

NEWSLETTER

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Monthly Bulletin

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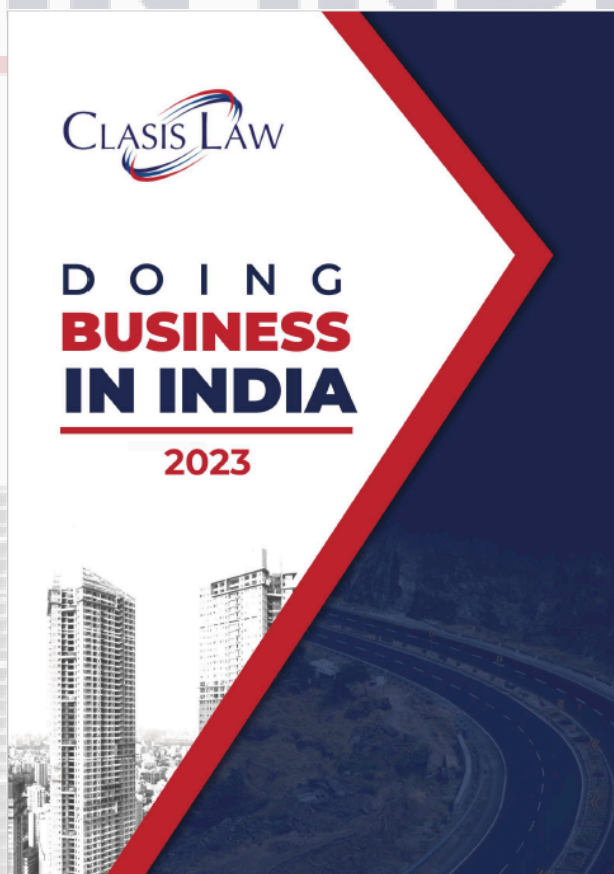
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***Notable
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DOING BUSINESS IN INDIA

We are pleased to share our e-book titled
"Doing Business in India".

The book intends to give the reader an overview of the various aspects of doing business in India including but not limited to the applicable legislations, compliances and processes.



Please scan the **QR code** above or **[Click Here](#)** to download the e-book. Alternatively, you may write to us at **info@clasislaw.com** for the copy.

FEATURED ARTICLE



THE MISSING ESSENTIAL ELEMENT: KERALA HC STRUCK DOWN THE POSH COMPLAINT

Written By
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The Kerala High Court's judgment in *Hareesh M.S. v. Kerala State Financial Enterprises Ltd.* [1], provides a significant interpretation of what constitutes as sexual harassment under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH Act). The case centered on whether allegations of verbal abuse and intrusive behavior by a manager towards a female employee met the legal definition of sexual harassment. The court's decision to quash the Internal Complaints Committee (ICC) proceedings offers crucial insights into the application of the POSH Act, particularly regarding the necessity of establishing conduct with a "sexual nature" for a valid complaint. This analysis explores the facts, legal reasoning, and broader implications of the judgment in detail.

Background

The petitioner, Hareesh M.S., served as the Manager of the Kerala State Financial Corporation (KSFE), Vikas Bhavan Branch. He had issued a memo to eight female employees for failing to meet work targets, which led to discontent among staff. The third respondent, Sujitha C.S., a union office-bearer from another branch, along with other union members, forcibly entered the petitioner's cabin without permission. According to the petitioner, they misbehaved, attempted to snatch his phone, and created a hostile environment. He filed a police complaint the next day.

In response, Sujitha lodged a complaint with the ICC, alleging that the manager had recorded her without her consent, shouted obscenities, and insulted her in front of others. However, she did not claim that his behavior was sexually explicit or gendered. The ICC issued a notice to the petitioner, prompting him to challenge its jurisdiction before the High Court.

The central issue before the court was whether the complaint disclosed allegations of "*sexual harassment*" as defined under *Section 2(n)* of the POSH Act. The provision specifies that sexual harassment includes:

1. Physical contact and advances; or
2. Demand or request for sexual favors; or
3. Sexually colored remarks.
4. Display of pornography.
5. Any other unwelcome physical, verbal, or non-verbal conduct of a sexual nature.

