



SAGA LEGAL

COMMUNIQUE

JUNE 2025

Delhi | Bengaluru | Mumbai | Hyderabad

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SUPREME COURT THIS MONTH

- The Hon'ble Supreme Court, in the case of *Raghunath Bansropan Pandey vs. State of Gujarat (SLP (Crl.) Diary No. 4666 of 2025)*, reiterated that, unless there exists a justifiable reason, courts should not interfere or issue an order staying the conviction of public servants convicted under the Prevention of Corruption Act, 1988 ("**the Act**"), for charges related to corruption. The Bench comprising of Justice Sandeep Mehta and Justice Prasanna B. Varale observed, "*This Court in K.C. Sareen v. CBI, Chandigarh (2001) 6 SCC 584 and Central Bureau of Investigation, New Delhi v. M.N. Sharma, (2008) 8 SCC 549 has categorically laid down that the Courts should refrain from staying conviction of public servants who have been convicted on charges of corruption.*"
- The Hon'ble Supreme Court, in the case of *Greater Mohali Area Development Authority (GMADA) vs. Anupam Garg Etc. (Neutral Citation: 2025 INSC 808)*, held that once parties agree to a particular consequence for delay in handing over possession of a property then consumer forum needs exceptional and strong reasons to award compensation at more than the agreed rate. The Bench of Justice Sanjay Karol and Justice Prasanna B. Varale observed, "*whether the buyers of the flat do so by utilizing their savings, taking a loan for such purpose or securing the required finances by any other permissible means, is not a consideration that the developer of the project is required to keep in mind. For, so far as they are concerned, such a consideration is irrelevant. The one who is buying a flat is a consumer, and the one who is building it is a service provider. That is the only relationship between the parties. If there is a deficiency or delay in service, the consumer is entitled to be compensated for the same. Repayment of the entire principal amount along with 8% interest thereon, as stipulated in the contract, alongside the clarification that there shall be no other liability on the authority, sufficiently meets this requirement.*"
- The Hon'ble Supreme Court, in the case of *M. Mahesh Reddy vs. the State of Karnataka & Ors. (Writ Petition (Civil) No(s). 575 of 2025)*, ruled that any film that has Central Board of Film Certification ("**CBFC**") certificate should be released, the court further issued notice to the State of Karnataka on the issue of Tamil film *Thug Life*, which despite being certified by the CBFC, was not being allowed to be screened in theatres across Karnataka. The Bench of Justice Ujjal Bhuyan and Justice Manmohan observed, "*It cannot be that because of the fear of burning up the cinema halls or because people say that we will come and do a gherao, that the film will not be released..... Let there be a debate on the issue... The rule of law is far more crucial. The rule of law demands that any film that has a CBFC certificate should be released. It should be allowed to be screened and the state has to ensure that the rule of law prevails in that state.*"
- The Hon'ble Supreme Court, in the case of *Vaibhav vs. the State of Maharashtra (Criminal Appeal No. 1643 of 2012)* stated that the complete absence of motive is a circumstance which weighs in favour of an accused in a case based on circumstantial evidence. The Court further explained the "significant difference" in the evidentiary burden to be discharged by the prosecution and the accused, whereas the prosecution is expected to discharge its burden beyond reasonable doubt, an accused is only required to prove a defence on the anvil of preponderance of probabilities. The Bench of Justice BV Nagarathna and Justice Satish Chandra Sharma held, "*The present case ticks the boxes of an accidental gunshot injury, both in theory and in fact. Contrarily, the aforesaid discussion indicates that the possibility of a homicidal death is very weak in the present case. It must also be kept in mind that the imprints on the pistol have not been matched with the appellant and therefore, no direct nexus exists to conclude that the trigger was pulled by the appellant. On this aspect as well, we may note with dismay that the High Court rejected the defence of the appellant by simply observing that the homicidal death of the deceased was 'admitted' by the appellant on oath.*"



