SAGUS SPEAKS

This Newsletter covers key Regulatory & Policy Updates, Government Notifications and Judicial Pronouncements.

REGULATORY AND POLICY UPDATES

SEBI extends deadline for Angel Funds to disclose investment allocation methodology

The Securities and Exchange Board of India ("SEBI") by way of Circular No. SEBI/HO/AFD/AFD-POD-1/P/CIR/2025/136 dated 15.10.2025 ("AIF Circular")[1], has granted relaxation in the timeline for disclosure of allocation methodology by Angel Funds. This AIF Circular follows the earlier SEBI circular dated 10.09.2025 being the "Revised regulatory framework for Angel Funds under AIF Regulations".

SEBI has extended the deadline for existing Angel Funds to implement the defined allocation methodology disclosed in their Private Placement Memorandums ("PPMs") from 15.10.2025 to 31.01.2026. Consequently, allocation of any investment made by existing Angel Funds post 31.01.2026, shall be in accordance with the methodology disclosed in the PPM, while all other provisions of the 10.09.2025 circular remain unchanged.

SEBI amends the Debenture Trustees Regulations

SEBI by way of notification no. SEBI/LAD-NRO/GN/2025/269 dated 22.10.2025, has notified the SEBI (Debenture Trustees) (Amendment) Regulations, 2025[2] ("DT Amendment Regulations"), to amend the SEBI (Debenture Trustees) Regulations, 1993 ("DT Regulations"), which came into force on 24.10.2025.

SEBI has introduced the following key amendments to the DT Regulations:

(i) Permitted Activities for Debenture Trustees (New Regulation 9C): Debenture Trustees ("DTs") may

[1] Relaxation in timeline for disclosure of allocation methodology by Angel Funds

[2] SEBI (Debenture Trustees) (Amendment) Regulations, 2025

now undertake additional activities through separate business units on an arms-length basis, subject to conditions specified by SEBI, including:

(a) Activities falling under the purview of other financial sector regulators (such as RBI, IRDAI, PFRDA, IFSCA, IBBI, MCA, and other authorities specified by SEBI) in accordance with regulations or guidelines issued by such regulators; and/or

(b) Fee-based, non-fund based activities pertaining to the financial services sector that do not fall under SEBI or any other financial sector regulator.

(c) DTs regulated by RBI must carry out DT activities through a separate business unit. Existing registered DTs may transfer their activities to separate business units within six months from 24.10.2025, or such extended period as SEBI may specify. DTs must ensure that the net worth specified under the DT Regulations is ring-fenced from any adverse impact arising from undertaking these permitted activities.

(ii) Debenture Trust Deed Requirements (Amended Regulation 14): DTs shall accept trust deeds containing matters specified in Section 71 of the Companies Act, 2013 ("Companies Act") and Form No. SH.12 under the Companies (Share Capital and Debentures) Rules, 2014, in such format and within such timelines as specified by SEBI under Regulation 18(1) of the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021. However, DTs may accept deviations from the prescribed format if the issuer provides a key summary sheet in the General Information Document/Key Information Document or Shelf Prospectus capturing the deviations along with the rationale for the same.

(iii) Enhanced Rights of DTs (New Regulation 15A): DTs are now empowered with the following rights to aid in performance of their duties, obligations, roles and responsibilities:

(a) inspect books of account, records, and registers of the issuer and the trust property to the extent necessary for discharging obligations;

(b) call for information/documents from the issuer with respect to the issue and documents from such intermediaries as may be specified by SEBI from time to time; and

(c) utilize the recovery expense fund, with the consent of debenture holders, in the manner specified by SEBI.

SEBI further amends the LODR Regulations to revise timelines for disclosures to DTs under Regulation 56

SEBI *vide* notification no. SEBI/LAD-NRO/GN/2025/270 dated 22.10.2025 has issued the SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2025[3] ("LODR Amendment") to further amend the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations") to expedite disclosure timelines for listed entities to DTs. The LODR Amendment came into force on 24.10.2025.

SEBI has substituted the existing language in Regulation 56(1) of the LODR Regulations to impose a strict timeline for listed entities to forward information to DTs. The amended provision now requires listed entities to forward specified documents or information to the DTs 'as soon as possible', and 'in any case, not later than twenty-four hours from the occurrence of the event or receipt of information', unless otherwise specified.

