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★ INTELLECTUAL PROPERTY RIGHTS ★

AI-Generated Content and Copyright

Invoke AI's CEO (Kent Keirsey) successfully registered an AI-assisted image titled "A Single Piece of American Cheese" with the U.S. Copyright Office (USCO).

Unlike prior AI-generated works denied registration, this application demonstrated sufficient human creativity in the selection, coordination, and arrangement of AI-generated elements.

Aligning with the USCO's long-standing principle—that human authorship is a bedrock requirement under U.S. copyright law.

Delhi HC Issues Injunction Against Unauthorized Streaming of Star India's Content

Delhi High Court granted an ad-interim injunction in ***Star India Pvt. Ltd. v. IPTV Smarters Pro & Ors.*** (CS(COMM) 108/2025) on 10.02.2025, restraining unauthorized streaming of Star India's content through IPTV Smarters Pro and similar IPTV applications.

The Defendant, IPTV Smarters Pro, contended that its application functions merely as a video player and should not be held liable for the content streamed through it. While the Court did not impose restrictions on the App itself, it ordered domain registrars, Internet Service Providers (ISPs), and government authorities to block specific domains engaged in broadcasting infringing content.

Furthermore, the Court directed the Defendants, including IPTV Smarters Pro, IPTV Stream Player, XCIPTV Player, and iSTB Player, to submit their responses within four weeks to demonstrate their compliance with the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021, which specifically provide that the Intermediaries have to make reasonable efforts in not hosting content that infringes any patent, trademark, copyright or other proprietary rights.

Delhi High Court Awards $38.78 Million in Damages, Amazon Held Liable for Trademark Infringement

Delhi High Court on 25.02.2025, in the case of ***Lifestyle Equities Cv & Anr. vs Amazon Technologies, Inc.*** (CS(COMM) 443/2020), held Amazon liable for wilful infringement of the "*Beverly Hills Polo Club*" (BHPC) trademark. Plaintiffs alleged that Amazon's private label "Symbol" used a deceptively similar logo, leading to brand dilution, consumer confusion, and financial losses. The Court awarded $38.78 million in damages to the Plaintiffs, along with litigation costs, and issued a permanent injunction against use of the infringing logo by Amazon.

The Court discussed the concept of "*e-infringement*" recognizing the complexities of digital trademark violations and intermediary liability. It ruled that Amazon, as the owner of the infringing brand and operator of Amazon.in, exercised control over branding, distribution, and sales, making it directly liable.

Delhi High Court Cancels Trademark Registration for "ZEPTO" Due to Non-Use

In the case of Kiranakart Technologies (P) Ltd. v. Mohd. Arshad C.O. (COMM.IPD-TM) 62/2024, decided on 03.03.2025, Delhi High Court granted relief to Kiranakart Technologies, owner of the quick-commerce platform Zepto, by directing cancellation of the trademark "ZEPTO" registered by the Respondent in 2014, on the ground of non-use.

Kiranakart Technologies has been offering instant delivery services under the "ZEPTO" marks, serving millions of customers across India. On the other hand, Respondent registered the mark "ZEPTO" in 2014 but failed to use it for nearly eight years. Despite this, the Respondent opposed Petitioner's trademark application in Class 35. Aggrieved by the said opposition, the Petitioner filed a Rectification Petition under Sections 47 and 57 of the Trade Marks Act, 1999 , seeking removal of the Respondent's mark in Class 35 due to non-use. Court also acknowledged Petitioner's extensive use and goodwill associated with ZEPTO marks.

Delhi HC Hears ANI's Copyright Infringement Suit Against OpenAI

In the case titled ***Asian News International v. OpenAI Inc.*** (CS(COMM) 1028/2024) pending before Delhi High Court, ANI alleges unauthorized use of its copyrighted news content to train OpenAI's ChatGPT model, seeking an injunction and ₹2 crore in damages. OpenAI denied infringement, arguing that training on publicly available data follows global industry standards and does not replicate specific articles.The case saw intervention applications being filed by 4 entities, including Digital News Publishers (DNP), Indian Music Industry (IMI), along with major music companies like Super Cassettes Industries Pvt Ltd . (T-Series) and Saregama India, to protect their copyrighted works from unauthorized use by AI models. They have argued that unauthorized AI scraping threatens their licensing-based revenue model and undermines copyright protections.

On the other hand, OpenAI contended publishers should implement technical barriers like paywalls to restrict access. The case opens a broad spectrum with a far-reaching impact on fair-use, AI training practices and protection of copyrighted works across jurisdictions.

