaid amendment directions.

- **Deletion of footnote:** Footnote no. 3 to the PSL Directions, which prescribed the erstwhile methodology for computing incremental advances by reference to the base date of July 26, 2013 and outstanding advances as on March 7, 2014 (June 13, 2014, in the case of UCBs), stands deleted.

The above amendments have come into force with immediate effect.

DSK View: *The PSL Second Amendment Directions complete the regulatory package supporting the Swap Facility by ensuring that advances funded out of the exempted FCNR(B) and NRE deposits do not inflate the ANBC base against which priority sector targets are computed, thereby removing what would otherwise have operated as a disincentive to mobilising such deposits. The substitution of 'fresh' for 'incremental' and the deletion of the legacy footnote also simplify the computation considerably, replacing a methodology anchored to 2013-14 reference dates with a straightforward alignment to the quantum of deposits eligible for CRR and SLR exemption. Banks availing the exemption should ensure that the amount excluded from*

ANBC is tracked against, and does not exceed, the quantum of eligible deposits.

Read more here

FORMATION OF NEW DISTRICTS IN THE UNION TERRITORY OF LADAKH – ASSIGNMENT OF LEAD BANK RESPONSIBILITY

The RBI has, *vide* circular bearing no. RBI/2026-27/233 FIDD.CO.LBS.BC.No.09/02.08.001/2026-27 dated August 10, 2026 ("**Lead Bank Circular**"), addressed to the lead banks concerned, assigned lead bank responsibility in respect of 5 (Five) newly created districts in the Union Territory of Ladakh ("**UT of Ladakh**").

The Administration of the Union Territory ("**UT**") of Ladakh has notified the formation of 5 (Five) new districts, namely, Sham, Nuba, Changchang, Zanskar and Drass, *vide* Gazette Notification SG-LD-E-27042026-1712 dated April 27, 2026. Accordingly, the RBI has designated the State Bank of India as the lead bank for each of the newly created districts, and has allotted district working codes as follows: Sham – 02Z; Nubira – 03B; Changsheng – 03A; Zanskar – 03C; and Drass – 03D. There is no change in the lead banks of the other districts in the UT of Ladakh.

DSK View: *The Lead Bank Circular is a consequential administrative measure giving effect to the reorganisation of districts in the UT of Ladakh, bringing the newly created districts within the fold of the Lead Bank Scheme without disturbing existing allocations elsewhere in the UT of Ladakh. The assignment of lead bank responsibility to a single institution across all 5 (Five) districts should facilitate continuity in the convening of district level consultative committee meetings and in the preparation and monitoring of localised district credit plans independently for these remote areas. This enables structured deployment of financial inclusion programs, localized agricultural credit, and government-sponsored schemes tailored to each high-altitude valley's distinct economic profile.*

Read more here

RESERVE BANK OF INDIA (COMMERCIAL BANKS – CASH RESERVE RATIO AND STATUTORY LIQUIDITY RATIO) FOURTH AMENDMENT DIRECTIONS, 2026

The RBI has, *vide* circular bearing no. RBI/2026-27/238 DOR.RET.REC.205/12.01.001/2026-27 dated August 25, 2026, issued the Reserve Bank of India (Commercial Banks – Cash Reserve Ratio and Statutory Liquidity Ratio) Fourth Amendment Directions, 2026 ("**Commercial Banks CRR / SLR Fourth Amendment Directions**"), in exercise of the powers conferred by Section 35A of the Banking Regulation Act, 1949, and pursuant to Section 42 of the Reserve Bank of India Act, 1934 and Sections 18 and 24 of the Banking Regulation Act, 1949, amending the Reserve Bank of India (Commercial Banks – Cash Reserve Ratio and Statutory Liquidity Ratio) Directions, 2025 ("**Commercial Banks CRR / SLR Directions**").

The Commercial Banks CRR / SLR Directions consolidate the requirements relating to the maintenance of cash reserve ratio ("**CRR**") with the RBI and of statutory liquidity ratio ("**SLR**") in the form of prescribed liquid assets, and prescribe the computation of net demand and time liabilities, the liabilities excluded from such computation, the applicable reporting requirements and the consequences of any shortfall in maintenance. Vide Reserve Bank of India (Commercial Banks – Cash Reserve Ratio and Statutory Liquidity Ratio) Third Amendment Directions, 2026 dated June 8, 2026, the maintenance of CRR and SLR were exempted for: (a) the fresh FCNR(B) Deposits of a minimum tenor of 3 (Three) years and a maximum tenor of 5 (Five) years mobilised between June 08, 2026 and September 30, 2026; and (b) the fresh Non-Resident (External) Rupee term deposits of a tenor of 3 (Three) years or more mobilised between June 19, 2026 and September 30, 2026, in each case including deposits renewed upon maturity.

Key Features:

- **Curtailment of the exemption window:** On a review, the RBI has decided to advance the terminal date of both the aforesaid exemptions from September 30, 2026 to August 31, 2026. Accordingly, the exemption from maintenance of CRR and SLR is available only in respect of fresh FCNR(B) Deposits mobilised between June 08, 2026 and August 31, 2026, and fresh Non-Resident (External) Rupee term deposits mobilised between June 19, 2026 and August 31, 2026. The exemption on reserves maintenance is available for the original deposit amounts till such time the deposits are held in the bank books. Any transfer from Non-Resident (Ordinary) (NRO) accounts to NRE accounts will not qualify for such exemptions.

- **Provisions modified:** The substitution of the date has been effected at paragraphs 20(8) and 20(9) of the Commercial Banks CRR / SLR Directions.

The Commercial Banks CRR / SLR Fourth Amendment Directions have come into force with immediate effect.

DSK View: *The RBI accelerated the deadline of the terminal date by 1 (One) month because foreign inflows exceeded expectations (evident from consistent with the inflows of USD 40,816 million (United States Dollars Forty Thousand Eight Hundred Sixteen Million) reported as on July 31, 2026). This statistics signals that the RBI considers the objectives of the concessional deposit mobilisation window to have been substantially achieved and now vide these amendments, the central bank aims to rein in systemic liquidity and prevent an over-accumulation of foreign liabilities. For commercial*

banks, the primary benefit was the ability to deploy 100% of these deposits into lending without locking up funds in CRR or SLR, while structurally boosting India's foreign exchange reserves. Commercial banks will need to ensure that fresh FCNR(B) and Non-Resident (External) Rupee term deposits mobilised on or after September 01, 2026, are brought within the net demand and time liabilities base for CRR and SLR purposes, and that internal systems and regulatory returns are updated to reflect the revised cut-off. Given the short interval between the date of the amendment and the revised terminal date, banks with deposit mobilisation campaigns in progress may face operational pressure in recalibrating pricing and customer communication.

Read more here

RESERVE BANK OF INDIA (SMALL FINANCE BANKS – CASH RESERVE RATIO AND STATUTORY LIQUIDITY RATIO) FOURTH AMENDMENT DIRECTIONS, 2026

The RBI has, *vide* circular bearing no. RBI/2026-27/239 DOR.RET.REC.206/12.01.001/2026-27 dated August 25, 2026, issued the Reserve Bank of India (Small Finance Banks – Cash Reserve Ratio and Statutory Liquidity Ratio) Fourth Amendment Directions, 2026 ("**SFB CRR / SLR Fourth Amendment Directions**"), in exercise of the powers conferred by Section 35A of the Banking Regulation Act, 1949, and pursuant to Section 42 of the Reserve Bank of India Act, 1934 and Sections 18 and 24 of the Banking Regulation Act, 1949, amending the Reserve Bank of India (Small Finance Banks – Cash Reserve Ratio and Statutory Liquidity Ratio) Directions, 2025 ("**SFB CRR / SLR Directions**").

