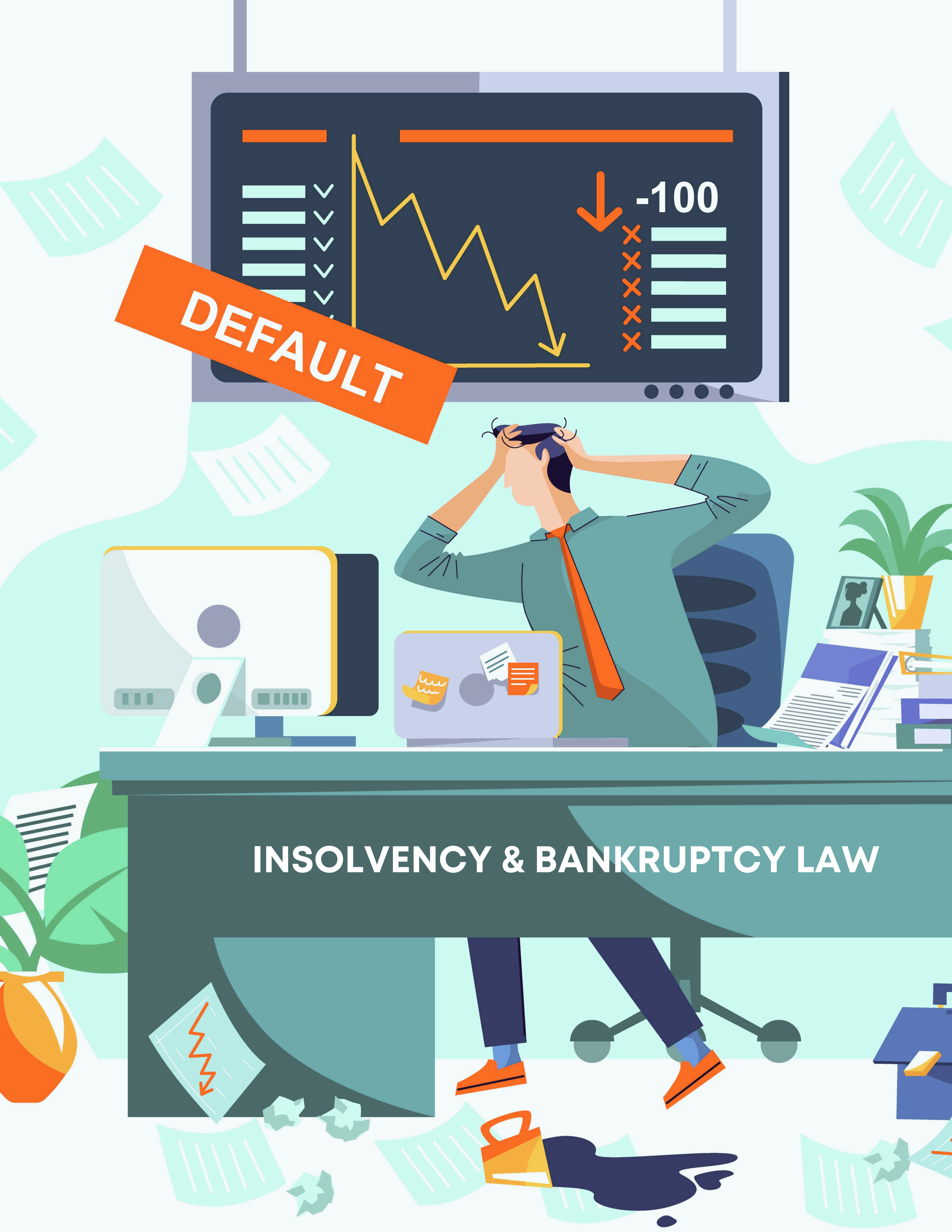
THE CENTRE FOR CORPORATE LAW
NATIONAL LAW UNIVERSITY ODISHA

#IN SIGHTS

NOVEMBER, 2025

- INSOLVENCY & BANKRUPTCY LAW
- SECURITIES LAW
- ARBITRATION LAW
- COMPETITION LAW
- MISCELLANEOUS

ccl.nluo.ac.in


DEFAULT
-100
INSOLVENCY & BANKRUPTCY LAW

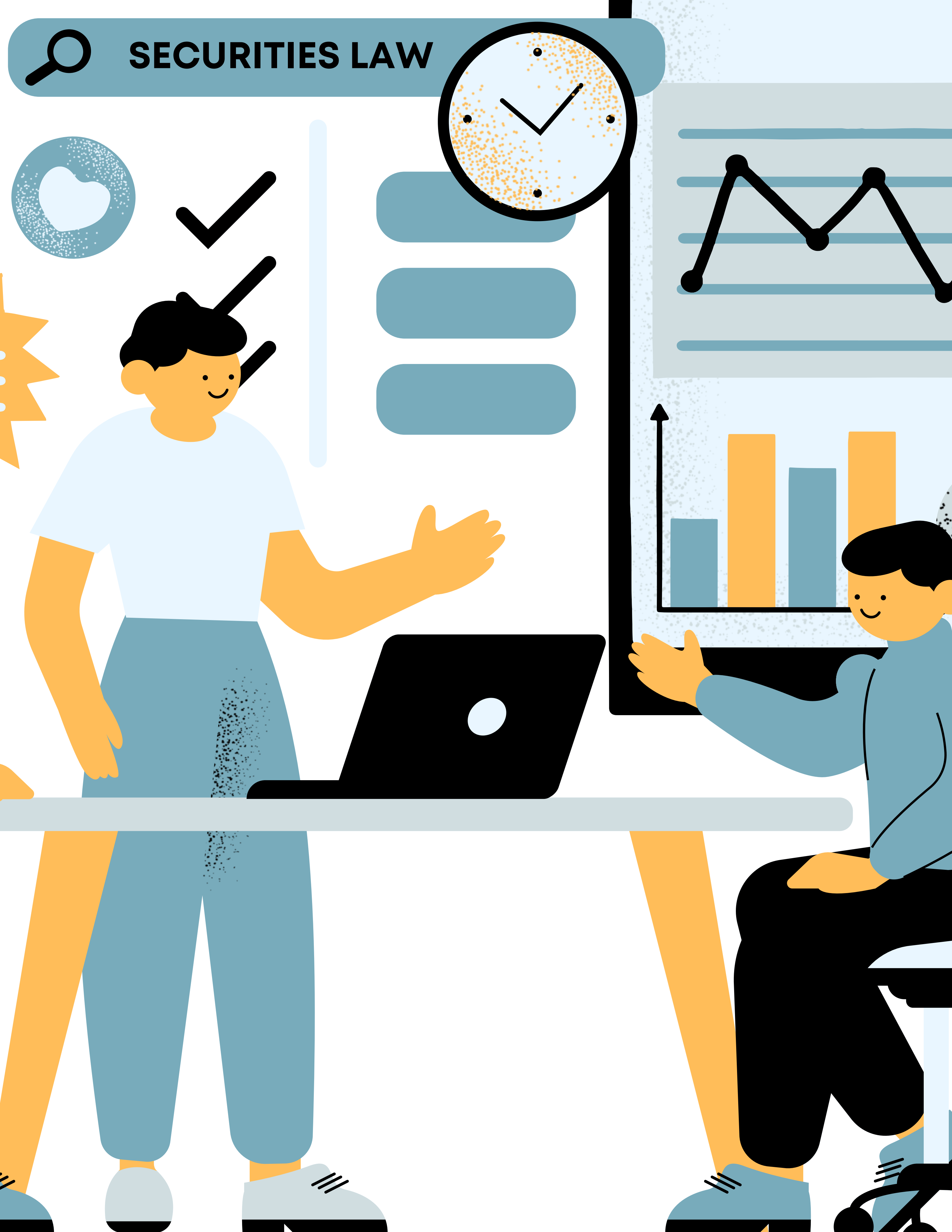
Insolvency and Bankruptcy Board of India (“IBBI”) Enforces New Assignment Limits under the Insolvency Professionals (Second Amendment) Regulations, 2025 (“IP regulations”). [Link]

The IBBI has brought in new assignment limits through the IP regulations. These changes respond to growing concerns about uneven workloads, delays in cases, and the strain on individual professionals. By setting clearer limits and structure, the IBBI aims to make the insolvency process more balanced, timely, and fair for everyone involved.

Prior to the IP regulations, the IBBI, under Clause 22 of the Code of Conduct in the Insolvency Professionals Regulations of 2016, only regulated how many assignments an Insolvency Professional (“**IP**”) could take on as a Resolution Professional (“**RP**”). The cap was set at ten assignments as RP, and only three of those could involve admitted claims above Rs. 1000 crore each. The problem was that the framework did not count assignments handled as an Interim Resolution Professional (“**IRP**”) or as a Liquidator, which let some IPs take on more than twenty assignments at the same time. This created delays, an uneven spread of opportunities, and a drop in overall quality during insolvency and liquidation work. At the same time, Insolvency Professional Entities (“**IPE**”), which have been allowed to act as IPs since 2022, did not have any limits on assignments or restrictions on them.

