



SAGA LEGAL

COMMUNIQUE

JULY 2025

Delhi | Bengaluru | Mumbai | Hyderabad

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SUPREME COURT THIS MONTH

- The Hon'ble Supreme Court in the case *Vibhor Garg vs. Neha* (2025 INSC 829), has held that a conversation recorded without consent and knowledge of the person speaking can constitute admissible evidence, even in the context of privileged communications made during marriage under Section 122 of the Evidence Act, 1872. In this case of a matrimonial dispute, the husband had submitted as evidence a voice recording involving the wife, which was held inadmissible by the High Court stating an infringement of right to privacy and spousal privilege. The Bench comprising of Justice B.V. Nagarathna and Justice Satish Chandra Sharma however observed that *"The three-fold test of relevance, identification and accuracy has to be satisfied before a Court admits a recorded conversation in evidence. However, the fact that the conversation was recorded without the consent and knowledge of the person speaking is not a prohibition on the admissibility of the evidence, as laid down by the Evidence Act and read into the statutory provisions by this Court ... Section 122 of the Evidence Act deals with rule of privilege protecting disclosure of all communications between persons married to one another made during marriage, except in certain cases, i.e., in litigation between themselves."*
- The Hon'ble Supreme Court in the case *Digambar Pathak vs. The State of Uttar Pradesh and Ors.* (SLP (Crl.) No. 7341 of 2025), has reaffirmed that the mere presence of an arbitration clause in a contract does not, by itself, justify quashing criminal proceedings, provided the allegations disclose the essential ingredients of a criminal offence. In this case, the appellant had approached the High Court seeking quashing of an FIR and chargesheet arising out of a business transaction, contending that the dispute was purely civil in nature and subject to arbitration. The High Court accepted this contention and quashed the FIR, chargesheet, and all consequential proceedings. However, the bench comprising of Justice Manoj Misra and Justice Ujjal Bhuyan while setting aside the High Court's order, observed that *"It is well-settled that mere existence of an arbitration clause in the contract between the parties is not a sufficient ground for quashing the criminal proceedings if the necessary ingredients of a criminal offence are made out from the allegations and the materials collected during the course of investigation or inquiry. ... Quashing of a criminal complaint or proceedings under Section 482 CrPC should be exercised sparingly and only when the complaint does not disclose any offence or is frivolous, vexatious or oppressive."*
- The Hon'ble Supreme Court in the case *Dhanasingh Prabhu vs. Chandrasekar and Anr.* (SLP (Crl.) No. 5706 of 2024), has held that a complaint under the Negotiable Instruments Act, 1881 is maintainable against partners of the accused even if the partnership firm itself is not named as accused. The Court reiterated that partners are personally, jointly, and severally liable for the actions of the firm and such liability does not depend on the firm being separately accused. The Bench comprising of Justice B.V. Nagarathna and Justice Satish Chandra Sharma observed that *"Notice to the partners/accused could have been construed as notice to the partnership firm also. We say so for the reason that unlike a company which is a separate juristic entity from its directors thereof, a partnership firm comprises of its partners who are the persons directly liable on behalf of the partnership firm and by themselves. ... While a director of a company can be vicariously liable for an offence committed by a company, insofar as a partnership firm is concerned, when the offence is committed by such a firm, in substance, the offence is committed by the partners of the firm and not just the firm per se."*
- The Hon'ble Supreme Court in the case of *Sukdeb Saha vs. The State of Andhra Pradesh and Ors.* (2025 INSC 893), has held that all educational institutions are required to adopt and implement a uniform mental health policy that encompass elements of the UMMEED Draft



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Guidelines, the National Suicide Prevention Strategy, and the MANODARPAN Initiative. The Court also added that all educational institutions with more than one hundred enrolled students shall employ at least one qualified counsellor or psychologist and all teaching and non-teaching staff to undergo mandatory training at least twice a year conducted by certified mental health professionals on psychological first-aid and suicide prevention, among other guidelines. The Bench comprising of Justice Vikram Nath and Justice Sandeep Mehta added that *"The above guidelines shall apply to all educational institutions across India, including public and private schools, colleges, universities, training centres, coaching institutes, residential academies, and hostels, irrespective of their affiliation. ... We believe that these guidelines shall be read as complementary to the ongoing work of the National Task Force and would inform and assist the National Task Force in the development of a more comprehensive and inclusive framework."*