RBI notifies Draft Reserve Bank of India (Commercial Banks - Capital Market Exposure) Directions, 2025

Reserve Bank of India ("RBI") through notification no. RBI/2025-26/DOR.CRE.REC./13.07.005/2025-26 dated 24.10.2025 issued the draft Reserve Bank of India (Commercial Banks - Capital Market Exposure) Directions, 2025 ("CME Directions")[4] proposed to apply to commercial banks. These CME Directions shall come into force from 01.04.2026, or an earlier date when adopted by a bank in entirety. The Draft CME Directions and similar directions for Small Finance Banks, are available on the RBI website for public response, inviting comments and suggestions from public/stakeholders by 21.11.2025.

The salient features of the CME Directions are as follows:

(i) Capital Market Exposure ("CME"): CME of banks shall include both investment exposures (equity / preference / convertibles / AIFs / equity MF units) and credit exposures (loans for purchase of securities, margin funding, underwriting etc.).

(ii) Prudential Ceilings on CME ("CME Ceilings"): The aggregate CME of a bank, on solo and consolidated basis, shall not exceed 40 percent of its Tier 1 Capital and consolidated Tier 1 Capital, respectively, as on 31

[3] SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2025

[4] Draft Reserve Bank of India (Commercial Banks - Capital Market Exposure) Directions, 2025

March of the preceding financial year and there will be a sub-cap of 20% for direct capital market exposure, including investment and acquisition finance exposures.

(iii) Exclusions from CME Ceilings: Certain exposures are excluded such as investments in subsidiaries/JVs/critical infra institutions, Tier I / Tier II instruments, non-debt MF units, and permitted underwriting up to 70% of credit equivalent amount.

(iv) Credit Exposure Principles: Banks may extend credit facilities against eligible securities in accordance with their approved internal policies, which must define criteria for collateral selection, exposure limits, Loan-to-Value ("LTV") ratios, and margin requirements. Banks are prohibited from granting loans for acquiring or against the collateral of securities except as permitted under the CME Directions. Specifically, loans cannot be extended against the bank's own securities, partly paid shares, securities under lock-in, collateral of Indian Depository Receipts, bonds or money market instruments issued by other banks, NBFCs, or AIFIs, securities of restricted entities, or for company share/securities buy-backs.

(v) Lending Against Securities: Banks shall extend loans to individuals against eligible securities within prescribed LTV ceilings. LTVs must be continuously monitored and rectified within seven working days in case of breach. Banks may set their own prudential limits for loans against government securities and debt instruments, while loans against other eligible securities are capped at INR 1 crore per individual, with a sub-limit of INR 25 lakh for acquisition of securities in the secondary market.

(vi) IPO/FPO/ESOP Financing: Banks shall grant loans up to INR 25 lakh per individual for subscribing to shares under IPOs, FPOs, or ESOPs, with a maximum financing limit of 75 percent of the subscription value. However, banks cannot lend to their own employees or employee trusts for purchasing the bank's shares. A lien must be created on the allotted shares, which shall be pledged to the lender upon allotment.

(vii) Lending to Capital Market Intermediaries ("CMIs"): Banks may extend need-based credit to registered and regulated Capital Market Intermediaries (CMIs) for operational needs like general working capital facilities, and specific facilities like margin trading, overdraft/credit line facility, or market-making. Banks must ensure that collateral belongs to the borrower, exclude financing for securities acquisition or proprietary trading, and comply with exposure limits under CME, Large Exposures Framework, and Intra-group transactions and exposures norms.

(viii) Lending to non-individuals (other than CMIs): For non-individual borrowers (other than CMIs), banks may (i) lend against eligible securities for general business / working capital needs (incl. short-term bridge finance for promoter stakes), subject to LTV and end-use controls, (ii) provide acquisition finance (capped at 10% of Tier 1 capital) for strategic investments, subject to specified eligibility / valuation / security / leverage conditions, and (iii) finance PSU share acquisitions under Government-approved disinvestment programmes, where the borrower meets the financial criteria set out in the draft CME Directions.

(ix) Disclosures: Banks shall disclose the aggregate loan amount outstanding for all credit facilities permitted under these Directions in the "Notes to Account" to their Balance Sheet.