The SFB CRR / SLR Directions consolidate the requirements relating to the maintenance of cash reserve ratio ("**CRR**") with the RBI and of statutory liquidity ratio ("**SLR**") in the form of prescribed liquid assets, and prescribe the computation of net demand and time liabilities, the liabilities excluded from such computation, the applicable reporting requirements and the consequences of any shortfall in maintenance. Vide Reserve Bank of India (Commercial Banks – Cash Reserve Ratio and Statutory Liquidity Ratio) Third Amendment Directions, 2026 dated June 8, 2026, the maintenance of CRR and SLR were exempted for: (a) the fresh FCNR(B) Deposits of a minimum tenor of 3 (Three) years and a maximum tenor of 5 (Five) years mobilised between June 08, 2026 and September 30, 2026; and (b) the fresh Non-Resident (External) Rupee term deposits of a tenor of 3 (Three) years or more mobilised between June 19, 2026 and September 30, 2026, in each case including deposits renewed upon maturity.

Key Features:

- **Curtailment of the exemption window:** On a review, the RBI has decided to advance the terminal date of both the aforesaid exemptions from September 30, 2026 to August 31, 2026. Accordingly, the exemption from maintenance of CRR and SLR is available only in respect of fresh FCNR(B) Deposits mobilised between June 08, 2026 and August 31, 2026, and fresh Non-Resident (External) Rupee term deposits mobilised between June 19, 2026 and August 31, 2026. The exemption on reserves maintenance is available for the original deposit amounts till such time the deposits are held in the bank books. Any transfer from Non-Resident (Ordinary) (NRO) accounts to NRE accounts will not qualify for such exemptions.

- **Provisions modified:** The substitution of the date has been effected at paragraphs 20(6) and 20(7) of the SFB CRR / SLR Directions.

The SFB CRR / SLR Fourth Amendment Directions have come into force with immediate effect.

DSK View: *The amendment mirrors, for small finance banks, the curtailment simultaneously effected in respect of commercial banks and regional rural banks, preserving parity in the reserve requirement treatment of non-resident deposits across the classes of banks eligible to mobilise them. Although the quantum of FCNR(B) and Non-Resident (External) Rupee deposits held by small finance banks is typically modest relative to their overall liability profile, affected entities should verify that deposits mobilised on or after September 01, 2026, including those renewed upon maturity, are correctly included in the computation of net demand and time liabilities. While the shortened window requires faster mobilization, SFBs still reap long-term benefits by deploying 100% of these qualifying foreign deposits free of CRR and SLR burdens. Ultimately, it allows the RBI to curb excessive liquidity while granting SFBs cost-free capital to fuel their lending portfolios.*

Read more here

RESERVE BANK OF INDIA (REGIONAL RURAL BANKS – CASH RESERVE RATIO AND STATUTORY LIQUIDITY RATIO) FOURTH AMENDMENT DIRECTIONS, 2026

The RBI has, *vide* circular bearing no. RBI/2026-27/240 DOR.RET.REC.207/12.01.001/2026-27 dated August 25, 2026, issued the Reserve Bank of India (Regional Rural Banks – Cash Reserve Ratio and Statutory Liquidity Ratio) Fourth Amendment Directions, 2026 ("**RRB CRR / SLR Fourth Amendment Directions**"), in exercise of the powers conferred by Section 35A of the Banking Regulation Act, 1949, and pursuant to Section 42 of the Reserve Bank of India Act, 1934 and Sections 18 and 24 of the Banking Regulation Act, 1949, amending the Reserve Bank of India (Regional Rural Banks – Cash Reserve Ratio and Statutory Liquidity Ratio) Directions, 2025 ("**RRB CRR / SLR Directions**").

The RRB CRR / SLR Directions consolidate the requirements relating to the maintenance of cash reserve ratio ("**CRR**") with the RBI and of statutory liquidity ratio ("**SLR**") in the form of prescribed liquid assets, and prescribe the computation of net demand and time liabilities, the liabilities excluded from such computation, the applicable reporting requirements and the consequences of any shortfall in maintenance. Vide Reserve Bank of India (Commercial Banks – Cash Reserve Ratio and Statutory Liquidity Ratio) Third Amendment Directions, 2026 dated June 8, 2026 , 2026, the RRB CRR / SLR Directions exempted from the maintenance of CRR and SLR were exempted for: (a) the fresh FCNR(B) Deposits of a minimum tenor of 3 (Three) years and a maximum tenor of 5 (Five) years mobilised (between June 08, 2026 and September 30, 2026, and the fresh Non-Resident (External) Rupee term deposits of a tenor of 3 (Three) years or more mobilised between June 19, 2026 and September 30, 2026, in each case including deposits renewed upon maturity.

Key Features:

- **Curtailment of the exemption window:** On a review, the RBI has decided to advance the terminal date of both the aforesaid exemptions from September 30, 2026 to August 31, 2026. Accordingly, the exemption from maintenance of CRR and SLR is available only in respect of fresh FCNR(B) Deposits mobilised between June 08, 2026 and August 31, 2026, and fresh Non-Resident (External) Rupee term deposits mobilised between June 19, 2026 and August 31, 2026. The exemption on reserves maintenance is available for the original deposit amounts till such time the deposits are held in the bank books. Any transfer from Non-Resident (Ordinary) (NRO) accounts to NRE accounts will not qualify for such exemptions.

- **Provisions modified:** The substitution of the date has been effected at paragraphs 20(5) and 20(6) of the RRB CRR / SLR Directions.

The RRB CRR / SLR Fourth Amendment Directions have come into force with immediate effect.

DSK View: *This amendment ensures regulatory uniformity across the entire banking sector by advancing the deadline for CRR and SLR exemptions on fresh FCNR(B) and NRE term deposits to August 31, 2026. Notwithstanding the limited role of regional rural banks in the mobilisation of non-resident foreign currency deposits, this compressed window provides a valuable opportunity to mobilize long-term foreign capital without the burden of maintaining reserve requirements. Consequently, RRBs can deploy 100% of these qualifying funds into lending, boosting their capital efficiency and profitability while supporting vital rural and agricultural credit portfolios. Regional rural banks holding any eligible deposits should align their reserve computation and regulatory reporting to the revised terminal date of August 31, 2026.*

Read more here

RESERVE BANK OF INDIA (COMMERCIAL BANKS – INTEREST RATE ON DEPOSITS) THIRD AMENDMENT DIRECTIONS, 2026

The RBI has, *vide* circular bearing no. RBI/2026-27/243 DOR.SOG(SPE).REC.211/13.03.00/2026-27 dated August 25, 2026, issued the Reserve Bank of India (Commercial Banks – Interest Rate on Deposits) Third Amendment Directions, 2026 ("**Commercial Banks Deposit Interest Rate Third Amendment Directions**"), in exercise of the powers conferred by Section 35A of the Banking Regulation Act, 1949, amending the Reserve Bank of India (Commercial Banks – Interest Rate on Deposits) Directions, 2025 dated November 28, 2025 ("**Commercial Banks Deposit Interest Rate Directions**").

The Commercial Banks Deposit Interest Rate Directions consolidate the framework governing the rates of interest payable on rupee and foreign currency deposits, and prescribe, *inter alia*, the ceilings applicable to interest on FCNR(B) deposits, the norms relating to non-resident deposit accounts, the prohibition on payment of differential rates otherwise than on the basis of the tenor and size of the deposit, and the treatment of premature withdrawal and renewal of deposits. As updated as on June 17, 2026, the Commercial Banks Deposit Interest Rate Directions provided for a temporary withdrawal of the interest rate ceiling on fresh FCNR(B) deposits of 3 (Three) to 5 (Five) year tenors and of the restriction on interest rates on Non-Resident (External) Rupee deposits of a tenor of 3 (Three) years and above, including deposits renewed upon maturity, with effect from June 17, 2026, for the period until September 30, 2026.

