

NEWSLETTER  
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# Monthly Bulletin



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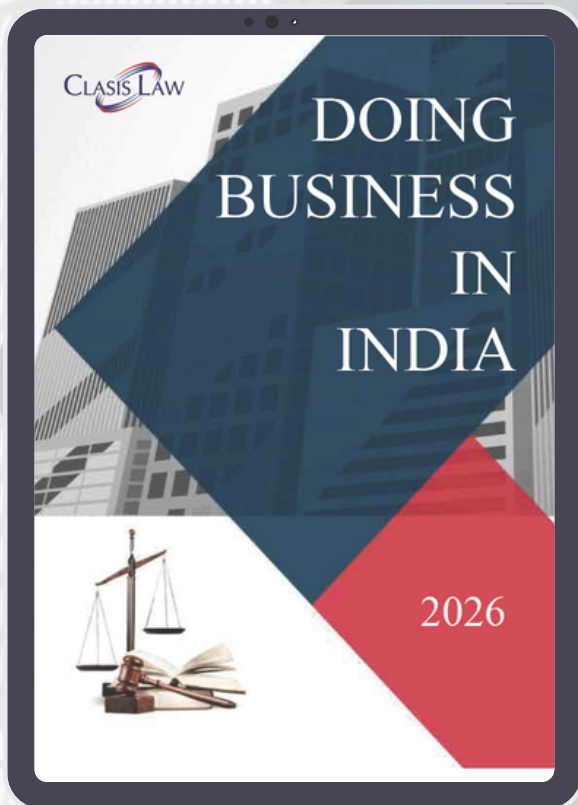
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# NEW EDITION 2026

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



The book deals with several topics which are key for setting up and conducting business in India, including corporate structures, foreign investment, labour and employment, taxation, data protection, white collar crimes, dispute resolution.



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# FEATURED ARTICLE



## EPFO PROCEDURAL ROADMAP FOR AVAILING RELIEF UNDER VISHWAS, 2026

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Among the three one-time compliance initiatives introduced under the Employee's Provident Funds Scheme, 2026 ("**EPFS, 2026**"), VISHWAS, 2026 is a significant measure aimed at enabling eligible employers to regularise historical provident fund defaults while obtaining statutory relief from damages. The key features, scope and benefits of VISHWAS, 2026 have been discussed in our previous [article](#).

Following the introduction of the VISHWAS, 2026, the Employee's Provident Fund Organisation ("**EPFO**") has now issued a detailed circular dated July 09, 2026 providing the operational framework for its implementation ("**Circular**"). With VISHWAS, 2026 coming into effect from June 29, 2026 and remaining open for a period of six months, the Circular assumes significance for employers seeking to utilise this one-time compliance opportunity. The Circular sets out the procedural roadmap for availing relief, including the categories of eligible cases, application process, documentation requirements, verification mechanism and the roles of EPFO authorities involved in processing and settlement of applications. This article examines the key procedural aspects prescribed under the Circular and the practical compliance considerations for employers seeking relief under VISHWAS, 2026.

### **Applicability of VISHWAS, 2026**

While VISHWAS, 2026 provides the broad framework for eligibility, the Circular further clarifies the categories of cases that may be covered under VISHWAS, 2026. VISHWAS, 2026 applies to proceedings relating to levy of damages under Section 14B of the Employee's Provident Funds and Miscellaneous Provisions Act, 1952 ("**Repealed Act**") or Section 128 of the Code on Social Security, 2020 ("**COSS**").

It covers four categories of cases: (i) cases where an order levying damages has been issued and is pending challenge before a judicial forum; (ii) cases where a final order has been passed but the damages remain unpaid or partially unpaid, including revenue recovery certificate cases; (iii) cases where a notice has been issued but final adjudication has not been completed; and (iv) cases where no notice for levy of damages has yet been issued. Accordingly, employers may evaluate their pending matters based on the stage of proceedings and determine their eligibility under the VISHWAS, 2026.

