



LegIt - by Saraf and Partners

A quarterly newsletter

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Regulatory Updates

New Labour Codes Implemented Across the Country

On November 21, 2025, the Government of India, by notifications issued by the Ministry of Labour and Employment, brought into force the four Labour Codes: Code on Wages, 2019, the Code on Social Security, 2020, the Occupational Safety, Health and Working Conditions Code, 2020, and the Industrial Relations Code, 2020. The Codes replace 29 Central enactments with a unified and modern framework. For more, click [here](#).

Strengthening and Streamlining LODR Compliance: SEBI Notifies Fifth Amendment to the LODR Regulations

Securities and Exchange Board of India (SEBI) has notified the SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2025, introducing significant amendments to the related party transaction framework, dividend payment mechanisms, annual report disclosures, and communication to holders of non-convertible securities. For more, click [here](#).



Parliament passes the Sabka Bima Sabki Raksha (Amendment of Insurance Laws) Bill, 2025

On December 18, 2025, both Houses of Parliament adopted the Sabka Bima Sabki Raksha (Insurance for All, Protection for All) (Amendment of Insurance Laws) Bill, 2025, marking a transformative moment for India's insurance sector. The President of India granted assent to the Sabka Bima Sabki Raksha (Insurance for All, Protection for All) (Amendment of Insurance Laws) Act, 2025 on December 20, 2025. The commencement date is yet to be notified by the Central Government. For more, click [here](#).

SEBI Amends the SEBI (AIF) Regulations to Introduce AI-Only AIFs and Schemes

SEBI has notified the Securities and Exchange Board of India (Alternative Investment Funds) (Third Amendment) Regulations, 2025, effective from November 18, 2025 (**Amendment Regulations**). The Amendment Regulations introduce a dedicated lighter-touch regulatory regime for a separate category of alternative investment funds (AIFs) and schemes limited exclusively to accredited investors and extend additional relaxations and operational flexibilities to large value funds for accredited investors. For more, click [here](#).

SEBI Expands the 'Strategic Investor' Base for REITs And INVITs

SEBI has notified the Securities and Exchange Board of India (Real Estate Investment Trusts) (Third Amendment) Regulations, 2025 and the Securities and Exchange Board of India (Infrastructure Investment Trusts) (Fourth Amendment) Regulations, 2025, both effective from December 9, 2025. The amendments harmonise key defined terms in the Real Estate Investment Trust (REIT) and Infrastructure Investment Trust (InvIT) regimes with those under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, and broaden the 'institutional' and 'strategic' investor base eligible to participate in REIT and InvIT offerings. For more, click [here](#).

RBI Publishes its Statement on Developmental and Regulatory Policy

The Reserve Bank of India (RBI) has announced certain key developments in the banking and foreign exchange space, as part of its Statement on Developmental and Regulatory Policies published on October 1, 2025 ("RBI Press Release"). For more, click [here](#).

RBI Issues Draft Foreign Exchange Management (Borrowing and Lending) (Fourth Amendment) Regulations, 2025

The RBI has issued the draft Foreign Exchange Management (Borrowing and Lending) (Fourth Amendment) Regulations, 2025 for public comment/feedback. For more, click [here](#).



SEBI Introduces the SWAGAT-FI Framework for Low-Risk Foreign Investors

SEBI has notified amendments to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 and the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, on December 1, 2025, introducing the 'Single Window Automatic and Generalised Access for Trusted Foreign Investor' (SWAGAT-FI) framework. For more, click [here](#).

RBI Issues Draft Foreign Exchange Management (Establishment in India of a branch or office) Regulations, 2025

The RBI has issued draft Foreign Exchange Management (Establishment in India of a branch or office) Regulations, 2025 inviting public comment/feedback. For more, click [here](#).

SEBI Relaxes the Timeline for Disclosure of Allocation Methodology by Angel Funds

SEBI grants existing angel funds additional time to align with the recently introduced requirement of disclosing a defined methodology for allocation of investments among participating investors in their private placement memoranda, under the revised regulatory framework governing angel funds introduced under the Securities and Exchange Board of India (Alternative Investment Funds) (Second Amendment) Regulations, 2025 notified on September 8, 2025. For more, click [here](#).