Key Features:

- **Curtailment of the relaxation period:** On a review, the RBI has decided to advance the terminal date of the aforesaid temporary relaxation from September 30, 2026 to August 31, 2026. The relaxation accordingly operates with effect from June 17, 2026, for the period until August 31, 2026 only.

- **Provisions modified:** The substitution of the date has been effected at paragraphs 27(4) subscript (1) and 32(7) subscript (2) of the Commercial Banks Deposit Interest Rate Directions.

The Commercial Banks Deposit Interest Rate Third Amendment Directions have come into force with immediate effect.

DSK View: *The Commercial Banks Deposit Interest Rate Third Amendment Directions brings forward the unwinding of the concessional package introduced in June 2026 to attract foreign currency inflows, restoring the ordinary interest rate ceilings on fresh FCNR(B) and Non-Resident (External) Rupee deposits with effect from September 01, 2026. Commercial banks will need to revert to ceiling-linked pricing for such deposits mobilised on or after that date, and should review deposits scheduled for renewal in September 2026, which will no longer attract the relaxation. It may be noted that the Swap Facility was stated to be available up to September 30, 2026, in respect of FCNR(B) Deposits, and banks may wish to seek clarity on the interaction between the curtailed relaxation and the residual availability of the Swap Facility. Commercial banks benefit from this amendment by being required to roll back high-interest-rate windows on foreign currency and non-resident deposits a month earlier than planned, helping stabilize their overall cost of funds sooner. Curtailing this aggressive rate competition a month ahead of schedule prevents prolonged pressure on bank net interest margins from expensive long-term foreign inflows.*

Read more here

RESERVE BANK OF INDIA (REGIONAL RURAL BANKS – INTEREST RATE ON DEPOSITS) THIRD AMENDMENT DIRECTIONS, 2026

The RBI has, *vide* circular bearing no. RBI/2026-27/246 DOR.SOG(SPE).REC.213/13.03.00/2026-27 dated August 25, 2026, issued the Reserve Bank of India (Regional Rural Banks – Interest Rate on Deposits) Third Amendment Directions, 2026 ("**RRB Deposit Interest Rate Third Amendment Directions**"), in exercise of the powers conferred by Section 35A of the Banking Regulation Act, 1949, amending the Reserve Bank of India (Regional Rural Banks – Interest Rate on Deposits) Directions, 2025 dated November 28, 2025 ("**RRB Deposit Interest Rate Directions**").

The RRB Deposit Interest Rate Directions consolidate the framework governing the rates of interest payable on rupee and foreign currency deposits, and prescribe, *inter alia*, the ceilings applicable to interest on FCNR(B) deposits, the norms relating to non-resident deposit accounts, the prohibition on payment of differential rates otherwise than on the basis of the tenor and size of the deposit, and the treatment of premature withdrawal and renewal of deposits. As updated as on June 17, 2026, the RRB Deposit Interest Rate Directions provided for a temporary withdrawal of the interest rate ceiling on fresh FCNR(B) deposits of 3 (Three) to 5 (Five) year tenors and of the restriction on interest rates on Non-Resident (External) Rupee deposits of a tenor of 3 (Three) years and above, including deposits renewed upon maturity, with effect from June 17, 2026, for the period until September 30, 2026.

Key Features:

- **Curtailment of the relaxation period:** On a review, the RBI has decided to advance the terminal date of the aforesaid temporary relaxation from September 30, 2026 to August 31, 2026. The relaxation accordingly operates with effect from June 17, 2026, for the period until August 31, 2026 only.

- **Provisions modified:** The substitution of the date has been effected at paragraphs 26(4) subscript (1) and 31(7) subscript (2) of the RRB Deposit Interest Rate Directions.

The RRB Deposit Interest Rate Third Amendment Directions have come into force with immediate effect.

DSK View: *The RRB Deposit Interest Rate Third Amendment Directions applies to regional rural banks the same one month curtailment effected for commercial banks and urban co-operative banks, maintaining uniformity in the pricing of non-resident deposits across the banking system. Regional rural banks accepting Non-Resident (External) Rupee deposits should ensure that the ordinary restriction on interest rates is reapplied to deposits mobilised or renewed on or after September 01, 2026, and that branch level instructions and rate charts are updated accordingly. Regional Rural Banks is expected to benefit from this amendment by being required to end their temporary high-interest-rate windows on foreign currency and non-resident deposits a month earlier than scheduled, which helps stabilize their funding costs sooner. Bringing forward this terminal date from September 30, 2026, to August 31, 2026, prevents prolonged deposit rate wars and protects the banks from extended pressure on their net interest margins.*

Read more here

RESERVE BANK OF INDIA (URBAN CO-OPERATIVE BANKS – INTEREST RATE ON DEPOSITS) THIRD AMENDMENT DIRECTIONS, 2026

The RBI has, *vide* circular bearing no. RBI/2026-27/247 DOR.SOG(SPE).REC.216/13.03.00/2026-27 dated August 25, 2026, issued the Reserve Bank of India (Urban Co-operative Banks – Interest Rate on Deposits) Third Amendment Directions, 2026 ("**UCB Deposit Interest Rate Third Amendment Directions**"), in exercise of the powers conferred by Section 35A read with Section 56 of the Banking Regulation Act, 1949, amending the Reserve Bank of India (Urban Co-operative Banks – Interest Rate on Deposits) Directions, 2025 dated November 28, 2025 ("**UCB Deposit Interest Rate Directions**").

The UCB Deposit Interest Rate Directions consolidate the framework governing the rates of interest payable on rupee and foreign currency deposits, and prescribe, *inter alia*, the

ceilings applicable to interest on FCNR(B) deposits, the norms relating to non-resident deposit accounts, the prohibition on payment of differential rates otherwise than on the basis of the tenor and size of the deposit, and the treatment of premature withdrawal and renewal of deposits. As updated as on June 17, 2026, the UCB Deposit Interest Rate Directions provided for a temporary withdrawal of the interest rate ceiling on fresh FCNR(B) deposits of 3 (Three) to 5 (Five) year tenors and of the restriction on interest rates on Non-Resident (External) Rupee deposits of a tenor of 3 (Three) years and above, including deposits renewed upon maturity, with effect from June 17, 2026, for the period until September 30, 2026.

Key Features:

- **Curtailment of the relaxation period:** On a review, the RBI has decided to advance the terminal date of the aforesaid temporary relaxation from September 30, 2026 to August 31, 2026. The relaxation accordingly operates with effect from June 17, 2026, for the period until August 31, 2026 only.

- **Provisions modified:** The substitution of the date has been effected at paragraphs 24(4) subscript (1) and 29(7) subscript (2) of the UCB Deposit Interest Rate Directions.

The UCB Deposit Interest Rate Third Amendment Directions have come into force with immediate effect.

DSK View: *The UCB Deposit Interest Rate Third Amendment Directions extends the curtailment to urban co-operative banks, and is notable for having been issued in the same month in which the RBI released the Draft Licensing Guidelines proposing resumption of licensing in the sector, indicating that the ordinary prudential calibration of the sector continues in parallel with the reform agenda. Urban co-operative banks authorised to deal in foreign exchange should ensure that the ordinary ceiling is reapplied to fresh and renewed non-resident deposits from September 01, 2026. Urban Co-operative Banks are expected to benefit from this amendment by having the temporary high-interest-rate window on foreign currency and non-resident deposits curtailed a month early, helping them stabilize their cost of funds sooner. Shifting the terminal date from September 30, 2026, to August 31, 2026, prevents prolonged and costly rate competition, protecting these cooperative banks from extended pressure on their net interest margins.*

Read more here



RESTRUCTURING & INSOLVENCY

AFTER THE 2026 AMENDMENT TO SECTION 12A OF THE INSOLVENCY AND BANKRUPTCY CODE, 2016, A POST-ADMISSION SETTLEMENT MUST FOLLOW THE AMENDED STATUTORY WITHDRAWAL ROUTE; THE APPELLATE TRIBUNAL CANNOT SIMPLY TERMINATE CIRP BEFORE CONSTITUTION OF THE COMMITTEE OF CREDITORS

In *Aayush Prashant Agarwal v. Uma Export Limited and Another*, I.A. No. 5601 of 2026 in Company Appeal (AT) (Insolvency) No. 1366 of 2026, (2026) ("**Appeal**"), the Hon'ble National Company Law Appellate Tribunal ("**NCLAT**") considered whether a corporate insolvency resolution process ("**CIRP**") could be terminated on the basis of a settlement executed after admission, having regard to the amended Section 12A of the Insolvency and Bankruptcy Code, 2016 ("**IBC**").