GOVERNMENT NOTIFICATIONS

Government of NCT issues circular regarding registration and stamp duty of undervalued residential property

The Government of National Capital Territory of Delhi, *vide* circular no. F1/998/REGN.BR/DIV.COMM./HQ /14/3325 dated 13.10.2025 ("Stamp Duty Circular")[5], in compliance with the directions of the High Court of Delhi in *Amit Gupta vs. Government of NCT Of Delhi & Others*[6], has issued certain directions to the sub-registrars and joint sub-registrars in relation to the steps to be followed during the registration of basements of residential properties, where the consideration mentioned in the instrument is found to be lower than the valuation as per the applicable circle-rate.

The directions as per Stamp Duty Circular are as follows:

(i) Notification to parties: At the time of registration, if the consideration stated is less than the circle-rate based valuation, the parties will be sent a notification regarding the same.

(ii) Opportunity to amend: The parties will be given an opportunity to revise and amend the document to

[5] Implementation of Delhi High Court's Directions in WP(C) 3591/2014 – Compliance with Section 47-A of the Indian Stamp Act, 1899 Regarding Valuation and Registration of Residential Properties

[6] Writ Petition (C) No. 3591 of 2014.

reflect the correct valuation and pay the deficient stamp duty.

(iii) Procedure under Section 47-A: If the parties fail to amend the document and not pay the deficient stamp duty, the sub-registrar or joint sub-registrar shall register the instrument with an endorsement regarding the deficiency and forward the same to the Collector of Stamps ("Collector") for determination of the correct market value and stamp duty under Section 47-A of the Indian Stamp Act, 1899 ("Indian Stamp Act").

(iv) Collector: The Collector shall thereafter proceed in accordance with law including the provisions of Section 27 of the Indian Stamp Act to assess the correct market value and recover any deficiency.

IBBI notifies the Insolvency and Bankruptcy Board of India (Liquidation Process) (Second Amendment) Regulations, 2025

The IBBI through its notification dated 14.10.2025 notified the IBBI (Liquidation Process) (Second Amendment) Regulations 2025 ("Liquidation Process Amendment Regulations")[7] amending the IBBI (Liquidation Process) Regulations 2016 ("Liquidation Process Regulations").

(i) A key change introduced by the Liquidation Process Amendment Regulations is the omission of Regulation 32-A of the Liquidation Process Regulations, which permitted the sale of the corporate debtor or its business as a going concern where the COC or the liquidator was of the opinion that such a sale shall maximise the value of the corporate debtor.

(ii) Regulations 32(e) and 32(f) of the Liquidation Process Regulations which allowed the liquidator to sell the corporate debtor or its business as a going concern, have also been deleted.

(iii) Additionally, Regulation 31-A(1)(f) of the Liquidation Process Regulations, which provided for the constitution of a consultation committee to advise the liquidator on reviewing the marketing strategy in case of failure of such a sale of corporate debtor as a going concern, has been omitted.

IBBI notifies Insolvency Resolution Process For Corporate Persons (Sixth Amendment) Regulations, 2025

The Insolvency and Bankruptcy Board of India ("IBBI") *vide* notification dated 14.10.2025 has notified the IBBI (Insolvency Resolution Process for Corporate Persons) (Sixth Amendment) Regulations, 2025[8], amending Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 ("CIRP Regulations") introducing significant changes to the Corporate Insolvency Resolution Process ("CIRP") framework.

These amendments are as follows:

(i) Deletion of Regulation 39C which dealt with assessment of sale as a going concern that allowed the Committee of Creditors ("CoC"), while approving a resolution plan or deciding to liquidate under sections 30 or 33 of the Insolvency and Bankruptcy Code, 2016 ("IBC"), to recommend the liquidator to explore the sale of the corporate debtor or its business as a going concern. The CoC was required to identify and group assets and liabilities to be sold as a going concern, and the Resolution Professional was mandated to submit such recommendations to the Adjudicating Authority along with the approval or decision of the CoC.

(ii) Omission of Regulation 39D(b) which referred to the period, if any, used for sale under clauses (e) and (f) of Regulation 32 of the Liquidation Process Regulations and pertained to the fees payable to the liquidator for such sale, has been omitted.

The amendments took effect from the date of their publication in the Official Gazette on 14th October 2025.

MCA issues circular on relaxation of additional fees and extension of time for filing of Financial Statements and Annual Returns under the Companies Act

The Ministry of Corporate Affairs ("MCA") through the General Circular No. 06/2025 dated 17.10.2025 ("Extension Circular")[9] has announced an extension of time for filing financial statements and annual returns under the Companies Act, 2013 ("Companies Act"). The Extension Circular notes that the MCA has recently revised and deployed the following e-Forms on the MCA-21 version 3 portal for annual filings: MGT-7, MGT-7A, AOC-4, AOC-4 CFS, AOC-4 NBFC (Ind AS), AOC-4 CFS NBFC (Ind AS), and AOC-4 (XBRL).