The IP regulations 7B now imposes an aggregate cap of ten assignments per individual IP, covering roles as IRP, RP, and Liquidator, with not more than three assignments admitted as claims exceeding one thousand crore rupees each. Insolvency Professional’s exceeding this threshold at commencement are barred from accepting new assignments until they fall within the limit. Additionally, Clause 6 of the Code of Conduct now requires the prior approval of the Adjudicating Authority rather than the Board, and the earlier clarification under Clause 22 has been omitted. Notably, IPEs continue to remain exempt from assignment caps and fee prescriptions.

The amendment is expected to make the process more efficient by reducing delays, keeping case timelines steady, improving forensic checks, and preventing too much work from landing on only a few professionals. It also gives IPs more room to focus on each case while offering newer IPs a fair chance to grow in the field. Over time, these changes should bring more transparency, predictability, and confidence among everyone involved and help creditors recover more through quicker resolutions and better case management.


SECURITIES LAW

Security Exchange Board of India ("SEBI") Introduces Accredited Investors Only ("AI-Only") Fund Framework under the Alternate Investment Fund ("AIF') Regulations [Link]

The SEBI vide notification dated, November 18, 2025 notified the Securities and Exchange Board of India (AIF) (Third Amendment) Regulations, 2025 ("**the 2025 amendment**"), introducing significant changes for funds dealing in accredited investors. The amendment brings in a new category called the AI-Only fund. It lowers the minimum corpus required for Large Value Funds ("**LVFs**") and simplifies several compliance obligations. These changes aim to create a more flexible and smoother operating framework for sophisticated investor-focused AIFs.

Earlier, the AIF Regulations lacked a framework solely designed for accredited investors. The sole preferential option was, for LVFs, which demanded a Rs. 70 crore ("**cr**") minimum corpus. Despite this higher threshold, they were still subject to several compliance obligations meant for regular investors. AIs were still counted towards calculating the total number of investors in a scheme and all AIFs regardless of the investor composition were mandated to the trustee structure. Although LVFs did get certain relaxations, such as flexibility in exposure limits, waiver options for annual Private Placement Memorandum ("**PPM**") audits, exemption from merchant banker certificates and lighter rules for Investment Committee members. However, these relaxations were scattered across the regulations and did not form a consistent and clear framework.

The 2025 amendment by SEBI has broadened the previously dispersed relaxations by establishing a distinct and inclusive category known as the AI-Only fund, which also encompasses current LVFs. The minimum corpus threshold for LVFs has been lowered from Rs 70 crore, to Rs 25 crore, facilitating the establishment of more such funds. SEBI has extended the concessions that LVFs earlier benefited from, including exemption from providing a merchant banker certificate during scheme filing.

It has also increased investment exposure limits- permitting Category I and II LVFs to allocate up to fifty percent of their corpus to one portfolio company and Category III LVFs up to twenty percent and the option to depend on investor waivers for compliance requirements concerning Investment Committee members. Funds limited to AIs might also request investor exemptions for the audit of the PPM conditions akin to the previous framework. However, SEBI might have to specify if the prior Rs 70 cr limit, for allowing such exemptions, will now be adjusted to Rs 25 cr according to the updated LVF criteria. Additionally, AIs are no longer counted while computing the number of investors in a scheme, and in a major structural change, the manager of an AI-Only fund may now perform the responsibilities that were previously assigned to a trustee. Existing AIFs and schemes may convert into this category, subject to SEBI specified conditions.

These changes are expected to make the AIF ecosystem uniform for funds targeting sophisticated investors. With a lower corpus threshold, simpler governance via manager led oversight, flexibility in waiver options, relaxed exposure limits, operations can become more efficient and smoother. The new AI-Only fund category should also reduce regulatory complexities and support more specialized funds, all while retaining core investor protection safeguards.

SEBI notifies the Listing Obligations and Disclosure Requirements ("LODR") (Fifth Amendment) Regulations. [Link]

Through a notification on 18th November, 2025, SEBI has notified the LODR (Fifth Amendment Regulations), 2025 ("**fifth amendment**"). The latest amendments further bring changes to the ambit of Related Party Transactions ("**RPT**"), materiality thresholds, disclosure requirements and omnibus approvals. According to the amendments, RPTs will now include retail purchases from any listed entity or its subsidiary by the director or key managerial personnel of the listed entity or its subsidiary or relatives of such directors or key managerial personnel.