Vide order dated 23.07.2026 in C.P. (IB) No. 898/MB/2025 ("**Admission Order**"), the NCLT, Mumbai Bench-VI ("**NCLT**") admitted Epic Yarns Private Limited ("**Corporate Debtor**") into CIRP under Section 9 of the IBC and appointed an interim resolution professional ("**IRP**"). The suspended director of the Corporate Debtor preferred the Appeal against the Admission Order. During the pendency of the Appeal, the suspended director, the Corporate Debtor and Uma Export Limited ("**Operational Creditor**") executed a tripartite settlement agreement dated 06.08.2026 ("**Settlement Agreement**"), pursuant to which the Operational Creditor acknowledged receipt of its entire dues.

The suspended director thereafter filed I.A. No. 5601 of 2026 before the NCLAT, seeking early listing of the Appeal and, on the strength of the Settlement Agreement, setting aside of the Admission Order, termination of the CIRP and discharge of the IRP. On 10.08.2026, upon the operational creditor confirming receipt of the entire payment, the NCLAT kept the Admission Order in abeyance until the next date of hearing and directed the IRP to file a status report. The IRP reported that a public announcement had already been made; the Corporate Debtor was a going concern employing approximately 600 workers; the committee of creditors ("**CoC**") had not yet been constituted; and a claim of Rs. 1,28,58,295 had been received from the Employees' Provident Fund Organisation.

The Hon'ble NCLAT, *inter alia,* observed that Section 12A was amended by the Insolvency and Bankruptcy Code (Amendment) Act, 2026 with effect from 26.05.2026. Section 12A(2), which begins with a non obstante clause, prohibits withdrawal of an application admitted under Sections 7, 9 or 10 before constitution of the CoC and after issuance of the first invitation for submission of resolution plans. Within the statutorily permitted window, withdrawal must be sought by the resolution professional and requires approval of 90% of the voting share of the CoC.

The Hon'ble NCLAT further observed that since the Settlement Agreement in the present case was executed after commencement of CIRP, the amended statutory procedure could not be bypassed by setting aside the Admission Order and terminating the CIRP in appeal. Accordingly, the NCLAT, without terminating the CIRP, granted liberty to the IRP to file an appropriate application under Section 12A before the Hon'ble NCLT.

ADMISSION OF A CORPORATE APPLICANT'S OWN SECTION 10 PETITION IS NOT AUTOMATIC ON PROOF OF DEBT AND DEFAULT. THE ADJUDICATING AUTHORITY MUST EXAMINE WHETHER THE FILING IS A GENUINE ATTEMPT AT RESOLUTION OR A MALICIOUS DEVICE TO OBTAIN A MORATORIUM AND DERAIL RECOVERY PROCEEDINGS

In Panshul Agro Food LLP v. State Bank of India and Others, Company Appeal (AT) (Insolvency) No. 1301 of 2026 ("**Appeal**"), the Hon'ble National Company Law Appellate Tribunal ("**NCLAT**") considered the scope of scrutiny under Sections 10 and 65(1) of the Insolvency and Bankruptcy

Code, 2016 ("**IBC**") when a corporate debtor seeks commencement of corporate insolvency resolution process ("**CIRP**") against itself.

Panshul Agro Food LLP ("**LLP**") claimed a default of Rs. 42,20,27,984.96. Its account was classified as a non-performing asset on 18.04.2025. Thereafter, the State Bank of India ("**SBI**") initiated proceedings under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("**SARFAESI Act**") and filed O.A. No. 379 of 2025 before the Hon'ble Debt Recovery Tribunal on 20.08.2025. Six days later, the LLP filed its application under Section 10 of the IBC.

An inspection conducted on 10.02.2026 revealed that substantial plant and machinery was missing, although most of it had been present on 13.05.2025. The LLP failed to produce purchase invoices, admitted that the machinery was unavailable and maintained no fixed-asset register. Its explanation was found to be neither satisfactory nor convincing. Accordingly, the Hon'ble National Company Law Tribunal, Ahmedabad Bench-I dismissed the application as a malicious invocation of the IBC under Section 65(1) and imposed a penalty of Rs. 10 lakh.

The Hon'ble NCLAT held that the Adjudicating Authority is not a "rubber stamp" and has a duty to sift the material on record to determine whether an application under Section 10 is a genuine attempt to resolve the debt or an attempt to derail the recovery process. In the facts of the case, the application was not a bona fide invocation of the IBC but a calculated attempt to obtain a moratorium and defeat the SARFAESI proceedings. The dismissal was therefore upheld. However, since the order disclosed no reason for fixing the penalty at Rs. 10 lakh, the Hon'ble NCLAT applied the principle of proportionality and reduced it to Rs. 5 lakh.

IBC MORATORIUM AGAINST A CORPORATE DEBTOR DOES NOT BAR CONSUMER PROCEEDINGS AGAINST ITS PROMOTERS/DIRECTORS AND OTHER NON-CORPORATE PARTIES

In *Tejas J. Shah & Amisha T. Shah & Ors. v. Mantri Technology Constellations Pvt. Ltd. (now known as Buoyant Technology Constellations Pvt. Ltd.) & Ors.*, Civil Appeal Nos. 4289-4290 of 2025, 2026 INSC 746, the Hon'ble Supreme Court considered whether a moratorium under Section 14 of the Insolvency and Bankruptcy Code, 2016 ("**IBC**") in respect of Mantri Technology Constellations Pvt. Ltd. ("**Corporate Debtor**") barred continuation of consumer proceedings against the other respondents, including Mantri Developers Pvt. Ltd., the alleged promoters/directors of the companies and the landowners of the project.

The Appellants, being homebuyers in the "Mantri Manyata Energia" project, had instituted a consumer complaint alleging deficiency in service and unfair trade practices. During its pendency, corporate insolvency resolution process ("**CIRP**") was initiated against the Corporate Debtor and a moratorium under Section 14 of the IBC came into operation.

The National Consumer Disputes Redressal Commission ("**NCDRC**") thereafter declined to proceed against the other respondents and adjourned the consumer complaint *sine die*.

The Hon'ble Supreme Court, *inter alia*, held that under the IBC, the moratorium operates against the Corporate Debtor alone and no other category, whether a subsidiary company, manager/director or personal guarantor, can be brought within its ambit unless specifically provided by law.

Accordingly, the Hon'ble Supreme Court directed the Hon'ble NCDRC to proceed with the consumer complaint against the other respondents, while the moratorium continued to operate in respect of the Corporate Debtor.



MAHARERA DISMISSES SOCIETY MEMBERS' COMPLAINT IN RELATION TO REDEVELOPED PREMISES IN LIEU OF EXISTING TENEMENT FOR WANT OF MAHARERA JURISDICTION

By its order dated August 17, 2026, in *Omprakash Indradatta Thapliyal & Anr. v. Sequoia Realty LLP* (Complaint No. CC12500605), the Maharashtra Real Estate Regulatory Authority ('**MahaRERA**') dismissed a complaint by existing members of a Society ("**Complainants**") seeking possession and payment of interest for delayed possession from the Developer ("**Respondent**") who had executed a Development Agreement with the Complainant's Society on the ground that the Complainants are to be provided redeveloped premises pursuant to the Development Agreement and are accordingly not allottees under Section 2 (d) of the Real Estate (Regulation and Development) Act, 2016 ('**RERA Act**').