- The Hon'ble Supreme Court in the case *Daivshala & Ors. vs. Oriental Insurance Company (Civil Appeal No. 6986 of 2015)*, held that an accident that occurs to an employee while commuting to work from their place of residence or vice versa is covered under the Employees' Compensation Act, 1923 so as long as a nexus can be established between the circumstances, the time and the place where the accident occurred and where the place of employment is situated. The Bench comprising of Justice Manoj Misra and Justice K.V. Viswanathan observed *"we interpret the phrase "accident arising out of and in the course of his employment" occurring in Section 3 of the EC Act to include accident occurring to an employee while commuting from his residence to the place of employment for duty or from the place of employment to his residence after performing duty, provided the nexus between the circumstances, time and place in which the accident occurred and the employment is established"*.

- The Hon'ble Supreme Court in the case of *Ch. Joseph vs. The Telangana State Road Transport Corporation & Others (SLP (C) No. 36278 of 2017)*, reaffirmed that employees who acquire disabilities during the course of their service cannot be abandoned or prematurely retired, even in the absence of explicit contractual rights. The Court emphasized that such employees must be afforded a fair and reasonable opportunity for reassignment, and that the obligation to reasonably accommodate them stems not merely from administrative discretion, but from constitutional and statutory mandates. The Bench comprising Justice J.K. Maheshwari and Justice Aravind Kumar noted *"...Thus, even though in the present case the Appellant had an enforceable right under a statutory industrial settlement—placing his claim on firmer footing—we find it necessary to reaffirm that even in the absence of such contractual rights, employees who acquire disabilities during service must not be abandoned or prematurely retired without being afforded a fair and reasonable opportunity for reassignment. The obligation to reasonably accommodate such employees is not just a matter of administrative grace, but a constitutional and statutory imperative, rooted in the principles of non-discrimination, dignity, and equal treatment."*

HIGH COURTS THIS MONTH

- The High Court of Kerala in the case *P.V. Padmanabhan vs. Sunitha K. (Mat. Appeal No. 399 of 2025)*, held that that parties cannot lightly withdraw from court-recorded mediation settlements effected under Order XXIII Rule 3 of the Civil Procedure Code, 1908. The case arose from the appellant's challenge to a mediated settlement entered into by his brother acting under a power of attorney, which had been accepted and decreed by the family court. Dismissing the appellant's plea, the Division Bench comprising Justice Devan Ramachandran and Justice M.B. Snehalatha emphasized that allowing parties to renege on such settlements without valid justification would undermine the authority of the judiciary and compromise the sanctity of the judicial process. The Court observed: *"If we are to allow parties – who enter into agreements, based on which judgments and decrees are issued under the ambit of Order XXIII Rule 3 of the CPC - to resile from it in a casual manner, the majesty of the judicial system would stand eroded; and the integrity of the processes severely compromised."*
- The High Court of Kerala in the case *Susan Thomas vs. the State of Kerala & Anr. (Crl. MC No. 6570 of 2022)*, ruled that criminal prosecution against a company dissolved under Section 248 of the Companies Act, 2013, may still be pursued either by restoring the company to the register or by proceeding against an individual who was responsible for its affairs at the time the offence was allegedly committed. In the present case, a former director, against whom proceedings under the Prevention of Money Laundering Act, 2002 were initiated, contended that representation of the company could not be compelled, as it had been struck off the register of companies and had, therefore, ceased to exist as a legal entity. Rejecting this argument, the Single-Judge Bench of Justice A. Badharudheen observed that *"A company, which committed an offence before its dissolution or struck off, could not be spared without being prosecuted."*

For the said purpose, the prosecution can get the company restored to existence and follow the procedure under Section 305 of Cr.P.C. or under Section 342 of the BNSS. If no such restoration is possible, the prosecution can show somebody who was in charge of the company in the Final Report to represent the dissolved company and continue the prosecution proceedings."

