



REDDY & REDDY

LAW FIRM

SEPTEMBER
EDITION



REDDY & REDDY LAW FIRM

ABOUT US

Based in Pune, REDDY & REDDY Advocates & Legal Consultants is a law firm that offers a full range of legal services on all aspects of the Indian law to a diversified client base, including well-known multinational corporations functioning in India. We are motivated, dedicated and experienced legal advisers, aiming at becoming one of the leading law firms in India.

WHY US?

Our firm works to understand not only our clients' business and industry, but also their legal needs, in order for us achieve their objectives. We know that we perform best when we integrate our advice within the context of the business imperatives facing our clients, combining our efforts to assist our clients in overcoming their challenges and achieving their goals.

SEPTEMBER SPOTLIGHT

UPI Gets a Price Tag (Sort Of)

What started as "just scan and pay" has somehow turned ₹2,000 into the new VIP limit of the UPI world. Before the group chats declare the end of free payments: relax. From 15 October, specified merchant payments above ₹2,000 can attract a 0.4% merchant-side MDR, but the charge sits with the merchant, not with you. Person-to-person transfers stay free, and anything up to ₹2,000 stays MDR-free too. So your ₹50 samosa is safe, your friend's ₹25,000 "I'll pay you back, promise" is safe, and only the bigger merchant bills get a small fee in their story. Small merchants stay outside the net altogether, while sectors like railways, fuel, telecom and insurance get special rates of their own, so read the fine print before you draw any conclusions.

The takeaway? After years of "Please scan the QR," UPI finally has a new line to discuss at the payment counter. This September, the real flex isn't the balance in your account. It's knowing exactly when to stop at ₹2,000.



Insolvency & Corporate Law

01 **Technical glitch in NCLAT e-filing system cannot prejudice a litigant; appeal restored (Rolta India)**

The Supreme Court (Dipankar Datta and Sheel Nagu, JJ.) restored an appeal against the NCLT's 15 December 2025 order approving Ashdan Properties' resolution plan for Rolta India Ltd., which the NCLAT had dismissed as time-barred. The appellant tried to e-file on 28 and 29 January 2026, but the NCLAT portal's technical defects prevented it, so the appeal was filed on 30 January, one day after the 45-day outer limit under Section 61(2) IBC (30 days plus 15 condonable) expired on 29 January. The Court agreed that IBC timelines are strict and that the NCLAT cannot condone delay beyond 45 days. It held, however, that National Spot Exchange and Tata Steel were misplaced here, since the delay came solely from the NCLAT's own system failure and not from the appellant's fault. Applying *actus curiae neminem gravabit* (an act of the court shall prejudice no one), it held that the period of system failure can be excluded and the first bona fide filing attempt treated as the date of presentation. It set aside the NCLAT's 21 May 2026 order and directed it to reconsider whether sufficient cause existed for condoning delay beyond the initial 30 days, and if so, to decide the appeal in accordance with law.

02 **NCLAT sets aside CIRP against Superfine Metals; defaults fell within the S. 10-A IBC protected period**

The NCLAT (Justice Mohammad Faiz Alam Khan and Naresh Salecha) allowed the appeal by Siddharth Satish Katariya, ex-director of Superfine Metals Pvt. Ltd., and set aside the NCLT Mumbai's 16 July 2026 order admitting Central Bank of India's Section 7 application, holding that the defaults on the Cash Credit and Ad Hoc facilities fell within the Section 10-A IBC protected period (25 March 2020 to 24 March 2021).

The bank had first pleaded 29 November 2020 as the default date, but after the debtor invoked Section 10-A, it amended the dates to 10 March 2020 (Cash Credit) and 24 March 2020 (Ad Hoc). The Tribunal held that under Section 3(12) a debt must be both "due and payable" to constitute default, so interest deferred under the RBI COVID circulars was not payable until deferment ended on 31 August 2020, and the bank's conduct and lack of prior demand also defeated its date; for the Ad Hoc facility, the 90 days (excluding the availability date) expired on 25 March 2020, making it overdue only on 26 March 2020. Although amendment of the default date is permissible, the substituted dates failed scrutiny, and the bank could not rely on unpleaded events such as the SARFAESI or recall notices. The bank remains free to pursue other remedies, including proceedings for any fresh default.