The Fifth amendment brings about a flexible schedule for identifying material RPTs. Schedule XII provides that if the consolidated turnover of the listed entity is up to Rs. 20,000 crores, a transaction exceeding 10% of its annual consolidated turnover would be material. For an entity with a turnover of Rs. 20,000 crore - Rs. 40,000 crores, a material transaction would be of a value exceeding Rs. 2,000 crores, taken with 5% of turnover above Rs. 20,000 crores. Similarly, for entities with a turnover of more than Rs. 40,000 crores, transactions exceeding Rs. 3,000 crores, taken with 2.5% of the turnover above Rs. 40,000 crores or Rs. 5,000 crores, (whichever is lower) will be material. These transactions can be done individually or taken together with previous transactions.

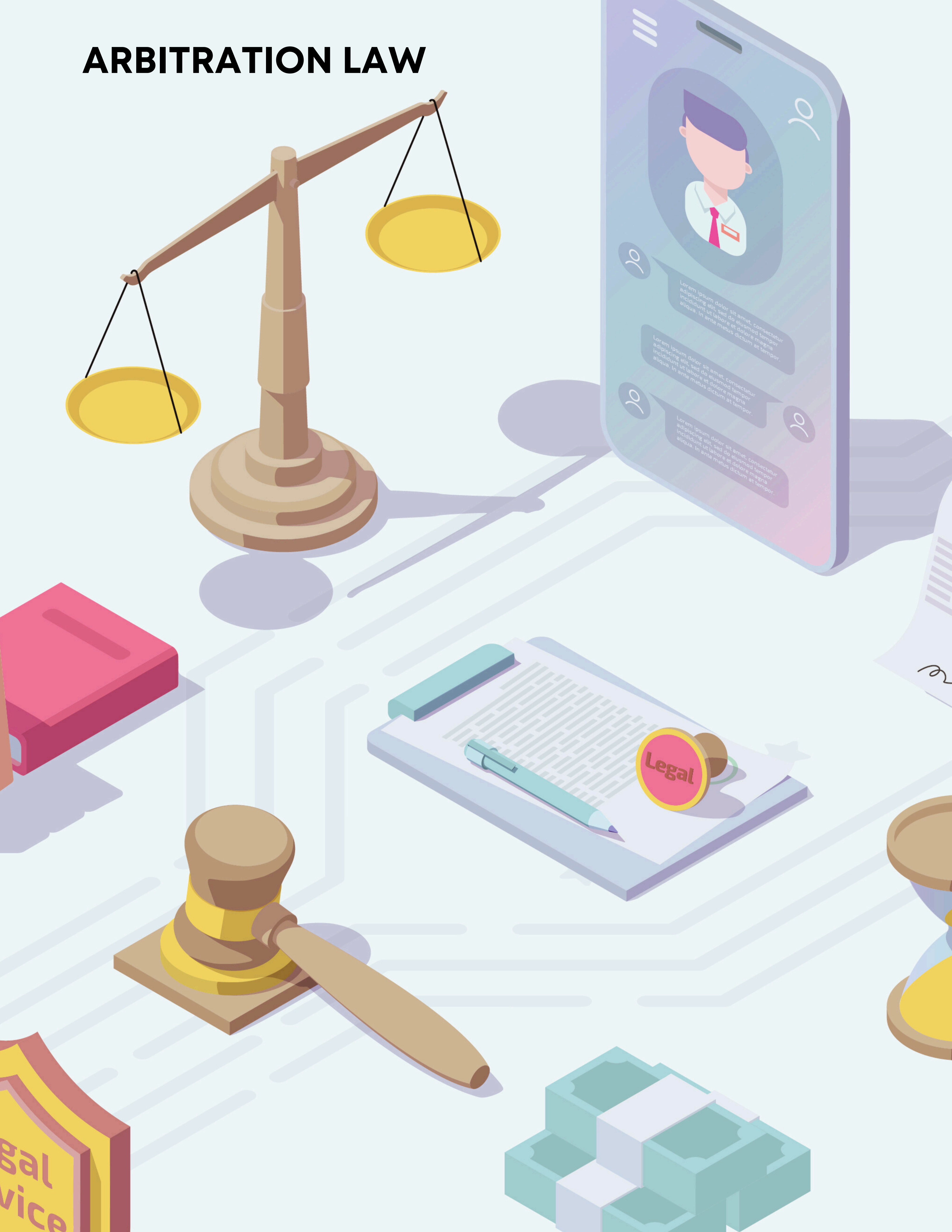
Earlier, for RPTs where a subsidiary was a party but listed entity was not, prior approval of the audit committee was needed if the value exceeded 10% of the annual consolidated turnover. But with the new amendments in place, only the RPTs valued above Rs. 10 crores, which exceed the 10% of the turnover or the materiality threshold will need prior approval. Additionally, if RPTs are valued above 1 crore and exceed 10% of the turnover or the materiality threshold (whichever is lower), prior approvals will be needed if the subsidiary does not have audited financial statements for at least one year.