- The High Court of Delhi in the case *Engineering Projects (India) Limited vs. MSA Global LLC (Oman) (CS(OS) 243 of 2025)* has ruled that a suit seeking an anti-arbitration injunction is maintainable where the arbitration proceedings are, prima facie, vexatious and oppressive. The case arose from a complex contractual dispute between an Indian public sector undertaking and an Omani company, which had already resulted in parallel arbitral proceedings under the ICC Rules and related litigation in Singapore. The Delhi High Court, being the designated seat of arbitration, was approached for relief. The Single Judge Bench comprising of Justice Purushendra Kumar Kaurav observed *"It would be wholly unjust to compel a party to submit to arbitration when the process itself is a vehicle of abuse, serving no legitimate adjudicatory purpose. ... To allow the defendant to continue with such vexatious proceedings would be to permit the very erosion of judicial integrity and to allow civil process to become an instrument of oppression."*
- The High Court of Karnataka in the case of *M.D. Devamma vs. K.V. Kalavathi and Ors. (2025 SCC OnLine Kar 10045)* has held that posthumous registrations are legally valid under the Registration Act, 1908 and does not by itself create suspicion on the validity of a will. The matter arose when the appellant challenged the trial court's order in a property dispute, wherein fencing rights were granted to the plaintiff but denied to the appellant, following the court's doubts regarding the authenticity of the appellant's Will, which had been registered several months after the testator's demise.



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The Single-Judge Bench comprising Justice Ramachandra D. Huddar opined that *"The expression 'no document other than a Will' is central to understanding the legislative intent. By expressly excluding Wills from the limitation period stipulated under this provision, the legislature has called out a specific exception recognizing the unique nature of testamentary instruments. Further, Section 27 of the Registration Act deals with the time for registration when a document affects immovable property contains a proviso, that reinforces this position; provided that a Will may be presented at any time. ... In the instant case, the Will was registered after the death of the testator as permitted under the above provisions. There is no statutory requirement that a Will must be registered within the lifetime of the testator. In fact, the registration of a Will is not even mandatory under Indian law."*

- The High Court of Gujarat in the case of *Bhavini d/o Jitendrabhai Tribhovandassurati (Parmar) and Anr. vs. Jayveer Enterprises Private Limited and Ors. (Appeal from Order 143 of 2024)* held that under the Hindu Succession Act, 1956, Class-I legal heirs of a Hindu who dies intestate become the absolute owners of the property inherited from their predecessor. The appellants, claiming the property to be ancestral, had sought partition and challenged a trial court's order that refused to grant interim injunction against the respondents. The Single Bench of Justice Maulik J. Shelat observed that *"... prima-facie, plain reading of Section 8 read with Section 4 of the Hindu Succession Act, 1956, would indicate that on demise of Hindu dying intestate then his class-I legal heirs would inherit such property by way of inheritance. As per settled legal position of law in such a situation, class-I legal heirs of Hindu dying intestate become absolute owner of property left by him after his/her predecessor."*

- The High Court of Delhi in the case *Dell International Services India Private Limited vs. Adeel Feroz and Ors. (W.P. (C) 4733 of 2024)* held that WhatsApp conversations are inadmissible evidence if not accompanied by proper certification under the Evidence Act, 1872. The Single-Judge Bench comprising Justice Subramonium Prasad observed *"The screen shot of WhatsApp conversations cannot be taken into account by this Court while dealing with a Writ Petition under Article 226 of the Constitution of India, more so, when there is nothing to show that the conversations were produced before the State Commission as this Court does not find any reference of the same in the present Writ Petition."*



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NOTIFICATIONS / AMENDMENTS INSIGHTS