SEBI Reclassifies REITs as Equity Related Instruments for Mutual Fund Investments

SEBI has, vide its circular dated November 28, 2025, operationalised earlier amendments to the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 notified on October 31, 2025, which reclassified REIT as equity-related instruments for mutual funds and specialised investment funds. For more, click [here](#).

India Issues Emission-Intensity Targets under the Carbon Credit Trading Scheme

On October 8, 2025, the government released the final greenhouse-gas emission-intensity targets for the first set of industrial sectors under the Carbon Credit Trading Scheme, marking a key step toward launching India's domestic carbon market. For more, click [here](#).

IFSCA Proposes Differential Distribution for Restricted Schemes and Venture Capital Schemes to Aid Blended Finance

The International Financial Services Centres Authority (IFSCA), has via consultation paper dated October 22, 2025, proposed a regulatory framework permitting differential distribution in venture capital schemes and restricted schemes under the IFSCA (Fund Management) Regulations, 2025 (FM Regulations). For more, click [here](#).

IBBI Mandates Undertaking for IP's Seeking Restitution of Assets from Special Courts under the PMLA

The Insolvency and Bankruptcy Board of India (IBBI) issued a circular dated November 4, 2025 concerning the procedure for Insolvency Professionals (IP's) seeking the restitution of assets attached by the Enforcement Directorate under the Prevention of Money Laundering Act, 2002 (PMLA). For more, click [here](#).

IBBI Omits Regulation on Assessment of Sale as a Going Concern under CIRP

IBBI, via the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Sixth Amendment) Regulations, 2025, notified amendments for the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations on October 14, 2025, omitting Regulation 39C and thereby removing the regulatory framework relating to the assessment and recommendation for sale of the corporate debtor or its business as a going concern. For more, click [here](#).

IBBI Mandates Inclusion of Statement of Beneficial Ownership in Every Resolution Plan

IBBI, via the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Seventh Amendment) Regulations, 2025, notified amendments for the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations on December 22, 2025, strengthening transparency and due-diligence requirements applicable to resolution applicants, by mandating the inclusion of a statement of beneficial ownership of the resolution applicant in every resolution plan. For more, click [here](#).

Karnataka Becomes First State to Introduce Menstrual Leave Policy for All Formal-Sector Women

On November 20, 2025, the Karnataka Government, through a government order, issued the Menstrual Leave Policy, 2025, becoming the first Indian State to formally introduce paid menstrual leave for women working in both government and private establishments. For more, click [here](#).



DoCA Proposes Mandatory 'Country of Origin' Filter on E Commerce Platforms

On November 10, 2025, the Department of Consumer Affairs (DoCA) issued the Draft Legal Metrology (Packaged Commodities) (Second) Amendment Rules, 2025, proposing that e-commerce platforms are required to provide a searchable and sortable "country of origin" filter for packaged commodities sold online. For more, click [here](#).

SEBI Clarifies Position on Pledge Revocation and Contra-Trade Restrictions for ESOPs

In an informal guidance issued to Welspun Corp Limited, SEBI has clarified that while the revocation of a pledge constitutes a 'trade', it does not trigger contra-trade restrictions even if executed within six months of a pledge creation, as beneficial ownership remains unchanged. For more, click [here](#).

Revamped Regulatory Guidance: SEBI Notifies Informal Guidance Scheme 2025

SEBI has notified the new SEBI (Informal Guidance) Scheme, 2025, effective December 1, 2025. The new framework expands applicant eligibility, doubles application fees, and mandates strict timelines for seeking clarifications. For more, click [here](#).

RBI Issues Amendment Directions on KYC norms for Regulated Entities

The RBI has issued amendment to the Directions on Know Your Customer (KYC) norms to clarify the responsibilities of entities uploading customer records to and downloading the same from CKYCR. For more, click [here](#).