The amendment also provides that omnibus approvals granted in an Annual General Meeting ("**AGM**") shall be valid till the next AGM. Omnibus approvals for material RPTs shall be valid for one year.

After the amendment, the copy of annual report must be submitted to the stock exchange and debentures trustee on or before the date of its dispatch to Governments or shareholders. In case of any change to the annual report, a revised copy with explanation must be sent within 48 hours. These documents must be provided within statutory timelines or on or before the date of dispatch to shareholders or governments. Additionally, the annual reports of the listed entity shall now contain disclosures specified in Companies Act or any statue under which the entity is constituted.

With this amendment, SEBI addresses almost all the concerns discussed in the consultation paper released in August, 2025. The revised materiality threshold strikes down the one size fits all approach and brings in a flexible measure. The amendment also reduces redundant compliance burden by revising thresholds of transactions requiring prior approvals. Other requirements of sending additional web links, timely communication of annual reports, revisions, etc. ensure further transparency and greater accountability.

ARBITRATION LAW



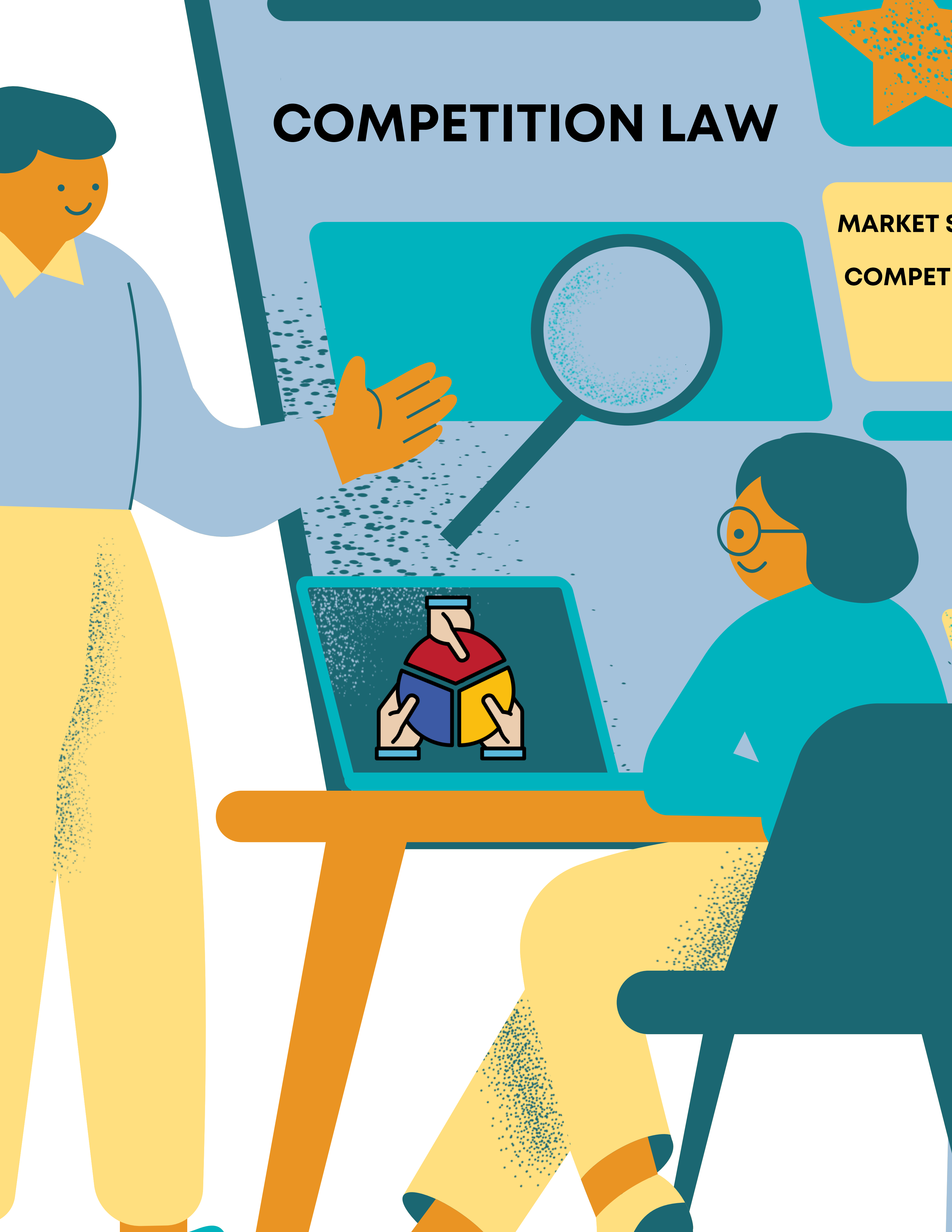
Madras High Court ("HC") promulgates that Arbitrators are not empowered to pierce the corporate veil to impose liability [*M/S.Sugesan Transport Pvt. Ltd. Versus M/S.E.C.Bose & Company Pvt. Ltd.*]. [Link]