### **Conditions for Availing Relief**

The Circular prescribes certain conditions that employers must fulfil before submitting an application under VISHWAS, 2026. The employer is required to ensure that the entire interest

# FEATURED ARTICLE

payable under Section 7Q of the Repealed Act or Section 127 of the COSS, as applicable, for the relevant period of default has been fully paid before applying for relief.

Further, employers must provide an undertaking confirming that, upon settlement and abatement of proceedings under VISHWAS, 2026, no further appeal or proceedings shall be initiated before any court, tribunal or other forum in respect of the settled dues.

## **Treatment of Existing Payments and Pre-Deposits**

The Circular also provides clarity on the treatment of amounts already paid towards damages or deposited during appellate proceedings. Where an employer has partially paid damages, such amount will be adjusted against the revised damages computed under VISHWAS, 2026. However, if the amount already paid exceeds the revised damages, no refund or adjustment against the same period of default shall be available.

Similarly, any pre-deposit made for filing an appeal under the applicable provisions shall be treated as a valid deposit and adjusted against the damages payable under VISHWAS, 2026. Where the revised damages exceed the pre-deposit, the employer will be required to pay the differential amount. Any excess pre-deposit shall be adjusted against other eligible damages proceedings and shall not be refundable.

## **Application and Settlement Process**

The Circular prescribes a fully digital process for availing relief under VISHWAS, 2026. Employers are required to submit an online application through the EPFO employer portal, authenticated through Digital Signature Certificate ("**DSC**") or e-signature of the authorised signatory. Employers must ensure that their PAN, email address and mobile number are updated on the portal before filing the application. The application requires details relating to the period of default, reference order (where applicable), damages levied, damages already paid and supporting proof of payment of interest and damages. Employers must also provide a declaration confirming payment of interest for the relevant period.

After selecting the applicable category of case, the employer must review and digitally sign the generated application form. The employer is also required to confirm that payment under VISHWAS, 2026 will be made within 15 days from approval by the competent authority and provide an undertaking regarding withdrawal of further proceedings in relation to the settled dues. Once submitted, the application is processed by the concerned EPFO field office. The dealing assistant undertakes initial verification of the application, including review of interest payment and computation of benefits. Where the system-generated calculation is accepted, the application proceeds for further approval. In case of any discrepancy, revised calculations may be uploaded for consideration.

The section supervisor reviews the application and recommends it for approval or further verification. The assistant provident fund commissioner acts as the final approving authority and may approve, reject or return the application for review. Upon approval, the employer is required to complete the payment process, following which the settlement certificate is digitally issued by the EPFO.

# FEATURED ARTICLE

## Implementation Measures

To ensure effective implementation of VISHWAS, 2026, the Circular requires EPFO zonal, regional and district offices to undertake preparatory measures, including identification of eligible establishments, appointment of nodal officers, constitution of dedicated VISHWAS Cells and establishment of employer helpdesks.

The EPFO offices are also required to undertake outreach activities and coordinate with legal teams to identify pending litigation matters eligible for settlement under the VISHWAS, 2026.

## Monitoring Mechanism

Considering the limited six-month validity period, the Circular establishes a structured monitoring mechanism for implementation of VISHWAS, 2026. Zonal offices are required to periodically review the progress of applications, including the number of applications received, processed and approved, settlement amounts recovered, certificates issued and pending matters.

During the initial three months, weekly reviews will be undertaken, followed by fortnightly reviews during the remaining period. The Circular also prescribes performance indicators relating to outreach, application processing timelines, issuance of certificates and closure of pending litigation matters.

## Conclusion

VISHWAS, 2026 represents a significant step towards facilitating voluntary compliance by enabling employers to resolve legacy provident fund disputes through a structured settlement mechanism. While it prescribes the substantive relief available to eligible establishments, the recently issued EPFO Circular operationalises it by laying down a comprehensive framework governing eligibility, documentation, application processing and settlement of cases.