The Respondent objected to the maintainability of the complaint, contending that the Complainants being existing members of the Society being redeveloped are not "allottees" under Section 2 (d) of the RERA Act and their disputes under the Development Agreement executed with the Society are outside the MahaRERA's jurisdiction.

Accordingly, the issue before the MahaRERA was whether a dispute concerning entitlement to redeveloped premises under a Development Agreement falls within its jurisdiction.

MahaRERA held that the Complainants' claims were not based on purchase of an apartment for consideration, but on their pre-existing membership and ownership rights under the redevelopment arrangement, pursuant to which new premises were to be provided in substitution of their old tenement. The Authority referred to Section 3 (2)(c) of the RERA Act and held that a real estate project involving redevelopment and not involving marketing, advertising, selling or new allotment of any apartment is excluded from registration under the RERA Act. Mere registration under the RERA Act did not, by itself, bring every component of the development, more particularly the redevelopment component within the jurisdiction of the MahaRERA.

Further, in the captioned proceedings, the Complainants relied upon FAQ No. 37 published by MahaRERA which is reproduced hereinbelow for ready reference:

Q37. Are existing residents of a redevelopment scheme covered under MahaRERA provisions?

Ans: Yes, they are covered in the definition of allottees in the Act.

The Authority held that the FAQs published by MahaRERA cannot override the express statutory exclusion contained in the RERA Act and that administrative FAQ could not enlarge substantive jurisdiction conferred upon by the RERA Act. In view of the above, the complaint was dismissed and the Complainants were given liberty to approach the competent forum in law.

The ruling of MahaRERA clarifies that where the premises in respect of which reliefs are sought form part of the redevelopment component of a real estate project registered with MahaRERA, or pertain to the allotment of new premises in the redeveloped building in lieu of an existing tenement, MahaRERA lacks the jurisdiction to entertain any complaint in relation to such premises.



SPORTS AND GAMING

SPORTS

SPORTS MINISTRY SUSPENDS TTFI OVER GOVERNANCE FAILURES

The Sports Ministry has suspended the recognition of the Table Tennis Federation of India (TTFI) over repeated governance and compliance failures. The Ministry found TTFI's response to its show-cause notice unsatisfactory and cited its failure to conduct elections within the prescribed timeline, prolonged internal disputes, financial and administrative irregularities, and non-compliance with government directions. The Ministry also flagged concerns over TTFI's selection policy, including its failure to adequately account for international rankings and provide clear criteria for major events such as the Olympics and Asian Games. As a consequence, the Indian Olympic Association (IOA), in consultation with the International Table Tennis Federation (ITTF), will constitute an ad-hoc committee to administer the sport until a compliant governance structure is restored. TTFI will also be ineligible for government financial grants during the suspension.

TTFI has sought reconsideration of the suspension, arguing that several deficiencies have already been addressed and raising concerns regarding interference with the autonomy of a National Sports Federation.

Read more here

ALLAHABAD HC UPHOLDS UPCA ASSET TRANSFER AND REJECTS CBI PROBE PLEA

The Allahabad High Court has refused to direct a CBI probe into allegations concerning the BCCI's affiliation and financial aid to the Uttar Pradesh Cricket Association (UPCA), holding that the dispute arose from events more than two decades old and essentially concerned a private dispute relating to succession of property of a dissolved society. Dismissing the writ petition, the Bench upheld the transfer of the society's assets, liabilities and functions to the present UPCA, holding that Section 13 of the Societies Registration Act, 1860 did not bar such transfer to a company incorporated under Section 25 of the Companies Act, 2013.

The Court noted that UPCA had functioned as the BCCI-recognised cricket body for Uttar Pradesh for over two decades and continued to enjoy full membership and voting rights in the BCCI. Further, the Court declined to direct BCCI to transfer the liabilities to the petitioner by upholding the legality of the 2005 transition and held that the writ of mandamus could not be issued in the case.

Read more here

KARNATAKA HC EXAMINES CONTROVERSIAL ASIAN GAMES SURFING SELECTION

The Karnataka High Court reserved its order on surfer Ramesh Budihal's challenge to the Surfing Federation of India's decision to select Sivaraj Babu for the men's surfing event at the 2026 Asian Games, while placing Budihal, India's only Asian Surfing Championship medallist, as the first reserve.

The key issue is the authority of the Federation's Executive Council. During the proceedings, the Federation admitted that its bye-laws do not empower the Executive Council to select Asian Games participants. The selection had instead been made after the selection committee failed to make a recommendation. Budihal argued that the Federation failed to follow its own selection policy, which contemplated selection based on past performance or, where applicable, a coin toss. He opposed the Federation's proposal for a fresh "surf-off", arguing that this mechanism was not provided for under the selection policy.

Budihal has challenged the decision as arbitrary, discriminatory and unreasonable, alleging violations of Articles 14, 19 and 21 of the Constitution. The Court has now reserved its order.

Read more here

ENGLAND & WALES HIGH COURT ALLOWS RUGBY CONCUSSION CLAIMS TO PROCEED

The High Court of England and Wales in London has allowed hundreds of former rugby players to proceed with legal claims against major rugby governing bodies over brain injuries allegedly caused by repeated concussions and head impacts.

The claimants allege that the governing bodies failed to take adequate measures to protect players from the risks of concussion and long-term neurological injury, including by failing to implement appropriate safety protocols and restrictions on playing after head injuries. The case involves hundreds of former players and several major rugby organisations and could have significant financial and regulatory implications for the sport. Importantly, the Court's decision does not establish liability against the rugby bodies; it allows the claims to proceed to the next stages of litigation.

Read more here

CABINET APPROVES REVAMPED KHELO INDIA SCHEME AND ENHANCED FUNDING FOR SPORTS FEDERATIONS

The Union Cabinet has approved a revamped Khelo India Scheme and an enhanced Assistance to National Sports Federations (ANSFs) Scheme, with a combined outlay of ₹36,441 crore for 2026-27 to 2030-31, nearly eight times the previous Khelo India allocation.

The revamped scheme introduces a structured athlete development pathway, covering talent identification, scientific training, international exposure and progression from grassroots programmes to Khelo India and TOPS. A new Emerging Khelo India Athletes (E-KIAs) category is expected to expand the structured athlete pool nearly ten-fold. The Government will also establish a National Coach Accreditation Board, introduce a unified digital sports platform for athlete, funding and infrastructure data, and strengthen support for women athletes, para-athletes, indigenous sports and domestic competitions.

Separately, the enhanced ANSF Scheme for 2026–31 will fund coaching, sports science, equipment, international exposure, training camps, foreign experts and participation in major international competitions.

Read more here

FIFA IMPOSES DISCIPLINARY SANCTIONS FOLLOWING 2026 WORLD CUP INCIDENTS

The FIFA Disciplinary Committee has imposed sanctions arising from incidents during the 2026 FIFA World Cup, including the final between Argentina and Spain.

The Argentine Football Association (AFA) was fined USD 321,000 for breaches relating to discriminatory chants and gestures by supporters, team misconduct, non-sporting demonstrations and match security. AFA must also play its next two home matches with only 50% spectator capacity. USD 100,000 of the fine must be invested in an anti-discrimination programme, while part of the sanction has been suspended subject to probation.

For incidents during the World Cup final, Argentina players Leandro Paredes and Nahuel Molina were suspended for 10 and 7 matches respectively, with fines of USD 90,000 each. Thiago Almada and Pablo Martín Páez Gavira received one-match suspensions and USD 30,000 fines each, while team official Roberto Ayala received a three-match suspension and USD 30,000 fine. The suspensions will carry over to the teams' subsequent international matches.