On November 26, 2025, the Madras HC partially set aside an arbitral award on the ground that the arbitrator exceeded its jurisdiction by piercing the corporate veil and imposing liability on non-signatories. However, the Arbitral Award ("**AA**") was upheld to the tune of directing repayment.

Earlier Arbitral Tribunals ("**ATs**") were often inclined to adopt a broad commercial approach, which included financial and operational collaborations. The documents furnished by the parties were used to form the basis of extended obligation or to treat group companies as functionally aligned. Additionally, entities appearing to be closely connected were proceeded even if they were non-signatories to the arbitration agreement.

The present case clarifies that consent is foundational to the jurisdiction of the ATs. Only the courts possess the power to lift the corporate veil and determine alter ego status. Furthermore, the sister company of the petitioner, being a separate entity and a non-signatory, cannot be imputed obligation under the Memorandum of Understanding ("**MoU**").

The present case excludes the power of lifting of corporate veil from the ambit of Arbitrators and reinforces the position of law that necessitates clearly defined obligations of the parties. Additionally, connected non-signatories are now protected from the jurisdiction of ATs. The judgment further makes the decision of ATs more accountable and limits their role in interpreting corporate liability.


COMPETITION LAW

The National Company Law Appellate Tribunal ("NCLAT") has held that the Competition Commission of India ("CCI") has no jurisdiction over Patent Abuse Disputes [*Swapan Dey v. CCI*]. [Link]

In the present case, a company appeal was filed under Section 53-B of the Competition Act, 2002 ("**Competition Act**"), challenging the impugned order passed by the CCI, wherein it was held that there was no violation of the Competition Act by Vifor International. While dismissing the appeal, the NCLAT stated that the subject matter of the dispute was a drug which had been developed and patented by Vifor International, therefore, by virtue of being a special legislation, the Patents Act, 1970 ("**Patents Act**") will prevail over the Competition Act.

Vifor International contented that the Competition Act must yield to the Patents Act because of the fact that the Patents Act is a special legislation. It further emphasised on Section 3(5)(i)(b) of the Competition Act which gives patent holder's the right to impose "reasonable conditions" necessary to protect their invention.

The NCLAT accepted Vifor International's contention that the unambiguous wording of Section 3(5) and Chapter XVI of the Patents Act oust the CCI's jurisdiction over patent related disputes. The NCLAT relied upon the Delhi High Court's judgement in *Telefonaktiebolaget LM Ericsson v. CCI* ("**Ericsson**") where the High Court applied the maxim "generalia specialibus non derogant", to hold that the Patents Act prevails over the Competition Act, because of being a special and later legislation. The Supreme Court ("SC") had previously upheld the ratio of Ericsson by dismissing the appeals filed by the CCI.

This ruling will have many implications on sector regulators and drug-licensors. For patent holders, this ruling provides some ease that the reasonable licensing restrictions imposed will be tested under the more nuanced and balanced provisions of the Patents Act. For patients, hospitals or generic drug manufacturers the message is clear: If there is a scarcity of a patented drug or if it is very pricey, then the route is via the Patents Act and a compulsory-licence plea, not the CCI.