[7] IBBI (Liquidation Process) (Second Amendment) Regulations 2025
[8] IBBI (Insolvency Resolution Process for Corporate Persons) (Sixth Amendment) Regulations 2025
[9] Relaxation of additional fees and extension of time for filing of Financial Statements and Annual Returns under the Companies Act, 2013

To allow companies sufficient time to adapt to the new e-Forms and in response to representations from stakeholders, the MCA has permitted companies to file their annual returns and financial statements for FY 2024-25 up to 31.12.2025 without payment of additional fees.

However, this relaxation does not extend the statutory timelines for holding Annual General Meetings ("AGMs") as prescribed under the Companies Act.

JUDICIAL PRONOUNCEMENTS

Supreme Court held that pre-litigation mediation is not mandatory in cases involving continuing infringement of intellectual property rights

The Supreme Court through its judgement dated 27.10.2025 in the matter of *Novenco Building and Industry A/S v Xero Energy Engineering Solutions Private Limited & Another*[10] held that when deciding a commercial suit involving an application for urgent interim relief in intellectual property infringement cases, plaintiff's perspective must be duly considered, and Courts may dispense with the mandatory pre-institution mediation requirement under Section 12A the Commercial Courts Act, 2015.

The Supreme Court observed that for such cases urgency must be assessed in the context of the ongoing injury and preventing deception to the public at large. In addition to this, the Supreme Court also observed that mere delay in bringing an action does not legalize an infringement and the same cannot defeat the right of the proprietor to seek injunctive relief against the dishonest user.

Supreme Court held that preference shareholders are not financial creditors under the IBC

The Supreme Court, through its judgment dated 28.10.2025 in *EPC Constructions India through its Liquidator – Abhijit Guhathakurta v. M/s Matix Fertilizers and Chemicals Limited*[11], held that holders of preference shares ("PS") does not fall under the definition of financial creditors as envisaged under the IBC, as PS do not constitute financial debt.

Referring to Section 43 of the Companies Act, the Supreme Court observed that PS forms part of a company's share capital, and the amounts paid thereon are not loans. Since the company had neither made profits nor created reserves or fresh share proceeds for redemption, the PS had not become due or payable, therefore, no default had occurred.

The Supreme Court clarified that preferential shareholders, who have not redeemed their shares shall remain investors and not creditors. It was further held that for a Section 7 application to be maintainable under the IBC, there must exist a financial debt disbursed against the time value of money, which was absent in the case of PS.

Supreme Court clarified that party must seek declaratory relief before claiming specific performance

The Supreme Court, through its judgment dated 29.10.2025 in *Annamalai v. Vasanthi & Ors.*[12], clarified the circumstances under which a plaintiff must first seek a declaration that the termination of the contract is invalid before pursuing specific performance of the contract.

The Supreme Court held that where a contract grants a lawful right of termination and such right is duly exercised, the plaintiff must first obtain a declaration that the termination is invalid before seeking specific performance. Conversely, where the termination is without contractual basis or the right to terminate has been waived through subsequent conduct, such termination amounts only to wrongful repudiation. In such cases, the plaintiff may treat the contract as subsisting and directly seek specific performance without any prior declaratory relief.

High Court of Delhi held that an unregistered and unstamped Agreement to Sell is unenforceable and cannot form the basis of arbitral proceedings

The High Court of Delhi, through its judgment dated 15.10.2025 in *Gaurav Aggarwal v. Richa Gupta*[13], held that an unregistered and unstamped Agreement to Sell executed in Uttar Pradesh is unenforceable in law and cannot form the basis of arbitration proceedings. The High Court upheld the arbitral award terminating the proceedings under Section 32(2)(c) of the Arbitration and Conciliation Act, 1996 ("A&C Act").

The issue before the High Court was whether such an agreement concerning immovable property could be treated as a valid and enforceable contract for seeking specific performance and continuation of arbitral proceedings. Referring to Section 17(1)(f) and Section 49 of the Registration Act, 1908 ("Registration Act") (as applicable in Uttar Pradesh), read with Section 54 of the Transfer of Property Act, 1882 ("Property Act"), the High Court held that transfer or sale of leasehold or sub-leasehold rights without reservation of any interest amounts to a contract for sale requiring compulsory registration and stamping.

