SAGUS SPEAKS

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

REGULATORY AND POLICY UPDATES

SEBI notifies SEBI (Buy-back of Securities) (Amendment) Regulations, 2026.

The Securities and Exchange Board of India ("SEBI"), through notification dated 01.07.2026, notified the SEBI (Buy-back of Securities) (Amendment) Regulations, 2026 ("Buy-back Amendment Regulations")[1] amending the SEBI (Buy-back of Securities) Regulations, 2018 ("Buy-back Regulations"). The Buy-back Amendment Regulations re-introduce the framework for open market buy-backs through stock exchanges, rationalise procedural requirements and introduce additional safeguards relating to minimum public shareholding, promoter shareholding and timelines for completion of buy-backs.

The Buy-back Amendment Regulations introduce the following:

i. Open market buy-back cap: With effect from 01.08.2026, a buy-back undertaken through the stock exchange route shall be limited to less than 15% of the aggregate of the company's paid-up capital and free reserves, computed on the basis of both standalone and consolidated financial statements.

ii. Protection of minimum public shareholding: A company shall not undertake a buy-back of shares or other specified securities if such buy-back would result in a breach of the minimum public shareholding requirements prescribed under the Securities Contracts (Regulation)

[1] SEBI (Buy-back of Securities) (Amendment) Regulations, 2026.

Rules, 1957 or the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

iii. Restriction on subsequent buy-backs: A company shall not make another buy-back offer within the period prescribed under the Companies Act, 2013 ("CA 2013") from the date of closure of its preceding buy-back offer, if any.

iv. Public announcement and shareholder intimation: In case of an open market buy-back, the company shall make the public announcement within 2 working days from the date of passing of the board resolution or, where shareholder approval is obtained by way of a special resolution through postal ballot, from the date of declaration of the postal ballot results, as applicable. Further, within 1 working day from the date of the public announcement, the company shall electronically intimate the open market buy-back offer to all persons who are shareholders of the company as on the date of the public announcement.

v. Revised timeline for open market buy-backs: With effect from 01.08.2026, every open market buy-back shall open within 4 working days from the date of the public announcement and shall close within 66 working days from the date of opening of the offer.

vi. Freeze on promoter shareholding: The Buy-back Amendment Regulations require shares or other specified securities held by the promoters and promoter group that are subject to the buy-back to remain frozen at the ISIN level from the date of the board resolution or special resolution, as applicable, until closure of the buy-back offer. The freeze shall not apply for the limited purpose of tendering shares in a tender offer buy-back and certain transfers pursuant to invocation of pre-existing encumbrances may continue, subject to SEBI's conditions.

vii. Merchant banker made optional: The Buy-back Amendment Regulations introduce a new Regulation 24A, pursuant to which appointment of a merchant banker has been made discretionary. Where a company chooses not to appoint a merchant banker, various responsibilities presently discharged by the merchant banker shall instead be performed by the company, secretarial auditor, statutory auditor, stock exchange and compliance officer, as specifically allocated under the Buy-back Amendment Regulations.

The Buy-back Amendment Regulations shall come into force on 01.08.2026, except for certain amendments which are effective immediately upon notification i.e., 06.07.2026.

SEBI amends treatment of fees under SEBI (Foreign Venture Capital Investors) Regulations, 2000.

SEBI, through notification dated 03.07.2026, has notified the SEBI (Foreign Venture Capital Investors) (Amendment) Regulations, 2026 ("FVCI Amendment")[2] which amends the SEBI (Foreign Venture Capital Investors) Regulations, 2000 ("FVCI Regulations").

The key amendments are as follows:

i. Under Regulation 3(3) of the FVCI Regulations, an application for the grant of a certificate as a foreign venture capital investor ("FVCI") was required to be supported by the fees specified in the Second Schedule of the FVCI Regulations. Now, pursuant to the FVCI Amendment, the requirement of supporting an application for the grant of certificate as an FVCI with the fees specified in the Second Schedule of the FVCI Regulations has been removed;

ii. Under the FVCI Regulations, the registration fees specified under the Second Schedule was payable in U.S. Dollars or any other amount specified by SEBI from time to time. Under the FVCI Amendment, the registration fees specified under the Second Schedule shall now be payable in Indian Rupees in eligible foreign exchange equivalent. Accordingly, the revised fees are as follows:

(a) Registration fees: INR 2,30,000;
(b) Renewal fees: INR 9,000;
(c) Late fees: INR 500 per day for each day of delay in payment of renewal fees and subject to a cap of INR 15,000.

