



JURIS PRIME
LAW SERVICES

INSIGHTS @JPLS

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Table of Contents

CONTENTS	PG. NO.
PART A: INTRODUCTION	01
About <i>JURIS PRIME</i> & A Word from Our Founder	01
About us, Why Choose Us & Our Core Principles	02
Our Accolades	03
PART B: LEGAL UPDATES - NATIONAL LEVEL	04
I. Corporate Law Updates & Latest Case Laws	04
1. Company Law	
a) Relaxation of additional fees and extension of time for Annual Filings up to 31 December 2025	04
b) MCA Provides One-Month Relief for Directors to File DIR-3 KYC Forms	04
c) Companies (Indian Accounting Standards) Second Amendment Rules, 2025	04
2. Securities Exchange Board of India	
a) SEBI (Foreign Portfolio Investors) Regulations, 2019	05
b) SEBI (Share-Based Employee Benefits and Sweat Equity) Regulations, 2021	05
c) SEBI (Employees' Service) Regulations, 2001	05
d) SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018	06
3. Reserve Bank of India	
a) RBI invites public comments on the draft "RBI (Asset Reconstruction Companies – Treatment of Wilful Defaulters and Large Defaulters) Directions, 2025"	06
b) Facilitation of External Trade and Payments – Amendment to Regulations	07
c) Reserve Bank of India (RBI) Monetary Policy for 2025	07
4. Tax & GST Laws	
a) October 31, 2025, is the extended timeline for filing of Various Reports of Audit for the Financial Year 2024–25	07
b) Guidebook on Mapping of Harmonized System of Nomenclature (HSN) Codes	08

c) Invoice-wise Reporting in Form GSTR-7, a new Functionality	09
d) File Pending GST Returns before Expiry of Three Years, i.e. before October 2025 Tax period	09
5. Employment & Labour Updates	
a) Ministry of Labour & Employment Signs MoU with Zomato to Boost Gig Economy Opportunities	09
b) Employees' Deposit-linked Insurance (Amendment) Scheme, 2025	10
c) Employees' State Insurance Corporation	10
6. Information Technology Law Updates	
a) Information Technology Act, 2000	11
<u>LEGAL UPDATES - REGIONAL LEVEL</u>	
a) Drone-Based Land Survey Pilot Project in Telangana	11
b) Telangana RERA Tightens Financial Disclosure Norms for Developers	12
c) Enhancement of Life Tax in Transport and Non-Transport Vehicles by the Transport Department of Telangana w.e.f. August 14, 2025	12
<u>Part C: RECENT JUDGMENTS & LEGAL INSIGHTS</u>	
<i>I. SARFAESI Case Updates</i>	
1. Priority Of Secured Creditors Over State Tax Dues	13
2. MSME Revival Framework Not an Automatic Shield Against SARFAESI	14
3. Procedural Compliance in SARFAESI Auctions	15
<i>II. INCOME TAX Case Updates</i>	
1. Mandatory Reporting of High-Value Cash Transactions under the Income Tax Act, 1961	15
2. Reassessment Based Solely on Audit Objection Constitutes Mere Change of Opinion: ITAT Quashes Reopening in Income Tax Case	16
<i>III. INSOLVENCY AND BANKRUPTCY Case Updates</i>	
1. Property Tax vs. Insolvency Law: municipal authority can enforce the Property tax (statutory charge) independently	18
2. Can a Financial Creditor correct or amend the date of Default in an Insolvency Application?	18
3. Application filed under the IBC on Pro-forma or draft invoices cannot form the basis of initiation of insolvency proceedings	19

<i>IV. ARBITRATION Case Updates</i>	
1. Arbitral Tribunal Cannot Override Contractual Venue Agreed by Parties: Telangana High Court.	19
2. Demurrage Claim Not an Actionable Debt	20
<i>V. Property Law - TENANT Case Updates</i>	
1. Tenant Cannot Dispute Landlord's Title During Tenancy Despite Alleged Forged Will	21
<i>VI. TELANGANA STATE Legal Case Updates</i>	
1. TG-RERA imposed a penalty of ₹ 18.5 lakh on Jubilee Hills Co-operative House Building Society Ltd for marketing and collecting pre-launch funds from investors.	22
2. Can the Revenue / Registration authorities cancel the Registered sale deeds without issuing notice to the Parties.	23
3. Limitation and Cause of Action Must Be Determined on a Meaningful Reading of the Plaint.	24
4. Supreme Court on Legal Distinction Between Outsourced Contract Workers and Regular Public Employees	24-25
<u>PART D: FEATURED ARTICLES</u>	
1. Interest under Section 31(7) of the Arbitration and Conciliation Act, 1996: Scope, Limits and Judicial Interpretation	30-33
2. A study on Anti Trust Risks in Netflix–Warner Bros. Discovery Merger Battle and Competing Paramount Bid	33-35
3. Power of attachment under the prevention of money laundering act, 2002: scope, procedure and judicial interpretation	36-38
4. The Dilemma of Innovation & Copyright in Generative Artificial Intelligence	39-42
5. Land rights under special statutes (like Service Inam land) can arise only through the method prescribed by law, not by private settlement	44-47
6. Zoning Law Reforms in The Telangana & Andhra Pradesh States: A New Framework for Urban Development	47-51

A Word from Our Founder



The Third Quarter of the Financial Year 2025–26 marked a phase of resilience and forward momentum for our organisation. While the real estate sector continued to experience dynamic market shifts, our strategic approach, operational discipline, and client-focused mindset enabled us to maintain stability and progress. Strengthened by the commitment of our team and the continued confidence of our stakeholders, we remained focused on delivering sustainable growth, enhancing service quality, and building a strong foundation for the upcoming quarters.

our teams continued to demonstrate strong collaboration, adaptability, and a shared sense of purpose. The coordination across practice groups and the efficient management of complex, multi-disciplinary assignments highlight the maturity of our organisational processes and the strength of our collective culture. We also remain encouraged by the constructive feedback received from our clients, which has guided us in refining our approach, strengthening communication, and further enhancing the consistency, responsiveness, and overall quality of our services.

This quarter has witnessed several transformative legal and regulatory developments:

- The Ministry of Labour and Employment has brought into force all four central Labour Codes with effect from 21 November 2025 and the Ministry of Labour and Employment has released Draft Central Rules under the Labour Codes.
- New GST Registration System (GST 2.0 – effective from 1 November 2025).
- Ministry of Electronics and Information Technology vide Notification No. G.S.R. 846(E) dated November 13, 2025, has notified the Digital

Personal Data Protection (DPDP) Rules, giving full operational effect to the DPDP Act, 2023

- The SEBI, vide Notification No. SEBI/LAD-NRO/GN/2025/273 dated November 18, 2025, notified the SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2025, amending the SEBI (LODR) Regulations, 2015.

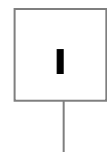
As we move into the next quarter, we remain committed to enhancing efficiency, upholding high professional standards, and providing strategic legal solutions tailored to our clients' needs.

I extend my gratitude to our clients for allowing us to be a part of your journey. Your challenges inspire us to innovate, and your trust strengthens our commitment to excellence. The professionalism, resilience, and tireless work ethic of our team continue to form the foundation of Juris Prime's success. Together, we are not only navigating the evolving legal landscape but also shaping it with integrity and foresight.

The year ahead holds tremendous promise, and I look forward to achieving and celebrating many more milestones with you.

V.V.S.N. Raju,
Founder & Managing Partner

Mr. V.V.S.N. Raju, Founder and Managing Partner of Juris Prime, is an acclaimed lawyer with over 32 years of legal expertise in Banking & Finance, Real Estate, Litigation, Foreign Investments, Debt Recovery, Employment and Corporate Laws.



About Us

Established in 2005 by **Mr. V.V.S.N. Raju**, **Juris Prime Law Services** has grown from a modest team of 6 lawyers to a formidable force of **over 25 lawyers** and **4 Partners**. Based in Hyderabad, Telangana, we are a **full-service** law firm renowned for our expertise, dedication, and client-centric approach. Over the years, we have built a reputation for delivering **solution-oriented** advice and handling complex legal matters with precision and efficiency.

Why Choose Us?

- **Client-Centric Approach:** We prioritize our clients' needs and deliver tailored legal solutions to help them achieve their business goals.
- **Expert Team:** Our team comprises young, diligent, and solution-driven lawyers with a deep understanding of the law.
- **Industry Recognition:** Consistently recognized as a leading law firm in Hyderabad and South India for our expertise in Banking, Finance, Corporate, Technology, Labour, and Real Estate.
- **Time-Bound Solutions:** We pride ourselves on delivering reliable and efficient legal services within stipulated timelines



Reliable & Effective



Clarity and Quality



Client Satisfaction



Integrity



Quick Turn-Around-Time

Core Principles

Our Accolades



CHAMBERS
AND PARTNERS



- **Legal 500 Asia Pacific Guide 2025:**
Leading Firm & Leading Partner (City Focus Hyderabad)
- **Chambers and Partners Asia-Pacific 2025:**
Corporate/Commercial: Hyderabad
- **Legal Era - India's Ranked Lawyers 2024:**
Leading Lawyer - Dispute Resolution
Law firm of the year - Hyderabad (2023-2024)
- **Benchmark Litigation:**
Notable Firm - Insolvency
Notable Firm - City Focus - Hyderabad
- **Asian Legal Business 2024:**
Top 15 Firms in South India

PART B: Legal Updates

National Level - Latest Law Updates

Employment & Labour Law Updates

1. The New Four Pillars of India’s Labour Law Reform

The Ministry of Labour and Employment has brought into force all four central Labour Codes with effect from 21 November 2025. The Central Government has consolidated 29 labour legislations into four Labour Codes These four Codes are:

- i. **Code on Wages, 2019**¹- The Code on Wages amalgamates laws on minimum wages, payment of wages, bonus and equal remuneration into a single statute. It introduces a national floor wage, rationalises the definition of “wages”, and aims to ensure timely and universal payment of wages and basic income protection across organised and unorganised sectors.
- ii. **Industrial Relations Code, 2020**²-The Industrial Relations Code combines laws on trade unions, standing orders and industrial disputes. It seeks to promote ease of doing business and orderly dispute resolution by simplifying registration of trade unions, redefining “industry” and “worker”, tightening rules on strikes/lockouts, and raising thresholds for prior government approval in layoffs and retrenchment for larger establishments.
- iii. **Code on Social Security, 2020**³-The Code on Social Security consolidates nine laws relating to provident fund, ESI, gratuity, maternity benefit and other social security schemes. It extends social security coverage to gig workers, platform workers, and unorganised workers through registration and potential schemes and streamlines compliance by unifying definitions and contribution frameworks.

¹ https://labour.gov.in/sites/default/files/the_code_on_wages_2019_no.29_of_2019.pdf

² https://labour.gov.in/sites/default/files/ir_gazette_of_india.pdf

³ https://labour.gov.in/sites/default/files/ss_code_gazette.pdf

- iv. **The Occupational Safety, Health and Working Conditions Code, 2020**⁴ – The code merges 13 laws on workplace safety, health and service conditions across factories, mines, plantations and other establishments. It focuses on a common registration system, clearer duties of employers on safety and health, specified standards for working hours and welfare facilities, and stronger enforcement mechanisms through inspectors-cum-facilitators.

2. Draft Rules released for new Labour Codes.

The Ministry of Labour and Employment has released Draft Central Rules under the Labour Codes, namely the

- **Code on Wages (Central) Rules,**
- **Industrial Relations (Central) Rules, 2025,** the
- **Code on Social Security (Central) Rules,** and the
- **Occupational Safety, Health and Working Conditions (Central) Rules.**

These draft rules have been framed to operationalise the substantive provisions of the respective Labour Codes by prescribing the procedural framework relating to registration of establishments, maintenance of registers, filing of returns, conditions governing employment, dispute resolution mechanisms, and enforcement through inspections and penalties.