AI Innovation or IP Theft? Open AI v DeepSeek

The launch of DeepSeek, a Chinese AI model, has been hailed as a breakthrough, proving that smaller AI companies can challenge Silicon Valley giants. DeepSeek leveraged clever workarounds to U.S. chip restrictions and used a 'distillation' process, where a smaller model mimics the behaviour of larger AI systems to perform more efficiently.

However, OpenAI, the creator of ChatGPT, claims that DeepSeek trained its AI model using proprietary data from ChatGPT.

Ironically OpenAI has itself been accused of using copyrighted material without permission. The situation highlights a complex issue of IP rights in AI development, with both parties facing accusations of using each other's intellectual property.

Bombay High Court Halts Release of 'Shaadi Ke Director Karan Aur Johar'

Personality rights protect individuals from unauthorized commercial use of their identity.

The Bombay High Court in the case of Karan Johar v. India Pride Advisory Private Ltd. & Ors (COMM IPR SUIT (L) NO.17863 OF 2024) has ruled in favor of filmmaker Karan Johar preventing the release of the film Shaadi Ke Director Karan Aur Johar.

The court determined that the film's title falsely implied Johar's association and violated his personality and publicity rights. Despite issuing a cease-and-desist notice, Karan

Delhi High Court Upholds Producer's Copyright in a Pre-2012 Agreement Dispute

Delhi High Court examined the issue of copyright ownership and balance between creators' rights and producers' entitlements under the Copyright Act, 1957, in ***Saregama India Limited v. Vels Film International Limited & Ors.*** (CS (COMM) 38/2025), concerning the famous Tamil song En Iniya Pon Nilave, composed by Ilaiyaraaja for the 1980 film '*Moodu Pani*'.

Saregama, having acquired rights from the film's producer via an agreement dt 25.02.1980, alleged infringement when Vels Film used a recreated version of the song in its film Aghathiyaa under a separate license from Ilaiyaraaja.

Saregama relied on Section 17 of the Copyright Act, asserting that the producer, as the first owner of all works created for the film, had transferred entire copyright to them, including in sound recording as well as the underlying musical and lyrical works. In contrast, Ilaiyaraaja and Vels invoked Section 13(4), arguing that composers retain separate copyright even when their works are incorporated into cinematograph films.

Applying the pre-amendment Section 17, Court held that under the 1980 agreement, all rights had vested in Saregama, preventing Ilaiyaraaja from licensing the song to Vels. Court further clarified that Ilaiyaraaja had no rights over the lyrics and dismissed Vels' claim that their version was an "adaptation" rather than a replication. Since the dispute arose from a pre-2012 agreement, the Court held that the amendment's protections did not apply retrospectively.

While upholding Saregama's ownership, the Court allowed Vels to use the song upon depositing ₹30 lakh as a license fee, balancing copyright enforcement with commercial realities.

Disney Faces Copyright Lawsuit Over "Moana" Franchise

The Walt Disney Company is facing a legal challenge as writer Buck G. Woodall filed a suit[1] alleging copyright infringement over Disney's Moana franchise alleging that it was developed using copyrighted materials he submitted nearly two decades ago to an assistant at Mandeville Films Inc for Bucky series.

Woodall highlighted multiple similarities between Bucky and Moana, such as teenage protagonists defying their parents

1] Woodall v. Walt Disney Co., U.S. District Court for the Central District of California, No. 2:20-cv-03772

Woodall highlighted multiple similarities between Bucky and Moana, such as teenage protagonists defying their parents to embark on sea voyages, spiritual animal guides, symbolic necklaces, and a tattooed demigod wielding a giant hook. Disney countered that Moana was inspired by existing Disney films like "Frozen" and "Hercules".

However, by 2020, due to the expiration of the three-year statute of limitations for copyright infringement, Woodall's case was significantly limited to only Disney's home video distributor, Buena Vista Home Entertainment, instead of Disney itself.

Seeking damages exceeding 2.5% of the Moana franchise's revenue (at least $5 billion), Woodall sought an injunction against further reproduction or distribution of Moana-related works. After deliberating for just over two hours, the jury ruled in favor of Disney, finding no infringement as Woodall failed to prove Disney had access to his work.