FEATURED ARTICLE

Reasoning

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The High Court emphasized that the complaint filed by the third respondent did not meet the essential criteria of sexual harassment as defined under Section 2(n) of the POSH Act, 2013. The court observed that while the allegations of the manager recording the complainant and using obscene language were serious, they lacked any element of sexual nature, which is a fundamental requirement to invoke the provisions of the POSH Act. The court noted that the complaint did not allege any physical contact, sexual advances, demand for sexual favors, sexually colored remarks, or any other conduct of a sexual nature, as mandated by the Act. Instead, the grievances pertained to general misconduct and verbal abuse, which fell outside the scope of sexual harassment. Furthermore, the court underscored that the ICC had overstepped its jurisdiction by entertaining a complaint that did not prima facie disclose any instance of sexual harassment, thereby misapplying the provisions of the POSH Act. The judgment clarified that the ICC's role is limited to examining complaints that explicitly allege conduct of a sexual nature, and it cannot proceed with inquiries into general workplace disputes. By setting aside the ICC's notice, the court reinforced the principle that the POSH Act is a specialized legislation designed to address sexual harassment specifically, and its provisions cannot be stretched to cover all forms of workplace conflict.

Conclusion

The Kerala High Court's judgment in Hareesh M.S. v. KSFE serves as a critical reminder of the nuanced application of the POSH Act. By striking down the ICC's proceedings, the court reaffirmed that the law targets gender-based sexual misconduct, not general workplace discord. This decision safeguards the POSH Act's intent while preventing its misuse.

Footnotes :

[1] 2025 SCC OnLine Ker 963

LEGAL UPDATES

Filing or Pendency of Criminal Complaint cannot be taken as a ground for condonation of delay in filing of the Consumer Complaint

Introduction:

The National Consumer Disputes Redressal Commission (“**NCDRC**”), New Delhi, comprising of Mr. Binoy Kumar (**Presiding Member**) and Justice Saroj Yadav (**Member**), held that the mere filing or pendency of a criminal complaint cannot be considered a valid ground to condone delay in initiating proceedings under the Consumer Protection Act, 2019. The Commission emphasized that accepting such a justification would undermine the legislative intent behind the prescribed limitation period under the Act.

Brief Facts:

Mr. Pushpendu Dutta Chowdhury (“**Respondent/Complainant**”) was allegedly robbed on June 17, 2012, in the presence of the Government Railway Police and Railway Protection Force at Howrah. The Complainant also sustained serious injuries and was medically examined by government doctors. On the same day, a report was lodged with the Howrah Government Railway Police Station. Subsequently, on August 3, 2015, the Complainant filed a consumer complaint before the District Consumer Disputes Redressal Commission-II, Kolkata (“**District Commission**”) against Eastern Railways (“**Petitioner**”). The District Commission granted some of the reliefs prayed in the complaint and accordingly, directed Eastern Railways to pay Rs. 1,50,000/- (Rupees One Lakh and Fifty Thousand) as compensation within one month failing which the Petitioner shall be liable to pay penal damages @ Rs.5,000/- per month till full satisfaction of of the decree.

Eastern Railways, aggrieved by this decision, filed an appeal before the State Consumer Disputes Redressal Commission, West Bengal (“**State Commission**”), which modified the District Commission’s order by removing the penal damages but imposed simple interest at 9% per annum on the compensation amount. Being dissatisfied, Eastern Railways filed a revision petition before the National Consumer Disputes Redressal Commission, New Delhi (“**NCDRC**”). It contended that the complaint was time-barred, having been filed beyond the two-year limitation period, and that both the District and State Commissions failed to consider this legal bar. Eastern Railways also questioned the credibility of the Complainant’s version, pointing out that the Medico-Legal Certificate indicated he had fallen while boarding the train, with no mention of theft or robbery in the initial medical report. Furthermore, it argued that the alleged incident amounted to a criminal offence, which falls outside the jurisdiction of consumer forums and should be addressed by the appropriate criminal court.