The issuance of these Draft Central Rules marks a crucial step towards the transition from the existing labour law regime to the new Code-based framework. By inviting comments and suggestions from stakeholders, the Government has initiated the consultative process for finalising the rules. Until the final Central Rules are notified and brought into force, compliance continues under the existing enactments, and the draft rules serve as an important guiding framework for employers, workers and enforcement authorities in preparing for the implementation of the Labour Codes.

3. Central Labour Law Compliance in India: Forms, Documents, Deadlines and Penalties

The Central Government has consolidated 29 labour legislations into four Labour Codes with the objective of simplifying compliance and expanding worker protection. Employers are now required to comply with statutory registrations and filings mainly through online portals. Failure to adhere to these requirements attracts penalties, interest and, in certain cases, prosecution. This article presents a practical overview of key Central labour law compliances, including forms to be filed, documents required, timelines and penalties.

⁴ https://labour.gov.in/sites/default/files/osh_gazette.pdf

➤ **Key Central Labour Law Compliances**

Law / Code	Purpose & Website	Form / Mode	Documents Required	Deadline	Penalty for Delay
Employees' Provident Fund Act, 1952	PF Registration https://www.epfindia.gov.in/	Online (Form-11)	PAN, Address proof, Bank details, Employee Aadhaar & salary	Within 15 days	Up to ₹10,000 + interest & damages
Employees' State Insurance Act, 1948	ESI Registration https://www.esic.nic.in	Form-01 (Online)	PAN, Address proof, Salary details	Immediately on coverage	Up to ₹10,000 and prosecution
Contract Labour Act, 1970	Principal Employer Registration https://shramsuvudha.gov.in	Form-I	PAN, Contractor agreement, Employee strength	Before engaging labour	Fine up to ₹1,000 per day
Payment of Gratuity Act, 1972	Notice of Opening https://shramsuvudha.gov.in / State Portal	Form-A	Employer & Employee details	Within 30 days	Fine up to ₹10,000
Maternity Benefit Act, 1961	Notice of claim https://shramsuvudha.gov.in	Form-I	Medical certificate, Employment proof	As applicable	Fine up to ₹5,000
Industrial Relations Code	Layoff / Retrenchment Notice https://shramsuvudha.gov.in	Prescribed Forms	Worker list, Reasons, Compensation details	Prior approval	Fine and prosecution
OSH Code	Registration & Safety Compliance	Common Registration	Layout plan, Safety report,	Before commencement	Fine up to ₹2,00,000

	https://shramsavidha.gov.in		Employee details		
Code on Wages	Annual Return https://shramsavidha.gov.in	Unified Annual Return	Wage & Attendance register	Annually	Fine up to ₹50,000

Conclusion:-

Compliance with Central labour laws is a statutory obligation and an important aspect of corporate governance. Employers must ensure timely registration, accurate documentation and periodic filings to avoid penalties and legal exposure. With the shift towards digital and unified labour regulation, continuous monitoring of updates issued by the Central Government is essential for lawful and efficient business operations.

Tax & GST Law Updates

1. New GST Registration System (GST 2.0 - effective from 1 November 2025)

With effect from 1 November 2025, the Government introduced an upgraded GST registration mechanism as part of the GST 2.0 reforms. The objective of the new system is to simplify registration procedures and reduce processing delays through technology-based verification. The reform seeks to discourage fake registrations and improve the quality of taxpayer data. Small and medium enterprises are expected to benefit from faster approvals and a more transparent process. Aadhaar and PAN-based authentication have been further integrated into the portal. Time limits for disposal of applications have also been streamlined. The system relies on risk-based scrutiny instead of routine manual checks. This change reflects the Government’s policy of promoting ease of doing business. It also strengthens monitoring through data analytics. Overall, the new registration framework is aimed at making GST compliance more efficient and reliable.

2. CBIC Public Outreach and Taxpayer Awareness Initiatives

The Central Board of Indirect Taxes and Customs (CBIC) expanded its taxpayer awareness and public engagement programmes. Interactive information centres and outreach platforms were introduced at major national events to educate traders and the general public about GST and Customs procedures. These initiatives focus on providing guidance on digital services, return filing, and statutory obligations. Officers interact directly with taxpayers to resolve common doubts and issues. The emphasis is on encouraging voluntary compliance through education rather than enforcement alone. Digital help desks and demonstration facilities have also been promoted. These steps aim to improve communication between the tax administration and taxpayers. They also help in reducing errors in compliance. Such outreach programmes complement the ongoing GST reforms. The overall objective is to build trust and transparency in tax administration.

3. AI-Driven Tax Reforms and Policy Discussions

The Union Finance Minister chaired policy-level discussions on the use of artificial intelligence in tax administration. The focus of these discussions was on modernising both direct and indirect tax systems through advanced technology. AI tools are being explored for analysing large volumes of data and detecting potential non-compliance. The objective is to reduce manual intervention and improve accuracy in assessments. Technology-driven processes are also expected to speed up refunds and reduce delays. Automation will help in identifying high-risk cases more efficiently. These reforms aim to minimise litigation by ensuring consistent decision-making. The broader goal is to enhance transparency and accountability in tax administration. The initiative aligns with the Government’s digital governance strategy. It represents a move towards a smarter and more data-driven tax system.

Company Law Updates

1. Revised Company Director’s DIN KYC Compliance Framework

The Ministry of Corporate Affairs has issued a notification dated 31 December 2025, published in the Gazette of India (Extraordinary), notifying the Companies (Appointment and Qualification of Directors) Amendment Rules, 2025. These amendments have been made in exercise of powers under the Companies Act, 2013 and are aimed at streamlining procedures relating to Director Identification Number (DIN) compliance, KYC updation, and regulatory administration. The amended rules, inter alia, revise the nomenclature of the Regional Director offices and rationalize the process for submission of director KYC information, with the amendments coming into force from 31 March 2026 .

The notification substitutes Rule 12A to mandate that every individual holding a DIN as on 31st March of a financial year shall file Form DIR-3-KYC-Web on or before 30th June of every third consecutive financial year, and also within 30 days of any change in personal details such as mobile number, email address, or residential address. The earlier e-form DIR-3-KYC and web service options have been consolidated into a single standardized DIR-3-KYC-Web form, duly certified by a practicing professional. The amendments seek to enhance accuracy of director records, strengthen compliance monitoring, and ensure greater transparency and accountability in corporate governance under the Companies Act, 2013.

2. The Companies (Specification of definition details) Amendment Rules, 2025⁵

The Ministry of Corporate Affairs (MCA) vide notification No. G.S.R. 880(E) dated December 01, 2025, has revised the thresholds used to classify companies. The updated limits now specify that paid-up capital and turnover of a Small Company shall not exceed Rupees Ten Crores and Rupees

⁵ <https://egazette.gov.in/WriteReadData/2025/268124.pdf>

One Hundred Crores, respectively, as per sub-clause (i) and sub-clause (ii) of clause (85) of section 2 of the Companies Act. A Company is considered a Small Company if it satisfies both conditions given in sub-clause (i) and sub-clause (ii). This amendment significantly expands the eligibility for “small company” status, simplifying compliance for many more companies.

3. Companies (Indian Accounting Standards) Second Amendment Rules, 2025

MCA, vide Notification G.S.R. 549(E) dated August 13, 2025, notified the Companies (Indian Accounting Standards) Second Amendment Rules, 2025, amending the Companies (Indian Accounting Standards) Rules, 2015. The amendments aim to update and harmonize Indian Accounting Standards (Ind AS) with relevant International Financial Reporting Standards (IFRS) while considering the Indian context. Key objectives include clarifying the classification of liabilities as current or non-current, providing guidance on supplier finance arrangements, incorporating transitional provisions for first-time adopters, and addressing disclosures related to international tax reforms under the OECD Pillar Two rules. The purpose of these changes is to enhance transparency, ensure consistency in financial reporting, improve comparability with global standards, and provide clarity for entities on the treatment of complex financial instruments, lease arrangements, and tax obligations.

Securities and Exchange Board of India Updates

4. The Securities and Exchange Board of India (Depositories and Participants) (Third Amendment) Regulations, 2025⁶.

The Securities and Exchange Board of India (SEBI), vide Notification No. F. No. SEBI/LAD-NRO/GN/2025/275 dated November 21, 2025, has notified amendments to the SEBI (Depositories and Participants) Regulations, 2018. The amendment introduces textual refinements to Regulation 24 and expands its scope by expressly including “executive directors” alongside the “managing director.” Further, Regulation 26 has been revised to incorporate “role and responsibilities” in its title. A significant change has been made by way of a new proviso, which permits the managing director, with prior approval of the governing board, to hold non-executive positions in:

- i. Section 8 companies,
- ii. Unlisted non-commercial government companies, and

⁶ https://www.sebi.gov.in/legal/regulations/nov-2025/securities-and-exchange-board-of-india-depositories-and-participants-third-amendment-regulations-2025_98108.html

- iii. Educational institutions and universities established by the Central or State Government.

In addition, a new sub-regulation (8) has been inserted, setting out the key duties of the managing director, including oversight of depository operations and ensuring compliance with applicable laws, regulations, and SEBI directions.

5. The SEBI LODR (Fifth Amendment) Regulations, 2025⁷

The SEBI, vide Notification No. SEBI/LAD-NRO/GN/2025/273 dated November 18, 2025, notified the SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2025, amending the SEBI (LODR) Regulations, 2015. The amendments, effective from November 19, 2025 (with certain related party thresholds effective 30 days thereafter), introduce several corporate governance and disclosure enhancements:

- i. Materiality thresholds have been recalibrated through the newly inserted Schedule XII, replacing the earlier fixed ₹1,000 crore/10 % turnover test and providing a more nuanced, turnover-linked framework.
- ii. Directors, key managerial personnel of a listed entity or its subsidiary and their relatives are now expressly included in the RPT framework.
- iii. Stricter lower triggers and expanded criteria for subsidiary RPTs requiring audit committee approval.
- iv. Enhanced clarity on statutory disclosures and insertion of additional preambles to Regulation 53.

6. The SEBI (Foreign Portfolio Investors) Regulations, 2019

The Securities and Exchange Board of India (SEBI) vide its Notification No. SEBI/LAD-NRO/GN/2025/254 dated August 11, 2025, notified the Securities and Exchange Board of India (Foreign Portfolio Investors) (Amendment) Regulations, 2025. The amendment primarily provides exemptions for Foreign Portfolio Investors (FPIs) who invest exclusively in Government Securities from certain provisions applicable under the SEBI (Foreign Portfolio Investors) Regulations, 2019. The objective of this change is to simplify compliance requirements for FPIs investing solely in Government Securities, thereby encouraging greater participation in government debt markets while maintaining regulatory oversight. By differentiating these

⁷ https://www.sebi.gov.in/legal/regulations/nov-2025/securities-and-exchange-board-of-india-listing-obligations-and-disclosure-requirements-fifth-amendment-regulations-2025_97840.html

investors from others, the amendment aims to promote ease of investment, enhance liquidity in government securities, and streamline regulatory processes without compromising investor protection or market integrity.

7. SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018

The Securities and Exchange Board of India (SEBI), through Notification F. No. SEBI/LAD-NRO/GN/2025/264 dated September 08, 2025, has issued the SEBI (Issue of Capital and Disclosure Requirements) (Second Amendment) Regulations, 2025, amending the 2018 Regulations. The amendment introduces new definitions and clarifications for accredited investors, including those investing in angel funds. It updates provisions for dematerialization of securities, outlines specific conditions for sales of shares arising from court- or government-approved schemes, and expands categories of entities whose holdings must be dematerialized. The amendment also revises disclosure requirements in placement documents, including risk factors, capitalization statements, financial summaries, business and industry descriptions, board and senior management details, and material litigation. Additional clauses allow issuers to provide supplementary information at their discretion. These changes aim to enhance transparency, standardize disclosures, and protect investors in capital market offerings.