NCLAT Affirms CCI's jurisdiction over data-driven abuse of dominance [*WhatsApp LLC and Meta Platforms Inc. v. Competition Commission of India*]. [Link]

The NCLAT has reaffirmed that overlap between privacy regulation and competition law does not dilute the jurisdiction of the CCI to investigate and penalise abuse of dominance. Observing that competition law and data protection law operate as complementary, not exclusive, frameworks, the Tribunal upheld the Rs 213 crore penalty imposed on Meta Platforms and WhatsApp for imposing unfair data-sharing conditions on users of Over The Top ("**OTT**") messaging apps in India, while setting aside the five-year prohibition on sharing WhatsApp user data for advertising purposes.

While finding abuse of dominant position by WhatsApp, the CCI treated privacy as a non-price parameter of competition, holding that loss of privacy and excessive data collection amount to degradation of service quality, thereby harming consumer choice and market contestability.

The Tribunal held that while privacy law like Digital Personal Data Protection Act, 2023, examines validity of consent and data protection standards, competition law examines whether a dominant firm misuses data, personal or non-personal, to distort markets or exclude rivals, thereby widening competition law's scope.

The Tribunal emphasised that the mere factual overlap between privacy and competition concerns cannot oust CCI's statutory mandate under Section 4 of the Competition Act, 2002 ("**the Co Act**").

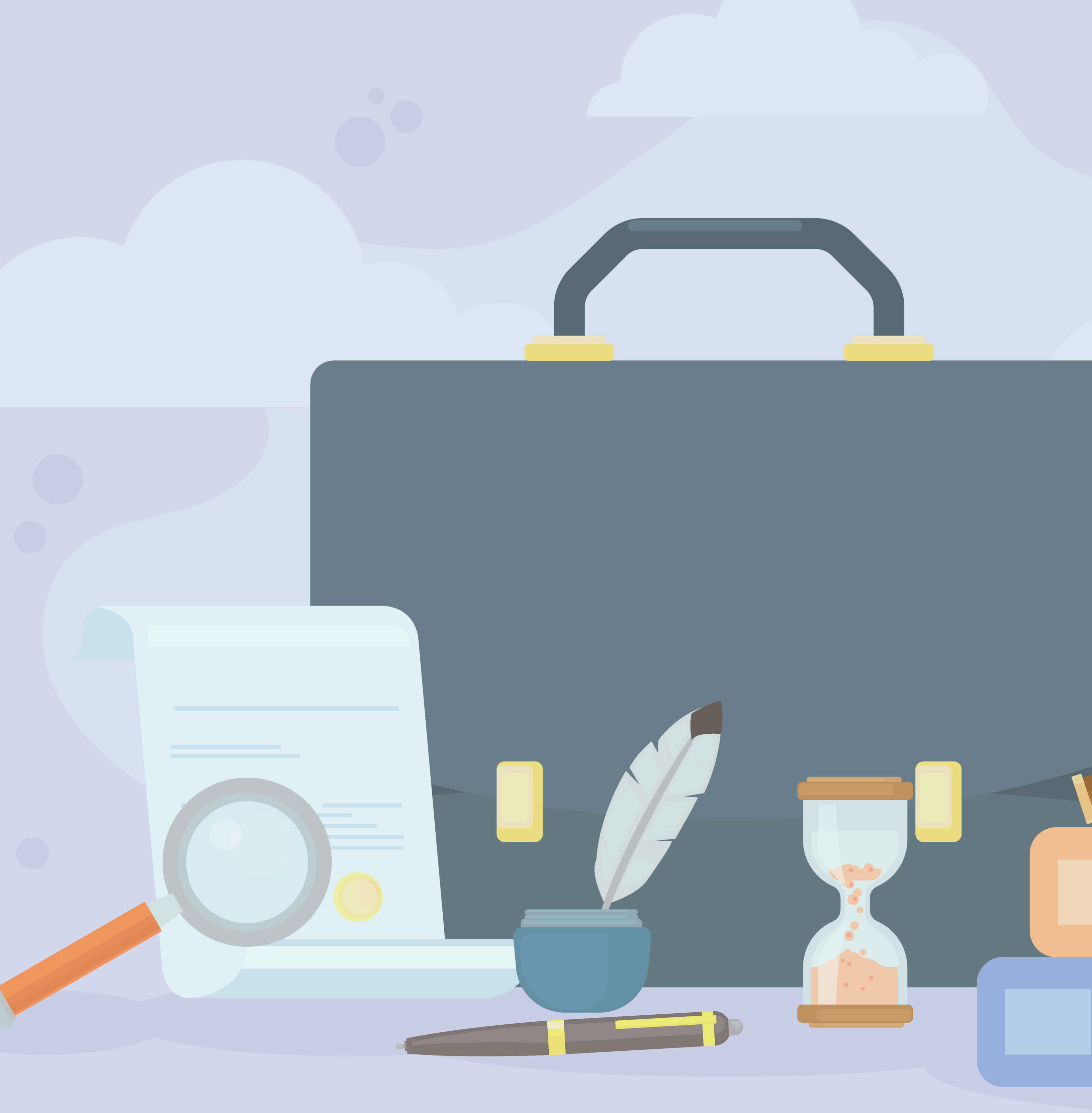
On merits, the Tribunal upheld the CCI's findings under Section 4(2)(a)(i) the Co Act, 2002 for imposition of unfair conditions on users and Section 4(2)(c) the Co Act, 2002 for restricting market access. However, it set aside the finding under Section 4(2)(e) the Co Act, 2002, holding that leveraging could not be established across distinct legal entities, Meta and WhatsApp in the present scenario, for protecting Meta's position in online display advertising.