Observations of the NCDRC:

The NCDRC observed that Eastern Railways had specifically raised the issue of limitation before the District Commission. However, the District Commission failed to consider this issue, and the State Commission also overlooked this crucial aspect. The NCDRC emphasized that adherence to the prescribed limitation period is a fundamental requirement under the Consumer Protection Act and cannot be ignored during adjudication.

LEGAL UPDATES

In response to the limitation objection, the Respondent/ Complainant contended that the delay was justified as he had initially lodged a police complaint with the Government Railway Police (GRP) and waited for recovery of the stolen items. Only after the GRP failed to retrieve the goods did he decide to approach the consumer forum. This argument was categorically rejected by the NCDRC. The NCDRC held that the filing or pendency of a criminal complaint cannot be treated as a valid ground for condoning delay in filing a consumer complaint, as doing so would defeat the very object and purpose of the limitation period prescribed under the Consumer Protection Act, 2019. Accordingly, the NCDRC set aside the orders passed by both the District and State Commissions and allowed the revision petition filed by Eastern Railways.

Conclusion:

The decision of the NCDRC underscores the significance of strict adherence to the limitation period prescribed under the Consumer Protection Act. By holding that the mere filing or pendency of a criminal complaint cannot be a valid ground to condone delay in initiating consumer proceedings, the Commission reaffirmed the legislative intent to ensure timely redressal of consumer grievances. The failure of the District and State Commissions to consider the limitation issue was deemed a serious procedural lapse, leading to the setting aside of their orders and allowing the revision petition.

CORPORATE REGULATORY UPDATES

SEBI Amends Insider Trading Regulations to Expand UPSI and Improve Data Handling

On March 12, 2025, the Securities and Exchange Board of India (**SEBI**) notified amendments to the SEBI (Prohibition of Insider Trading) Regulations, 2015. The revised framework, which will take effect ninety days from the date of publication, significantly broadens the scope of "unpublished price-sensitive information" (**UPSI**) to include new disclosure triggers such as grant or termination of key contracts, credit rating changes, fundraising actions, management-altering agreements, and significant legal or regulatory developments. The amendments also include mandatory disclosure of KMP resignations, financial defaults, forensic audits, and court matters that materially impact a listed entity. SEBI has introduced a requirement for structured digital databases to record any external UPSI within two calendar days.

IBBI Mandates Disclosure of Carry-Forward Losses in Insolvency Process

In the insolvency space, the Insolvency and Bankruptcy Board of India (IBBI) issued a circular dated March 17, 2025, mandating enhanced disclosures of carry-forward losses in the Information Memorandum (IM) during the Corporate Insolvency Resolution Process (CIRP). Pursuant to changes in Regulation 36 of the CIRP Regulations, insolvency professionals are now required to include a specific section in the IM detailing the quantum, breakdown, and expiry of carry-forward losses under the Income Tax Act, 1961. Where no such losses exist, a clear statement to that effect must be included.

SEBI Introduces Online Filing System for Takeover Exemption Reports

On March 20, 2025, SEBI introduced a new system for online filing of certain reports under Regulation 10(7) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. Initially, this will apply to exemptions under regulations 10(1)(a)(i) and 10(1)(a)(ii), and such reports must be filed through the SEBI SI Portal. Other exemption filings will continue via email until further notice.

SEBI Proposes Simplified Entry for Brokers in GIFT-IFSC

SEBI issued a draft circular on March 21, 2025, proposing to ease the operational framework for SEBI-registered stock brokers wishing to conduct business in the Gujarat International Finance Tec-City (GIFT-IFSC). The draft suggests that these brokers may operate through a Separate Business Unit (SBU) without requiring additional SEBI approval, provided they comply with regulatory frameworks prescribed by GIFT-IFSC regulators. The move is aimed at streamlining operations and reducing entry barriers for domestic brokers in the international financial zone. The draft is open for public comments until April 11, 2025.