Reserve Bank of India Updates

1. The Foreign Exchange Management (Export of Goods and Services) Regulations, 2025⁸

The Reserve Bank of India (RBI) has vide Notification No. FEMA 23(R)/(7)/2025-RB dated November 13, 2025, amended the Foreign Exchange Management (Export of Goods and Services) Regulations, 2015. The amendment extends the time period for realisation and repatriation of export proceeds from nine months to fifteen months under Regulation 9. In addition, the permissible period for write-off or reduction of unrealised export proceeds has been increased from one year to three years under Regulation 15. These changes provide greater flexibility to exporters, reduce the need for regulatory extensions, and align FEMA compliance timelines with commercial realities, particularly for sectors involving longer receivable cycles.

2. The Foreign Exchange Management (Borrowing and Lending) Regulations, 2025⁹

The RBI has vide Notification No. FEMA 3(R)(4)/2025-RB dated October 06, 2025, amended the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018 to insert Regulation 7(A)(iv), permitting Authorised Dealer (AD) banks to extend Indian Rupee-denominated loans to persons resident outside India who are residents of Bhutan, Nepal, or Sri Lanka, including banks in these jurisdictions, for cross-border trade transactions.

⁸ <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12923&Mode=0>

⁹ <https://www.rbi.org.in/scripts/NotificationUser.aspx?Id=12915&Mode=0>

3. The Foreign Exchange Management (Foreign Currency Accounts by a person resident in India) (Seventh Amendment) Regulations, 2025¹⁰.

The RBI has vide Notification No. FEMA 10(R)(7)/2025-RB dated October 06, 2025, amended the Foreign Exchange Management (Foreign Currency Accounts by a person resident in India) Regulations, 2015, to align the definition of “International Financial Services Centre (IFSC)” with the meaning prescribed under the International Financial Services Centers Authority Act, 2019. Further, the amendment permits resident Indian exporters to open and maintain Foreign Currency Accounts with banks outside India, including in an IFSC, for the purpose of receiving full export proceeds as well as advance payments. Funds maintained in such accounts may be utilised by the exporter to meet their own import payment obligations. Where the funds are not so utilised, they are required to be repatriated to India, with a specific repatriation timeline of three months applicable in cases where the account is maintained with a bank located in an IFSC. Correspondingly, Regulation 5 of the principal regulations has been substituted to expressly clarify that foreign currency accounts permitted to be opened “outside India/abroad” may also be opened in an IFSC. This amendment enhances operational flexibility for exporters and strengthens the role of IFSCs in facilitating cross-border trade transactions.

Information Technology Law Updates

1. The Digital Personal Data Protection Act, 2023 (DPDP)¹¹

The Ministry of Electronics and Information Technology vide Notification No. G.S.R. 846(E) dated November 13, 2025, has notified the DPDP Rules, giving full operational effect to the DPDP Act, 2023. The new framework aims to be citizen-centric - emphasising transparency, consent, purpose limitation, and safeguards on data processing. Under the rules, the companies must implement security safeguards (like encryption, access controls, logging) and set up a governance structure, including a new regulatory authority/board. It grants individuals certain rights such as access, correction, erasure, grievance redressal, and imposes obligations on “data fiduciaries”. For companies, there is a phased compliance timeline - certain provisions come into effect immediately, others over 12–18 months. The new law also amends aspects of the Right to Information Act, 2005 (RTI) to limit disclosure of personal data under “public interest” claims, offering stronger privacy protection.

¹⁰ [https://rbidocs.rbi.org.in/rdocs/content/pdfs/FEMA10R\(7\)eGazette131025.pdf](https://rbidocs.rbi.org.in/rdocs/content/pdfs/FEMA10R(7)eGazette131025.pdf)

¹¹ <https://www.meity.gov.in/static/uploads/2025/11/53450e6e5dc0bfa85ebd78686cadad39.pdf>

Regional Updates

Telangana State

1. GHMC Expansion for Urban Development

Greater Hyderabad Municipal Corporation (GHMC) expansion represents one of the most significant municipal restructuring exercises undertaken in Telangana in recent years. The expansion reflects the State's attempt to respond to rapid urbanisation, infrastructure growth, and governance challenges across the Hyderabad metropolitan region.

Scope and Scale of the 2025 Expansion

GHMC expansion refers to the **major merger of 27 surrounding municipalities and urban local bodies into GHMC in late 2025**, resulting in a substantial enlargement of its territorial jurisdiction. As a consequence of this merger:

- GHMC's geographical area expanded from **approximately 650 square kilometres to over 2,000 square kilometres**;
- Municipal jurisdiction was extended significantly along the **Outer Ring Road (ORR)** growth corridor;
- The administrative structure was reorganised into **additional zones, circles, and wards**, with the total number of wards increasing to **300**.

This large-scale consolidation was aimed at enabling unified urban planning, coordinated infrastructure development, and standardised civic governance across rapidly urbanising peripheral areas.

2. Comprehensive revision of the list of lands prohibited in Telangana:-

For the first time since the formation of the State of Telangana, the Revenue and Registration & Stamps Departments have undertaken a comprehensive revision of the list of lands prohibited from registration under **Section 22-A of the Registration Act, 1908**. District Collectors are issuing updated prohibition lists after verification, which are being uploaded on official portals to ensure transparency. This exercise is intended to streamline property registrations and significantly reduce disputes arising from incorrect or outdated prohibited land entries.

3. single-page digital platform for Revenue, Survey and Registration Departments :-

Telangana Government is in the process of developing a **single-page digital platform** integrating data from the Revenue, Survey and Registration Departments to create a unified land records system. The proposed platform aims to provide seamless access to land-related information, simplify verification processes, and reduce administrative delays in revenue and registration matters, thereby improving efficiency and public access to land records.

Andhra Pradesh State

1. Revision of Prohibited Land List under Section 22-A (Andhra Pradesh)

The Government of Andhra Pradesh has undertaken a significant revision of the list of lands prohibited from registration under **Section 22-A of the Registration Act, 1908**. As part of this exercise, five major categories of lands, including private patta lands, lands allotted to ex-servicemen, freedom fighters and political sufferers, and assignments made prior to June 18, 1954, have been removed from the prohibited list. The revision is intended to ease hardships faced by genuine landowners and to reduce litigation arising from incorrect or outdated prohibitory entries. The Government has also permitted subdivision of survey numbers so that only the disputed portion remains prohibited while the undisputed portion can be freely registered. Revenue officials have been instructed to rely on any one of the recognised revenue records instead of insisting on multiple documents. This reform is expected to streamline property registrations and bring greater clarity to land records. The initiative reflects a move towards balancing protection of government land with safeguarding private property rights. It is also aimed at improving transparency and public confidence in the registration system. Overall, the revision marks an important step in resolving long-standing land disputes in the State.

2. Issuance of Comprehensive Revenue Manual by Andhra Pradesh Government

The Andhra Pradesh Government has released a **comprehensive Revenue Manual** consolidating various land laws, rules, Government Orders and circulars relating to revenue administration. The Manual brings together provisions concerning assignments, estates, inams, settlements and record-of-rights into a single accessible reference document. This initiative is aimed at simplifying the understanding and implementation of revenue laws for both officials and the public. By providing uniform procedures, prescribed forms and clear timelines, the Manual seeks to reduce administrative discretion and inconsistencies across districts. It also enhances transparency by making revenue rules and policies easily available on an official platform. The Manual is expected to assist in faster resolution of land-related issues and reduce dependency on scattered Government Orders. It further supports digitisation and modernisation of land governance in the State. Legal practitioners and citizens alike can rely on it as an authoritative guide on revenue matters. The reform represents a move towards systematic and citizen-friendly land administration. In the long run, it is likely to strengthen governance and reduce land-related disputes.

Part C: Recent Judgments & Legal Insights

GST Case Updates

1. **Single GST SCN for Multiple Years (Composite GTS SCN) held Invalid by Bombay High Court**

The Bombay High Court has quashed a show cause notice (SCN) issued under the GST regime which sought to club multiple financial years and different tax periods into a single notice. The Court held that such an omnibus SCN, which aggregates liabilities for distinct tax periods having separate due dates and separate limitation periods, is legally unsustainable. It observed that each tax period constitutes an independent cause of action and, therefore, the department cannot mechanically combine several years into one composite notice so as to overcome statutory time limits prescribed under the CGST Act.

The Court further held that issuance of a single SCN for multiple years defeats the scheme of limitation under Section 73 and Section 74 of the CGST Act, which prescribe different time frames depending on the nature of default. By mixing periods governed by different limitation regimes, the department effectively deprives the assesses of the statutory protection of limitation. The judgment reinforces that tax authorities must issue period-specific SCNs and strictly adhere to prescribed timelines, and that any notice issued in violation of these principles is liable to be struck down as arbitrary and without jurisdiction.

2. **GST Interest Can't Be Recovered Without Adjudication, AP High Court Orders Refund**

The Andhra Pradesh High Court has held that the GST Department cannot recover interest under Section 79 of the Central Goods and Services Tax (CGST) Act without first following the adjudicatory process prescribed under law. The Court ruled that recovery proceedings initiated without determination of liability through proper adjudication are illegal and unsustainable.

The ruling came in a case filed by an iron dealer whose bank account was attached by the GST authorities for recovery of interest allegedly payable on delayed tax payment. The department invoked Section 79 of the CGST Act, which provides for recovery of dues, without issuing a proper show cause notice or passing an adjudication order determining the liability.

Challenging the action, the dealer contended that interest liability had not been quantified through any statutory proceeding and that coercive recovery without adjudication violated principles of natural justice. It was argued that recovery under Section 79 can be initiated only after the amount payable is duly assessed and confirmed under the Act.

The High Court accepted the contention and observed that recovery provisions under Section 79 are consequential in nature and can be invoked only after a determination of tax or interest

liability under the relevant provisions of the GST law. The Court emphasized that interest, though statutory, cannot be recovered mechanically without following the procedure established by law.

The Court further held that attachment of the petitioner's bank account without prior adjudication amounted to arbitrary exercise of power and was contrary to the scheme of the CGST Act. It reiterated that even in matters of interest, the taxpayer must be given an opportunity of being heard before any recovery action is taken.

Accordingly, the High Court quashed the recovery proceedings and directed the GST Department to refund the amount recovered from the iron dealer's bank account. The department was also granted liberty to initiate fresh proceedings in accordance with law, after following due process.

The judgment reinforces the principle that tax authorities must adhere to statutory procedures and principles of natural justice before initiating coercive recovery. It provides significant relief to taxpayers by clarifying that recovery under Section 79 cannot bypass adjudication and that liability must be lawfully determined before enforcement action is taken.

This decision is expected to have wider implications for GST administration, particularly in cases where interest is sought to be recovered without issuance of a show cause notice or passing of an adjudication order.

3. Once an appeal is filed under Section 107 of the GST Act, no coercive recovery proceedings, including attachment of bank accounts, can be initiated or continued against the taxpayer.

The statutory right of appeal is a fundamental safeguard available to taxpayers under the Goods and Services Tax (GST) regime. Section 107 of the CGST Act provides for an appeal against adjudication orders passed by tax authorities. Once such an appeal is filed in accordance with law, the continuation or initiation of coercive recovery measures, including attachment of bank accounts, has been held by courts to be legally unsustainable.

The rationale behind this principle lies in the nature of appellate proceedings. When an assessee challenges an assessment or demand order before the appellate authority, the liability becomes sub judice and loses its finality. The filing of an appeal, along with the mandatory pre-deposit prescribed under Section 107(6), renders the disputed amount provisional in character. In such circumstances, treating the demand as final and resorting to recovery proceedings defeats the very purpose of the statutory appeal.

Courts have repeatedly observed that recovery provisions under the GST law are meant to enforce crystallized and confirmed liabilities. These provisions cannot be invoked in a mechanical manner when the assessment itself is under challenge. Attachment of bank accounts during the

pendency of appeal not only causes severe financial hardship to the taxpayer but also renders the appellate remedy illusory.