Significantly, the Tribunal overturned the five-year ban on data sharing for advertising as the monetary fine and directions of behaviour were maintained to restore user choice. It observed that the CCI failed to give a reasoned justification as to why the ban should extend to such a long time and that such a blanket prohibition was not necessary, once users received an authentic opt-in or opt-out option.

This ruling represents a paradigm change in Indian competition laws, in that strongly acknowledging privacy as a competitive parameter is non-price based, especially in zero-price digital markets. The Tribunal is allowing competition law to act as a restraint on coercive consent and data-driven exclusion, instead of simply ceding to privacy regulators, by stating that CCI has jurisdiction even when data protection laws are in place.

Meanwhile, the decision presents a significant limitation on overreaching remedies. The five-year advertising data ban rejection points to the fact that CCI can act in the data practice. However, the remedies should be sufficient, reasonable, and market-based. This is of particular significance to advertising data, where the relationship between users, platforms, and advertisers is a three-sided one. Even putting guardianship mechanisms that were originally created around non-advertising, consumer-to-consumer information into advertising markets would jeopardize the long-standing commercial terms and constitute, in effect, a parallel form of regulation to ad-tech markets.

MISCELLANEOUS



The SC has held that rejection of an assessee's settlement application by the Income Tax Settlement Commission ("ITSC") does not affect assessee's right to contest the assessment order on merits [*The Principal Commissioner of Income Tax-1 Surat vs. M.D. Industries Pvt Ltd.*]. [Link]

The SC while dismissing an appeal filed by the income tax department ("**the department**"), has held that the rejection of an assessee's settlement application by the ITSC without offering settlement terms does not bar the assessee's right to challenge the assessment order on merits under the Income Tax Act ("**IT Act**"). The Respondent company had previously approached the ITSC, but due to statutory changes, the application abated. When it tried to revive its original appeal, the department argued that the company had waived its right of appeal when it choose the settlement route. The SC rejected the stance of the department that since the assessee chose settlement, it must now give up the right to challenge the assessment on merits.

This judgment clarifies the scope of Section 245HA of the IT Act, which relates to the termination of proceedings before the ITSC. The provision states that when settlement proceedings fail, the case is sent back to the original Assessing Officer to be handled as if the settlement application had never been made. The SC held that if the application for settlement is rejected without providing for terms of settlement, Section 245HA of the IT Act will be applicable and the appellate proceedings will stand revived.

The implication of the decision is important for the assessees, who had their settlement cases rejected due to the setting aside of the Settlement Commission. The matter ensures that the collapse of a forum, even if procedural, shall not have a penalty effect on the taxpayer. Appellate authorities will henceforth treat such revived appeals as maintainable. Any delay caused by the settlement proceedings may be condoned to meet the ends of justice.

On a deeper level, the Court draws a firm line between procedural choice and substantive waiver. The right to appeal must be waived explicitly and knowingly. It should not be implied from a failed effort to resolve disputes consensually. The holding enforces a fairness-oriented reading of tax procedure and rejects coercive interpretations that would deter the use of settlement devices entirely.

#IN

Contributors

Amritanshu Rath
Gauri Dudeja
Kavya Jindal
Manya Bansal
Roshan Kumar Behera
Sohini Chakraborty
Soumya Dubey
Shivam Gupta
Shubham Singh
Shreya Tiwari
Surbhi Goyal

Contact Us

C C L