iii. Under Clause 6 of the Second Schedule to the FVCI Regulations, the designated depository participant was required to remit the fees collected from FVCIs during the immediate preceding month, to SEBI, by 5th working day

[2] SEBI (Foreign Venture Capital Investors) (Amendment) Regulations, 2026.

of every month, along with the details in the format prescribed. The FVCI Amendment substitutes Clause 6 of the Second Schedule and every designated depository participant shall now remit the fees collected from FVCIs in Indian Rupees to SEBI in the following manner:

(a) For initial registration, within 5 working days from the date of grant of certificate of registration to FVCI, along with the required details specified from time to time; and

(b) For renewal fees for subsequent blocks after registration or late fees, within 5 working days from the date of receipt by the designated depository participant along with the required details specified from time to time.

The FVCI Amendment shall come into force on the 180th day from the date of publication in the official gazette, i.e., 06.01.2027.

SEBI issues Consultation Paper on rationalizing the requirement of obtaining investor consent and ambit of conflicted transactions requiring investor consent under SEBI (Alternative Investment Funds) Regulations, 2012.

SEBI through its Consultation Paper dated 30.06.2026 ("Consultation Paper")[3], proposed amendments to the SEBI (Alternative Investment Funds) Regulations, 2012 ("AIF Regulations") to standardize the process for obtaining investor consent; introduce consistency in approval thresholds and rationalize the scope of conflicted transactions requiring investor approval.

The Consultation Paper, *inter alia*, proposes the following:

i. Standardised investor consent methodology: SEBI has proposed permitting Alternative Investment Funds ("AIF") to adopt any one of the following three methodologies for obtaining investor consent:

(a) under the deemed consent model, investors who fail to respond within the prescribed timeline would be deemed to have approved the proposal and such non-responses would be counted as votes in favour while computing approval by value;

(b) under the present and voting model, only votes actively cast by investors would be considered for determining whether the applicable approval threshold has been met and abstentions would be excluded from the voting process; and

(c) under the express voting model, a proposal would be approved only where affirmative votes alone meet the prescribed approval threshold with reference to the total value of investors, irrespective of the level of investor participation. The selected methodology shall be disclosed in the private placement memorandum and applied consistently across all investors of the same scheme.

ii. Disclosure requirements, manager responsibilities and approval thresholds: SEBI has proposed that AIFs disclose in their private placement memorandum ("PPM") the selected voting methodology, the procedure for obtaining investor consent, communication mechanism, notice period, voting timelines and associated risks. While seeking investor consent, AIFs shall disclose the proposal, rationale, applicable regulatory provision, approval threshold and manner of treating non-response under the adopted methodology. The manager shall be responsible for ensuring transparency, fair access to investors, responding to investor queries and maintaining records of notices, reminders, meetings and votes. Further, SEBI has proposed replacing the existing approval requirement of two-thirds of investors (by value), wherever applicable under the AIF Regulations and circulars issued thereunder, with a uniform approval threshold of 75% of investors (by value).

iii. Expansion of conflicted transactions: SEBI has observed that the existing definition of "associate" is narrow and excludes several materially conflicted transactions from the investor approval framework. Accordingly, it has proposed introducing the concept of "related party", largely based on Section 2(76) of the CA 2013 with suitable modifications for the AIF framework. For provisions dealing with conflicts of interest and conflicted transactions, the term "associate" is proposed to be replaced with "related party", while retaining the existing reference to "associate" in other provisions where broader coverage is not considered necessary.

[3] Consultation paper on rationalizing the requirement of obtaining investor consent and ambit of conflicted transactions requiring investor consent under SEBI (Alternative Investment Funds) Regulations, 2012.

iv. Applicability: Existing AIF schemes would be grandfathered and permitted to continue with their existing voting methodologies. The proposed framework would apply prospectively upon notification of the amendments.

Public comments on the Consultation Paper have been invited until 21.07.2026.

GOVERNMENT NOTIFICATIONS

CEA has notified the Central Electricity Authority (Technical Standards for Construction of Electrical Plants and Electric Lines) Amendment Regulations, 2026.

The Central Electricity Authority ("CEA"), through notification dated 22.06.2026, has issued the Central Electricity Authority (Technical Standards for Construction of Electrical Plants and Electric Lines) Amendment Regulations, 2026 ("Amendment Regulations")[4], thereby amending the CEA (Technical Standards for Construction of Electrical Plants and Electric Lines) Regulations, 2022 ("Principal Regulations"). The amendment inserts a new Chapter VI prescribing, dedicated construction standards for solar, floating solar, onshore wind, offshore wind, and Battery Energy Storage System ("BESS") installations. The key highlights of the amendments are as follows:

The common requirements for Renewable Energy Power Plants ("REP") and BESS include equipment rating norms, mandatory site documentation, display boards, WMO-compliant automatic weather stations (for plants of 10 MW and above), phasor measurement units, harmonic analysers, power plant controllers, redundant communication systems, power quality meters, graded protection systems, voltage ride-through capability, and compliance with the National Building Code and applicable noise limits.