RBI Issues the Reserve Bank of India (Non-Banking Financial Companies – Peer to Peer Lending Platform) Directions, 2025

The RBI has issued the Reserve Bank of India (Non-Banking Financial Companies – Peer to Peer Lending Platform) Directions, 2025, in supersession of the extant guidelines in this regard. For more, click [here](#).

RBI Allows SRVA Investors to Access Indian Corporate Debt Securities

On October 3, 2025, RBI allowed persons residing outside India to use their surplus rupee balances in Special Rupee Vostro Accounts (SRVAs) to invest in corporate debt issued by Indian companies through its Circular No. RBI/2025-26/90. For more, click [here](#).

SEBI Proposes Clarifications on Maintaining Pro-Rata Rights on Investors of AIFs

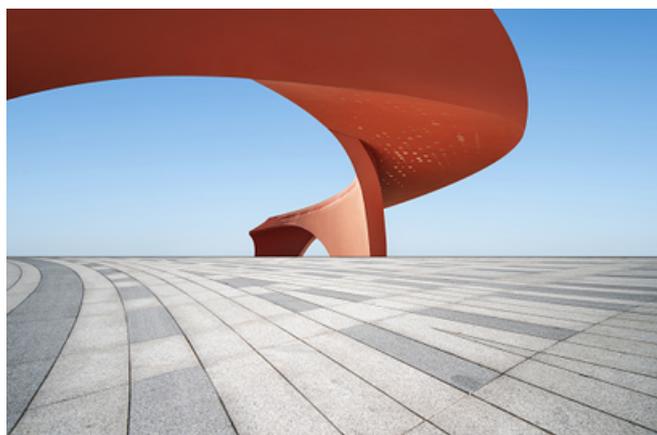
SEBI released a draft circular dated November 7, 2025 (Draft Circular), proposing clarifications on certain operational aspects related to maintenance of pro-rata rights of investors of AIFs. Public and stakeholder inputs on the Draft Circular are invited until November 28, 2025. For more, click [here](#).

RBI Releases Draft Circular on Guidelines to Facilitate Faster Cross-Border Inward Payments

The RBI has released a draft circular on Guidelines to facilitate faster cross-border inward payments inviting public comments. For more, click [here](#).

IFSCA Approves Amendments to the IFSCA (Fund Management) Regulations, 2025

IFSCA has approved amendments to the FM Regulations with a view to addressing operational challenges faced by fund management entities, enhancing ease of doing business, and strengthening investor protection in the Gujarat International Finance Tec-City International Financial Services Centre. For more, click [here](#).



Judicial Pronouncements

Non-Compete Fee Qualifies as Allowable Revenue Expenditure: Supreme Court

The Hon'ble Supreme Court of India (**Supreme Court**) in the recent decision of *Sharp Business System v. Commissioner of Income-tax*, revisited the age-old revenue, *vis-à-vis*, capital expenditure debate and settled the position in the context of non-compete fees refuting the Tax Department's stance that such payments capital in nature on account of enduring benefit over multi-year period. For more, click [here](#).

Supreme Court Reinforces Limits of Review Jurisdiction in Arbitrator Appointments

Supreme Court, in the case of *Hindustan Construction Company Ltd. v. Bihar Rajya Pul Nirman Nigam Limited & Others*, delivered a judgment on November 28 2025, categorically holding that High Courts cannot exercise review jurisdiction to retrospectively invalidate their own orders appointing arbitrators under Section 11(6) of the Arbitration and Conciliation Act, 1996, merely on the basis of a subsequent interpretation of a similar clause in another matter. For more, click [here](#).

Set-Off In Form B: NCLAT Upholds Operational Creditor's Right to Adjust Mutual Dues during CIRP

In a pivotal ruling in *CNH Industrial (India) Private Limited v. SREI Equipment Finance Ltd. & Anr.* [Company Appeal (AT) (Insolvency) No. 1545 of 2023], the NCLAT, Principal Bench, distinguishing the Supreme Court's decision in *Bharti Airtel*, has held that an Operational Creditor is entitled to set-off mutual dues payable to the Corporate Debtor while filing its claim in Form B. For more, click [here](#).