- The Reserve Bank of India ("**RBI**") vide Notification No. RBI/2025-26/ 64DoR.MCS.REC.38/01.01.001/2025-26, dated July 2, 2025 has issued RBI (Pre-payment Charges on Loans) Directions, 2025 effective from January 1, 2026. The directions prohibit lenders from levying pre-payment charges on floating-rate loans taken by individuals for non-business purposes. The exemption also applies to certain loans for business purposes availed by individuals and MSMEs, with specific thresholds based on the type of lender. Where pre-payment charges are permitted such as on fixed-rate loans or larger facilities, they must be levied strictly as per a pre-disclosed policy, transparently mentioned in the sanction letter, loan agreement, and key facts statement.
- The Ministry of Corporate Affairs ("**MCA**") vide G.S.R. 452(E) dated July 7, 2025 has issued Companies (Corporate Social Responsibility Policy) Amendment Rules, 2025 which mandates the substitution of the existing eForm CSR1 with a more comprehensive, fully web-based version, "eForm No. CSR1 – Registration of Entities for Undertaking CSR Activities". The revamped form introduces new entity categories (including Section 8 companies, public trusts, and societies exempt under specific clauses of Section 10 or registered under Section 12A with Section 80G approval). It also demands enhanced disclosures such as PAN, email OTP verification, DSC by authorized signatory, detailed governance body info, past CSR track record (minimum three years if not established by a company), and professional certification by a practicing CA/CS/CMA, with false declarations attracting penalties under Sections 448/449 of the Companies Act.
- The Telecom Regulatory Authority of India ("**TRAI**") convened the Joint Committee of Regulators (JCoR) on July 22, 2025 in New Delhi, comprising key regulators such as RBI, SEBI, IRDAI, PFRDA, MeitY, DoT, MHA, and NPCI, to tackle the escalation in spam and digital-payment fraud through coordinated interventions. Major initiatives include: a phased shift of transactional and service calls in the BFSI sector to a dedicated "1600" numbering series; launching a Digital Consent Acquisition pilot with seven major banks to securely manage consumer consent for communications; deploying integrated fraud-detection tools linking telecom and cybercrime data for swift shutdowns of offending numbers; imposing tighter controls on enterprise SIP/PRI lines to prevent bulk spam; upgrading the TRAI SMS header portal for enhanced transparency; and formalizing NPCI's participation to better coordinate efforts against mobile-based financial fraud.
- The Indian Parliament on July 21, 2025, through Release ID: 2146522, has passed the Bills of Lading Bill, 2025, which repeals the nearly 170-year-old Indian Bill of Lading Act, 1856, and introduces a modernized legal framework for shipping documents. Moved by Union Ports, Shipping & Waterways Minister Sarbananda Sonowal and approved by voice vote in the Rajya Sabha (amid an opposition walkout), the new law clarifies and simplifies the rights and liabilities associated with bills of lading—codifying the transfer of rights of suit and obligations to the consignee or any endorsee upon endorsement. The reframed legislation also embraces digitalization and aims to enhance legal clarity, reduce litigation risks, and foster efficiency in maritime trade which is a key step toward India's vision of becoming a global maritime hub.






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DEALS THIS MONTH


- Udaan, a Bengaluru-based B2B ecommerce unicorn, has acquired retail-tech startup ShopKirana in an all-stock deal valued at approximately USD 88.5 million. The transaction grants Udaan full ownership of ShopKirana and brings Info Edge on board as a new shareholder in Udaan in exchange for its 26.14 per cent stake in ShopKirana. This strategic acquisition is designed to bolster Udaan's positioning across fastmoving consumption goods, staples, and the HoReCa sector by incorporating ShopKirana's strong foothold in Tier-II and Tier-III kirana networks (cities like Indore, Bhopal, Agra, etc.) as well as its private label brand, Kisan Kirana.
- Smartworks, a Gurugram-based managed office space provider, has raised approximately USD 20 million from anchor investors ahead of its IPO. The round attracted prominent institutional investors including Tata Mutual Fund, Aditya Birla Sun Life, Axis Mutual Fund, SBI General Insurance, BNP Paribas, and Société Générale. The proceeds will be used for expanding new co-working centres, undertaking fit-outs, and partially repaying existing debt, thereby strengthening Smartworks' infrastructure and balance sheet.
- Mumbai-based clean label food brand Khetika has secured USD 18 million in its Series B funding round led by Narotam Sekhsaria Family Office and Anicut Capital, with participation from existing backers including Incofin and Rajasthan Gum Investors. Founded in 2017, the company specializes in batters, spices, and other ready-to-cook products sourced from 14 Indian states. The fresh capital will be deployed to expand manufacturing capacity, broaden product portfolios, accelerate brand-building efforts, and drive market entry into the Middle East, Europe, and North America supporting Khetika's ambition to grow revenue tenfold over the next three years.
- Bengaluru-based space-tech startup Astrobase, co-founded by CoinDCX's Neeraj Khandelwal alongside senior ISRO scientists Devakumar Thammisetty, Pawan Kumar, and Prashant M, has raised approximately USD 10 million. The company is developing methane-oxygen full flow staged combustion rocket engines targeted at launching 3 - 10 tonne payloads, with plans for fully expendable, partially reusable, and fully reusable configurations and an ambitious cost goal of about USD 300/kg by 2034. The funding will be used to ramp up engine and vehicle production, scale up manufacturing capabilities, and accelerate its path toward test launches and commercialization.
- Ahmedabad-based startup, EduFund has closed a USD 6 million Series A round led by Cercano Management and MassMutual Ventures, with participation from existing investors. The edtech platform specializes in AI-driven education and career counselling, primarily targeting students in Tier2 and Tier3 Indian cities. The fresh capital will be used to deepen its reach in these regions, enhance its loan and financing solutions, and continue advancing the AI capabilities that power personalized student guidance positioning EduFund for accelerated growth in the education financing sector.



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