The dedicated construction standards under Chapter VI provides as follows:

i. Solar (Part A): Prescribes a minimum design life of 25 years, site-selection criteria, and technical specifications for PV modules, mounting structures, inverters (minimum efficiency of 98%) and associated equipment, including mandatory RFID tagging of modules.

ii. Floating solar (Part A1): Imposes additional siting, floater (buoyancy, tensile strength, wind-tunnel, and puncture testing), mooring/anchoring, cable-routing, and wildlife/vessel-collision safety requirements, over and above Part A.

iii. Onshore wind (Part B): Lays down turbine spacing and infrastructure clearance norms, mandates a minimum 500-metre setback from dwelling clusters for noise mitigation, and prescribes technical standards for blades, nacelle, generator, converter, and tower.

iv. Offshore wind (Part B1): In line with the National Offshore Wind Energy Policy, 2015, a minimum blade-tip clearance of 22 metres shall be maintained above mean high water spring, and detailed construction norms for foundations, cabling, and offshore substations.

v. BESS (Part C): Recognises multiple use-cases (renewable integration, firm power, arbitrage, congestion relief, black-start, etc.); mandates active/reactive power control, voltage control, frequency response and ride-through for all BESS, with systems of 50 MW and above additionally requiring AGC, grid-forming inverter and black-start capability; fixing minimum technical benchmarks.

The Amendment Regulations shall come into force from 01.04.2027.

Ministry of Labour and Employment notifies contribution rate under the Employees' Provident Funds Scheme, 2026.

The Ministry of Labour and Employment ("MoLE"), through notification dated 01.07.2026 ("EPF Notification")[5], has specified the rate of contribution payable by employers and employees under the Employees' Provident Funds Scheme, 2026 framed under the Code on Social Security, 2020 ("SS Code").

Under the EPF Notification, employers and employees of every establishment covered under Sections 1(4), 1(5) and 1(6) of the SS Code are required to contribute 12% of wages to the Employees' Provident Funds Scheme except for specified establishments which are as follows:

i. Establishments in respect of which a resolution plan or repayment plan has been approved by the Adjudicating Authority under the Insolvency and Bankruptcy Code, 2016;

[4] CEA (Technical Standards for Construction of Electrical Plants and Electric Lines) Amendment Regulations, 2026.

[5] Ministry of Labour and Employment Notification S.O. 3582(E) dated 01.07.2026.

ii. Establishments engaged in:

(a) Jute industry;
(b) Beedi industry;
(c) Brick industry;
(d) Coir industry (other than the spinning sector); and
(e) Guar gum factories.

Under the repealed Employees' Provident Funds Scheme, 1952, paragraph 29 prescribed the contribution rate at 12% of basic wages, dearness allowance and retaining allowance (if any) payable by both the employer and the employee, subject to a reduced contribution rate of 10% for specified establishments notified under the proviso to Section 6 of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952.

The EPF Notification shall be deemed to come into force from 21.11.2025.

Ministry of Labour and Employment notifies Employer Contribution Rate under the Employees' Pension Scheme, 2026.

MoLE through notification dated 01.07.2026 ("EPS Notification")[6], has specified the employer's contribution rate to the Pension Fund established under the SS Code.

Under the EPS Notification, every employer is required to contribute 8.33% of the wages payable to each employee to the Pension Fund on a monthly basis.

Under the repealed Employees' Pension Scheme, 1995, paragraph 3(1) prescribed an employer's contribution of 8.33% of the employee's pay to the Pension Fund.

The prescribed contribution rate is effective from the date of commencement of the Employees' Pension Scheme, 2026, i.e. 29.06.2026.

Ministry of Labour and Employment notifies Employer Contribution Rate under the EDLI Scheme, 2026.

MoLE through notification dated 01.07.2026 ("ECR Notification")[7], has specified the employer's contribution rate to the Insurance Fund established under the SS Code.

Under the ECR Notification, every employer is required to contribute 0.5% of the wages payable to each employee to the Insurance Fund on a monthly basis.

The prescribed contribution rate is effective from the date of commencement of the Employees' Deposit Linked Insurance Scheme, 2026, i.e. 29.06.2026.