[10] Special Leave Petition (C) No. 2753 of 2025.
[11] Civil Appeal no. 11077 of 2025.
[12] Civil Appeal No. 13076-13077 of 2025.
[13] O.M.P. 1 of 2025 & I.A. 4139 of 2025.

The High Court concluded that an unregistered and unstamped Agreement to Sell is rendered unenforceable under Section 49 of the Registration Act and cannot be relied upon in arbitral proceedings. Accordingly, the petition under Section 34 of the A&C Act was dismissed.

High Court of Delhi held that mere pendency of complaint does not render arbitrator de jure ineligible under Section 14

The High Court of Delhi, through its judgment dated 15.10.2025 in *National Highways Infrastructure Development Corporation Ltd. v. NSPR-VKJ JV & Ors.*[14], held that mere pendency of an unverified complaint or alleged FIR against an arbitrator does not constitute de jure ineligibility under Section 14(1)(a) of the A&C Act.

The issue for consideration before the High Court was whether allegations of corruption and pendency of a complaint before the Madhya Pradesh Lokayukta against the Presiding Arbitrator constituted a de jure ineligibility under Section 14(1)(a) of the A&C Act warranting termination of his mandate.

The High Court held that de jure ineligibility under Section 14(1)(a) must stem from circumstances prescribed by law, such as those enumerated under the Seventh Schedule of the A&C Act and cannot be inferred from mere complaints or unsubstantiated allegations. The High Court observed that termination of an arbitrator's mandate on the basis of vague or unverified accusations would undermine the arbitral process and set a dangerous precedent allowing parties to derail proceedings at will. It was further held that allegations of bias or partiality fall within the scope of Sections 12 and 13 of the A&C Act and not under Section 14. Accordingly, finding no legal disqualification or proven misconduct, the High Court dismissed the petition seeking termination of the Presiding Arbitrator's mandate.

High Court of Karnataka held that mortgaged properties are not proceeds of crime under PMLA and cannot be attached by the Enforcement Directorate

The High Court of Karnataka, through its judgment dated 17.10.2025 in *Deputy Director, Directorate of Enforcement v. Asadullah Khan & Ors.*[15], held that properties mortgaged to a bank as security for loans cannot be attached under the Prevention of Money Laundering Act, 2002 ("PMLA"), where such assets are not derived from or involved in any proceeds of crime.

The issue before the High Court was whether mortgaged properties could be attached under the PMLA when the bank, as a secured creditor, was not a party to the alleged criminal activity and had initiated recovery proceedings under the SARFAESI Act.

The High Court held that assets mortgaged to banks represent public funds and cannot be treated as proceeds of crime within the meaning of Section 2(u) of the PMLA. It further observed that the Adjudicating Authority erred by not issuing notice to the bank as required under Sections 8(1) and 8(2) of the PMLA. Upholding the Appellate Tribunal's findings, the High Court affirmed that banks are entitled to enforce their security interest over mortgaged assets and that parallel proceedings by the Enforcement Directorate would not be in the interest of justice.

High Court of Madras held that deliberate non-participation cannot defeat the enforcement of foreign arbitral award

The High Court of Madras, through its judgment dated 17.10.2025 in *M/s Viterra B.V. v. M/s SKT Textile Mills*[16], held that a party which deliberately chooses not to participate in the arbitral proceedings cannot use its own default as a ground to resist enforcement under Section 48(1)(b) of the A&C Act and upheld the enforcement of a foreign arbitral award rendered under the International Cotton Association, Liverpool ("ICA"),

The dispute arose from a contract dated 29.05.2019 between Viterra B.V. ("Viterra") and SKT Textile Mills ("SKT") for the sale of 200 MT of raw cotton governed by English law with arbitration seat at Liverpool. SKT deliberately declined to participate despite the due notice, therefore, Tribunal rendered an award dated 30.04.2020 in favour of Viterra which attained finality.

The High Court held that the issuance of a No Objection Certificate ("NOC") and the related communications have established a concluded contract. The High Court further clarified that Section 48(1)(b) of the A&C Act protects the parties against genuine procedural unfairness, not a deliberate abstention. Emphasising India's pro-enforcement approach under the New York Convention, the High Court allowed the Enforcement Petition, declaring the award enforceable as a decree and directed SKT to pay the awarded sum with accrued interest along with cost imposed by the High Court amounting to INR 2,50,000 to be paid to Viterra.