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- The Hon'ble Supreme Court, in the case of *Union of India vs. M/s Kamakhya Transport Private Limited (Civil Appeal Nos.7376-7379 of 2025)* while clarifying the scope of Section 66(4) of the Railways Act, 1989 ("**the Act**") held that Indian Railways can impose penalties if there is any false declaration in consignments of goods transported through Indian Railways. The court further observed that Section 66(4) of the Act does not specify whether charges must be levied before or after delivery, indicating legislative intent to permit recovery at either stage. The Bench comprising of Justice Sanjay Karol and Justice Prashant Kumar Mishra ruled, *"It is borne from the above that a consignee/owner of goods/person having charge of goods who has brought goods for the purpose of carriage has to give the Railway authorities a written statement regarding the description of the goods, to enable them to charge the appropriate rate of carriage. Under sub-section (4), if the statement is found to be materially false, the Railway authority is empowered to charge the goods at the required rate. No reference is made to the stage at which such a charge can be made, i.e., either before or after delivery. Consequently, it can be seen that the legislative intent had to be, to permit levy of charge under this Section, at either stage and not at a specific one."*
- The Hon'ble Supreme Court, in the case of *Harinagar Sugar Mills Ltd. ("HSML") (Biscuit Division) & Anr. vs. the State of Maharashtra & Ors. (SLP (C) No. 4268 of 2023)*, held that Article 19(1)(g) of the Constitution of India includes the right to shut down a business, though this right is subject to reasonable restrictions. The Court explained that if there exists the freedom to set up and run a trade or business as one sees fit, then necessarily, the proprietor or owner must also have the right to take decisions in their best interest. In the factual matrix of the case, the appellant HSML had been exclusively manufacturing biscuits for Britannia Industries for over 30 years. After Britannia terminated the agreement in 2019, HSML applied for closure of its business under Rule 82-B (1) of the Industrial Dispute (Maharashtra) Rules, 1957 read with Section 25-O (1) of the Industrial Disputes Act, 1947. However, the Maharashtra Government's Deputy Secretary rejected the application, citing lack of justification and failure to demonstrate efforts to avoid closure. The Bench of Justice Sanjay Karol and Justice Prashant Kumar Mishra, observed, *"The sum and substance is that Article 19(1)(g) includes the right to shut down a business, but is, of course, subject to reasonable restrictions. This is evidenced by the provision extracted above providing for a detailed procedure to be followed when a person wishes to 'shut shop', but concomitant providing that if the concerned Government does not take action with reasonable expediency, the business owner should not be saddled with the costs and responsibilities of running the business indefinitely, till such time the authority arrives at a proper and just decision."*
- The Hon'ble Supreme Court, in the case of *Nagarajan vs. State of Tamil Nadu (Criminal Appeal Nos.2892-2893 of 2025)* while setting aside the conviction of an accused under Section 306 of the Indian Penal Code, 1860 ("**IPC**"), has held that in an appeal filed only by the accused/convict, the High Court cannot suo motu exercise its revisional jurisdiction and enhance the sentence against the accused while maintaining the conviction, particularly when no appeal or revision has been filed either by the State, victim or complainant for seeking enhancement of sentence against the accused. The Bench comprising of Justice B.V. Nagarathna and Justice Satish Chandra Sharma opined that *"...in an appeal filed by the accused/convict and in the absence of any appeal filed by the victim, complainant or the State, the High Court cannot exercise suo motu revision either to enhance the sentence or to convict the appellant on any other charge."*