Bombay High Court Refuses Stay on Release of Sky Force

Vide order dated 23.01.2025, Bombay High Court in ***Sandeep Gangatkar v. Sandeep Kewlani*** (Interim Application (L) NO. 2143 OF 2025 in Commercial IP Suit (L) NO. 2130 OF 2025) refused to grant stay on the release of 'Sky Force' starring Akshay Kumar, in a copyright infringement claim by animator Sandeep Gangatkar. Gangatkar claimed that the film's storyline, characters, and creative elements were directly copied from his original animate work "Fire Bird". He sought an injunction against the release of the film and argued that the similarities between the two projects amounted to copyright infringement.

However, Court noted the timeline of the events and pointed out that the film's storyline has been publicly known since October 2023. The Court observed that the delay in filing the lawsuit weakened the case of the Plaintiff, as he had sufficient time to raise objections earlier. The Court further held that creative similarities alone are not sufficient to prove plagiarism unless there is substantial evidence of direct imitation.

The Court also observed that issuing an injunction at such a late stage would cause immense financial and reputational loss to the filmmakers and the entire production team.

It was held that that Mr. Gangatkar's delay in raising the complaint despite being aware of the plotline of the film, undermined the urgency of his request to stay the release of the film.

MIB Cautions OTT platforms on violating Digital Media Ethics Code

Ministry of Information and Broadcasting (MIB) issued a strict advisory to OTT platforms on 15.02.2025, warning them against publishing obscene, vulgar, and pornographic content. The advisory follows from a surge of public complaints and concerns raised by Members of Parliament (MPs) and statutory bodies regarding inappropriate content being streamed on OTT platforms, especially for young audiences.

MIB reminded OTT platforms that they are bound by the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021. These Rules clearly outline content classification guidelines, parental controls, and access restrictions for adult content.

The advisory emphasized that non-compliance could lead to regulatory action, including removal of content, fines, or even suspension of the platform's operations in some extreme cases.

Industry experts however, predict that this could lead to increased censorship and self-regulation within the industry, potentially affecting creative freedom and content diversity.

Tamil Nadu Online Gaming Regulations, 2025: Key Provisions and Legal Challenge

The Tamil Nadu government enacted the Online Gaming Authority (Real Money Games) Regulations, 2025 (G.O. (Ms.) No. 76) on 07.02.2025 to address concerns over gambling addiction, underage participation, and financial risks. The regulations prohibit individuals under 18 years from engaging in real-money gaming and mandate Aadhaar-based verification with two-factor authentication for account creation. Player protection measures include periodic warnings for continuous gameplay, monetary limits, and mandatory cautionary messages about gaming addiction. Additionally, the regulations impose a "blank hour" policy, restricting logins between 12:00 AM and 5:00 AM (IST) to discourage excessive play.

On 26.02.2025, ***Head Digital Works Pvt Ltd, Play Games 24x7 Pvt Ltd & Ors.*** *(WP 6784/2025)* challenged these regulations before the Madras High Court alleging *'colourable exercise of power'*. The Petitioners argued that the Aadhaar-linked KYC requirement (Regulation 4(iii)) violated privacy principles and created excessive barriers to user access. They also contested the midnight login ban (Regulation 4(viii)), claiming it imposed an unreasonable restriction on the right to conduct business under Article 19(1)(g) of the Indian Constitution.

The Petitioners highlighted that Tamil Nadu had previously attempted to ban skill-based gaming in 2021 and 2023, but both efforts were struck down by Courts.

Delhi High Court Grants Injunction to PPL against unauthorised public performances by Azure Hospitality.

Delhi High Court, in the case of ***Phonographic Performance Limited v. Azure Hospitality Pvt. Ltd*** (*CS(COMM) 714/2022 and I.A. 16777/2022 & I.A. 17272/2022)* granted Phonographic Performance Limited (PPL) an interim injunction against M/s Azure Hospitality for unauthorized public performance of copyrighted sound recordings. The Defendants argued that PPL lacked standing, citing Section 33[2] , but the Court rejected this, holding that PPL acted as an owner, not a copyright society.

The Court ruled that PPL, as an assignee under Section 18 of Copyright Act, 1957, can issue licenses under Section 30[3] , even without being a registered copyright society. The Court found that playing copyrighted music without a valid license constituted infringement under Section 51. It upheld PPL's exclusive licensee rights under Section 54, affirming that copyright societies exist to facilitate licensing, not override ownership rights.

Rejecting claims of statutory misinterpretation, the Court ruled that Copyright owners retain licensing rights even with copyright societies in place.