Judicial authorities have emphasized that coercive measures such as bank attachment violate principles of natural justice when undertaken without awaiting the outcome of appellate proceedings. Unless the statute expressly permits recovery during the pendency of appeal, the tax department is obligated to respect the appellate process and refrain from initiating or continuing recovery actions.

Further, the scheme of Section 107 itself balances the interests of revenue and taxpayers. The requirement of pre-deposit ensures that the government's interests are protected, while simultaneously allowing the assesses to pursue legal remedies. Allowing additional recovery through bank attachment would upset this statutory balance and amount to arbitrary exercise of power.

In several cases, High Courts have quashed attachments of bank accounts effected after the filing of appeal and have directed the refund of amounts recovered. They have reiterated that the proper course for the department is to contest the appeal on merits rather than resort to premature enforcement.

This legal position serves as an important protection for taxpayers against coercive recovery. It reinforces the principle that the right of appeal is not a mere formality but a substantive right that must be respected in both letter and spirit. At the same time, it underscores the obligation of tax authorities to act within the framework of due process and statutory discipline.

In conclusion, once an appeal is lodged under Section 107 of the GST Act, the continuation or initiation of bank account attachment is legally untenable. Recovery proceedings must await the final determination of liability through the appellate process, ensuring fairness, legality, and adherence to constitutional principles of justice.

FEMA Case Updates

1. Karnataka HC Stays ED's FEMA Proceedings against Café Coffee Day CEO

The Karnataka High Court has stayed the proceedings initiated by the Enforcement Directorate (ED) under the Foreign Exchange Management Act, 1999 (FEMA) against Malavika Hegde, CEO of Café Coffee Day Enterprises Ltd. The Court granted interim protection after examining the challenge to the summons and investigation launched by the ED in relation to alleged foreign exchange violations. The petitioner contended that the initiation of FEMA proceedings was

arbitrary and lacked proper jurisdictional foundation, and that the action amounted to misuse of investigative powers.

While granting the stay, the High Court observed that prima facie issues arose regarding the manner in which the proceedings were initiated and the scope of the ED's authority under FEMA in the given factual matrix. The Court held that coercive action should not be continued until the legality of the proceedings is examined in detail. The interim order underscores judicial scrutiny over investigative actions under economic laws and reiterates that statutory powers under FEMA must be exercised strictly in accordance with law and procedural safeguards, particularly where senior corporate functionaries are subjected to investigation.

ARBITRATION Case Updates

Arbitral Award Unsupported by Evidence – Scope of Judicial Interference

Court: Supreme Court of India

Statute Involved: Arbitration and Conciliation Act, 1996

Relevant Provisions: Sections 34, 37, 34(2A)

Decision Date: 2025

Bench: Supreme Court of India

Headnotes

Arbitration and Conciliation Act, 1996 – Sections 34 & 37 – Scope of Interference

Judicial interference with arbitral awards is limited. Courts do not sit in appeal over arbitral findings and cannot re-appreciate evidence unless a statutory ground is clearly established.

Patent Illegality – “No Evidence” Standard

An arbitral award may warrant interference where a finding is **completely unsupported by any evidence** or where vital evidence on record has been wholly ignored, amounting to patent illegality under Section 34(2A).

Distinction Between “Insufficient Evidence” and “No Evidence”

A finding based on inadequate, weak, or debatable evidence does not justify interference. “No evidence” means a **total absence of material** to support the conclusion reached by the arbitrator.

Re-Appreciation of Evidence – Impermissible

Courts cannot substitute their interpretation of facts or contracts merely because an alternative view is possible. Interference is permissible only when the award is perverse or irrational to the extent that no reasonable person could have arrived at such a conclusion.

Public Policy and Fundamental Policy of Indian Law

An arbitral award unsupported by any evidence may violate the fundamental policy of Indian law and fall within the narrow exception permitting judicial intervention.

Facts of the Case

The dispute arose out of a commercial contract which was referred to arbitration. The arbitral tribunal passed an award granting reliefs to one of the parties based on its appreciation of the contractual obligations and evidence on record.

The award was challenged under **Section 34** of the Arbitration and Conciliation Act, 1996 before the Commercial Court, and thereafter under **Section 37** before the High Court. The High Court interfered with the award on the ground that certain findings of the arbitrator were unsupported by evidence. Aggrieved, the matter was carried to the Supreme Court.

Issues for Consideration

1. Whether courts can interfere with arbitral awards on the ground that findings are unsupported by evidence.
2. What constitutes “no evidence” for the purposes of patent illegality under Section 34(2A).
3. Whether re-appreciation of evidence is permissible while exercising jurisdiction under Sections 34 and 37.

Decision

The Supreme Court **clarified and reaffirmed** the narrow contours of judicial interference in arbitral awards and held that:

- Courts cannot re-appreciate evidence or act as appellate authorities over arbitral awards.
- However, **where a finding is based on no evidence at all**, or where crucial evidence has been completely ignored, interference may be justified under the ground of **patent illegality**.

Ratio Decidendi

An arbitral award may be interfered with under Sections 34 and 37 of the Arbitration and Conciliation Act, 1996, only where a finding is wholly unsupported by any evidence or where vital evidence has been completely ignored, amounting to patent illegality. Mere insufficiency of evidence, erroneous appreciation, or the possibility of an alternative view does not justify judicial interference.

Court’s Reasoning

- The Supreme Court reiterated that arbitration is intended to be a **final and binding dispute resolution mechanism**, and excessive judicial intervention defeats its purpose.

- The expression “no evidence” must be understood strictly – it refers to a **complete absence of material**, not merely evidence that a court may consider inadequate.
- Even minimal evidence, if reasonably relied upon by the arbitrator, is sufficient to sustain a finding.
- Patent illegality arises only where the award is so irrational or perverse that no reasonable person could have arrived at such a conclusion on the record.

Significance of the Judgment

- Reinforces the **finality of arbitral awards**.
- Clarifies the **high threshold** for interference on the ground of patent illegality.
- Provides guidance to courts, practitioners, and arbitrators on the distinction between *erroneous findings* and *perverse findings*.
- Strengthens India’s pro-arbitration jurisprudence by limiting judicial overreach.

INSOLVENCY & BANKRUPTCY Case Updates

1. Liquidation Proceedings Prevail Over Independent Creditor Enforcement - Telangana High Court

Overview

In a recent decision, the Telangana High Court has dismissed an appeal filed by Union Bank of India, thereby affirming the cancellation of an online auction conducted by the bank in respect of immovable property belonging to a company under liquidation. The judgment reiterates that once liquidation proceedings commence, asset sales must be undertaken strictly in accordance with statutory procedures and under the supervision of the Official Liquidator.

Factual Background

The matter arose from the proposed sale of immovable property owned by a company that had been ordered to be wound up. An Official Liquidator was appointed to take charge of the company’s assets for the benefit of all stakeholders.

Notwithstanding the subsistence of liquidation proceedings, Union Bank of India proceeded to conduct an independent online auction of the property at a reserve price of approximately ₹25.80 crore. This was done despite objections raised by the Official Liquidator and the existence of an alternative offer exceeding ₹32 crore. The auction was set aside by a single judge, leading to the present appeal before the Division Bench.

Issue for Consideration

The principal issue before the Court was whether a secured creditor is entitled to unilaterally conduct an auction of a company's assets after the commencement of winding-up proceedings, without the involvement or approval of the Official Liquidator.

Decision and Reasoning

The Division Bench dismissed the appeal, holding that once a winding-up order is passed:

- Custody and disposal of company assets vest with the Official Liquidator, subject to the supervision of the Court;
- Any sale conducted without the involvement of the Official Liquidator is contrary to the statutory framework governing liquidation; and
- The liquidation process is designed to protect the collective interests of all stakeholders, including secured creditors, unsecured creditors, and workmen.

The Court noted that the bank's unilateral action, particularly in proceeding with an auction despite a higher offer and the objections of the Official Liquidator, undermined transparency and the objective of value maximisation in liquidation proceedings.

Legal Significance

The judgment reinforces the settled position that creditor recovery actions cannot be pursued independently once liquidation proceedings have commenced. Even statutory recovery mechanisms must operate in harmony with the winding-up framework and the supervisory role of the Court.

The decision underscores the importance of procedural compliance in asset disposals and affirms that liquidation is a collective process, not one driven by individual creditor enforcement.

Conclusion

By upholding the cancellation of the auction, the Telangana High Court has reaffirmed the central role of the Official Liquidator in safeguarding fairness, transparency, and stakeholder interests in liquidation proceedings. The ruling serves as a reminder that strict adherence to statutory processes remains paramount in insolvency and asset recovery matters.

Cybercrime Case Updates

Supreme Court Directs Plea on Uniform Guidelines for Freezing Bank Accounts in Cybercrime Cases to be Placed Before CJI

The **Supreme Court of India** has directed that a plea seeking **uniform guidelines for freezing and de-freezing of bank accounts during cybercrime investigations** be placed before the **Chief Justice of India**, after noting that similar issues are already under consideration in a pending *suo motu* proceeding.

Background

The plea highlighted increasing instances of bank accounts being frozen by investigating agencies in cybercrime matters, often without clear procedural safeguards or timelines. Petitioners raised concerns regarding:

- Prolonged freezing of accounts without notice;
- Absence of uniform standards across States and investigating agencies; and
- Severe hardship caused to individuals and businesses due to indiscriminate account freezes.

The petition sought the formulation of **uniform, pan-India guidelines** to govern the freezing and de-freezing of bank accounts during cybercrime investigations.

Court's Observations

The Supreme Court observed that the issues raised in the plea **overlap substantially with matters already under examination** in a pending *suo motu* case concerning procedural safeguards in cybercrime investigations.

In view of this overlap, the Court directed that the plea be **placed before the Chief Justice of India** for appropriate consideration, including whether it should be tagged with or addressed alongside the pending *suo motu* proceedings.

Legal Significance

The Court's direction reflects judicial recognition of the growing tension between:

- **Investigative powers of law enforcement agencies** in tackling cybercrime; and
- **Fundamental rights and financial freedoms** of individuals and entities whose accounts are frozen without structured safeguards.

Uniform guidelines, if framed, could bring clarity on:

- Conditions for freezing accounts;

- Notice and hearing requirements;
- Time-bound review mechanisms; and
- Standards for de-freezing accounts where continued restraint is unwarranted.

Conclusion

By directing the plea to be placed before the Chief Justice of India, the Supreme Court has taken a procedural step that may lead to comprehensive judicial scrutiny of bank account freezing practices in cybercrime cases. The outcome of the pending *suo motu* proceedings could have far-reaching implications for law enforcement practices, banking operations, and the protection of individual and commercial rights in the digital economy.

INSURANCE Case Updates

1. Insurance Claims Can't Be Denied Without Evidence, Rules Delhi Consumer Commission

The Delhi State Consumer Disputes Redressal Commission has held that rejection of an insurance claim without clear, convincing, and cogent evidence amounts to *deficiency in service* under the Consumer Protection Act. The Commission observed that insurance companies cannot repudiate claims on mere assumptions or technical grounds without properly substantiating their decision with reliable proof.

The ruling came in a case where the insured had lodged a claim after suffering a loss covered under the insurance policy. The insurer rejected the claim, alleging violation of policy conditions. Aggrieved by the repudiation, the policyholder approached the Consumer Commission, contending that the rejection was arbitrary and unsupported by evidence.

After examining the records, the Commission noted that the insurer failed to produce any material evidence to justify its conclusion. It emphasized that the burden of proving breach of policy conditions lies on the insurance company. Mere suspicion, conjecture, or reliance on unverified reports cannot form the basis for denying a legitimate claim.

The Commission further observed that insurance contracts are based on the principle of utmost good faith (*uberrimae fidei*), which binds both parties. While policyholders are expected to disclose material facts truthfully, insurers are equally obligated to act fairly and reasonably when processing claims. A repudiation that lacks factual foundation violates this principle and defeats the very purpose of insurance.