HIGH COURTS THIS MONTH

- The High Court of Delhi, in the case of *Varun Tyagi vs. Daffodil Software Private Limited (& CM APPL. 36613 of 2025)* held that an employee cannot be restrained from undertaking any further employment in order to enforce the negative covenant in another employment contract. The court further added that such contract that imposes a restriction on the right of the employee to get employed post-termination of the employment contract shall be void. The Single Judge Bench of Justice Tejas Karia observed, *"It is settled law that the negative covenant post termination of the employment can be granted only to protect the confidential and proprietary information of the employer or to restrain the employee from soliciting the clients of the employer. However, none of the cases relied upon by the Respondent has held that the employee can be restrained from undertaking any employment in order to enforce the negative covenant.....Under Indian Law, all contracts falling within the terms of Section 27 of the ICA are void unless they fall within the specific exception under Section 27 of the ICA...Hence, the restriction sought to be enforced by the Respondent is clearly in restraint of trade and is void under Section 27 of the ICA."*
- In the case of *Marico Limited vs. Zee Hygiene Products Private Limited and Others* (Interim Application [L] No. 33099 of 2024), the Bombay High Court granted interim relief in favour of the Plaintiff, 'Parachute' hair oil, in a trademark infringement suit against the Defendant, 'Cocoplus'. The Court held that denial of such interim relief in respect of trademark and copyright infringement would result in irreparable harm, loss, and prejudice to the Plaintiff. It further clarified that the Plaintiff is at liberty to seek interim relief on grounds of passing off, subject to obtaining the necessary leave. A Single Bench of Justice Sharmila U. Deshmukh observed, *"The use by the Defendant of Plaintiff's trade mark cannot be said to be an honest adoption for the simple reason that though having a registered trade mark, the Defendant has deviated from the mark and has adopted a mark which is deceptively similar to the Plaintiff's registered trade mark. Such conduct by the Defendant with knowledge of the Plaintiff's registered mark cannot be said to be a honest adoption."*
- The High Court of Delhi, in the case of *Raju Sardana vs. Pawan Arya & Ors. (CM APPL. 49865 of 2019)* held that there is no bar under Section 44 of the Transfer of Property Act 1882 ("**TPA**") to sell undivided share in the joint property. The Single Judge Bench of Justice Amit Mahajan observed, *"...the learned ADJ rightly noted that there was no bar under Section 44 of the TPA to sell undivided share in the suit property. Consequently, the learned ADJ rightly noted that Respondent No. 4 being the co-owner of the suit property, had the right to enter into a settlement with Respondent No. 1 qua her undivided share in the second floor of the suit property... It is however pertinent to note that while Section 44 of the TPA provides that a person cannot transfer a right greater than he himself... the same does not preclude the co-owner from transferring his share in the joint property only for the reason that the same is unpartitioned/undivided..."*
- While considering a petition seeking quashing of the case registered for the offences punishable under Sections 279 and 304-A of the Indian Penal Code, 1860 ("**IPC**"), the High Court of Karnataka, in the case of *Mr. Prabhakaran K. vs. the State of Karnataka (Criminal Petition No. 10284 of 2023)* held that a Registration Certificate ("**RC**") Holder cannot seek quashing of criminal proceedings against him on the ground that he sold the vehicle before the accident. The Single Judge Bench of Justice JM Khazi observed, *"It is not in dispute that as on the date of accident, accused No.2 was the owner of the scooter. Though he has claimed that he sold the scooter to complainant and the complainant has got released the said vehicle into his interim custody, still the RC is standing in the name of accused No.2. For all practical purposes, he is the owner of the scooter in question. In the light of the prima facie material, accused No.2 cannot seek quashing of the criminal proceedings..."*



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- The High Court of Gujarat in the case of *Savitaben Bachubhai Trivedi vs. Trivedi Romaben Wd/o Dipakbhai Bachubhai Trivedi & Ors. (R/Special Civil Application No. 8131 of 2025)* stated that when the sale deed is not released by the registrar due to insufficiency of the stamp, such a document cannot be received or admitted in evidence. The Single Bench of Justice Maulik J. Shelat observed, *"When it has been brought and declared before the trial Court that sale deed in question is not released by the Registrar due to insufficiency of stamp, such document by no stretch of imagination can be received and or admitted in evidence, especially when the plaintiff has challenged such sale-deed having made prayer to that effect in the suit."* Further referring to section 34 of the Gujarat Stamp Act, 1958 and the judgment of the Apex Court in *Vijay vs. Union of India & Ors. (2023)*, the Bench said, *"Thus, from bare reading of said mandatory provision of law applicable so far State of Gujarat and considering ratio of decision in a case of Vijay (supra), it is clear like a day that when instrument is not duly stamp cannot be received in evidence and cannot be even admitted as an evidence for any purpose by any person irrespective of any consent of the parties authority to receive evidence."*



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NOTIFICATIONS / AMENDMENTS INSIGHTS