High Court of Madras recognised cryptocurrency as property capable of ownership and protection under Indian law, while granting interim injunction under Section 9 of A&C Act

[14] O.M.P. (T) (COMM.) 44 of 2025 & I.A. 13797 of 2025
[15] MSA No. 78 of 2020 and Connected Matters.
[16] Arbitration O.P.(Com. Div). No.423 of 2023.

The High Court of Madras, through its judgment dated 25.10.2025 in *Rhutikumari v. Zanmai Labs Pvt. Ltd. & Ors.*[17] held that cryptocurrency constitutes a form of property capable of ownership, possession, and being held in trust. The High Court observed that under Section 2(47A) of the Income Tax Act, 1961, cryptocurrency is classified as a "virtual digital asset" and not treated as a speculative transaction.

In the present matter, the Applicant had invested INR 1.98 lakh in January 2024 to purchase 3,532.30 XRP coins on the WazirX exchange operated by Zanmai Labs. Following a cyberattack in July 2024 that froze all user accounts, the Applicant approached the High Court under Section 9 of the A&C Act, seeking protection of her XRP holdings.

The High Court rejected the Respondents' jurisdictional objections, noting that the investments originated in India and the platform was operated domestically and a substantial part of cause of action arose within India. Rejecting the objection based on a foreign arbitration clause, the High Court invoked the proviso to Section 2(2) of the A&C Act to hold that Indian Courts can grant interim protection over assets situated in India, even when the arbitration is seated abroad. Further, the High Court also relied upon *Internet and Mobile Association of India v. RBI*[18], to state that cryptocurrency qualifies as property and cannot be subjected to socialisation of losses and High Court rejected the Respondents' plea seeking socialisation of losses, referring to the Bombay High Court's decision in *Zanmai Labs Pvt. Ltd. v. Bitcipher Labs LLP*[19], and held that losses arising from a cyberattack cannot be spread across uninvolved users.

It held that the Applicant's XRP assets were held in a distinct wallet unaffected by the breach, thereby confirming her status as the beneficial owner entitled to protection. Consequently, Zanmai Labs was directed to furnish a bank guarantee or to deposit INR 9.56 lakh in escrow to preserve the value of the Applicant's cryptocurrency until the conclusion of arbitral proceedings.

CERC initiates *suo motu* proceedings against GNA Energy for alleged insider trading and market manipulation

The Central Electricity Regulatory Commission ("CERC"), through its order dated 28.10.2025 in *GNA Energy Private Limited*[20], initiated *suo motu* proceedings pursuant to SEBI's interim order dated 15.10.2025, which alleged violations of the Central Electricity Regulatory Commission (Power Market) Regulations, 2021 ("PMR 2021").

SEBI had observed that shareholders and key managerial personnel of GNA Energy, based on unpublished price sensitive information concerning CERC's market coupling order dated 23.07.2025, appeared to have engaged in insider trading, prima facie contravening the SEBI Act, 1992 and the SEBI (Prohibition of Insider Trading) Regulations, 2015.

CERC noted that GNA Energy, registered under its order dated 31.05.2023 to operate an OTC platform, had allegedly misused confidential information and internal documents related to CERC's order dated 23.07.2025, for market manipulation and insider trading, amounting to a breach of the PMR 2021. Accordingly, under Regulation 49(2) of the PMR 2021 read with Section 128 of the Electricity Act, 2003 ("Electricity Act") and Regulation 51 of the CERC (Conduct of Business) Regulations, 2023, CERC directed an investigation and appointed Shri R. Pushkarna, Chief (Finance), assisted by Shri Manish Choudhry, Joint Chief, to submit a report within 21 days

NCLAT held that genuine homebuyer claims cannot be rejected solely for delay in filing during CIRP

The National Company Law Appellate Tribunal ("NCLAT"), through its judgment dated 17.10.2025 in *Ms. Reena v. Rabindra Kumar Mintri & Anr.*[21], held that claims of the homebuyers whose payments are reflected in the records of the corporate debtor cannot be denied merely for being filed after the prescribed timeline during the corporate insolvency resolution process ("CIRP").