Madras High Court Upholds Copyright Holders' Right to Issue Licenses Independently

In a similar issue involving the interpretation of Section 33 of the Copyright Act,1957, which regulates the business of granting licenses for copyrighted works, the Madras High Court has also passed a significant order dated March 10, 2025, in ***Novex Communications Private Limited v. DXC Technologies Private Limited*** (OSA(CAD) Nos.152 and 153 of 2021 and CMP Nos.11231 and 11236 of 2022), quashing a previous order dt. 08.12.2021.

Previously, the Court had ruled that licensing copyrighted works as a business activity must be conducted only through a registered Copyright Society. This decision restricted independent entities from issuing licenses unless they were officially registered under the Act.

However, in its latest order, the Court set aside its earlier decision after Novex Communications sought to withdraw the case unconditionally. The suits filed by both parties were restored and subsequently withdrawn without conditions, effectively allowing Novex to continue issuing licenses without registration as a Copyright Society.

This ruling clarifies the scope of Section 33 and affirms that copyright owners can issue licenses independently, even as a business, without mandatory registration.

Screenwriters Rights Association India (SRAI) Registers as a Copyright Society

SRAI was registered as a Copyright Society under Section 33(3) of the Copyright Act, 1957, making them the fifth society to achieve this status.

They are authorised to manage copyrights in Dramatic Works and Literary Works.

This marks a significant milestone for story writers, scriptwriters, and dialogue writes for TV Shows, OTT platform shows and Films, paving the way for them to receive royalties for the creation.

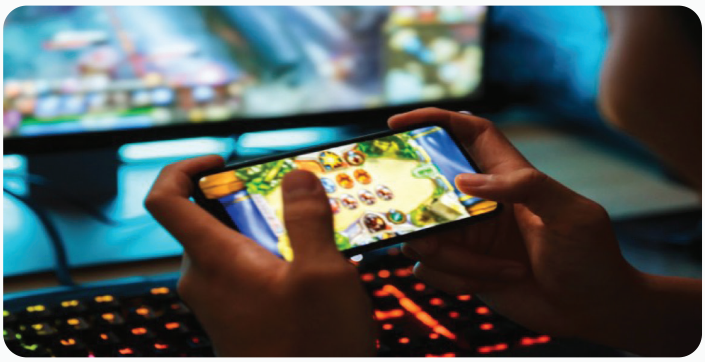
2] Section 33 regulates registration and functioning of copyright societies.

3] Section 30 provides that a copyright owner (or future owner) can grant a license in writing, which for future works takes effect only when the work exists.

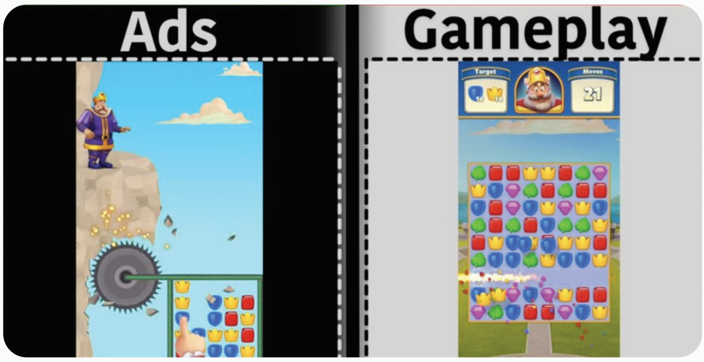
New Code of Ethics Introduced for India's Real Money Gaming Industry.

The Internet and Mobile Association of India (IAMAI), co-powered by the Federation of Indian Fantasy Sports (FIFS) and the E-Gaming Federation (EGF), presented the 'Voluntary Code of Ethics'[4] for Online Gaming Industries, applicable to online gaming intermediaries. This Code of Ethics is intended to serve as a 'Joint Declaration of Intent' by the signatories to commit to building safe and healthy digital gaming platforms. The Code of Ethics includes some of the following practices:

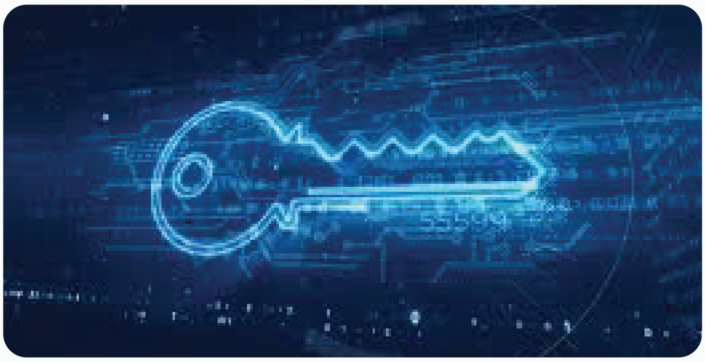
o *Age Gating:* Platforms must enforce strict age verification, prohibit monetary rewards for minors, and ensure advertisements do not target them. Accounts of identified minors must be terminated.



