

MONTHLY  
**LEGAL**  
**UPDATE**  
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**MADRAS CHAMBER OF COMMERCE & INDUSTRY**

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# RECENT DEVELOPMENT LEGAL INSIGHTS

## **4. KARNATAKA HIGH COURT TO HEAR CHALLENGE AGAINST NEW ONLINE GAMING LAW**

On August 30, 2025, the Karnataka High Court began hearing a petition filed by Head Digital Works, the operator of A23 Rummy, challenging the constitutional validity of the newly enacted Promotion and Regulation of Online Gaming Act, 2025. The legislation, which received presidential assent on August 22, imposes a blanket ban on “online money games,” including skill-based platforms such as rummy and poker. It also prohibits associated banking services, advertisements, and financial transactions involving real-money gaming. The petition argues that the law was passed hastily without stakeholder consultation and violates constitutional protections under Articles 14, 19(1)(g), 21, and 301. Head Digital Works contends that the Act is vague, arbitrary, and disproportionate, and contradicts prior Supreme Court and Karnataka High Court rulings that recognized skill-based games as legitimate trade. The company has requested a stay on enforcement of key provisions—Sections 2(1)(g), 5, 6, 7, and 9—pending judicial review. It claims the law has disrupted operations, jeopardized ₹23,440 crore in investments, and threatens the livelihoods of over two lakh employees across the sector. The petition also highlights the denial of due process and seeks protection from coercive action against its officers and staff. Justice B.M. Shyam Prasad has issued notice to the Centre and scheduled a follow-up hearing for September 8, 2025. The case marks the first legal challenge to the Central Act and could set a precedent for how courts interpret the balance between regulatory oversight and constitutionally protected digital commerce.

## **5. BOMBAY HIGH COURT ORDERS SWIFT IMPLEMENTATION OF SLUM REHABILITATION PROJECTS**

The Bombay High Court has directed urgent action in a long-stalled slum rehabilitation project in Vile Parle, Mumbai, expressing concern over repeated delays caused by interference from rival developers and political figures. The Division Bench of Justices G.S. Kulkarni and Arif S. Doctor was hearing petitions filed by Sateri Builders & Developers LLP and the Shree Gurukrupa SRA Co-operative Housing Society, who alleged that despite receiving statutory approvals, the Slum Rehabilitation Authority (SRA) had failed to issue the required commencement certificate and eviction orders. The Court noted that slum rehabilitation is a welfare measure under the Slum Act and must prioritize the rights of slum dwellers over competing commercial interests. It criticized the SRA for abdicating its statutory duties and allowing extraneous influences to derail the project. The Bench emphasized that such conduct undermines the very object of the Slum Act, which is to provide secure and dignified housing to slum residents. The Court ordered the SRA to finalize Annexure-II forms listing eligible slum dwellers within six weeks, issue the commencement certificate without further delay, and execute eviction orders to clear the site. It also restrained the SRA from entertaining objections or complaints from rival developers or political representatives that could obstruct the project. The High Court’s order reinforces judicial intolerance for procedural delays and extrajudicial interference in welfare-driven redevelopment schemes.

## **6. KERALA HIGH COURT SETS DEADLINE FOR TRIAL, STRIKES DOWN GOV'T ORDER IN FORMER DGP'S ASSETS CASE**

The Kerala High Court has quashed the 2021 government order authorising further investigations into allegations that erstwhile DGP Tomin J. Thachankary amassed disproportionate assets (approximately ₹64.71 lakh) beyond his lawful income from 2003 to 2007. The Division Bench—Justices A.K. Jayasankaran Nambiar and Jobin Sebastian—noted that the state cannot mandate fresh probes once a final report has been submitted, especially at the accused’s behest, deeming the order legally unsound. The Court ordered the special court in Kottayam to conclude the trial within six months, while also clarifying that any newly discovered evidence may still be considered. Its decision underlines that only the investigating agency—not the accused—can initiate additional inquiry via the proper judicial authority.



# HIGHLIGHTS OF TAMIL NADU

## **MADRAS HIGH COURT CONSTITUTES SIT TO PROBE ALLEGED ORGAN TRAFFICKING IN TAMIL NADU**

In *SN Sathishwaran v. The Chief Secretary to the Government of Tamil Nadu and Others*, the Madras High Court has formed a five-member Special Investigation Team (SIT) to probe alleged human organ trafficking, including kidney transplants, in Tamil Nadu. The SIT, monitored by the Madurai bench, will submit periodic reports and receive full assistance from police and health authorities. The investigation follows a Public Interest Litigation highlighting illegal organ transplants at Dhanalakshmi Srinivasan Medical College and Cether Hospital. Despite the State's claim that ongoing inquiries precluded FIR registration, the court noted serious irregularities, exploitation of economically disadvantaged donors, and public health risks, deeming immediate SIT intervention necessary to uncover the truth.