In the present matter, Ms. Reena ("Appellant") and other homebuyers had missed the original deadline for filing claims due to reasons such as non-receipt of notice, COVID-19 travel and health restrictions, and lack of information about the proceedings. Homebuyers sought condonation of delay citing inability to participate in the process and provided the records which indicated that the payments and the contractual allotments have been duly reflected in the corporate debtor records. The Successful Resolution Applicant ("Respondent") relied on *M/s RPS Infrastructure Ltd. v. Mukul Kumar & Anr.*[22] ("RPS Case") to argue that the claims which are delayed must be rejected. However, the NCLAT distinguished the present case, noting that the RPS Case dealt with commercial creditors, whereas the present claims of the homebuyers were substantiated by clear records in the books of the corporate debtor and have highlighted *bona fide* reasons for delay, not mere commercial claims raised belatedly.

[17] Original Application No.194 of 2025.
[18] 2020 (2) SCR 297.
[19] Commercial Arbitration Petition (L) No.11646 of 2025.
[20] Petition No. 11/SM/2025.
[21] Comp. App. (AT) (Ins) No. 170 of 2025.
[22] Civil Appeal No.5590 of 2021.

The NCLAT held that such homebuyers are to be treated as financial creditors within their class and their claims must be incorporated in the resolution plan through an addendum. The NCLAT directed the Resolution Professional and Respondent to submit a second addendum to the Committee of Creditors within 30 days, ensuring the inclusion of these claims for final consideration by the adjudicating authority.

APTEL held that commissions cannot invoke Section 11(2) to address future financial impacts under Section 11(1) of the Electricity Act

The Appellate Tribunal for Electricity ("APTEL"), through its Order dated 31.10.2025 in *Gujarat Urja Vikas Nigam Limited v. CERC & Ors.*[23] held that the jurisdiction of an appropriate commission under Section 11(2) of the Electricity Act, arises only after a generating company has actually suffered an adverse financial impact pursuant to directions issued under Section 11(1) of the Electricity Act.

APTEL clarified that anticipation of future losses cannot justify the exercise of such jurisdiction. It emphasized that the existence of an actual adverse financial impact is a *sine qua non* for invoking Section 11(2). Therefore, when a Petition is filed by a generating company under Section 11(2) of the Electricity Act, the appropriate commission must first ascertain whether the directions under Section 11(1) of the Electricity Act have caused any adverse financial impact.

APTEL observed that permitting pre-emptive relief would effectively allow the commission to nullify the directions under Section 11(1) during their operation, which is impermissible. The APTEL further held that at best, the appropriate commission could possibly direct that, adverse financial impact may be off set till the date on which it passes an order under Section 11(2) of the Electricity Act.

CCI rejects complaint against use of 'India' by Karate India Organization

The Competition Commission of India ("CCI") through its order dated 15.10.2025 in the matter titled as *Mr. Adikessavaperoumal Baskar Sinouvassane vs Karate India Organisation*[24] rejected a complaint under Section 19(1)(a) of the Competition Act, 2002 ("Competition Act") by a world level referee ("Informant") against Karate India Organisation's ("KIO") use of 'India' in its name.

The Informant alleged that KIO got itself registered with the word 'India' in its name without requisite approval in the form of "no objection certificate" from the Government of India, in violation of Section 4(3) of the Companies Act. The Informant has also alleged violation by KIO of an order dated 16.10.2018 by the Ministry of Youth Affairs and Sports ("MYAS"), which prohibits unrecognised federations from using the words "India"/ "Indian" in their name or conducting national championships.

CCI, after considering the allegations along with the material available on record, noted that the allegations raised by the Informant primarily pertain to contravention of either the provisions of the Companies Act or the orders/directives of the MYAS. CCI noted that none of the allegations pertain to violation of the provisions of the Competition Act. Since, the subject matter of the allegations is not related to competition issues, CCI found that these did not merit further examination. Accordingly, the complaint was closed under the provisions of Section 26(2) of the Competition Act.

[23] Appeal No. 122 of 2025 & IA No. 635 of 2025.

[24] Case No. 24 of 2025

ABOUT SAGUS LEGAL

Sagus Legal is a full-service law firm that provides comprehensive legal advisory and advocacy services across multiple practice areas. We are skilled in assisting businesses spanning from start-ups to large business conglomerates including Navratna PSUs, in successfully navigating the complex legal and regulatory landscape of India. Our corporate and M&A, dispute resolution, energy, infrastructure, banking & finance, and insolvency & restructuring practices are ranked by several domestic and international publications. We also have an emerging privacy and technology law practice.

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