o *Advertising Ethics:* Gaming platforms must avoid misleading ads, particularly those implying assured winnings or gaming as a livelihood alternative. Disclaimers on financial risks are mandatory.



o *Data Protection:* Strict security measures must be implemented to safeguard user data, ensuring compliance with applicable data protection laws.



o *Financial Safeguards:* Platforms must process transactions securely, enforce KYC verification, and implement anti-money laundering measures to prevent illicit financial activities.

4] Accessible at https://fifs.in/wp-content/uploads/2023/12/Voluntary-Code-of-Ethics-for-Online-Gaming-Intermediariess.pdf

AI in Arbitration: Arbitrus.ai Revolutionizes Dispute Resolution

Arbitrus.ai, developed by Kimo Gandall (Founder—Fortuna Arbitration), Kenny McLaren (computer scientist), and Brian Potts (lawyer), is the first end-to-end AI system for arbitration. Designed to reduce time and costs while ensuring consistent outcomes, it incorporates the Federal Arbitration Act and is adaptable to public court systems in the USA. Tested on 100 hypothetical cases, Arbitrus.ai handles disputes across various sectors, including contracts, labor law, real estate, intellectual property, and insurance.

Commencement of Limitation Period for Filing Objections Under Section 17 of the Arbitration Act, 1940.

Supreme Court in the case of ***Krishna Devi @ Sabitri Devi (Rani) M/s S.R. Engineering Construction vs. Union of India***, *(Civil Appeal No. 47 of 2025, arising out of SLP (C) No. 10621/2024),* on 03.01.2025, clarified that the 30-day period for filing objections under Section 17[5] of the Arbitration Act, 1940 begins when the objector becomes aware of the award, not upon receiving formal notice. The Court dismissed Respondent's argument that the Appellant's early filing curtailed their right to object, emphasizing that mere awareness is sufficient to trigger the limitation period.

Five Judge Bench of the Supreme Court to Reassess Whether Courts Can Modify Arbitral Awards.

Supreme Court has referred the case ***Gayatri Balaswamy v. M/s ISG Novasoft Technologies Ltd.*** (Original Petition No.463 of 2012) to a Five-Judge Constitutional Bench on the issue of whether Courts can modify arbitral awards under Sections 34[6] and 37[7] of the Arbitration and Conciliation Act, 1996.

In previous rulings, the Supreme Court held that Section 34 does not grant Courts the power to modify awards, as "setting aside" does not include modification. Notably, some past judgments, like ***Vedanta Ltd. v. Shenzhen Shandong Nuclear Power*** *2019 (11) SCC 465* have allowed modification.

In the Gayatri Balaswamy case, the Madras High Court sought to modify an arbitral award, but the Supreme Court clarified that Section 34 does not empower Courts to modify awards. It further stated that modification, if allowed, could only be done by the Supreme Court under Article 142. The Court has now referred the issue to a larger bench for further examination.

Bombay High Court Upholds Arbitrability of Dispute Between an LLP its and Partners

In ***Kartik Radia vs. BDO India LLP & Anr.*** *(Comm. Arbitration Application No. 31 of 2022)*, the Bombay High Court ruled in March that disputes between LLP partners and the LLP itself could be arbitrated under the LLP Agreement, even if the LLP was not a signatory. Radia, a former partner expelled in 2019, challenged his expulsion and sought arbitration. BDO India LLP and its Managing Partner, Milind Kothari, opposed, arguing that the arbitration clause applied only to partner disputes and not to the LLP.

5] Section 17 of the Arbitration Act, 1940 states that if the Court finds no reason to remit or set aside an arbitral award, it shall pronounce judgment in accordance with the award.
6] Section 34: Provides grounds for setting aside an arbitral award by the Court.
7] Section 37: Allows appeals against orders granting or refusing to set aside an arbitral award under Section 34 and certain other orders related to arbitration proceedings.