## **COURT UPHOLDS 'A' CERTIFICATE FOR RAJNIKANTH'S "COOLIE"; DISMISSES SUN TV'S CHALLENGE**

The Madras High Court dismissed a petition by Sun TV challenging the 'A' certificate granted to the movie *Coolie* starring Rajnikanth, Nagarjuna, and Amir Khan. Justice TV Thamilselvi ruled the petition "without merit." The film's producers argued that *Coolie* depicted less violence than other films like *KGF* and *Beast*, and that its portrayal of violence was part of storytelling, invoking freedom of speech. The Board countered that the unanimous decision by the Examining and Revising Committees reflected the film's frequent violence, strong threats, gruesome scenes, and adult content, making it unsuitable for children. The court upheld the 'A' certificate.

## **COURT UPHOLDS 'A' CERTIFICATE FOR RAJNIKANTH'S "COOLIE"; DISMISSES SUN TV'S CHALLENGE**

The Madras High Court held that a second habeas corpus petition against the same detention order is maintainable only if it raises new grounds not available

during the first petition. The bench of Justices SM Subramaniam and G Arul Murugan emphasized that detainees cannot exploit the right to file multiple petitions on the same grounds, citing Supreme Court precedents. While *res judicata* does not apply to criminal detention, repeated petitions without new grounds could lead to bench shopping and misuse of habeas corpus as a bail substitute. In the present case, since no new grounds were raised, the court dismissed the second petition.

## **MADRAS HIGH COURT ORDERS CRACKDOWN ON ALCOHOL-CENTRIC RECREATIONAL CLUBS**

The Madras High Court directed stricter regulation of recreational clubs in Tamil Nadu, noting that many were operating primarily to sell alcohol, often owned by influential individuals, causing nuisance to nearby residents. The bench of Justices SM Subramaniam and G Arul Murugan ordered that clubs must have a specific bylaw clause permitting liquor sales via an FL2 license, verified before registration. Authorities, including police and the Registration Department, must conduct surprise inspections, prosecute violations, and ensure public health is protected. The court emphasized that recreational clubs cannot circumvent liquor prohibition, and retail alcohol sales must not infringe residents' rights or public health.

## **GANESH IDOL INSTALLATIONS MUST REFLECT DEVOTION, NOT DOMINANCE: MADRAS HIGH COURT**

The Madras High Court, while disposing of pleas to install Ganesh idols for Vinayaka Chaturthi, observed that many requests were driven by ego and social dominance rather than genuine devotion. Justice B Pugalendhi emphasized that God symbolizes unity, not rivalry, and noted that neglected temples were suddenly adorned only during festivals. The court stressed that worship must be exercised responsibly, highlighting administrative, law-and-order, and environmental concerns. It mandated that idols be eco-friendly and immersion permitted only with Pollution Control Board clearance. Last-minute applications or those with doubtful intent should be denied, while compliant repeat applicants may be considered under strict conditions.

## REALITY OF REAL-WORLD ASSET TOKENIZATION

-BY SUBATHRA MYLSAMY

### Introduction

Real World Asset (RWA) Tokenization is the process of converting ownership or economic rights vested in tangible assets such as gold, real estate or bonds into digital tokens on a blockchain. This technology is creating a lot of interest globally with multinational institutions like BlackRock having launched tokenized funds. But legal uncertainty, especially in developing markets like India continues to be a primary barrier to widespread adoption.

### Working Principle

The tokenization is created through the digital representation of a physical asset. It will be issued the tokens which is used for trading purposes on blockchain. These tokens allow for fractional ownership and help liquidation, making high value assets accessible to a larger investor base. Actually, the physical asset remains off- chain in the real world and the token exists on- chain, with a custodian or Special Purpose Vehicle (SPV) maintaining the connection between them. Smart contracts help for automatic ownership transfers, and enhancing the governance, payments process, eliminating the dependency on intermediaries. Tokenization has been successfully implemented across the world. A few examples of the same are Tokenized Gold, Tokenized Bonds, Real Estate (Fractional ownership of high value properties)

### Legal Status: India vs Global Perspective

India currently has no absolute legal framework for RWA tokenization. Regulatory bodies like RBI and SEBI have not any specific guidelines for tokenized assets. Tokenizing real estate, for example, may violate the Real Estate (Regulation and Development) Act (RERA) since Land title transfers cannot rely solely on tokens, with tokenized offerings governed by a patchwork of regulations like FEMA, SEBI, RERA, and taxation laws. This uncertainty makes it difficult for developers to structure offerings and for investors to understand their rights.