Criminal Law

Mere failure to marry is not an offence under Section 69 BNS without initial deceitful intent

03

The Supreme Court (J.B. Pardiwala and K. Vinod Chandran, JJ.) quashed an FIR registered on 20 May 2025 at Sayajiganj Police Station, Vadodara, under Section 69 BNS, which the High Court had refused to quash relying on *Deepak Gulati v. State of Haryana*. The complainant, who met the appellant on a digital platform, alleged that sexual relations began on 12 February 2024 on his promise of marriage, and that he later backed out because his mother disagreed. The Court held that Section 69 BNS, like the earlier IPC position, requires that the promise to marry was made deceitfully, without any intention of fulfilling it from the outset; a genuine promise later unfulfilled due to subsequent circumstances, or a mere refusal to marry, does not by itself attract the section. Since the FIR disclosed a consensual relationship (the complainant admitted to having "succumbed to entreaties" and stayed with him in a hotel for 2 days in April 2024) and did not state that sex was permitted because of a marriage promise, the Court found no deceitful conduct and allowed the appeal.



04 Corporal punishment without sexual intent is not a POCSO offence

The Supreme Court (Ujjal Bhuyan and Atul S. Chandurkar, JJ.) quashed POCSO proceedings against a Geography teacher from Alipurduar, West Bengal, accused of beating two Class X girl students and touching their backs, waists and, once, a neck. It held that although his corporal punishment and insensitivity were inappropriate, the students' statements did not show the "sexual intent" required under Section 7 (and thus the aggravated offence under Sections 9(f) and 10), and such conduct alone cannot justify POCSO prosecution. Given the delay in lodging the FIR, the hearsay nature of the staff statements, and the irreversible damage a POCSO trial can cause, continuing the case would be an abuse of process, so the Court set aside the Calcutta High Court's 27 April 2026 order and quashed the proceedings.

05 Rajasthan HC issues guidelines on freezing bank accounts in cyber fraud investigations

The Rajasthan High Court (Anand Sharma, J.), in a common judgment on writ petitions against freezing, debit freezing, lien marking and seizure of bank accounts in cyber fraud probes (some involving disputed sums as low as ₹100, or account holders who were neither accused nor suspects), directed the respondents to review all such restraints in light of its guidelines. It held that terms like "suspicious transaction" or "mule account" may justify investigation but cannot justify indefinitely immobilising an entire account; any restraint needs lawful authority, tangible material showing a prima facie nexus, identification of the transaction and amount, and proportionality. Where the disputed amount is identifiable, a lien or hold on that amount should come first, with blanket freezes reserved for genuine mule accounts, named accused or cases where segregation is impracticable, with recorded reasons and periodic review.

Banks must be given full particulars, seizure under Section 106 BNSS must be reported to the Magistrate, attachment under Section 107 BNSS needs a court application with notice and hearing, and restraints must be lifted forthwith once the account holder is exonerated or the investigation ends. Grievances are to be resolved under Clause 10 of the MHA's 2 January 2026 SOP, banks' independent KYC/AML actions remain unaffected, and police must issue a standing circular and train IOs, with RBI training bank officials.

Family & Women's Laws

Kerala HC: DV Act prescribes no limitation for approaching the Magistrate under Section 12

06

The Kerala High Court (Jobin Sebastian, J.) dismissed a petition under Section 528 BNSS by a husband and his mother seeking to quash proceedings under Section 12 of the PWDV Act pending before the JFCM-III, Thrissur, holding that mere delay, the timing of the proceedings, or disputed allegations cannot by themselves justify quashing. The petitioners had alleged false, retaliatory allegations, a six-year delay in approaching the Magistrate, and relied on a police refer report in a POCSO case against the husband. The Court noted that inherent jurisdiction must be used sparingly, that PWDV proceedings are predominantly civil in nature (though quashing is possible in cases of gross illegality or manifest injustice, per Shaurabh Kumar Tripathi), and that the Act prescribes no limitation period, with the complaint also alleging violence as recently as May 2025. It further held that the POCSO refer report and the fact that the case followed the husband's Family Court proceedings did not by themselves show malice, and that the truth of the specific allegations must be decided by the Magistrate on evidence, not through a mini-trial at the threshold.



07

Calcutta HC: POSH limitation runs from the last incident, not the complainant's apprehension

The Calcutta High Court (Madhuresh Prasad and Prasenjit Biswas, JJ.) dismissed the State's writ petition against the West Bengal Administrative Tribunal's order setting aside an ICC report that had found a DSP guilty of sexual harassment (repeated touching of a contractual Data Entry Operator's back and waist between September 2021 and July 2022). The complaint was lodged on 5 January 2023, after she apprehended being posted under him again. The Court held that the three-month limitation under Section 9 POSH runs from the date of the last incident of harassment, and that the Act does not recognise mere fear or apprehension of future harassment as a basis for a complaint. It distinguished *X8 v. Nirmal Kanti Chakrabarti*, relied on by the State, since the "recurring wrong" argument failed where no independent incident occurred after July 2022. The complaint was therefore time-barred, the Tribunal's order needed no interference under Article 226, and the interim order was vacated.