As part of the implementation process, the EPFO has also initiated outreach measures and may have already contacted eligible establishments regarding the availability of the VISHWAS, 2026 and the potential benefits thereunder. Employers receiving such communications should promptly review the underlying proceedings, verify their eligibility and assess the relief available under VISHWAS, 2026. Given that the VISHWAS, 2026 is available only for a limited period of six months, an early evaluation of pending matters, timely payment of the applicable statutory interest and adherence to the prescribed procedural requirements will be critical to successfully availing the benefits under the Scheme and bringing long-pending provident fund disputes to a conclusive close.

# LEGAL UPDATES

## IBC MORATORIUM AGAINST COMPANY DOES NOT BAR CONSUMER PROCEEDINGS AGAINST ASSOCIATED PERSONS

### Introduction

In a recent ruling[1], the Supreme Court of India examined whether a consumer complaint could continue against parties other than the corporate debtor when a moratorium under Section 14 of the Insolvency and Bankruptcy Code, 2016 ("IBC") was operating against the corporate debtor. The Court held that the statutory moratorium under Section 14 operates against the corporate debtor alone and cannot be extended to other respondents, including associated companies, promoters, directors or landowners, in the absence of any specific statutory protection.

### Brief Facts of the Case

The appellants were homebuyers who had booked residential apartments in the project "Mantri Manyata Energia", developed by Respondent No. 1, Mantri Technology Constellations Private Limited (now known as Buoyant Technology Constellations Private Limited). Respondent No. 2, Mantri Developers Pvt. Ltd., was alleged to be associated with the development of the project, Respondent Nos. 3 to 5 were alleged to be promoters/directors of Respondent Nos. 1 and 2, and Respondent Nos. 6 and 7 were the landowners of the project land. The appellants had entered into construction agreements and agreements for sale in respect of an undivided share in the project land with Respondent No. 1 in 2016, under which possession was to be handed over on or before December 31, 2018.

According to the appellants, despite substantial payment of the sale consideration and repeated assurances regarding completion of the project, possession was not delivered within the stipulated period. The appellants, along with other homebuyers, consequently instituted Consumer Case No. 13 of 2023 before the National Consumer Disputes Redressal Commission ("NCDRC") alleging deficiency in service and unfair trade practices against Respondent Nos. 1 to 7. During the pendency of the complaint, the National Company Law Tribunal, Bengaluru Bench, admitted an application under Section 9 of the IBC against Respondent No. 1 on August 23, 2024 and initiated the Corporate Insolvency Resolution Process, resulting in a moratorium under Section 14 of the IBC. The appellants thereafter sought continuation of the consumer complaint against Respondent Nos. 2 to 7 notwithstanding the moratorium against Respondent No. 1. The NCDRC rejected the applications holding, inter alia, that the liability of Respondent Nos. 2 to 7 could not be independently examined at that stage in view of the moratorium operating against Respondent No. 1 and adjourned the consumer complaint sine die, leading to the present appeals before the Supreme Court.

# LEGAL UPDATES

## Analysis of the Court

The Supreme Court observed that the scope of the moratorium under Section 14 of the IBC is statutory and cannot be enlarged beyond what the provision contemplates. The Court noted that, once insolvency proceedings commence and a moratorium is declared, continuation of pending suits and proceedings against the corporate debtor is halted. However, the moratorium operates against the corporate debtor alone and does not extend to any other category of persons, including subsidiary companies, managers, directors or personal guarantors, unless specifically provided for. Relying upon its earlier decisions in *P. Mohanraj v. Shah Brothers Ispat Pvt. Ltd.*[2], *Ansal Crown Heights Flat Buyers Association v. Ansal Crown Infrabuild Pvt. Ltd.*[3] and *Saranga Anilkumar Aggarwal v. Bhavesh Dhirajlal Sheth & Ors.*[4], the Court reiterated that the protective sweep of a moratorium must remain within the limits prescribed by the statute and cannot be expanded so as to defeat remedies otherwise available under the Consumer Protection Act.