Holding the repudiation to be unjustified, the Commission directed the insurer to settle the claim in accordance with the policy terms and also awarded compensation to the complainant for mental harassment and litigation costs.

The judgment reinforces the legal position that insurance companies must base claim repudiation on solid evidence and proper investigation. Arbitrary denial of claims not only harms consumer confidence but also attracts liability under consumer protection law.

This decision serves as a reminder that insurers cannot escape contractual obligations through unsupported allegations and must ensure transparency, accountability, and fairness in claim settlement procedures.

REAL ESTATE Cases Updates

1. **Unauthorised Construction Cannot Be Protected Merely Because It Is “Compoundable”:** **Supreme Court**

The **Supreme Court of India** has reiterated that **unauthorised constructions are not entitled to protection from demolition merely on the ground that the violation is compoundable** under applicable building regulations. Rejecting a plea challenging demolition action, the Court reaffirmed the principle that compounding provisions cannot be used as a shield to legitimise illegal construction.

Background

The matter arose from a challenge to demolition proceedings initiated by local planning and municipal authorities against unauthorised construction. The petitioner contended that since the deviations were *compoundable* under the relevant building rules, the construction ought to have been regularised instead of being demolished.

The plea sought judicial protection against demolition on the premise that compounding was an available statutory remedy.

Supreme Court’s Observations

Dismissing the plea, the Supreme Court held that:

- **Compounding is a discretionary statutory mechanism**, not an automatic right vested in the violator;
- The mere fact that a violation is categorised as compoundable **does not confer immunity** from demolition or enforcement action;
- Courts cannot be called upon to protect or legitimise constructions raised in **clear violation of planning laws and sanctioned plans**.

The Court emphasised that unauthorised constructions undermine urban planning, safety norms, and rule of law, and must be dealt with strictly.

Legal Principle Reaffirmed

The judgment reinforces settled jurisprudence that:

- Planning laws and building regulations serve **public interest objectives**, including safety, infrastructure planning, and environmental protection;
- Regularisation and compounding provisions are **exceptions**, intended to address minor or technical deviations, and cannot be invoked to justify substantial or deliberate violations;
- Judicial intervention should not encourage or reward illegality in urban development.

Significance for Developers and Property Owners

This decision serves as a clear warning that:

- Raising construction without approvals or beyond sanctioned limits carries a **real risk of demolition**, notwithstanding compounding provisions;
- Post-facto regularisation cannot be assumed as a fallback option; and
- Strict compliance with sanctioned plans and zoning regulations remains essential.

Municipal authorities, on their part, have been reaffirmed in their power and duty to enforce demolition orders where violations are established.

Conclusion

By rejecting the plea, the Supreme Court has reaffirmed that **unauthorised construction cannot be protected under the guise of compounding provisions**. The ruling strengthens enforcement of urban planning laws and sends a clear message that illegality in construction will not be condoned through judicial indulgence.

2. Individuals Who Are Not Homebuyers Can Approach RERA if Aggrieved: Odisha REAT

The Odisha Real Estate Appellate Tribunal (REAT) has clarified that access to remedies under the Real Estate (Regulation and Development) Act, 2016 (RERA) is not restricted solely to homebuyers. Individuals who are not allottees or purchasers may also approach the Real Estate Regulatory Authority if they are aggrieved by actions or omissions falling within the scope of the Act.

Background

The issue arose in proceedings where maintainability of a complaint under RERA was questioned on the ground that the complainant was not a “homebuyer” or “allottee” as traditionally understood under the Act. It was argued that RERA remedies are available only to purchasers of real estate projects.

Findings of the Tribunal

Rejecting this narrow interpretation, the Odisha REAT held that:

- RERA is a **beneficial legislation** enacted to ensure transparency, accountability, and orderly growth in the real estate sector;
- The Act does not bar individuals other than homebuyers from approaching the Authority, provided they are “**aggrieved persons**”; and
- Complaints relating to violations of statutory obligations by promoters, agents, or other stakeholders can be entertained even if the complainant is not an allottee.

The Tribunal emphasised that restricting access only to homebuyers would defeat the broader regulatory objectives of RERA.

Legal Significance

This ruling broadens the scope of RERA’s remedial framework and clarifies that:

- The expression “*any aggrieved person*” must be interpreted purposively;
- Professionals, landowners, joint development partners, or other affected parties may invoke RERA jurisdiction, subject to facts; and
- Regulatory accountability under RERA extends beyond buyer-centric disputes.

Impact on Real Estate Stakeholders

For promoters and real estate professionals, the decision underscores the need for **strict statutory compliance**, as regulatory scrutiny under RERA is not limited to buyer complaints alone. For non-homebuyers, the ruling opens a statutory forum to address grievances connected with real estate projects.

Conclusion

By recognising the right of non-homebuyers to approach RERA, the Odisha REAT has adopted a pragmatic and purposive interpretation of the Act. The decision reinforces RERA’s role as a comprehensive regulatory mechanism governing the real estate sector, rather than a forum limited only to buyer disputes.

3. Advance Plot Booking Does Not Confer Right to Allotment; Buyer Entitled Only to Refund: Delhi State Consumer Commission

The Delhi State Consumer Disputes Redressal Commission has ruled that merely booking a plot by paying an advance amount does not automatically grant a buyer the legal right to allotment of that plot. The Commission held that in such cases, the buyer is entitled only to a refund of the amount paid, and not to possession or compulsory allotment of the property.

The ruling came in a dispute where a buyer had paid an advance sum to a developer for booking a residential plot. However, the allotment was never finalized, and the developer later declined to allot the plot. The buyer approached the consumer forum seeking allotment of the plot or compensation for deficiency of service.

Rejecting the claim for allotment, the Commission observed that a booking amount or advance payment by itself does not create a concluded contract. In the absence of a formal allotment letter or executed agreement, no enforceable right over the property arises in favour of the buyer. The Commission clarified that a legal right to claim possession can arise only when the essential terms of allotment are agreed upon and documented.

However, the Commission also held that the developer could not unjustly retain the buyer's money. It directed the developer to refund the booking amount to the complainant, along with applicable interest, thereby recognising the buyer's right to restitution.

The ruling draws an important distinction between *booking* and *allotment*. While booking reflects an intention to purchase, allotment signifies the creation of legal obligations. Without allotment, the buyer cannot demand possession of the plot but can seek refund of the amount paid.

This decision serves as a caution to property buyers to ensure that allotment letters and written agreements are executed before assuming ownership rights. It also reinforces the principle that developers cannot profit from unfulfilled bookings and must return money collected without finalising allotment.

The judgment strengthens consumer protection by preventing unjust enrichment of builders while clarifying that contractual rights over immovable property arise only through formal and complete agreements.

LABOUR & REAL ESTATE Cases Updates

- 1. Supreme Court Reaffirms Legal Distinction Between Outsourced Contract Workers and Regular Public Employees** (*in Municipal Council, Nandyal v. K. Jayaram & Ors., Civil Appeals arising out of SLP (Civil) Nos. 17711-17713 of 2019 | Decision dated 16 December 2025*)

Overview

In a significant ruling impacting public sector employment and outsourcing arrangements, the Supreme Court of India has clarified that workers engaged through third-party contractors cannot, as a matter of right, claim parity in pay with regular government employees. The decision reinforces constitutional principles governing public employment while recognising the limited scope for equitable relief in exceptional circumstances.

Factual Background

The dispute arose from claims made by the respondents (**hereinafter referred to as “the contract workers”**), who had been rendering services to the Nandyal Municipality since the mid-1990s. Their engagement, however, was not direct; they were employed through contractors appointed by the Municipal Council under outsourcing arrangements.

Although contractors changed periodically, the contract workers continued to perform their duties without interruption. Seeking regularisation and parity in pay with regular municipal employees, they approached the Andhra Pradesh Administrative Tribunal, which rejected their claims. The High Court of Judicature at Hyderabad reversed the Tribunal’s decision and directed the Municipality to grant the minimum time scale of pay along with annual increments. This order was challenged before the Supreme Court.

Key Legal Issue

The principal issue before the Supreme Court was whether contract workers engaged through third-party contractors – without a direct employer–employee relationship with the State – are entitled to:

- The minimum time scale of pay applicable to regular municipal employees; and
- Annual increments on the principle of *equal pay for equal work*.

Supreme Court’s Reasoning

The Supreme Court emphasised that the nature of the employment relationship is determinative. It was undisputed that:

- The contract workers were engaged by contractors and not appointed directly by the Municipality;
- Payments were made by the Municipality to the contractors, who were responsible for remunerating the contract workers; and
- The outsourcing arrangement itself was not challenged as illegal or unconstitutional.

The Court observed that extending pay parity in such circumstances would blur the legally recognised distinction between direct public employment and outsourced manpower engagement.

Distinguishing Prior Precedents

The contract workers relied on the Supreme Court’s decision in *State of Punjab v. Jagjit Singh* (2017) to claim parity in pay. The Court distinguished this precedent, noting that *Jagjit Singh* dealt with **directly engaged contractual employees of the State**, whereas the present case involved workers engaged through an intermediary contractor.

The Court cautioned that equating outsourced personnel with regular employees would undermine constitutional safeguards, including transparency, open competition, and merit-based recruitment, which are intrinsic to public employment.

Decision

Allowing the appeals, the Supreme Court:

- Set aside the High Court’s order granting minimum time scale pay and increments; and
- Restored the decision of the Administrative Tribunal rejecting the claims of the contract workers.

The Court held that the contract workers were **not entitled** to pay parity or increments applicable to regular municipal employees.

Equitable Considerations

While ruling in favour of the Municipality, the Court adopted a measured and humane approach. Acknowledging the long and uninterrupted service rendered by the contract workers, it urged the Municipality to consider whether such workers could be regularised against posts of a **perennial nature**, if available.

The Court clarified that this observation was confined strictly to the facts of the case and **does not constitute a binding precedent**.

Practical Significance

This judgment provides important guidance for public authorities, statutory bodies, and entities engaging outsourced manpower:

- It reaffirms that outsourcing through contractors creates a legally distinct relationship from direct employment.
- The doctrine of *equal pay for equal work* is not automatically applicable to contract workers engaged through intermediaries.
- Public employment continues to be treated as a constitutional trust, requiring adherence to established recruitment norms.

Conclusion

The Supreme Court’s ruling strikes a careful balance between constitutional discipline and equitable considerations. While it decisively limits judicial extension of pay parity to outsourced contract workers, it leaves room for policy-driven, compassionate solutions in exceptional cases – without diluting the rule of law governing public employment.

PART- D: FEATURED ARTICLES

Interest under Section 31(7) of the Arbitration and Conciliation Act, 1996: Scope, Limits and Judicial Interpretation

- by Himangi Nagar, Corporate Associate, Juris Prime

1. Introduction

Interest is an important component of monetary relief in arbitration as it compensates a party for the deprivation of the use of money during the pendency of proceedings. Section 31(7) of the Arbitration and Conciliation Act, 1996 (“the Act”) empowers arbitral tribunals to grant interest on the awarded sum. However, such power is not absolute and is subject to party autonomy and contractual stipulations. The Supreme Court of India has repeatedly interpreted this provision to delineate the boundaries of arbitral discretion.

2. Statutory Framework

Section 31(7) of the Act provides:

Section 31(7)(a) –

“Unless otherwise agreed by the parties, where and in so far as an arbitral award is for the payment of money, the arbitral tribunal may include in the sum for which the award is made interest, at such rate as it deems reasonable, on the whole or any part of the money, for the whole or any part of the period between the date on which the cause of action arose and the date on which the award is made.”

Section 31(7)(b) –

“A sum directed to be paid by an arbitral award shall, unless the award otherwise directs, carry interest at the rate of eighteen per cent per annum from the date of the award to the date of payment.”

Thus, the provision creates a distinction between:

- (i) **pre-award/pendente lite interest** under clause (a); and
- (ii) **post-award interest** under clause (b).