The Court held that the LLP Agreement governed both partner obligations and LLP affairs, akin to a company's Articles of Association. It ruled that the LLP was integral to arbitration arising from the agreement and could not be treated separately. Relying on ***Cox and Kings Ltd. v. SAP India Pvt. Ltd.*** *(2024) 4 SCC 1*, it determined that the LLP was not a "third party" but the subject matter of the agreement.

Delhi High Court Rejects Objections to Enforcement of Award Alleging Public Policy Violation

In ***Mercedes Benz Group AG v. Minda Corporation Limited,*** *(O.M.P.(EFA)(COMM.) 3/2023)*, the Delhi High Court, on 15.03.2025, dismissed objections raised by Minda Corporation against the enforcement of a foreign arbitral award, holding them to be meritless and aimed at obstructing enforcement.

Minda objected to enforcement under Section 48(2)(b)[8] of the Arbitration and Conciliation Act, 1996, arguing that:

1. The award violated public policy as Mercedes-Benz had already recovered EUR 11 million through a prior settlement with Minda Germany's liquidator, allegedly resulting in double recovery.

2. The Award Holder failed to disclose the settlement details, preventing Minda from assessing whether claims were waived.

3. RBI approval was required under FEMA for remittance of EUR 5.5 million under the Consent Award, and issuing the Letter of Comfort (LoC) without prior approval was a FEMA violation.

The Court rejected these arguments, holding that the settlement agreement explicitly precluded double recovery, Minda was fully aware of the prior settlement, and post-facto RBI approval was granted.

Supreme Court Rules on Determination of Applicable Law in Cross-Border Arbitration

On 18.03.2025, the Supreme Court of India, in the case of ***Disortho SAS v. Meril Life Sciences Pvt. Ltd.*** *(Arbitration Petition No. 48 of 2023)*, clarified the interpretation of conflicting arbitration clauses in international commercial contracts.

The dispute was regarding two contradictory clauses in the agreement, wherein one stated that Indian law would govern the contract, with disputes falling under the jurisdiction of Gujarat courts (Clause 16.5) and the other designated Arbitration in Bogota, Colombia, under the rules of the Bogota Chamber of Commerce, with awards subject to Colombian law (Clause 18).

The Court held that Clause 16.5 extended to the arbitration agreement, emphasizing that merely designating a venue does not establish the seat of arbitration. It ruled that while Bogota was the venue for conciliation and arbitration, the Courts in Gujarat retained exclusive jurisdiction over disputes.

The Court emphasized that both clauses must be read together. Applying the Sulamérica three-step test[9] , it concluded that the parties had implicitly agreed to Indian law governing the arbitration agreement, as the contract lacked a clearly designated seat.

8] Section 48(2)(b) of the Arbitration and Conciliation Act, 1996 provides enforcement of foreign awards mat be refused if it is contrary to public policy of India.

9] Sulamérica three-step test, takes into account —(1) the parties' express choice; (2) the implied choice of the parties as gleaned from their intentions at the time of contracting; or (3) the system of law with which the arbitration.

IBBI Amendments: Enhancing Efficiency and Transparency in Corporate Insolvency Resolution

The Insolvency & Bankruptcy Board of India (IBBI) has introduced key amendments to the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, on 03.02.2025. Aiming to improve the efficiency and transparency of the CIRP, particularly in the context of real estate projects.

Key amendments relate to RP's authority on handing over possession, appointment of additional insolvency professionals as facilitators for subclasses of creditors, competent authority attendance to attend CoC meetings & status report on Real Estate Projects by RP.

NCLT (Delhi) Rejects CIRP Petition by Bollywood Actor Over Unpaid Debt

In ***Mr. Akshay Kumar Bhatia v. M/s. Cue Learn Pvt. Ltd.*** (CP No.: IB 572(ND)/2022 & IA 5437/ND/2023), the National Company Law Tribunal (NCLT), New Delhi, on 07.01.2025 dismissed Bollywood actor Akshay Kumar's petition for initiating CIRP against Cue Learn Pvt. Ltd., citing that the debt did not qualify as an *"operational debt"* under the Insolvency and Bankruptcy Code (IBC).

Mr. Kumar had entered into an Endorsement Agreement with the company, fulfilling his obligations for the first instalment. However, the company defaulted on the second instalment. The Tribunal found that the debt was not operational in nature, as it was related to a specific contractual breach, not a default on operational payments. The debt was instead categorized as a claim for damages, which is beyond the scope of IBC for initiating CIRP.