Applying these principles, the Court held that the NCDRC had erred in refusing to proceed against Respondent Nos. 2 to 7 merely because the alleged deficiency in service related to Respondent No. 1 and the agreements had been entered into with Respondent No. 1. Respondent No. 1 alone was the corporate debtor against whom the CIRP had been initiated, and no independent moratorium or statutory protection operated in favour of Respondent Nos. 2 to 7. The Court further observed that the NCDRC had effectively determined, at an interlocutory stage, that the alleged deficiency was attributable only to Respondent No. 1, despite having itself observed that liability arising from the alleged deficiency was yet to be determined. According to the Court, the relevant question at that stage was not whether Respondent Nos. 2 to 7 were ultimately liable, but whether the consumer complaint could proceed against them in the absence of any statutory bar. The Court clarified that the rival objections, including those concerning privity of contract, maintainability and the existence of any independent obligations, remained to be determined by the NCDRC.

## Conclusion

The judgment provides an important clarification that the initiation of CIRP against a corporate debtor does not, by itself, bring proceedings against other respondents to an end. Where no moratorium or other statutory protection operates in their favour, proceedings may continue against such respondents, and their liability can be determined independently by the adjudicating forum. The decision therefore ensures that the statutory protection afforded to a corporate debtor during CIRP is not extended to other parties merely because they are connected with or associated with the corporate debtor, while preserving the right of those parties to raise all substantive objections before the appropriate forum.

### FOOTNOTES :

[1] *Tejas J. Shah & Amisha T. Shah & Ors. v. Mantri Technology Constellations Pvt. Ltd. (now known as Buoyant Technology Constellations Pvt. Ltd.) & Ors.* [Civil Appeal Nos. 4289-4290 of 2025]

[2] (2021) 6 SC 258

[3] (2024) 5 SCC 745

[4] 2025 INSC 314

# COMPILED REGULATORY UPDATES

## 1. IFSCA Clarifies FLA Reporting Framework for IFSC Regulated Entities

The International Financial Services Centres Authority ("**IFSCA**"), through a press release dated July 1, 2026, informed that the Reserve Bank of India ("**RBI**"), in consultation with the Authority, has revised certain FAQs on the Annual Return on Foreign Liabilities and Assets (FLA) under the Foreign Exchange Management Act, 1999 relating to the reporting of Foreign Direct Investment received by regulated entities in the International Financial Services Centre. The revised FAQs clarify that while FDI norms do not apply to investments made in regulated entities in IFSC, data relating to such investments are required for the compilation of India's balance of payments data. Accordingly, regulated entities in IFSC will not be required to submit FLA returns to the RBI, and the Authority will issue separate instructions regarding the submission of the necessary data. Regulated entities have been advised to await further instructions from the Authority.

## 2. MCA Extends Validity of Companies Compliance Facilitation Scheme, 2026 (CCFS-2026) up to 31 August 2026'

The Ministry of Corporate Affairs ("**MCA**"), vide General Circular No. 03/2026 dated 08 July 2026 has extended the validity of the Companies Compliance Facilitation Scheme, 2026 (CCFS-2026) up to 31 August 2026. The Scheme was introduced to provide an opportunity to companies to complete pending statutory filings and was previously valid up to 15 July 2026. The extension has been granted in view of the capacity enhancement/restoration activities being done at the data centre consequent to a fire incident on 05.06.2026. Accordingly, companies can avail the benefit of the Scheme and complete their pending statutory filings on or before 31 August 2026.

## 3. DPIIT Relaxes FDI Policy for E-Commerce Exports

The Department for Promotion of Industry and Internal Trade ("**DPIIT**") issued Press Note No. 3 (2026 Series) reviewing the Foreign Direct Investment ("**FDI**") Policy on e-commerce sector. Under the existing FDI Policy, FDI is permitted in Business to Business (B2B) e-commerce and the marketplace model of e-commerce, whereas Business to Consumer (B2C) e-commerce and the inventory-based model of e-commerce are not permitted. Pursuant to the amendment, the restriction on the inventory-based model will no longer apply where an e-commerce entity undertakes exports of goods manufactured and/or produced in India. Accordingly, such entities will be permitted to operate an inventory-based model exclusively for export of goods manufactured and/or produced in India, subject to compliance with the Foreign Trade Policy, 2023 read with the Handbook of Procedures and the Foreign Exchange Management (Export of Goods & Services) Regulations, 2015, as amended from time to time. This amendment will be effective from the date of the FEMA notification.