The decisions remain subject to appeal under the FIFA Disciplinary Code, and the parties have 10 days to request a reasoned decision.

Read more here

UEFA CONSIDERS CRIMINAL COMPLAINT AGAINST FIFA PRESIDENT INFANTINO

UEFA is preparing a potential criminal complaint in Switzerland against FIFA President Gianni Infantino over his failed plan to sell a stake in the commercial rights to future World Cups and other FIFA competitions to private investors.

UEFA's lawyers are considering proceedings for "criminal mismanagement" under Article 158 of the Swiss Criminal Code, alleging that the proposed $4.2 billion valuation for a 20% stake was significantly below market value and that the process was neither competitively tendered nor independently valued.

The proposed FIFA Forward Enterprise (FFE) was ultimately abandoned following strong opposition from UEFA and other football stakeholders. UEFA has separately approached a US federal court seeking documents and testimony from FIFA-related entities and investors, including Thrive Capital, to gather evidence that could support the proposed Swiss proceedings.

Read more here

GAMING

SUPREME COURT TO FINALLY HEAR CHALLENGES TO ONLINE GAMING LAW

The Supreme Court has agreed to conduct a final hearing on petitions challenging the constitutional validity of the Promotion and Regulation of Online Gaming Act, 2026. The challenge is significant because the legislation imposes a nationwide prohibition on online real-money gaming, without distinguishing between games of skill and games of chance. The Court will also hear a PIL seeking directions against betting and gambling platforms allegedly operating under the guise of social gaming or esports. Parties, including the Union government, have been asked to complete pleadings before the final hearing.

The proceedings could determine the constitutional limits of Parliament's power to impose a blanket prohibition on real-money online gaming and materially affect fantasy sports, rummy, poker and other stake-based skill-game operators. Central questions are likely to include the scope of the freedom to carry on trade or business under Article 19(1)(g), proportionality of the prohibition, and whether the statutory framework adequately differentiates legitimate gaming from unlawful betting.

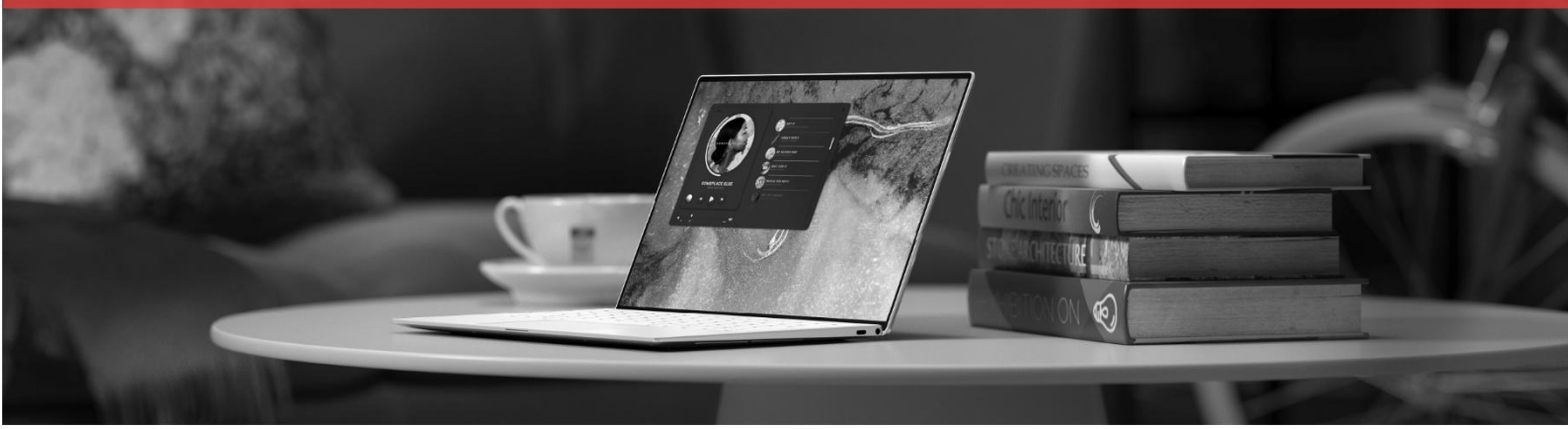
Read more here

THE GOVERNMENT OF BIHAR NOTIFIES THE BIHAR GAMBLING (PROHIBITION) ACT, 2026

The Government of Bihar recently notified the Bihar Gambling (Prohibition) Act, 2026 which establishes a state-wide prohibition on gambling and the operation of common gambling houses, expressly extending its application to online platforms. The Act adopts a broad definition of gambling, covering wagering or betting conducted through physical, online, electronic, digital or virtual means, as well as activities intended to aid, facilitate or promote such wagering.

The Act further provides that where an offence is committed by a company, persons responsible for the conduct of its business may also be held liable, subject to a defence of lack of knowledge or due diligence. Directors, managers and other officers may also be liable where the offence is attributable to their consent, connivance or neglect. The Act also provides for imprisonment of up to three years and a fine of up to INR 50,000 for contravention of its provisions relating to the dissemination of gambling information.

Read more here



SEBI ISSUES CONSULTATION PAPER ON REVISION OF ADVERTISEMENT CODE FOR ONLINE BOND PLATFORM PROVIDERS

On August 21, 2026, the Securities and Exchange Board of India ("**SEBI**"), through the Department of Debt and Hybrid Securities, issued the "*Consultation paper on revision of Advertisement Code for Online Bond Platform Providers (OBPPs)*" ("**Consultation Paper**") (accessible *here*), inviting public comments by September 11, 2026. Presently, Circular No. SEBI/HO/DDHS/DDHS-RACPOD1/P/CIR/2022/154 dated November 14, 2022 (accessible *here*) and Annexure XXI-C of Chapter XXI of the Master Circular for Issue and Listing of Non-Convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper dated October 15, 2025 (accessible *here*) govern the advertisement code applicable to OBPPs.

In addition to a proposed common advertisement code being developed by SEBI which will *inter alia* apply to OBPPs, the Consultation Paper prescribes additional advertisement requirements specifically tailored to the products and services offered through OBPPs. It also provides clearer guidance for OBPPs on how they may market fixed-income products. Further, it allows the use of certain commonly used expressions, while requiring that they be presented subject to specified conditions and safeguards.

The key features of the Consultation Paper include:

- **Standard Risk Warning**: Every advertisement issued by an OBPP must carry a mandatory standard risk warning, stating "*Fixed returns are not guaranteed returns. Investments in debt securities are subject to market, credit and default risks. Read all offer related documents carefully*", in a minimum 10-point font size, with no modification permitted.

- **Minimum Disclosures in Security-Specific Advertisements**: Where an OBPP issues an advertisement providing information on a specific security available on its platform, the advertisement must mandatorily disclose, *inter alia*, (i) the issuer name; (ii) tenor; (iii) credit rating details (including *inter alia* credit rating, date of rating, changes in rating) supported by a credit risk-o-meter; (iv) nature of security (whether secured or unsecured); (v) clean price; (vi) dirty price; and (vii) yield to maturity.

- **Permissible Terminology**: OBPPs are permitted to use phrases like "*fixed returns*", "*predictable returns*" and "*passive income*" in their advertisements provided such usage is accompanied by prescribed disclaimers, format requirements and risk disclosures. Where a range is advertised, the higher and lower limits must be presented in equal prominence.

- **Prohibited Terminology**: Vague qualitative adjectives such as "*high yield*", "*high rated*" and "*high returns*" are prohibited.

- **Market Linked Debentures**: Advertisements relating to principal protected market linked debentures ("**MLDs**") are subject to specific disclosure requirements, including mandatory risk disclosures concerning the underlying, a link to the relevant offer document issued by the issuer, and prescribed disclaimers. Such advertisements must not represent MLDs as offering assured or guaranteed returns.