- The Securities and Exchange Board of India ("**SEBI**") on June 18, 2025 in its 210th Board Meeting (PR No. 33/2025), approved a series of reforms to enhance regulatory efficiency, market flexibility, and investor protection. Key decisions include allowing startup founders to retain Employee Stock Ownership Plan (ESOPs) granted at least one year before Initial public offering (IPO), easing Qualified Institutional Placement (QIP) compliance norms, and mandating dematerialisation of securities before IPO filing. SEBI also introduced a fixed-price delisting route for Public Sector Undertakings (PSUs) with 90% (ninety percent) or more government holding, relaxed norms for FPIs investing solely in government bonds, and permitted co-investment by Category I and II AIFs.
- The Securities and Exchange Board of India ("**SEBI**") on June 11, 2025, via Circular No. SEBI/HO/DEPA-II/DEPA-II_SRG/P/CIR/2025/86 mandating all SEBI-registered investor-facing intermediaries to adopt standardised, validated, and exclusive UPI IDs. These UPI handles must follow a uniform format using the suffix "@valid" followed by the bank name (e.g., abc.brk@validhdfc), with category-specific identifiers such as ".brk" for brokers and ".mf" for mutual funds. The IDs must be validated through a regulated utility to ensure alignment with the intermediary's registered business identity. Additionally, they are to be used exclusively for investor payments and issued under Merchant Category Code 6211, designated for registered market participants.
- The Reserve Bank of India ("**RBI**") on June 19, 2025 released the Project Finance Directions, 2025, these directions apply to all commercial banks (excluding payment banks, local area banks, and regional rural banks), non-banking financial companies (including housing finance companies), primary (urban) cooperative banks, and All India Financial Institutions. Projects that achieve financial closure before October 1, 2025, will continue to be governed by the existing guidelines, unless there is a fresh credit event or a material change in the terms and conditions of the loan agreement. For the resolution of stressed loans, projects not classified as 'project finance' under these directions or those already operational will remain subject to the existing "Prudential Framework" for Resolution of Stressed Assets dated June 7, 2019, or other applicable lender-specific regulations.
- The Ministry of Corporate Affairs ("**MCA**") on June 6, 2025 via Notification No. G.S.R. 371(E) has amended the Extensible Business Reporting Language ("**XBRL**") filing rules effective from July 14, 2025. Now, companies filing financial statements in XBRL format must also attach a signed PDF copy of the financials, including the Board's Report, Auditor's Report, and related documents, as per Section 134 of the Companies Act, 2013. Changes have also been made to the format of eForm AOC-4 XBRL to improve transparency and authenticity of filings.



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DEALS THIS MONTH

- The Competition Commission of India (“**CCI**”) has cleared Delhivery’s acquisition of a 99.44% stake in Ecom Express. The USD 165 million (approx. INR 1,407 crore) deal, announced in April as a distress sale, will enable Delhivery to strengthen its logistics operations by expanding its network and enhancing service quality. The CCI noted that the acquisition includes both equity and preference shares on a fully diluted basis.
- Wiom, a Delhi based internet services aggregator, has raised USD 40 million in its latest funding round led by Bertelsmann India Investments and Accel, with participation from Prosus, Promaft Partners, and RTP Global. Founded in 2015 (originally as i2e1 and rebranded in 2021), the startup provides asset light broadband sharing solutions under India’s PM WANI scheme, currently operating 70,000+ hotspots and serving over 1 million monthly users. The fresh capital will be used to enhance its platform, scale tech and operations teams, and expand into underserved towns and districts.
- Bengaluru based EV charging infrastructure startup Kazam has successfully raised USD 6.2 million in a Series B round led by the International Finance Corporation (IFC), with participation from existing backers Vertex Ventures and Avaana Capital. The fresh capital will be used to expand its tech led charging network and scale operations worldwide, highlighting growing investor confidence in Kazam’s platform and its strategic role in accelerating EV adoption.
- Sanlayan Technologies, a Bengaluru-based defence electronics startup, has raised USD 186 crore in an oversubscribed Series A round led by Ashish Kacholia, Lashit Sanghvi, and Jungle Ventures with participation from existing backers Gemba Capital, Singularity Ventures, and new investor Shastra VC. Founded in


2023, Sanlayan develops advanced aerospace and defence systems such as radar, electronic warfare tech, and avionics. The funding will support its mission to advance indigenous capabilities in the sector. This follows a INR 36 crore raise in March 2024, during which it acquired a majority stake in Dexcel Electronics, a legacy ESDM firm with contributions to key defence programs like Jaguar, Sukhoi, Tejas, and Chandrayaan-3.



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