NCLAT Confirms Maintainability of Personal Guarantor Applications Under IBC

In ***Anita Goyal v. Vistra ITCL (India) Ltd.*** *(Company Appeal (AT) (Insolvency) No.2282 of 2024),* the NCLAT, on 23.01.2025 ruled that applications against personal guarantors are maintainable under Section 60(1) of the IBC, even when no CIRP or liquidation process is initiated against the corporate debtor. The dispute involved the appointment of a Resolution Professional (RP) in a case where an application was filed under Section 95 to initiate insolvency proceedings against a personal guarantor.

The Appellants contended that the RP was not appointed correctly, but the Tribunal upheld the Adjudicating Authority's decision. The ruling affirmed that personal guarantors can be held accountable under the IBC, even without ongoing proceedings against the corporate debtor, reinforcing the applicability of personal guarantees in insolvency matters.

NCLT (Delhi) Rules Joint Venture Parties Cannot Claim Creditor-Debtor Status

In ***M/s Transline Technologies Ltd. v. Experio Tech Pvt. Ltd.*** (CP IB No. 236/(ND)/2023), the NCLT, Delhi, on 08.01.2025 ruled that CIRP cannot be initiated under Section 9 of the IBC, if the relationship between the parties involves joint participation and profit-sharing. The petitioner, claiming to be an operational creditor, sought to initiate CIRP due to unpaid dues. However, the corporate debtor argued part of a joint venture, not a typical creditor-debtor relationship. The Court held that joint venture parties, sharing profits, do not fall within the scope of the IBC's creditor-debtor provisions.

NCLAT: Consideration and subsequent rejection of resolution plan by Committee of Creditors submitted after due date cannot be questioned.

The NCLAT recently ruled in ***Authum Investment & Infrastructure Ltd. the Ruby v. Ashdan Properties Pvt. Ltd. & Ors.*** *(Company Appeal (AT) (Insolvency) No. 1566 of 2024 & I.A. No. 5973, 6380 of 2024)* vide order dated 17.03.2025, that the Committee of Creditors has complete discretion to reject a resolution plan submitted after the deadline, even if initially considered the plan.

The case arose during the CIRP of AA Estate Pvt. Ltd. where CoC extended the submission deadline for resolution plans to 14.02.2024. Respondent No. 1 submitted the resolution plan on 15.02.2024, a day after the deadline. Even though the CoC considered the plan and viewed it, it was rejected on the grounds of late submission. Respondent No.1 questioned this decision before the NCLT. The NCLT found in favour of the Respondent and held that since the CoC considered the plan, it should not reject it simply on the grounds of late submission.

The CoC aggrieved by the NCLT's decision approached the NCLAT. The NCLAT upheld the decision of the CoC and observed that CoC has total authority to evaluate and approve or reject resolution plans. It was held that the adjudicating authority should not interfere with the commercial wisdom of the CoC unless their decision is illegal or irrational. It observed that in the present case, rejecting the plan due to late submission was valid and reasonable exercise of the discretion of the CoC.

Supreme Court : IBC Moratorium Does Not Bar Execution of Penalties imposed under Consumer Law.

The Supreme Court in ***Saranga Anilkumar Aggarwal v. Bhavesh Dhirajlal Sheth & Ors.*** *(Civil Appeal No(s). 4048 of 2024)* ruled that an interim moratorium under Section 96[10] of the Insolvency and Bankruptcy Code (IBC), 2016 does not prevent the execution of penalties imposed under the Consumer Law.

The Appellant was facing 27 penalties imposed by the National Consumer Dispute Redressal Commission (NCDRC) for failing to deliver possession of residential units on time. Application under Section 95 of IBC was filed against him triggering interim moratorium under Section 96 of the Code. The Appellant argued that the moratorium should lead to a stay on the penalties imposed by NCDRC.

The Respondents opposed this argument, stating that penalties imposed under Section 27 of the Consumer Protection Act are regulatory and punitive in nature, intended to enforce compliance with the consumer protection laws rather than recover financial debts.

The Court found merit in the arguments of Respondents and dismissed the appeal and held that the penalties under the Consumer Protection Act are imposed to enforce compliance. They are not debts owed to a creditor but instead they are statutory obligations to safeguard consumer rights.

The Court reiterated that insolvency proceedings under IBC cannot be used as a shield to avoid regulatory liabilities and penalties. The Court directed the Appellant to comply with the penalties imposed by the NCDRC with 8 weeks from the date of the judgement.