"Smokescreen" vs. Genuine Breach: NCLAT Upholds Contract Termination During Moratorium if Unrelated to Insolvency

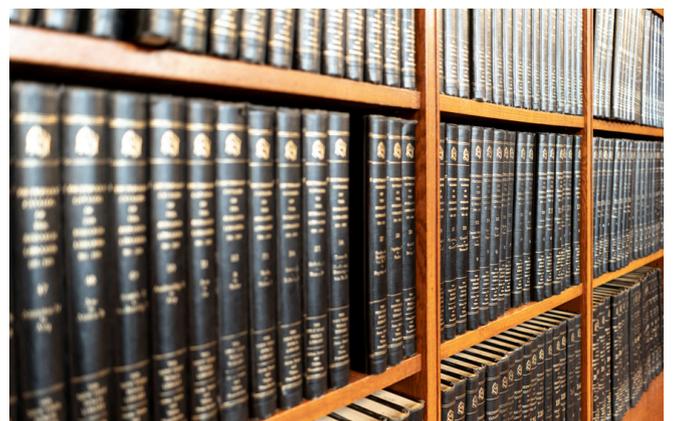
In *Pradeep Upadhyay v. Bhadohi Industrial Development Authority (BIDA)* [Company Appeal (AT) (Insolvency) No. 1152 of 2025], the NCLAT, Principal Bench, has held that the moratorium under Section 14 of the Insolvency and Bankruptcy Code, 2016 (**IBC**), does not shield a Corporate Debtor from contract termination if the termination is based on persistent non-performance rather than the insolvency itself. For more, click [here](#).

"Suspended" but not Silent: NCLAT Rules Balance Sheets Signed by Suspended Directors Extend Limitation for Personal Guarantors

In a significant ruling in *State Bank of India v. Shri Bernard John* [Company Appeal (AT) (Ins.) No. 1742 of 2024], the NCLAT, Principal Bench, has held that balance sheets signed by suspended directors during the CIRP constitute valid acknowledgments of debt. For more, click [here](#).

"Twilight Zone" Transactions: NCLAT Upholds Director Liability for Cheques Encashed During Moratorium and Clarifies Section 66(2) Independence

In *Praful Satra and Ors. v. Vaishali Patrikar* [Company Appeal (AT) (Insolvency) No. 348 of 2025], the NCLAT, Principal Bench, has held suspended directors liable under Section 66(2) of the IBC for issuing cheques immediately prior to the commencement of the CIRP which were encashed during the moratorium. For more, click [here](#).



Physical Presence in India is a Pre-Requisite to Establish Service PE and Digitalization Would not Create a "Virtual PE" Without Altered Treaty Provisions

Hon'ble Delhi High Court in the case of Clifford Chance Pte Ltd., has recently delved into the interplay between the traditional permanent establishment norms and the digital economy, ruling in the favor of the assessee and reaffirming physical presence as a criterion to constitute Service PE albeit digitization and remove rendering of services thereby rejecting the Revenue's attempt to invoke "Virtual Service Permanent Establishment" into extant treaty provisions. For more, click [here](#).

"Sold" is Not Enough: Bombay HC Clarifies Interplay between SARFAESI Sale and Section 96 Interim Moratorium

In *Arrow Business Development Consultants (P) Ltd. v. Union Bank of India* [2025 SCC OnLine Bom 4985], the Hon'ble High Court of Bombay (**Bombay HC**) ruled that a sale under the SARFAESI Act is complete only upon the issuance of the Sale Certificate and not merely upon the confirmation of the auction. For more, click [here](#).

"Sham" Loan to Trigger CIRP: NCLT Recalls Admission Order and Imposes Penalty for Fraudulent Initiation

In a stern ruling in *Jindal Biochems & Developers Pvt. Ltd. v. Kamal Renu Credit & Invest Pvt. Ltd. and Ors.* [(2025) ibclaw.in 2788 NCLT], the National Company Law Tribunal (**NCLT**), New Delhi Bench, has recalled its own admission order and terminated the Corporate Insolvency Resolution Process (**CIRP**) of a Corporate Debtor, and held that the underlying financial debt was a "sham arrangement" engineered solely to thwart the execution of an arbitration award. For more, click [here](#).