- **Restriction on Holdings Disclosures**: OBPPs are prohibited from making any reference in their advertisements to their own holdings in any debt security or ISIN. Where an OBPP chooses to disclose its holdings to clients, such disclosure may be made only on the platform itself in the prescribed format under the Consultation Paper and shall not form part of any advertisement.

RAJASTHAN HIGH COURT LAYS DOWN COMPREHENSIVE SAFEGUARDS GOVERNING BANK ACCOUNT FREEZES IN CYBER FRAUD INVESTIGATIONS

In a batch of writ petitions filed by individuals and businesses whose bank accounts had been frozen, debit-frozen or lien-marked pursuant to communications from investigating agencies in alleged cyber financial fraud cases, the Rajasthan High Court (Jaipur Bench) ("**Rajasthan HC**") on August 20, 2026 in *Shree Balaji Enterprises v. Reserve Bank of India and Ors.* (S.B. Civil Writ Petition No. 2679/2026) (accessible *here*) laid down comprehensive safeguards to protect innocent account holders from arbitrary or disproportionate account restraints.

The Rajasthan HC recorded that in several cases, entire accounts containing substantial funds were rendered inoperative on account of disputed transactions amounting to as little as INR 100 (Indian Rupees One Hundred only) to INR 10,000 (Indian Rupees Ten Thousand only). Further grievances included freezes imposed without specification of the first information report ("**FIR**") number, nature of offence, disputed amount or legal provision invoked, and cases where accounts remained frozen even after exoneration of the account holder or filing of a closure report.

The key holdings of the judgment are as follows:

- **Police Authority for Seizure and Attachment of Property**: The court held that Section 106 of the Bharatiya Nagarik Suraksha Sanhita, 2023 ("**BNSS**") empowers the police to seize property linked to an offence, with mandatory reporting to the jurisdictional Magistrate under Section 106(3). Whereas, Section 107 of BNSS constitutes a distinct regime for attachment of property which requires the filing of an application by the investigating officer to the Magistrate, the Magistrate's judicial scrutiny and subsequent issuance of notice and opportunity of hearing before attachment. The court emphasised that investigating agencies cannot achieve indefinite attachment in substance merely by labelling communications as a freeze, lien or seizure, without following the procedure prescribed by law.

- **Proportionality**: Where the disputed amount is identifiable, the court held that a targeted lien on that specific amount is ordinarily to be preferred over a blanket freeze of the entire account. While noting that a blanket freeze may be justified in exceptional circumstances, such as mule-account indicators, the account holder being a named accused, or inability to segregate proceeds, the court held that written reasons must be recorded and periodic monitoring of such liens must be in place.

- **Mandatory Communication Standards**: The court mandated that every investigating agency communication seeking a freeze must clearly specify, *inter alia*, the investigating officer's name and designation, FIR or National Cybercrime Reporting Portal ("**NCRP**") reference, legal provision invoked, relevant transaction details and disputed amount, and the precise nature of the action sought. Banks must seek clarification from the agency rather than mechanically implementing an indefinite blanket freeze where the communication does not identify the disputed amount.

- **Compliance with Standard Operating Procedure**: The Rajasthan HC directed that the Ministry of Home Affairs' Standard Operating Procedure dated January 02, 2026 ("**SOP**") governing the NCRP and Citizen Financial Cyber Fraud Reporting and Management System (accessible *here*) must be scrupulously followed and treated as binding on investigating agencies and banks.

Accordingly, the Rajasthan HC directed the Director General of Police, Rajasthan to issue a comprehensive standing order incorporating these aforementioned principles within 4 weeks. The Reserve Bank of India ("**RBI**") was separately directed to issue a circular or advisory to scheduled banks requiring periodic training of officials on the distinction between targeted holds and blanket freezes, applicable statutory requirements, and SOP timelines.

KARNATAKA HIGH COURT HOLDS THAT BANK ACCOUNT DEBIT FREEZE DOES NOT REQUIRE PRIOR JUDICIAL AUTHORISATION

In its judgment dated August 10, 2026, the Karnataka High Court in the case of *State of Karnataka v. Jar Gold Retail Private Limited* (accessible *here*), resolved a significant conflict of judicial opinion on whether the debit freeze of a bank account during a criminal investigation requires prior judicial authorisation under Section 107 of BNSS, or whether it may be effected as a seizure under Section 106 of BNSS with forthwith reporting to the Magistrate thereafter.

The key holdings of the judgment are as follows:

- **Statutory Distinction**: The court held that Section 106 of BNSS empowers the police to seize property suspected to be linked to an offence, with mandatory forthwith reporting to the Magistrate under sub-section (3). Whereas, Section 107 of BNSS constitutes a distinct adjudicatory regime requiring prior approval of senior police officers and a formal application to the competent court. The court emphasised that the two provisions are complementary, yet distinct, and that Section 107 cannot be construed so expansively as to render Section 106 futile.

- **Debit Freeze as Seizure**: The court held that a debit freeze effected as an investigative and preservative measure falls within Section 106 of BNSS and does not require prior judicial authorisation under Section 107. The court grounded this in practical necessity, observing that in cyber fraud investigations, a freeze must be effected within seconds or minutes if proceeds are to be preserved before they are dissipated across multiple accounts or jurisdictions.

It is pertinent to note that this judgment expressly departs from decisions of the Rajasthan, Kerala, Bombay, Madras and Andhra Pradesh High Courts, all of which had held that a debit freeze amounts to an attachment of proceeds of crime governed exclusively by Section 107 of BNSS.

SEBI LAUNCHES CYBER SURAKSHA PORTAL FOR THE SECURITIES MARKET

SEBI, as part of its cybersecurity initiative, vide notification dated August 24, 2026 (accessible *here*) has launched the Cyber Suraksha Portal, a comprehensive, centralised hub for the securities market designed to facilitate the sharing of crucial knowledge and dissemination of information on cybersecurity.

Through the Cyber Suraksha Portal, market participants can directly access the latest cybersecurity circulars, vulnerability warnings and incident insights. The portal may be accessed *here*.



AMIT KATYAL V. UNION OF INDIA AND ANR.

[PART OF THE OFFENCE UNDER SECTION 4 OF THE PMLA HELD TO HAVE OCCURRED BY CONCEALMENT OF PROCEEDS OF CRIME ATTACHED AT DELHI: SUPREME COURT TRANSFERS REAL ESTATE FRAUD CASE INVOLVING LALU PRASAD YADAV'S AIDE] DECIDED ON 14 JULY 2026

In ***Amit Katyal v. Union of India***[15], a Division Bench of the Hon'ble Supreme Court of India, comprising Justice Surya Kant and Justice Joymalya Bagchi, transferred a real estate money-laundering case involving Lalu Prasad Yadav's aide, Amit Katyal, from Gurugram to Delhi. The Hon'ble Court held that part of the offence under Section 4 of the Prevention of Money Laundering Act ("**Act**") had occurred by way of concealment of 'proceeds of crime' attached at Delhi.

The Petitioner had approached the High Court by way of a writ petition seeking quashing of a prosecution complaint pending before the Special Judge, PMLA, Gurugram, Haryana ("**PMLA Case**"). However, upon refusal by the High Court quash the PMLA Case, the Petitioner approached the Hon'ble Apex Court but confined the relief only seeking transferring the PMLA case from Gurugram to the Special Court under the PMLA at Delhi.

Brief Facts of the Case

Amit Katyal ("**Petitioner**") was a promoter of M/s Krrish Realtech Pvt. Ltd. ("**Company**"), which was developing a real estate project titled 'Krrish World' ("**Project**") in Gurugram. The Petitioner was alleged to have committed various offences, including cheating of homebuyers, pursuant to which an Enforcement Case Information Report ("**ECIR**") bearing No. ECIR/GNZO/04/2023 dated 3 March 2023 was registered against him.