## **4.RBI issues Draft Foreign Exchange Management (Foreign Investment) Rules, 2026**

The Reserve Bank of India on July 21, 2026 issued a press release inviting comments/feedback from stakeholders on the draft Foreign Exchange Management (Foreign Investment) Rules, 2026. The proposed draft Rules seek to rationalise the existing Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 in line with the announcement made in the union budget 2026-27 for a comprehensive review of the NDI Rules to create a more contemporary, user-friendly framework for foreign investments, consistent with India's evolving economic priorities. The draft Rules have been prepared based on the recommendations of a committee constituted by the Central Government to undertake a comprehensive review of the extant regulatory framework, in consultation with the Central Government and other stakeholders. The proposed draft Rules seek to provide a simplified and principle-based regulatory architecture, align the regulatory framework with the FDI policy, enhance ease of doing business through streamlined procedures and reduced compliance burden and establish a future-ready regulatory framework while preserving necessary regulatory safeguards.

## **5.SEBI Amends Buy-Back Regulations for Listed Companies**

The Securities and Exchange Board of India, through the SEBI (Buy-Back of Securities) (Amendment) Regulations, 2026, has amended the SEBI (Buy-Back of Securities) Regulations, 2018 with effect from August 1, 2026. The amendments introduce several changes to the buy-back framework for listed companies. Under the amended regulations, buy-backs through the stock exchange route shall be restricted to less than 15% of the company's paid-up capital and free reserves calculated on both standalone and consolidated financial statements. The amendments also provide that a company shall not make another buy-back offer within the period prescribed under the Companies Act, 2013 from the date of closure of the preceding buy-back, replacing the earlier mandatory cooling-off period of one year under the SEBI Buy-back Regulations. Further, companies are prohibited from undertaking a buy-back that would result in a breach of the minimum public shareholding requirements prescribed under applicable securities laws. The amendments also revise the timeline for open market buy-backs by requiring the offer to open within four working days from the date of the public announcement and close within sixty-six working days from the opening date. In addition, companies are required to electronically intimate shareholders regarding the buy-back offer within one working day of the public announcement, and shares held by promoters and promoter group entities that are subject to the buy-back shall remain frozen at the ISIN level from the date of the board or shareholders' resolution until the closure of the buy-back offer, subject to specified exceptions.

# INTERNATIONAL YOUTH DAY

**International Youth Day**, observed annually on **12 August**, recognises the contribution of young people to society and draws attention to the opportunities and challenges they face. The theme for 2026, “Different Contexts, Common Aspirations”, focuses on the fact that young people may live in very different social, economic and geographical circumstances, but continue to share many of the same aspirations – access to quality education, decent work, equal opportunities, meaningful participation and a sustainable future. This year’s theme places particular emphasis on young people in Least Developed Countries, Landlocked Developing Countries and Small Island Developing States. Many of them face challenges arising from poverty, climate change, geographical isolation, limited employment opportunities and unequal access to digital technologies. Despite these constraints, young people continue to contribute to their communities through innovation, entrepreneurship, climate action and other grassroots initiatives.

The **2026** observance focuses on three broad sub-themes: Global Solidarity, Shared Challenges and Youth Innovation. These themes recognise that issues affecting young people increasingly extend beyond national boundaries. Education, employment, digital inclusion, climate change and well-being require cooperation between governments, institutions, communities and young people themselves. At the same time, young people are increasingly taking an active role in addressing these challenges and developing solutions suited to their local contexts.

**International Youth Day** has its roots in discussions at the World Youth Forum in Vienna in 1991. The United Nations General Assembly subsequently designated **12 August** as **International Youth Day** in 1999. The 2026 theme therefore serves as a reminder that while circumstances may differ, aspirations often remain shared. Creating meaningful opportunities for young people and ensuring that their perspectives are included in decision-making will be essential to building a more inclusive and sustainable future.



# Notable Recognitions & Accolades