Valid DRT Suit No Shield for Delay: NCLAT Clarifies Limits of Section 14 Limitation Act Exclusion

In *United Bank of India v. Concast Morena Road Projects Pvt. Ltd.* [Company Appeal (AT) (Insolvency) No. 805 of 2025], the NCLAT, Principal Bench, has held that the pendency of a recovery suit before the Debt Recovery Tribunal (**DRT**) does not entitle a Financial Creditor to the benefit of Section 14 of the Limitation Act, 1963, for excluding time when filing an insolvency application. For more, click [here](#).

SAT Reinforces RPT Regime: Aggregation Mandatory for Materiality Thresholds

In an order dated December 5, 2025, the Securities Appellate Tribunal (**SAT**) dismissed Linde India Ltd.'s appeal, affirming SEBI's position that materiality thresholds for related party transactions must be determined by aggregating all transactions with a related party during a financial year, irrespective of the nature of the transaction(s). For more, click [here](#).



S&P Thought

Designing Consent for Next-gen Data Driven Economy

India's Digital Personal Data Protection Act, 2023 marks a shift in consent design towards meaningful and informed user choice, and highlights the need for businesses to move beyond manipulative user experience practices and adopt privacy-centric approaches in a data-driven market. For more, click [here](#).

DPDPA Compliance Strategy: Collect Only What you Need & Simplify Everything

Data minimization remains one of the simplest ways to comply with the Digital Personal Data Protection Act, 2023, requiring businesses to collect only such personal data as is necessary for a clear and lawful purpose, thereby ensuring valid consent, simplifying security measures, reducing business risk, and enabling effective compliance with data principal rights. For more, click [here](#).

Quarterly Milestones

Key Deal Announcements

- We advised a consortium of **22 lenders, led by Bank of India**, on the enhancement and renewal of working capital facilities aggregating to INR 19,800 crore for KEC International Ltd.
- We acted as legal counsel to **Fortis Healthcare Limited** in connection with open offer to acquire 26.1% stake in FHL by IHH Healthcare Berhad and its wholly-owned subsidiaries, Northern TK Venture and Parkway Pantai, valued at INR 4409 Crores.
- We successfully represented **State Bank of India (SBI)** in a landmark decision wherein the Bombay High Court refused to quash the bank's order classifying the loan account of Reliance Communications and its Chairman, Anil Ambani, as "fraud."

- We advised **Goldi Solar Pvt. Ltd. and its promoter, Mr. Ishverbhai Dholakiya**, advising them in the INR 1,422 crore fundraise of growth capital from various HNIs, institutional, strategic, and prominent investors, including Havells India Ltd, Ambit Wealth Private Limited, NSFO Ventures LLP, Karmav Real Estate Holdings LLP, SRF Transnational Holdings Limited, Nikhil Kamath, Godwitt Construction Private Limited, and Shahi Exports Private Limited, across multiple tranches.
- We advised **IB Vogt Singapore Pte. Ltd.** on the sale and transfer of its entire shareholding held in its Company housing a 210 MWP ready to build solar project in Rajasthan in favour of II Renewable Energy Europe B.V. (Ingka Investments).
- We acted as legal counsel to **Megaport Limited**, a leading Australian networks company, in its strategic acquisition of 100% equity stake in Extreme Infocom Private Limited (Extreme IX), India's leading internet exchange provider, for an undisclosed sum from its parent entity, Extreme Labs AD, a Bulgaria-headquartered software and network engineering company that incubated the Extreme IX platform.
- We advised **PTC India Financial Services Limited** in relation to resolution of a rupee term loan availed by Vento Power Infra Private Limited, by way of management transfer to EIE Renewables Pvt. Limited, a subsidiary of Enviro Infra Engineers Limited.