During the course of investigation into the said ECIR, further evidence surfaced disclosing the involvement of the Directors/promoters of Krrish and its sister concerns in cheating investors and homebuyers in respect of various other projects. Consequently, a fresh scheduled offence FIR No. 439/2024 dated 21 December 2024 was registered by the Economic Offences Wing ("**EOW**"), Gurugram Police, Haryana, under Sections 120-B, 406, 409, 411, 420 and 471 of the Indian Penal Code, 1860 ("**IPC**"). The prosecution also relied upon an earlier case, FIR No. 30/2019, registered with the Economic Offences Wing, Delhi, which, though partly quashed, remained pending under Sections 406 and 120-B IPC.

Submissions Advanced

The Petitioner's principal submission was that FIR No. 439/2024, subsequently made a scheduled offence, had already been clubbed with FIR No. 30/2019 registered at Delhi and transferred to Delhi by a Coordinate Bench of the Hon'ble Supreme Court. It was accordingly submitted that the connected PMLA prosecution ought equally to be transferred to Delhi.

The Enforcement Directorate ("**ED**") opposed the transfer, alleging that the Petitioner had cheated homebuyers of approximately INR 5,00,00,003/- (Indian Rupees Five Hundred and Three Crores Only) in connection with the Gurugram project. The funds were allegedly routed through group companies, including a shell entity, with approximately INR 2,00,00,005 (Indian Rupees Two Hundred and Five Crores Only) siphoned to a Sri Lankan subsidiary and used to acquire properties in Sri Lanka. The ED accordingly submitted that the proceeds of crime had originated from the criminal activity at Gurugram, where substantial immovable properties constituting proceeds of crime had also been attached, and that institution of the PMLA

[15] *2026 SCC OnLine SC 1333*

prosecution before the Special Court at Gurugram was therefore justified.

Hon'ble Supreme Court's Decision

The Hon'ble Supreme Court allowed the transfer of the PMLA Case from Gurugram to Delhi, while rejecting the contention that the Gurugram Court lacked jurisdiction.

The Hon'ble Court explained that, under Sections 43 and 44 of the PMLA read with Section 178(d) of the Code of Criminal Procedure, 1973, an offence under the Act may be tried by a Special Court having territorial jurisdiction over any area where the proceeds of crime were derived or obtained, or where they were concealed, possessed, acquired, used or projected as untainted property[16].

The Hon'ble Court further noted that the scheduled offence, i.e., FIR No. 439/2024, had already been transferred to Delhi and clubbed with FIR No. 30/2019.

In these circumstances, and having regard to Section 44(1) of the Act, the Hon'ble Supreme Court held that it would be "***expedient for the ends of justice***" to transfer the PMLA Case to Delhi.

KANCHANA RAI V. DIRECTORATE OF ENFORCEMENT & ORS.

[HIGH COURT MAY ENTERTAIN A CIVIL WRIT CHALLENGING AN ED ECIR, SEARCH OR SEIZURE UNDER THE PMLA]DECIDED ON 18 AUGUST 2026

In ***Kanchana Rai v. Directorate of Enforcement & Ors.***[17], a Single Bench of the Hon'ble High Court of Delhi, comprising Justice Anish Dyal, held that a civil writ petition under Article 226 of the Constitution of India is maintainable to challenge an Enforcement Case Information Report ("**ECIR**") registered by the Directorate of Enforcement ("**ED**"), as well as consequential proceedings, including search and seizure under Section 17(1) of the Prevention of Money Laundering Act, 2002 ("**Act**").

Brief Facts of the Case

This batch of writ petitions was filed challenging ECIR No. DLZO-II/72/2021, registered by the ED under the Act, along with consequential proceedings, including action under Section 17(1A) of the Act. The Petitioners comprised members of the family of the late Dr. Mahendra Prasad and persons associated with the Aristo Group of Companies.

FIR No. 279/2019 ("**first FIR**") was registered in relation to allegations concerning the wrongful confinement of Smt. Satula Devi and the removal/misappropriation of jewellery, among other allegations. Subsequently, on 10 February 2021, FIR No. 27/2021 ("**second FIR**") was registered by the EOW concerning alleged fraudulent share transfers, forged signatures and irregular bank transactions. The ED registered the ECIR on 28 December 2021 exclusively on the basis of the second FIR, which therefore constituted its sole scheduled/predicate offence.

Upon investigation, the EOW filed a Cancellation Report dated 8 December 2022, relying, *inter alia*, on forensic findings that confirmed the genuineness of the disputed signatures. On 12 June 2025, the Learned Magistrate, Patiala House Courts, dismissed the Protest Petition and accepted the aforesaid Cancellation Report, thereby bringing the investigation under the second FIR to a close.

However, on 20 August 2025, approximately two months after acceptance of the Cancellation Report, the ED issued an addendum to the ECIR incorporating the first FIR as an additional scheduled offence. Searches under Section 17 of the Act were thereafter conducted and summons under Section 50 of the PMLA were issued to the petitioners. The Petitioners accordingly challenged the continued existence of the ECIR, the addendum, and all consequential proceedings.

Submissions Advanced

The Petitioners principally contended that the ECIR had been founded exclusively on the second FIR and that, once the Cancellation Report in that FIR was accepted by the competent Court, the predicate offence ceased to exist. Consequently, the foundational basis for the ECIR, and for the ED's jurisdiction under the Act, also ceased to exist.

It was submitted that the mere pendency of a challenge to the order accepting the Cancellation Report could not revive the predicate offence, particularly in the absence of any stay of that order.[18]. It was further argued that the ED had knowledge of the first FIR well before August 2025, and that the addendum was introduced only after closure of the second FIR which amounted to a colourable exercise of power intended to revive an otherwise extinguished ECIR.[19].

The Petitioner further submitted that an ECIR is an internal administrative document of the ED and that, at the relevant stage, the proceedings carried administrative consequences, such as search and seizure. It was accordingly contended that a challenge to the ECIR and to the foundational jurisdiction of the ED was maintainable under Article 226 of the Constitution, and that the Adjudicating Authority under the Act had no power to determine the legality or continued existence of the ECIR itself.

[16] *Rana Ayyub v. Directorate of Enforcement, (2023) 4 SCC 357*

[17] *W.P.(C) No. 9799 of 2023*

[18] *Satinder Singh Bhasin v. State of U.P. and Anr., 2025:AHC:228033-DB*

[19] *Rajinder Singh Chadha v. Union of India Ministry of Home Affairs Through its Chief Secretary, 2023:DHC:8249*

The ED, on the other hand, contended that an addendum to an ECIR is legally permissible, and that the first and second FIRs were interconnected, arising from a continuous sequence of events concerning the assets of the late Dr. Mahendra Prasad. According to the ED, the fact that all allegations were not contained in the first FIR did not render the two FIRs unrelated.

The ED further submitted that, were the Court to set aside the Trial Court's judgment accepting the Cancellation Report, the ECIR would necessarily abide by the outcome of such challenge.[20].

Delhi High Court's Decision

The Hon'ble High Court quashed the proceedings arising from the second FIR and the addendum dated 20 August 2025, together with the consequential coercive action, and directed restoration of *status quo*.

The Court held that a civil writ petition under Article 226 is maintainable to challenge an ECIR and consequential action under the Act, including proceedings under Section 17, particularly where the challenge concerns the foundational jurisdiction of the ED. The availability of an alternative remedy before the Adjudicating Authority under the Act was accordingly held not to operate as an absolute bar, since the petitioners were challenging the very jurisdictional basis and continued subsistence of the ECIR.

The Court further observed that where an ECIR is founded upon a particular predicate offence, and that offence ceases to exist pursuant to a final order accepting a Cancellation Report, the ED cannot continue with the ECIR on that basis, nor can it rely upon an earlier and distinct FIR through an addendum merely to revive an extinguished ECIR.

[20]*Directorate of Enforcement v. Akhilesh Singh & Ors., 2024:DHC:3399*

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