3. Party Autonomy and Contractual Supremacy

The opening phrase “*unless otherwise agreed by the parties*” in Section 31(7)(a) gives primacy to contractual terms. This reflects the principle of party autonomy, which is also embodied in Section 28(3) of the Act requiring the tribunal to decide in accordance with the terms of the contract.

In **Sayeed Ahmed & Co. v. State of U.P.**, (2009) 12 SCC 26, the Supreme Court held that where the contract expressly bars payment of interest, the arbitral tribunal cannot award interest for the pre-reference or pendente lite period.

Similarly, in **Union of India v. Bright Power Projects (India) (P) Ltd.**, (2015) 9 SCC 695, the Court reiterated that an arbitral tribunal is bound by the terms of the contract and cannot grant interest contrary to an express prohibition.

The Court further clarified in **Morgan Securities and Credits (P) Ltd. v. Videocon Industries Ltd.**, (2022) 2 SCC 1, that Section 31(7)(a) operates only in the absence of a contractual stipulation, and arbitral discretion cannot override an agreed rate or bar on interest.

4. Tribunal's Discretion in the Absence of Agreement

Where the contract is silent on interest, the tribunal has discretion under Section 31(7)(a) to determine:

- whether interest should be awarded,
- the rate of interest, and
- the period for which it is payable.

In **Hyder Consulting (UK) Ltd. v. State of Orissa**, (2015) 2 SCC 189, a Constitution Bench held that the expression "sum" in Section 31(7)(a) includes both the principal and interest awarded up to the date of the award, thereby recognising the tribunal's authority to grant compound interest unless otherwise barred by contract.

However, such discretion must be exercised reasonably. In **UHL Power Company Ltd. v. State of Himachal Pradesh**, (2022) 4 SCC 116, the Supreme Court reduced an excessive rate of interest granted by the arbitral tribunal, holding that arbitral discretion must be exercised in line with commercial realities and prevailing lending rates.

5. Prohibition and Limitation Clauses

Contracts frequently contain clauses restricting interest, such as:

- "No interest shall be payable on delayed payments," or
- "Interest shall be payable only after certification."

Such clauses are binding. In **State of Haryana v. S.L. Arora & Co.**, (2010) 3 SCC 690, the Court held that an arbitral tribunal cannot grant interest in the teeth of a contractual prohibition and that doing so would amount to rewriting the contract.

This principle was reaffirmed in **Union of India v. Manraj Enterprises**, (2022) 5 SCC 567, where the Court held that an award granting interest contrary to contractual terms is liable to be set aside under Section 34 for being in excess of jurisdiction.

6. Distinction between Pre-Award and Post-Award Interest

A crucial distinction has been drawn between interest under clauses (a) and (b):

- **Pre-award and pendente lite interest** are governed by Section 31(7)(a) and are subject to party agreement.
- **Post-award interest** under Section 31(7)(b) is statutory and applies unless the arbitral tribunal directs otherwise.

In **Hyder Consulting (UK) Ltd. v. State of Orissa**, (2015) 2 SCC 189, the Supreme Court clarified that post-award interest can be granted on the aggregate sum (principal plus pre-award interest), unless prohibited by contract.

Further, in **Union of India v. Ambica Construction**, (2016) 6 SCC 36, it was held that even where a contract bars pre-award interest, post-award interest may still be granted unless there is a specific contractual bar against it.

7. Interplay with Section 34

An arbitral award granting interest in violation of contractual terms may be challenged under Section 34 of the Act. Such an award may be set aside on the ground that:

- it is contrary to the terms of the contract (Section 28(3)); and
- it suffers from patent illegality or jurisdictional error.

In **ONGC Ltd. v. Saw Pipes Ltd.**, (2003) 5 SCC 705, the Supreme Court held that an award contrary to contractual terms is patently illegal and liable to be set aside.

8. Emerging Judicial Trend

Recent jurisprudence reflects a consistent judicial approach:

1. Section 31(7)(a) does not grant unfettered discretion;
2. Contractual stipulations prevail over statutory discretion; and
3. Arbitral tribunals cannot rewrite contracts on equitable considerations.

The Supreme Court's recent clarification on contractual interest clauses confirms that arbitral discretion is subordinate to party autonomy, reinforcing certainty in commercial arbitration.

9. Practical Implications for Drafting

To avoid uncertainty:

- Contracts should clearly specify whether interest is payable;
- The rate and period should be expressly stated;
- Distinction should be made between pre-award and post-award interest.

Ambiguous clauses invite arbitral discretion, while express clauses restrict it.

10. Conclusion

Section 31(7) of the Arbitration and Conciliation Act, 1996 embodies a balance between arbitral discretion and contractual autonomy. While arbitral tribunals may award interest where the contract is silent, they cannot override an express contractual provision barring or limiting interest. Judicial interpretation has consistently upheld the supremacy of party agreement, ensuring predictability and fairness in arbitral outcomes. As arbitration law in India continues to evolve, Section 31(7) remains a pivotal provision governing monetary relief in arbitral awards.

A study on Anti Trust Risks in Netflix–Warner Bros. Discovery Merger Battle and Competing Paramount Bid

-By N Rajitha, Associate, Real Estate

Netflix has grown into a behemoth of content, acquiring media from competitors, earmarking theatrical releases with their branding as the ‘official streaming partner’, and creating a vast library of original content. Therefore, the bid by Netflix to acquire another competing production house, Warner Brothers Discovery (WBD), immediately puts it under the scrutiny of anti-trust and monopoly laws. This bid is now being countered by Paramount, another media giant, with an even higher monetary amount, at \$30/share.¹² The WBD board has advised shareholders to prefer the Netflix bid, claiming discrepancies in the financing of Paramount’s hostile bid, due to the all-cash bid being financed by the Saudi and Qatari Monetary funds, along with a personal guarantee by billionaire Larry Ellison, whose family owns Paramount.

Both media conglomerates, however, are not primarily competing on a monetary front, but instead with the United States Department of Justice (DOJ), as there is legal footing for either bid to come under the scrutiny of antitrust laws. The primarily applicable law, Section 7 of the Clayton Act,¹³ was enacted to prevent companies from merging or acquiring the shares of direct competitors to create a monopoly in the market.

¹² Harshita Mary Varghese, Warner Bros fight heats up with \$108 billion hostile bid from Paramount | reuters, December 9, 2025, <https://www.reuters.com/legal/transactional/paramount-makes-1084-billion-bid-warner-bros-discovery-2025-12-08/>.

¹³ Section-7.PDF, October 11, 2013, <https://www.antitrustinstitute.org/wp-content/uploads/2018/09/Section-7.pdf>.

This was later amended by the Celler-Kefauver Antimerger Act, which expanded the restriction to include both company shares and assets, applicable to both vertical and horizontal mergers and acquisitions.¹⁴ This law is based on the probable indication that if the merger or acquisition were to be manifested, it would be monopolistic, harming competition. The prerequisite to applying Section 7 of the Clayton Act to a potential merger or acquisition is found in the landmark ruling of *United States v. Philadelphia National Bank (PNB)* (1963). Here, the court decided that to invoke a rebuttable presumption of illegality against a potential merger, the market concentration of the newly formed entity must be above 30%.¹⁵ This presumption can be alleged at the stage before the deal actualises and is based on the presumption of an illegal deal that is void ab initio, like Section 7 of the Clayton Act.

The primary contention that could be raised against Netflix is the PNB doctrine. Netflix is the largest entity in the Streaming Video on Demand (SVOD) market, and its direct competitor, HBO Max, is owned by Warner Brothers Discovery. Consolidating both into one corporation, according to market share sizes, would result in Netflix-WBD reaching the 30% criteria required to enact the PNB doctrine and allege a rebuttable presumption of illegality. Furthermore, the Netflix bid also focuses on WBD's vast library of original Intellectual Property, with massive media franchise titles. Netflix, historically a distributor of content, will now own a major supplier, allowing it to bottleneck the vertical flow of content to other distributors at its choosing. There is an immediate concern of anti-trust for competing distributors, as this vertical integration through Netflix's acquisition of WBD does pose a significant risk. However, this depends on the market definition of SVOD. There exists potential to include other content platforms, including YouTube and TikTok, in the market definition, diluting the market share of Netflix.¹⁶ This argument stems from companies like YouTube competing directly for the attention of Netflix's customer base. While YouTube has lower quality content, the sheer volume that is uploaded onto the platform ensures that customers view its low barrier to entry as ideal. Netflix has an archive of higher-quality rewatchable content like WBD and Paramount, which have traditionally been reserved for theatrical release. Now, with streaming becoming the primary viewing method of content, though, the market has arguably expanded to include platforms like YouTube under SVOD.¹⁷ Therefore, under this assumption, the combined entity formed by Netflix and WBD would not meet the 30% criteria needed to presume illegality. Therefore, there

¹⁴ Ibid.

¹⁵ *United States v. Philadelphia Nat'l Bank*, 374 U.S. 321 (1963)

¹⁶ Josh Wright, "Just How Much Antitrust Risk Is There in a Netflix - Warner Brothers Merger?," *Just How Much Antitrust Risk Is There in a Netflix - Warner Brothers Merger?*, December 29, 2025, <https://competitiononthemerits.substack.com/p/just-how-much-antitrust-risk-is-there>.

¹⁷ Ibid.

is minimal scope at this stage for the DOJ to allege any form of antitrust violations against the acquisition by Netflix.

Paramount has modified Netflix's bid to include all verticals under WBD, including their television networks. This could create a consolidated cable television empire, as the majority of television channels would be owned by one entity. However, other than this concern, there is minimal applicability of Section 7 of the Clayton Act or the PNB doctrine to Paramount's bid, as it is a marginally smaller competitor compared to Netflix. Furthermore, Paramount is a studio primarily, and would simply be acquiring a competitor horizontally, as opposed to Netflix's complete takeover of multiple pipelines. Therefore, from an antitrust perspective, there exists a minimal possibility of bringing a case against Paramount's bid for WBD.

While there seem to be minimal violations of the current anti-trust laws present in the United States legal system, this merger, no matter who closes the deal, has immense consequences on the way we view media globally. Netflix has begun consolidating content for an intellectual property database that is unrivalled by any other studio. Historically, the property rights for media produced by studios remained wrapped under heavy trademark and copyright protections. Only upon the expiration of these mechanisms was the likelihood of characters and popular media reused commercially. However, Netflix's bid signifies that strategic consolidation of intellectual property is now what corporate boardrooms are favouring over original content. This trend is already apparent through the numerous remakes of previous media and the prolonged nature of media franchises. Studios hope to monetize primarily through intellectual property content, with Netflix trying to establish itself as a hegemon over the rights to this content. While anti-trust laws are meant to protect the competition from these monopolistic practices, the precedents allow for multi-billion-dollar bids such as those of Netflix and Paramount. There is a thin line between strategic business practices and corporate profiteering, with the only mechanism to protect the individual consumer from the latter being corporate governance. Netflix has historically not prioritised artists and the theatrical format of release that we have been accustomed to for almost a century. While the world has evolved to integrating streaming as a means of viewing media, there cannot be one massive corporate entity that forces us to convert to streaming as the only source. The lack of anti-trust violations under current United States legislation is arguably a stark warning of unchecked monopolistic corporate profiteering, and unless the apex courts in the United States realise this, Netflix's bid will most likely go through unscrutinised, setting a precedent for other companies in other markets to begin consolidating intellectual property.