Key Awards & Recognitions

- We have been recognised as a **Highly Recommended Firm** in three practice areas (Energy, Capital Markets and Competition/Antitrust) and a Recommended Firm across eight practice areas (M&A, Banking, Restructuring & Insolvency, Pharmaceuticals & Life Sciences, Labour & Employment, Real Estate and Technology & Telecom) in the **Asialaw Rankings 2025**.
- Our Founder & Managing Partner, **Mohit Saraf**, along with 5 Senior Partners (**Bikash Jhavar, Sanjeev Sharma, Vaibhav Kakkar, Vikrant Kumar and Saroj K Jha**) and 8 Partners (**Avirup Nag, Abir Lal Dey, Akshay S Nanda, Ravi Bishnoi, Rohit Raghavan, Sahil Arora, Satadru Goswami and Snigdhoneel Satpathy**) have been recognised among India's leading practitioners in the **Asialaw Rankings 2025**.



- We have been ranked across nine practice areas in the **IFLR1000 Asia Pacific Rankings 2025** – M&A, Banking, Private Equity, Restructuring & Insolvency, Project Finance, Financial Services & Regulatory, Capital Markets – Debt & Equity and Project Development – Energy & Infrastructure.
- Our Founder & Managing Partner, **Mohit Saraf**, along with 3 Senior Partners (**Bikash Jhawar, Vaibhav Kakkar and Vikrant Kumar**) and 9 Partners (**Abhishek Swaroop, Avirup Nag, Rohit Raghavan, Priyamvada Haridas, Rohan Shah, Abir Lal Dey, Sahil Arora, Satadru Goswami and Vivek Pareek**) have been featured among India's leading lawyers in the **IFLR1000 Asia Pacific Rankings 2025**.
- We have been ranked across eight practice areas – Corporate M&A, Restructuring & Insolvency, Projects, Infrastructure & Energy, Private Equity, Banking & Finance, Capital Markets, Real Estate and TMT by **Chambers and Partners** in its latest Asia Pacific rankings.

- Our Founder & Managing Partner, **Mohit Saraf**, has been recognized as an **Eminent Practitioner** in the **Chambers and Partners Asia Pacific rankings 2026**. Our Senior Partners, **Bikash Jhawar, Saroj Kumar Jha, Vaibhav Kakkar**, and Partners **Abir Lal Dey, Avirup Nag, and Sahil Arora** have also been recognised for their exceptional contributions.
- Our Partner, **Akshay S Nanda**, has been recognised among India's Future Legal Leaders 2026 by India Business Law Journal (IBLJ).
- Our Partners, **Amit Gupta, Gauhar Mirza and Raunaq Bahadur Mathur**, have been named among the winners of the **BW Legal World 40 Under 40 Lawyers and Legal Influencer Awards 2025**.

Other News

- Our Partner, **Akshay S Nanda**, and Principal Associate, **Gangesh Varma**, hosted a client-exclusive webinar, **Decoding the DPDPA Rules - From Notification to Compliance**.
- Our Partners, **Adil Ladha and Ramya Suresh**, hosted a client-exclusive webinar, **Labour Codes 360: Key Insights**.



Saraf and Partners is India's fastest growing, independent, professionally owned and managed firm with a strength of 45 partners and over 250 lawyers. We are a contemporary full – service law firm with lawyers who bring over three decades of experience. We provide bespoke, out of the box, innovative and integrated legal solutions using global best practices. Drawing on sector-experts with years of experience and expertise, Saraf and Partners is privileged to work with some of India's leading corporations as also advising global behemoths looking at India.

Communication is key at Saraf and Partners. We take time to listen to our clients' concerns and goals, and we are committed to responding promptly to our clients' inquiries and keeping them informed every step of the way. Backed by a team with limitless capabilities, we take pride in providing timely and cutting-edge legal advice while upholding the highest standards of ethical behaviour.

Our unwavering commitment to our clients and their commercial interests is at the heart of everything we do. Our extensive experience, coupled with learned pragmatism in our approach, ensures that our clients receive the best legal advisory for nuanced legal concerns. It is this dedication to professional excellence that has led our leadership team to be recognized amongst the top legal advisors in India.

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