JUDICIAL PRONOUNCEMENTS

Supreme Court of India holds that a party cannot take defence of evidence being voluminous for belated production of evidence.

The Supreme Court through its judgement dated 09.07.2026 in the matter of *M/s Levitate Mobile Technologies Private Limited v M/s Standard Chartered Bank & Another*[8] held that the Commercial Courts Act 2015 ("Commercial Courts Act") is meant for expeditious disposal of commercial disputes and belated production of evidence, cannot water down the statutory intent and rigours of the Commercial Courts Act.

The Supreme Court observed that it is a well-established principle that while leading evidence, it is expected not only to produce all the documents but also to properly anticipate the questions that may be put to the witnesses by the other side. The Supreme Court *inter-alia* observed that belated production of documents cannot be countenanced on the grounds that the documents could not be produced due to the voluminous nature of such documents.

High Court of Delhi holds that an executive policy prescribing an arbitrary cut-off date without a rational basis is violative of Article 14 of the Constitution.

The High Court of Delhi, through its judgment dated 03.07.2026 in *Praveen Gupta v. Delhi Development Authority*[9] and *Deevik Garg v. Delhi Development Authority*[10], allowed the writ petitions and struck down Clause B of Delhi Development Authority's Circular dated 02.12.2020 ("Circular"), holding that classification through arbitrary cut-off date for payment to one category of allottees is violative of Article 14 of the Constitution of India, 1950 ("Constitution").

The High Court held that while the executive is competent to prescribe cut-off dates, such classification must satisfy the twin tests under Article 14 of the Constitution. It was further observed that since the

[6] Ministry of Labour and Employment Notification S.O. 3580(E) dated 01.07.2026.
[7] Ministry of Labour and Employment Notification S.O. 3581(E) dated 01.07.2026.
[8] 2026 SCC OnLine SC 1300.
[9] 2026 SCC OnLine Del 4956.
[10] 2026 SCC OnLine Del 4956.

Circular created an artificial classification having no rational or nexus with its object of mitigating hardship, it is arbitrary, discriminatory and unconstitutional. Accordingly, the Hon'ble High Court struck down the Clause B of the Circular.

High Court of Delhi holds that writ court cannot re-appreciate evidence or interfere with findings of a domestic enquiry in the absence of violation of principles of natural justice in the decision-making process.

The High Court of Delhi, through its judgment dated 06.07.2026 in *Uday Narayan Shukla v. Govt. of NCT of Delhi & Ors.*[11], while reiterating the limited scope of judicial review under Article 226 of the Constitution, dismissed a writ petition challenging an award of the Labour Court, upholding dismissal of employee from the service.

The Hon'ble High Court held that in the absence of any actual bias or prejudice before the Labour Court which returned a categorical finding that the domestic enquiry conducted was fair, proper and not vitiated by any violation of the principles of natural justice, courts while exercising writ jurisdiction under Article 226 of the Constitution, cannot substitute its own assessment merely because another view may also be possible on the same set of facts.

The High Court held that judicial review unlike an appeal is confined only to examination of the decision-making process and not the merits of the decision.

High Court of Delhi held that a writ petition seeking recovery of contractual dues is not maintainable.

The High Court of Delhi through its judgment dated 09.07.2026[12] in *Delhi Waste Management Limited v. North Delhi Municipal Corporation*, dismissed batch of writ petitions seeking refund of service tax and labour cess deducted from the contractual payments.

The Hon'ble High Court held that the writ petitions seeking recovery of contractual dues are not maintainable under Article 226 of the Constitution.

NCLAT held that set-off under the IBBI (Liquidation Process) Regulations, 2016 cannot be extended to separate group entities undergoing independent insolvency.

The National Company Law Appellate Tribunal, Principal Bench, New Delhi ("NCLAT") through its judgment dated 03.07.2026 in the matter of *M/s Assam Power Distribution Company Limited vs. Mrs. Meena Sureka*.[13] held that the benefit of set-off under Regulation 29 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 ("Liquidation Regulations") is only available, if the same parties have invoked the Liquidation Regulations and cannot be applied in case of third-party entities.

The NCLAT held that the corporate debtor is a separate juristic person and is distinct from other group entities of its group company and each group company has undergone separate corporate insolvency resolution process and later on liquidation proceedings.

The NCLAT held that group companies cannot be tagged along with the corporate debtor, as the liquidation proceedings of each group company was undertaken as a separate entity.

[11] 2026 SCC OnLine Del 4971.
[12] W.P. (C) 6543 of 2020.
[13] Company Appeal (AT) (Insolvency) No. 1205 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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