CORPORATE REGULATORY UPDATES

MSME Ministry Revises Enterprise Classification Thresholds

On March 21, 2025, the Ministry of Micro, Small, and Medium Enterprises (MSME) revised the investment and turnover limits used to classify enterprises under the MSME framework. Effective April 1, 2025, micro-enterprises can now invest up to ₹2.5 crore and have an annual turnover of up to ₹10 crore. Small enterprises may invest up to ₹25 crore and earn up to ₹100 crore in turnover. Medium enterprises are allowed investments up to ₹125 crore and turnover up to ₹500 crore. These updates aim to reflect inflationary trends and improve access to government schemes for larger businesses that still require support.

DGCA Releases Draft for Updated Pilot Recency Requirements

On March 23, 2025, the Directorate General of Civil Aviation (DGCA) released a draft revision to the Civil Aviation Requirements (CAR), Section 8, Series 'F', Part I, Issue II, concerning recency requirements for multi-pilot airplanes and aircraft weighing 5,700 kg and above. Comments on the proposed changes are invited until April 22, 2025. The revision aims to improve flight safety by aligning Indian recency requirements with global best practices.

SEBI Revises ESG Framework and Introduces Voluntary Green Credit Disclosures

On March 28, 2025, SEBI amended the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to promote ease of doing business and better ESG transparency. The changes include permitting listed entities to opt for either 'assessment' or 'assurance' under the BRSR Core framework, with a phased mandatory adoption plan for top listed companies. Disclosures regarding green credits generated or procured, including by major value chain partners, have been introduced.

IBBI Mandates Baanknet Platform for Liquidation Auctions

Effective April 1, 2025, the IBBI has mandated the exclusive use of the Baanknet platform (formerly eBKray) for auctioning assets during liquidation processes. From this date onward, all notices for liquidation auctions must be issued through Baanknet. Insolvency professionals are no longer responsible for conducting bidder due diligence; instead, bidders must upload eligibility documents under Section 29A of the Insolvency and Bankruptcy Code (IBC) through the platform. Earnest Money Deposits (EMDs) must also be submitted via Baanknet, and will be forfeited if the bidder is found ineligible.

OFF BEAT SECTION

On April 22, 2025, the world will unite to celebrate the 55th anniversary of Earth Day under the theme **"Our Power, Our Planet."** This year's focus is a rallying cry to accelerate the global transition to renewable energy and triple clean electricity generation by 2030. From solar and wind to hydro and geothermal, the movement urges individuals, communities, and governments to embrace sustainable power sources for a healthier planet.

GLOBAL AND LOCAL ACTIVATIONS

Earth Day 2025 is more than a symbolic observance—it's a call to action. EARTHDAY.ORG is mobilizing people worldwide through its **#EarthActionDay** campaign, encouraging participation in cleanups, educational programs, and advocacy efforts.

In India, the Ministry of Earth Sciences is inviting schools, colleges, and organizations to host events aligned with the renewable energy theme. Additionally, Lollapalooza India 2025 set a new benchmark for music festivals by seamlessly blending electrifying performances with environmental advocacy, engaging over 140,000 attendees through sustainability-focused activations.

WHY RENEWABLE ENERGY?

The theme underscores the urgency of moving away from fossil fuels, which are major contributors to greenhouse gas emissions and environmental degradation. Renewable energy sources offer cleaner, more sustainable alternatives that can meet growing energy demands without harming the planet.

CONCLUSION

Earth Day 2025 is a pivotal moment to harness collective power for the planet's future. By embracing renewable energy and sustainable practices, we can ensure a healthier Earth for generations to come.

Notable Recognitions & Accolades



Clasis Law

Enlisted as
one of the
"Top Law Firm
(Above 10 years of
experience)" by

**Forbes India - Legal
Powerlist 2024**

Vineet Aneja

was awarded
"Top Individual Lawyer"
(Above 10 years of
experience)

&

"Top Managing Partner"
(Above 10 years of
experience) by

**Forbes India - Legal
Powerlist 2024**



Notable Recognitions & Accolades