### Global View

Singapore has regulated and monitored by the Monetary Authority of Singapore (MAS) under the Payment Service Act and Securities and Futures Act, and MAS is already engaged with projects like Project Guardian to pilot tokenized bonds and funds in a sandbox environment. United States securities and Exchange commission has categorized most of the tokens as securities. By doing so, they are enforcing existing securities laws and typically requiring exemptions like Reg D or Reg A+, for STO's. UAE: Abu Dhabi Global Market (ADGM) and Dubai Financial Services Authority (DFSA) provides a structured regulatory framework for digital assets and tokenization, establishing the region as an innovation hub.

# OP.ED (CONT'D)

## **Legal Frameworks and Compliance in Tokenized assets**

Tokenized assets face considerable legal and regulatory obstacles that relate to issuers and investors alike. One of the key concerns is whether digital tokens will be legally recognized and enforceable as a representation of ownership. In many regions of the world, the electronic record of ownership via a blockchain is still not accepted as a way to transfer or prove ownership of physical or financial assets. This lack of legal clarity can lead to many disputes, particularly if rights of the token holders are not defined by some set of law or contract. Laws and regulations need to create a clear distinction as to whether a token provides bearer rights or registered rights, and whether any benefit can extend to token holders including revenue sharing, voting rights, or access to dividends. At the same time, tokenized asset issuers are also under major legal obligations. For example, compliance with securities laws, registration requirements, anti-money laundering (AML) and know-your-customer (KYC) requirements, and to provide clear and accurate disclosures on the asset, and the risks associated with it. Non-compliance may lead to legal exposure, regulatory action, or even a loss of confidence from their investors.

## **Custody, Security, and Cross-Border Compliance in the Markets of Tokenized Asset**

The custody and security of both the physical asset and the digital token that represents it is the foundation of tokenization systems. In a number of jurisdictions custodians of digital assets will need specific licenses or regulatory approvals to operate. The custodian's responsibilities; i.e. segregation of customer assets, risk management of operational protocols, reporting obligations, should be clearly articulated to consider investor protection and a resilient operating environment. Tokenized assets can include multiple countries and can be used by and involve people around the globe, meaning that the asset, issuer, platform, and investors all may be in completely different jurisdictions. This results in more complex legal and regulatory issues due to the differences between jurisdictional definitions and regulatory approaches related to securities and property rights, digital tokens, and custodial obligations. In addition to this, there is also a lack of a common set of global standards, further increasing the risk of legal uncertainty, regulatory breaches, and enforcement issues. In order for market adoption to be wider, regulators will eventually need to put in place an interoperable model. Then the platforms are left with the obligation to create ticket compliance, and know-your-customer processes to work within the rules of compliance that apply to each jurisdiction.

## **Taxation and Jurisdictional Challenges in Tokenized Asset Markets**

From a legal perspective, uncertainty still represents a significant challenge for the market for tokenized assets as it starts to mature. This is particularly in respect of the taxation and jurisdictional compliance aspects (in particularly India). It is important that global and national regulatory landscapes catch-up to enhance legal certainty, foster investor confidence/incentivize adoption. The tax treatment of tokenized assets is still very uncertain; particularly in many developing and emerging markets. Regulators/tax authorities very often fail to give explicit direction regarding the classification and accounting of capital gains, transfers, income from staking or revenue distributions from tokenized assets. The lack of guidance presents significant uncertainty to both issuers and investors and may lead to fears of non-compliance or double taxation. Consistent and clear tax treatment is imperative to promote accurate reporting, mitigate legal exposure and to promote responsible market engagement.

# OP.ED (CONT'D)

## Risks in Reality:

The promise of tokenization is tempered by concerns over legal enforceability, with token ownership rarely equivalent to legal title in numerous jurisdictions. Custodian risk, insufficient secondary market infrastructure, and valuation manipulation continue to impede progress. Several platforms overstate their capabilities, frequently without proper asset support or regulatory compliance. Other challenges include market instability, technological flaws, and operational issues that might trigger asset devaluation or default.

## Conclusion:

Real World Asset (RWA) tokenization enables greater investment inclusivity and improved liquidity in conventionally illiquid markets. However, without legal validation of tokens as binding claims, the tokenization ecosystem stays vulnerable and subject to substantial risks. India needs to look at jurisdictions like Singapore and the EU, developing regulations that foster innovation while ensuring investor protection to unlock the full potential of asset tokenization. In India, it is essential that legislation is created to define the legal treatment, regulatory status - including in terms of transfer, of tokenized asset developments to fit within the current financial instrument ecosystem and property ownership scheme.