10] Section 96 of the IBC provides for an interim moratorium on debts upon filing an application under sections 94 or 95.

NCLAT: Appeal u/s 421 of Companies Act not maintainable against interlocutory order permitting AGM, No Substantive Rights Affected.

In the case titled ***Nagaraj V. Mylandla & Ors. v. Financial Software & Systems Pvt. Ltd. & Ors.*** *[Comp App (AT) (CH) No.84/2024],* NCLAT held that an appeal under Section 421 of the Companies Act, 2013, against an interlocutory order passed by NCLT Chennai, permitting the holding of the Annual General Meeting (AGM), without affecting the substantive rights, is not maintainable.

The Appellants (33.9% shareholders) alleged financial irregularities and mismanagement by the majority (51.78%), including misappropriation of ₹52.33 crores and restricted access to records. They sought to block the adoption of financials at the 33rd AGM, but NCLT (Chennai) allowed the meeting, making it subject to further orders.

The NCLAT emphasized that procedural orders do not qualify for appeal unless substantive rights are determined and observed that the NCLT's order allowing the AGM while keeping Agenda No.1 in abeyance was procedural and didn't affect the substantive rights of the Appellant. The Tribunal noted that the impugned order did not adjudicate on the Appellant's right but merely allowed the AGM to proceed, with the outcome being subject to further orders. Since the order did not adjudicate upon or alter any substantive rights, the appeal was deemed premature and dismissed.

NCLAT: Rights of Auction Purchaser are crystallized upon issuance of Sale Certificate.

NCLAT in a recent order dated 10.03.2025 in the case ***Ketan C Bagadia v. Radhakrishnan Dharmarajan (Liquidator of Nexus Electro Steel Ltd.) & Anr.*** *(Company Appeal (AT) (CH) (Ins) No. 36/2025),* ruled that the rights of an auction purchaser become final once the sale certificate has been issued.

Nexus Electro Steel Ltd. entered into insolvency proceedings; its liquidator began auctioning the assets of the company. Upon the sale of these assets a sale certificate was to be issued to the successful bidder. One of the former directors of the company challenged the auction proceedings and contended that the sale was improper. He claimed that the company should have been afforded an opportunity to propose a compromise under Section 230 of the Companies Act, 2013, alleging that it would have been a better recovery for the creditors.

The Court held that such compromise should have been promised prior to the conclusion of the auction process and that subsequent attempts to propose compromise schemes or have the auction declared null and void could not be allowed. It highlights that once a sale certificate has been issued the rights of the auction purchaser are legally binding and crystalized. The issuance of the certificate marks the conclusion of the liquidation process.

The Union Budget 2025-26 introduces key legal and tax reforms aimed at easing compliance, supporting the middle class, and improving the business environment.

1. ***Jan Vishwas Bill 2.0*** – The Government proposes to introduce a new bill to further decriminalize over 100 provisions across various laws, reducing regulatory burden and promoting ease of doing business. The key objective of the 'Jan Vishwas Act, 2023' was to remove archaic provisions that did not serve the evolving technological and business environment, whereas, Jan Vishwas 2.0 is intended to be a "major step towards aligning India's regulatory framework with global business standards, promoting investor confidence, and facilitating smoother business operations".

2. ***Taxation Reforms*** – The Finance Bill, 2025 proposes amendments to the Income-tax Act, 1961, and the UTI Repeal Act, 2002, focusing on tax reliefs, simplification, and rationalization of provisions:

o Time limit for filing updated income tax returns extended to four years, encouraging voluntary compliance.
o Threshold for TDS on rent increased from ₹2.4 lakh to ₹6 lakh per annum, benefiting tenants and landlords.
o Tax deduction limit on senior citizens' interest income doubled to ₹1 lakh.
o Threshold for TCS increased to ₹10 lakh, while higher TDS deductions to apply only in non-PAN cases.
o Following the earlier removal of penalties for delayed TDS payments, delays in TCS payments have also been decriminalized, reducing compliance risks for businesses.

3. ***New Income Tax Regime*** – Introduction of a revised tax slab structure ensuring that individuals earning up to ₹12 lakh per annum pay no tax (excluding capital gains). Salaried individuals earning up to ₹12.75 lakh to pay zero tax due to the ₹75,000 standard deduction.

With significant legal and regulatory amendments, the budget plays a crucial role in reshaping compliance frameworks, streamlining dispute resolution, and reducing litigation risks across various sectors.

DISCLAIMER

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