Power of Attachment under the Prevention of Money Laundering Act, 2002: Scope, Procedure and Judicial Interpretation

By Vanga Sai Keerthan Reddy, Associate Litigation

The Prevention of Money Laundering Act, 2002 (PMLA) was enacted with the primary objective of preventing money laundering and providing for confiscation of property derived from or involved in money laundering. Among the various coercive powers conferred under the statute, the power of attachment of property occupies a central position. This power enables the Enforcement Directorate (ED) to provisionally attach property suspected to be proceeds of crime in order to prevent its concealment, transfer or dissipation. The attachment mechanism is designed as a preventive and protective measure rather than a punitive one, ensuring that tainted property remains available for confiscation upon successful prosecution.¹

The expression 'proceeds of crime' is defined under Section 2(1)(u) of the PMLA to mean any property derived or obtained, directly or indirectly, by any person as a result of criminal activity relating to a scheduled offence, or the value thereof.² This definition is deliberately broad and includes movable and immovable property, tangible and intangible assets, and even equivalent value property where the original property cannot be traced. The Supreme Court has consistently held that this expansive definition is necessary to achieve the object of the statute and to prevent offenders from escaping the consequences of economic crime through complex financial arrangements.³

Section 5 of the PMLA empowers the Director or Deputy Director of Enforcement to provisionally attach property for a period of one hundred and eighty days. Such attachment can be ordered only if the officer has reason to believe, on the basis of material in his possession and recorded in writing, that the person concerned is in possession of proceeds of crime and that such property is likely to be concealed, transferred or dealt with in any manner which may frustrate confiscation proceedings.⁴ The statutory requirement of recording reasons in writing operates as an important safeguard against arbitrary exercise of power.

The nature of provisional attachment has been judicially interpreted as a temporary and protective measure. In *B. Rama Raju v. Union of India*, the Andhra Pradesh High Court held that attachment under Section 5 does not amount to confiscation or deprivation of property but merely preserves the property until adjudication takes place.⁵ The Supreme Court has echoed this position by observing that attachment is preventive in character and is intended to ensure that property remains available for confiscation if the offence of money laundering is ultimately established.⁶

Once provisional attachment is ordered, Section 5(5) mandates that the Enforcement Directorate shall, within thirty days, file a complaint before the Adjudicating Authority constituted under Section 6 of the Act. Failure to file such a complaint within the stipulated time would render the

attachment unsustainable. This requirement ensures that executive action is promptly subjected to quasi-judicial scrutiny, thereby maintaining a balance between enforcement imperatives and individual rights.

Upon receipt of the complaint, the Adjudicating Authority proceeds under Section 8 of the Act by issuing notice to the person concerned and affording an opportunity of hearing. If, after considering the reply and material on record, the Authority finds that the property is involved in money laundering, it may confirm the attachment under Section 8(3). Such confirmed attachment continues during the pendency of trial before the Special Court. The Supreme Court in *Assistant Director, ED v. Dr. V.C. Mohan* held that the procedure under Sections 5 and 8 provides adequate safeguards and complies with principles of natural justice.⁷

The culmination of attachment proceedings occurs upon adjudication by the Special Court. Under Section 8(5), if the Court finds that the offence of money laundering has been committed, it shall order confiscation of the attached property to the Central Government. Conversely, if the offence is not proved, the property must be released to the person entitled thereto under Section 8(6). Thus, attachment is not an end in itself but a step towards possible confiscation contingent upon proof of guilt.

A significant aspect of PMLA jurisprudence relates to the independence of attachment proceedings from prosecution for the scheduled offence. In *Vijay Madanlal Choudhary v. Union of India*, the Supreme Court held that proceedings under the PMLA are distinct and independent, and attachment can be ordered even prior to conviction in the predicate offence.⁸ The Court reasoned that delaying attachment until conclusion of trial for the scheduled offence would defeat the very object of the Act, as the proceeds of crime could be dissipated in the meantime.

The constitutional validity of the attachment provisions has been repeatedly challenged on the ground that they violate Articles 14 and 300A of the Constitution. These challenges were decisively rejected by the Supreme Court in *Vijay Madanlal Choudhary*, wherein the Court held that attachment under the PMLA is backed by authority of law, is proportionate to the object sought to be achieved, and is accompanied by adequate procedural safeguards.⁹ Earlier, in *B. Rama Raju*, the Andhra Pradesh High Court had similarly upheld the attachment mechanism, observing that deprivation of property under PMLA is neither arbitrary nor without due process.¹⁰

Another important facet of attachment powers concerns the attachment of equivalent value property. Courts have recognised that even where the original proceeds of crime are no longer traceable, the ED is empowered to attach property of equivalent value. This interpretation flows from the inclusive definition of 'proceeds of crime' and was expressly approved by the Supreme Court in *Vijay Madanlal Choudhary*.¹¹

The statutory scheme also provides for appellate remedies. A person aggrieved by an order confirming attachment may appeal to the Appellate Tribunal under Section 26 and thereafter to the High Court under Section 42 on a question of law. The existence of a multi-tier appellate structure has been treated by courts as a vital safeguard ensuring that attachment orders are subject to continuous judicial oversight.¹²

From a policy perspective, the attachment power reflects the legislature's recognition that economic offences pose a serious threat to the integrity of the financial system. By authorising early intervention in the form of provisional attachment, the statute seeks to prevent offenders from enjoying the fruits of criminal activity. At the same time, the requirement of adjudication and judicial confirmation ensures that the power is not exercised arbitrarily or oppressively.

In conclusion, the attachment mechanism under the PMLA represents a carefully calibrated balance between the need for effective enforcement and the protection of individual property rights. Judicial interpretation has consistently characterised attachment as a preventive and regulatory measure rather than a punitive one. The evolving jurisprudence, particularly as articulated in *Vijay Madanlal Choudhary v. Union of India*, affirms that while the power of attachment is wide, it is not unbridled and must be exercised strictly in accordance with the statutory framework and principles of fairness.

Footnotes

1. *Vijay Madanlal Choudhary v. Union of India*, (2022) 10 SCC 353.
2. Section 2(1)(u), Prevention of Money Laundering Act, 2002.
3. *Union of India v. Hasan Ali Khan*, (2011) 10 SCC 235.
4. Section 5(1), Prevention of Money Laundering Act, 2002.
5. *B. Rama Raju v. Union of India*, (2011) 164 Comp Cas 149 (AP).
6. *Vijay Madanlal Choudhary v. Union of India*, (2022) 10 SCC 353.
7. *Assistant Director, ED v. Dr. V.C. Mohan*, (2022) 6 SCC 303.
8. *Vijay Madanlal Choudhary v. Union of India*, (2022) 10 SCC 353.
9. *Vijay Madanlal Choudhary v. Union of India*, (2022) 10 SCC 353.
10. *B. Rama Raju v. Union of India*, (2011) 164 Comp Cas 149 (AP).
11. *Vijay Madanlal Choudhary v. Union of India*, (2022) 10 SCC 353.
12. *Assistant Director, ED v. Dr. V.C. Mohan*, (2022) 6 SCC 303.

THE DILEMMA OF INNOVATION AND COPYRIGHT IN GENERATIVE ARTIFICIAL INTELLIGENCE

-By Sakshi Jain, Company Secretary & Achintya Bangalore Madhukar.

Generative Artificial Intelligence (“GenAI”) is a transformative technology in the twenty-first century. GenAI systems will offer higher productivity and creativity gains than ever before, not just in text and image generation, but in code, scientific discovery and music. However, this technological jump has also revealed serious cracks within the copyright legislation, specifically the use of copyrighted materials as training materials. India is at a very important crossroads: what does it take to make AI an innovation in India and not drain its economic and ethical resources?

The working paper on Generative AI and Copyright¹⁸ by The Department for Promotion of Industry and Internal Trade (“DPIIT”) in December 2025 provides a comprehensive and ambitious answer to this problem. It suggests a new regulatory approach that can be summed up in the phrase “*One Nation, One License, One Payment*”, an attempt to create a certain balance between innovation and creator protection by creating a hybrid type of licensing.

GENERATIVE AI POSING AS A COPYRIGHT THREAT

The most debatable issue is GenAI systems training. These systems are fed on huge amounts of data- the majority of which has been scraped off the internet and thus contains copyrighted materials in the form of news articles, books, music, films and artwork. The copyright owners are entitled to exclusive rights of reproduction, storage, adaptation, and communication of their works under the Copyright Act of India, 1957 (“**Copyright Act**”). The copying (which is unauthorized in any case), even in the digital form, *prima facie* constitutes infringement except when it comes to the statutory exceptions.

¹⁸ <https://www.dpiit.gov.in/static/uploads/2025/12/ff266bbeed10c48e3479c941484f3525.pdf>

The issue is that there is no special exception for Text and Data Mining (“TDM”) or AI training in Indian copyright law. Whereas Section 52 of the Copyright Act offers some exceptions of fair dealing, these are purpose-based exceptions (research, criticism, reporting of current events) which are much narrower in scope compared to the American fair use doctrine. The legal question of whether the massive training of AI commercially can be shoehorned into these exceptions remains questionable and is already under judicial review in India.

It should be noted that the Indian Copyright Act does not provide protection that is conditional on registration. Copyright is an automatic right on the creation of an original work, regardless of the registration of the work or membership to any copyright society. As a result, legal protection is equally applied to registered and unregistered copyright owners. This difference is huge when it comes to the AI training because any regulation system should take into consideration the rights of casual and autonomous creators whose works are legally safeguarded but are not registered.

Such ambiguity poses two risks simultaneously: first, not regulating AI training may undermine the motivation to be more creative; and second, strict application of copyright rules may suffocate AI innovation, especially with regard to startups and MSMEs.

GLOBAL APPROACH AND ITS LIMITATIONS

The working paper is a survey of the responses of international entities to this dilemma. Other jurisdictions, like the United States, apply fair use on a case-by-case basis, resulting in protracted litigation and legal ambiguity. Japan has embraced general TDM exceptions, where there is innovation emphasis but the issue of compensating the creators is of concern. The European Union has allowed TDM, which has opted out rights to the owners of copyrights; however, this scheme gives the large owners an advantage at the expense of the small and informal creators, who cannot effectively exercise their opt-out rights due to a lack of awareness and bargaining power.

The models do not fit the socio-economic context of India perfectly. Having a very large and diversified creative economy, both in the formal sector and in the informal sector of folk music and other traditional arts, any system that would impose the burden on the individual creators would have the effect of further increasing inequality in the creative ecosystem.

SOLUTION: MANDATORY LICENSING WITH STATUTORY REMUNERATION

The DPIIT Committee does away with blanket TDM exceptions and with uncompromised voluntary licensing, but offers an alternative, which is a mix of the two approaches. Within this system, any copyrighted materials would be allowed to be used to train AI by developers as a right, but this entitlement would be accompanied by a legal requirement to pay royalties.

The model is based on three main pillars:

1. **Mandatory Blanket License:** AI developers do not have to enter into a one-on-one license. In lieu, there is one license that allows one to access works under copyright to train.
2. **Centralised Collecting Entity:** An entity identified by the government as a rights holder, driven by rights holders, should be envisaged as a Copyright Royalties Collective to collect and distribute royalties to creators in the case of AI Training.
3. **Judicial and Regulatory Oversight:** There would be a transparent mechanism for setting royalty rates that are subject to judicial review that would be fair to both creators and developers.

Significantly, even non-society members of copyrights would benefit by receiving royalties on registration, which would deal with the issue of exclusivity and the sharing of benefits widely.

The proposed framework does not ban unregistered or non-society members. As mentioned previously, the Indian law gives copyright protection automatically without registration. Even these creators would be able to receive the royalties under the proposed model, as they would be entitled to the benefits in case they are registered with the relevant collecting entity, and benefit-sharing would be inclusive.

IMPORTANCE OF ONE NATION, ONE LICENSE, ONE PAYMENT

This suggestion shows a highly Indian philosophy of policy. It acknowledges that data, creativity is just as much national resource as spectrum or natural resources, and it needs to be regulated by a system of collective action and not individual bargaining. The model enhances innovation and startups by reducing transaction costs. It maintains the economic motivations that keep human imagination going by ensuring that they are remunerated.

The article's work is also justified in its warning that one day, AI systems will be conditioned to mostly analyze the machine-made content, which will ultimately result in the loss of different cultures and the stagnation of creativity. Securing human creators is not anti-innovation; it is critical to the health of the creative and AI ecosystems in the long run.