# JUDGMENT ARTICLE

## Daughters' right to father's self-acquired property

**IN THE SUPREME COURT, CIVIL APPELLATE**  
**CIVIL APPEAL NO. 6659 OF 2011**

**Arunachala Gounder (deceased)**  
**& his Legal Representatives ..... Appellants**

Versus

**Ponnusamy & Others ..... Respondents**

Inheritance of ancestral/parental property has been a common cause for litigation, more so prior to the enactment of The Hindu Succession Act in 1956 [Act]. The Hon'ble Supreme Court pronounced its verdict in one such case that has been fought by two generations.

### FACTS & BACKGROUND

- Ramasamy and Marappa are two sons of late Gurunatha Gounder.
- Marappa bought a property in 1938, in an auction sale conducted by a local Court.
- Ramasamy died in 1949, survived by 1 son (Gurunatha) and 4 daughters (Thangammal, Elayammal, Nallammal and Ramayeeammal).
- Marappa died in 1957, survived by only daughter (Kuppaayeeammal), after the Act came into effect.
- Kuppaayeeammal died in 1967 without any children.
- Marappa's property was claimed by his brother Ramasamy's son Gurunatha, applying old Hindu Law.
- Original Suit No. 295 was filed in 1991 by Thangammal, Appellant 1. After her death during trial, her son Arunachala and, after his death, his sons Venkatachalam and Mottaiappan became Appellants 2,3 & 4. The appeal was for 1/5<sup>th</sup> share in the property of her uncle Marappa, after his only daughter Kuppaayeeammal died, deeming herself and her brother and sisters to be the next of surviving kin under the Act.
- In March 1994, Trial Court dismissed this original suit and ruled in favour of her brother Gurunatha.
- Appellant immediately challenged the Trial Court ruling in Madras High Court.
- Madras High Court too dismissed the appeal in January 2009.
- Consequently, the present Appeal in Supreme Court was made by Appellants in 2011

### ISSUES UNDER CONSIDERATION

(1) Who is the beneficiary of a deceased person's property, self-acquired prior to the Act, that is intestate: The only daughter, by way of inheritance? Or, the brother's son, by way of survivorship?

(2) Whether the property is to be deemed as self-acquired or jointly owned by the family?  
What would be the order of succession for this property, after the only daughter's death?



# JUDGMENT ARTICLE (CONT'D)

## Defendants' Arguments

- Property owner Marappa did not die in 1957 (as alleged by Appellant) but in 1949, when the (then) prevailing law was the old Hindu Law. So, after his death Marappa's property cannot be inherited by his daughter but would pass on by law of survivorship to nearest male survivor, his brother's son Gurunatha and, after Gurunatha's death, to his son Ponnusamy, Respondent 1. The evidence produced by Defendants on the date of death of Marappa was accepted by both Trial Court and High Court.
- Marappa purchased the property in a Court auction sale out of the family funds and hence it was the family's joint property. Since Marappa had no male heir, the property would pass on to his nephew Gurunatha (father of Respondents 1 to 4) who is a coparcener i.e. automatic beneficiary by birth as a male in an undivided Hindu family.
- When the Act became effective in 1956, the property already belonged to Gurunatha and Respondents 1 to 4 and hence cannot be partitioned within the family.
- Appellants could not provide any evidence that the property was self-acquired which Marappa bought with his own funds. The property was hence deemed to be a joint family property.

## Appellants' Arguments

- Trial Court and High Court have wrongly applied the then prevailing Hindu Law. This law does not prohibit daughters from inheriting dead father's property in absence of a male heir. Also, it recognises inheritance by succession rather than by survivorship in the case of a self-acquired property.
- As per the old Mitakshara concept too, inheritance right is determined by propinquity i.e. proximity wherein daughter has greater proximity to the deceased property owner than nephews.
- Marappa purchased the property in a Court auction sale using his own funds and hence the property was an independent self-acquired one. As such, upon his death, property would pass on to his daughter Kuppaayeeammal by succession and not to his nephew by survivorship.