Service, Environmental & Civil Procedure

08

SC permits conditional sale of minerals from expired mining leases in Karnataka, with strict safeguards

The Supreme Court (Surya Kant, CJ., Joymalya Bagchi and V. Mohana, JJ.), in the Karnataka mining litigation, approved the Amicus's 11-condition framework as mandatory (relaxable only by the Court) for disposing of minerals left with erstwhile lessees after lease expiry, as a limited exception to Rules 12(1)(gg) and 12(1)(hh) of the MCR, 2016; the conditions include valid Environmental and Forest Clearances, an implemented R&R Plan, and a 5% cap on the pre-September 2011 declared stock. Its 2022 orders do not benefit lessees lacking valid clearances, and applications where the CEC had recommended rejection were remitted to the CEC for fresh examination.

The Court also permitted amalgamation of Category A, B and C leases with virgin forest land into compact auction blocks, subject to six safeguards, chiefly that no mining may occur in virgin forest without Forest (Conservation) Act approval, and that amalgamation or a composite lease does not itself authorise such mining. The main matter is listed for 29 September 2026.

Once trial commences on all issues, one cannot later be tried as preliminary under Order 14 Rule 2(2) CPC

The Supreme Court (K.V. Viswanathan and Arun Palli, JJ.) held that under Order 14 Rule 2(2) CPC, an issue of law on jurisdiction or a statutory bar can be "tried first" even after all issues are framed, but not once trial of the issues generally has begun, as the provision permits only a prospective ordering of trial and not the retrospective severing of an issue from an ongoing composite trial. In this suit challenging a sale deed allegedly executed by a GPA holder without authority, the application to decide limitation (Issue 5) as a preliminary issue was filed after the plaintiff had closed his evidence and the defendants had begun theirs, and Section 151 CPC could not cure this. The Court set aside the orders of the trial court, first appellate court and High Court, kept limitation (Article 59 or 65) and the nature of the transaction open, and restored the suit to the Munsiff Court, Kottarakara, for decision within three months.

Consumer & IP

CCPA imposes ₹10 lakh penalty on Rapido over misleading pre-ride tipping prompts

The CCPA (Nidhi Khare and Anupam Mishra) held that Rapido's pre-ride tipping prompts (e.g., "Higher the price, higher the chance of getting a ride," later "Skip the wait! Get a ride faster by adding extra") falsely implied that paying above the quoted fare would speed up ride confirmation, violating Sections 2(28), 2(46) and 2(47) of the Consumer Protection Act, 2019 and the Dark Patterns Guidelines, 2023.

09

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It found the prompts to be "Confirm Shaming" and the "Set your price" interface to be "Interface Interference," rejected Rapido's reliance on its terms and conditions, and held that a tip is an ex post acknowledgment that cannot be a pre-condition for service, and that the prompts unilaterally altered the concluded fare contract and disguised surge pricing. Given its uniform deployment across 120+ cities, the CCPA imposed a ₹10 lakh penalty and directed Rapido to discontinue the prompts and file a compliance report within 15 days.

Tax, Labour & Financial Legislation

11 CBDT notifies Income-tax (Fourth Amendment) Rules 2026

On 17 September 2026, the CBDT notified the Income-tax (Fourth Amendment) Rules, 2026, amending the Income-tax Rules, 2026 with mainly procedural changes. It corrects a cross-reference in Rule 160, allows faceless assessment units under Rule 176 to authenticate electronic records through electronic communication, and removes the power to recover tax arrears by arrest and detention of defaulters (Rule 225(4)(c) and the related sub-rules of Rule 225). The deadlines for existing Wealth-tax Act valuers to update their details under Section 514, and for authorised income-tax practitioner registration under Rule 256(4), are extended from 30 September 2026 to 31 March 2027. Form 169 (valuer registration) is revised to require detailed personal, qualification and eligibility information, with separate applications for each asset class and a ₹10,000 fee (waived for existing Wealth-tax Act valuers), and Form 171 (authorised income-tax practitioner registration under Section 515) is substituted with a revised form.

Cabinet approves EPFO wage ceiling hike from ₹15,000 to ₹25,000

12

On 16 September 2026, the Union Cabinet, chaired by PM Narendra Modi, approved raising the EPFO mandatory coverage wage ceiling from ₹15,000 (in place since September 2014) to ₹25,000 per month, as recommended by the Expenditure Finance Committee on 16 June 2026. The move will bring over 51 lakh more employees under EPF, pension (EPS) and insurance (EDLI) coverage, reflecting rising wages and minimum wages nearing the old limit. The annual Government outgo is estimated at ₹11,339 crore (about ₹56,696 crore over five years), and the Labour Ministry and EPFO will now take the necessary steps to implement it.



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