CONCLUSION

The DPIIT Working Paper is not just the diagnosis of a legal issue; it provides a policy roadmap. The One Nation, One License, One Payment model attempts to be a reconciliation of the demands of India, as a global leader in AI, with its constitutional obligation to safeguard labour, culture, and creativity.

With India becoming a data-rich and AI-driven economy in the future, its decisions to this day will determine not only the development of technology but also the future of its creative soul. The reasonable copyright policy towards GenAI is not merely a legal requirement, but a cultural one as well.

Land rights under special statutes (like Service Inam land) can arise only through the method prescribed by law, not by private settlement

By Prashanth Kumar Muddana, Associate, Real Estate

Introduction

Land disputes involving historical tenures such as Service Inam lands continue to generate complex litigation in India. In a recent judgment, the Kerala High Court examined whether private parties can settle claims over Service Inam land by compromise, without statutory determination of rights. The Court held that such compromises are legally unsustainable when claimants have no pre-existing proprietary rights and when statutory authorities fail to discharge their adjudicatory duties.

The decision reinforces that land assignment under special statutes must strictly follow statutory procedure and cannot be substituted by private settlements.

Statutory Framework

The case arose under the *Kerala Service Inam Lands (Vesting and Enfranchisement) Act, 1981*.

The Act provides for:

- automatic vesting of Service Inam lands in the Government,
- abolition of all service obligations attached to such lands, and
- assignment of landholder's rights only through orders passed by the Settlement Officer after inquiry.

Importantly, the statute does not recognise ownership rights of claimants until a formal order of assignment is passed.

Factual Background

Three separate applications were filed in 1982 by different claimants seeking assignment of landholder's rights over 49 cents of Service Inam land. Over several decades, the matter travelled between the Settlement Officer, District Collector, Board of Revenue, High Court, and Supreme Court.

During the pendency of these proceedings, one claimant transferred a substantial portion of the land to purchasers. These purchasers participated in the litigation up to the Supreme Court.

After remand proceedings, the legal heirs of the original claimants entered into a compromise among themselves, dividing the land into specific portions. The District Collector accepted this compromise and passed orders assigning the land accordingly.

The purchasers challenged this order, alleging that:

- the compromise was collusive and fraudulent,
- the seller had no authority to compromise after transferring his interest, and
- statutory authorities had abdicated their duty to adjudicate claims on merits.

Issues Before the Court

The principal questions considered were:

1. Whether parties claiming assignment of Service Inam land could validly divide the land among themselves by compromise.
2. Whether the District Collector could accept such compromise without adjudicating entitlement under the statute.
3. Whether a person who had already sold his interest could compromise rights affecting the purchaser.
4. Whether the compromise could bind purchasers pendente lite.

Findings of the Court

1. Vesting in Government is Absolute

The Court held that Service Inam lands vest automatically in the Government by operation of law. Claimants do not possess any proprietary right until assignment is granted by statutory order.

Thus, there was no pre-existing right in the applicants that could be the subject of compromise.

2. Compromise Without Statutory Right is Void

The Court observed that since none of the applicants had a legally recognised right over the land, they were incompetent to enter into any compromise allotting specific extents among themselves. A compromise presupposes an existing enforceable right. Where rights are yet to be created by statutory assignment, compromise has no legal foundation.

3. Authority Cannot Abdicate Statutory Duty

Under the Act, the Settlement Officer and District Collector are required to:

- conduct inquiry,
- assess possession as on the appointed date, and
- decide entitlement to assignment.

By merely recording the compromise, the District Collector failed to exercise statutory discretion and abdicated his quasi-judicial responsibility. The Court held that statutory authorities cannot be converted into mere recorders of private settlements.

4. Seller Had No Power to Compromise After Sale

The Court emphasised that once the original claimant had transferred his interest to purchasers, he lost competence to enter into any compromise affecting that land.

A person who has divested himself of interest cannot bargain away the rights of the transferee through compromise behind his back.

5. Fraud and Collusion Established

The Court found that the compromise:

- excluded the purchasers who had actively litigated the matter,
- materially reduced their claimed extent, and
- was executed after decades of litigation.

These circumstances led the Court to conclude that the compromise was fraudulent and collusive in nature.

6. Doctrine of Lis Pendens Does Not Justify Fraud

Although the purchasers were transferees pendente lite, the Court clarified that such purchasers are bound by the result of litigation but cannot be deprived of procedural fairness or be subjected to collusive compromises entered into without their participation.

Decision

The Court set aside:

- the order of the District Collector accepting the compromise, and

- the revisional order confirming it.

The matter was remanded for fresh adjudication. The District Collector was directed to:

- implead the purchasers,
- hear all parties, and
- decide entitlement strictly on statutory criteria within a fixed time frame.

Legal Significance

This judgment is significant for three reasons:

1. Supremacy of Statutory Process

It reiterates that statutory land assignment cannot be replaced by private negotiation. Rights under special land statutes arise only through statutory determination.

2. Limits on Compromise in Land Law

The decision clarifies that compromises are invalid where:

- parties lack vested rights, or
- statutory authority is required to determine entitlement.

This principle has relevance for cases involving:

- Inam lands,
- ceiling surplus lands,
- assigned lands, and
- government lands.

3. Protection of Purchasers

The ruling protects purchasers who acquire land during litigation by ensuring:

- they are heard, and
- their interests are not defeated through collusive settlements.

Conclusion

The judgment underscores a fundamental principle of land law: statutory rights cannot be created, transferred, or extinguished by compromise unless the statute permits it. Authorities

exercising powers under land reform and vesting statutes must independently assess entitlement and cannot rely on private settlements to dispose of claims.

By invalidating the compromise and restoring statutory adjudication, the Kerala High Court reaffirmed the rule of law in land administration and protected the integrity of statutory land assignment procedures.

This ruling will serve as a cautionary precedent against attempts to bypass statutory mechanisms through negotiated settlements in land assignment proceedings.

Zoning Law Reforms in The Telangana & Andhra Pradesh States: A New Framework For Urban Development

By Prashanth Kumar Muddana, Associate, Real Estate

Urban planning and land-use regulation have assumed increasing importance in the Telugu states due to rapid urbanisation, infrastructure expansion, and rising real estate activity. In recent years, the State Governments have undertaken policy and regulatory measures to streamline zoning practices, improve transparency in land-use classification, and facilitate planned development. Among these, Andhra Pradesh has introduced a significant reform through the adoption of Unified Zoning Regulations, marking a shift from fragmented municipal zoning systems to a standardised statewide framework.

This article examines the key features of Andhra Pradesh’s zoning reforms, their legal implications, and the position in Telangana, where zoning continues to be governed by development authority-specific regulations.

I. Background and Need for Reform

Historically, land-use zoning in Andhra Pradesh was regulated through multiple master plans and development control regulations issued by different Urban Development Authorities and Municipal Corporations. These plans often adopted varying land-use categories and development norms, leading to inconsistencies in interpretation and enforcement.

Such fragmentation resulted in:

- delays in grant of building permissions,
- increased scope for discretionary decision-making,
- higher incidence of land-use litigation, and
- uncertainty for developers and investors undertaking large-scale projects.

The Government recognised the need for a uniform framework that could reduce regulatory complexity while ensuring planned and sustainable urban growth.

II. Unified Zoning Regulations in Andhra Pradesh

In late 2025, the Government of Andhra Pradesh introduced Common/Unified Zoning Regulations applicable across urban local bodies and development authorities in the State. The objective of these regulations is to establish consistency in land-use classification, streamline approval mechanisms, and align zoning norms with digital governance systems.

1. Standardisation of Land-Use Categories

One of the principal reforms is the consolidation of multiple land-use classifications into a limited number of standard zones, including:

- Residential
- Commercial
- Mixed-Use
- Industrial
- Public and Semi-Public
- Recreational and Open Spaces
- Transport and Utilities
- Agricultural
- Restricted/Environmentally Sensitive Zones

This standardisation eliminates interpretative conflicts arising from differing terminology in older master plans and provides clarity to stakeholders regarding permissible land use.

2. Integration with Digital Approval Systems

The Unified Zoning Regulations operate in conjunction with the State's Online Building Permission System (OBPS). Under this framework:

- land-use verification is conducted digitally,
- zoning compliance is mapped with cadastral and revenue data, and
- development permissions are processed with minimal manual intervention.

This integration enhances transparency and reduces the scope for discretionary approvals, thereby strengthening administrative accountability.

3. Environmental and Heritage Safeguards

The regulations also place specific restrictions on development in:

- water body buffer zones,
- eco-sensitive areas,
- heritage precincts, and
- coastal and flood-prone regions.

By incorporating environmental considerations into zoning rules, the State seeks to prevent unregulated urban sprawl and mitigate ecological risks. From a legal standpoint, this is likely to reduce conflicts between urban development and environmental protection statutes.

4. Transitional Provisions

Existing layouts and developments approved under earlier master plans continue to remain valid. However:

- all future land development proposals must comply with the Unified Zoning Regulations, and
- land-use conversions and redevelopment projects must be assessed under the new zoning categories.

This transitional arrangement seeks to protect vested rights while ensuring that new developments align with the updated planning framework.

III. Legal Implications of the Andhra Pradesh Reforms

The introduction of Unified Zoning Regulations carries important consequences for real estate law practice:

1. Due Diligence and Title Verification

Lawyers conducting property due diligence must now examine zoning compliance under the unified categories rather than relying solely on older municipal master plans.

2. Development Agreements and Joint Ventures

Contracts involving land development must expressly address zoning conformity under the new framework to avoid future disputes over permissible use.

3. Litigation and Judicial Review

Potential litigation may arise in relation to:

- denial of development permissions based on revised zoning,
- challenges to land-use conversion orders, and
- conflicts between old master plans and the unified norms.

Courts may increasingly be called upon to interpret the scope and applicability of the new zoning regime vis-à-vis existing rights.

4. Regulatory Compliance

The reforms impose higher compliance obligations on developers, particularly in relation to environmental buffers and mixed-use permissions, thereby increasing the importance of pre-approval legal scrutiny.

IV. Position in Telangana

In contrast to Andhra Pradesh's statewide zoning reform, Telangana continues to regulate land use through development authority-specific frameworks. The Hyderabad Metropolitan Development Authority (HMDA), Greater Hyderabad Municipal Corporation (GHMC), and local planning bodies operate under their respective master plans and zoning regulations.

While Telangana has undertaken digital land governance initiatives and amendments to building rules, there has been no formal adoption of a unified statewide zoning policy comparable to Andhra Pradesh's model. Consequently:

- zoning interpretation remains authority-specific,

- legal practitioners must consult multiple planning instruments depending on the location of the property, and
- disputes continue to arise regarding land-use conversion and redevelopment permissions.

V. Comparative Assessment

From a comparative perspective, Andhra Pradesh's unified zoning framework reflects a move toward regulatory centralisation and procedural simplification, while Telangana retains a decentralised model of zoning control.

The Andhra Pradesh approach may:

- reduce uncertainty in land-use interpretation,
- improve ease of doing business in real estate, and
- strengthen urban governance through standard norms.

However, it may also lead to transitional legal challenges where older permissions conflict with new zoning classifications.

VI. Conclusion

Zoning law reforms in the Telugu states signify an evolving approach to urban planning and land regulation. Andhra Pradesh's Unified Zoning Regulations represent a notable attempt to harmonise land-use controls across jurisdictions and integrate zoning with digital approval systems. For legal professionals, these reforms necessitate revised due diligence practices, updated advisory frameworks, and close monitoring of litigation trends arising from the transition.

Telangana, while continuing with authority-based zoning, may eventually consider similar consolidation in response to urban growth pressures and investor demand for regulatory clarity.

In the coming years, zoning law is likely to remain a critical area of real estate litigation and advisory work in both states, underscoring the importance of continuous engagement with statutory notifications, planning authority guidelines, and judicial interpretations.



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