## ANALYSIS & JUDGMENT

Previous Case References: Supreme Court referred to the following previous cases during this case:

- Pranjivandas Tulsidas v/s Dev Kuvarbai; Bombay HC, B 131
- Tuljaram Morarji v/s Mathuradas, Bhagvandas, and Pranjivandas; ILR (1881) 5 Bom 662
- Chotay Lall v/s Chunnoo Lall and Another; 1874 SCC Online Cal 10
- Katama Natchiar v/s Srimut Rajah Mootoo Vijaya Raganadha Bodha Gooroo Sawmy Periya Odaya Tevar; (1863) 9 MIA 539
- Sivagnana Tevar and Another v/s Periasami & Others; 1878 (1) ILR Madras 312
- Ghurpatari & Others v/s Smt. Sampati & Others; AIR 1976 ALL 195
- Lal Singh & Others v/s Roor Singh & Others; 55 Punjab Law Reporter 168 at 172
- Gopal Singh & Others v/s Ujagar Singh & Others; AIR 1954 SC 579
- Devidas & Others v/s Vithabai & Another; 2008 (5) Mh.L.J. 296





# JUDGMENT ARTICLE (CONT'D)

- After considering the judgment passed in the previous cases as stated above and based on the acceptance of evidence furnished by the Respondents, the Hon'ble Supreme Court found that there is no dispute regarding the date of Marappa's death which is deemed to be 1949.
- No evidence was provided by either parties in Trial Court on the nature of Marappa's property: whether self-acquired or bought out of family fund. However, in their written statement the Respondents stated that it was the absolute property of Marappa which he bought in a Court auction sale. SC hence settled that the property was a self-acquired, independent property of Marappa who is its absolute owner.
- Right of daughter or widow to inherit property of Hindu male dying intestate whether it is self-acquired or received by him as coparcener in partition of family property is well recognised both in the old Hindu Law as well as in the Act of 1956
- Property of male Hindu dying intestate, whether self-acquired or obtained in a partition of family property, would devolve by 'inheritance' and not by 'survivorship'; a daughter of such a male Hindu would inherit such property in preference to any other surviving kin.
- In the present case, property of Marappa has been established as self-acquired. As such, his only daughter Kuppaaayeeammal will become its owner by way of inheritance and not Gurunatha, Marappa's brother's son, by way of survivorship.
- Kuppaaayeeammal died without children in 1967, by which time the 1956 Act already became effective. This Act stipulates the following provisions on inheritance rights of females:
  - a) Female Hindu who self-acquires or inherits any property shall be its absolute owner and not just a limited owner, as was the case prior to the Act.
  - b) When a female Hindu dies intestate, all types of properties owned by her shall pass on, in order of priority/sequence, to: (i) Firstly, her own sons and daughters (living and deceased) and husband (ii) Secondly, husband's legal heirs (iii) Thirdly, mother and father (iv) Fourthly, father's legal heirs and (v) Lastly, mother's legal heirs.
  - c) When a female Hindu dies intestate without children or grandchildren from her deceased children, all properties that are inherited by her from her father or mother shall pass on, not to the heirs as mentioned in b) above, but to her father's legal heirs. [This is the rule applicable in present case].
  - d) When a female Hindu dies intestate without children or grandchildren from her deceased children, all properties that are inherited by her from her husband or father-in-law shall pass on, not to the heirs as mentioned in b) above, but to her husband's legal heirs.



# JUDGMENT ARTICLE (CONT'D)

## Judgement

Based on the above analysis, Supreme Court set aside the Trial Court's as well as High Court's orders which it felt did not apply the laws correctly. Supreme Court ordered that Karuppaayeeammal's property, which she inherited from her father and which she left intestate and without her own children, would pass on to her father's legal heirs i.e. her deceased brother Ramasamy's son and daughters, each getting  $\frac{1}{5}^{\text{th}}$  share. Supreme Court thus upheld the Appellants' appeal.

This case highlights the remedies provided by the 1956 Act to the limitations that hitherto prevailed on the inheritance rights of females in parental/ancestral property



## IN THE COURT ROOM : LANDMARK JUDGMENTS OF THE SUPREME COURT OF INDIA



The Supreme Court clarified that under Section 44 of the Arbitration and Conciliation Act, 1996, an arbitration agreement must be in writing but need not be signed if a valid written record exists and the parties' conduct shows mutual acceptance. Overruling the Delhi High Court, the Court held that exchanges between Glencore International AG and M/s Shree Ganesh Metals, along with their subsequent actions, demonstrated clear consensus on the terms, including the arbitration clause, making the agreement binding. The parties had a longstanding commercial relationship and executed multiple contracts with arbitration clauses under London Court of International Arbitration rules. Though the respondent did not sign the later supply agreement, their conduct—partial performance, furnishing letters of credit, and email confirmations—demonstrated acceptance. The Supreme Court emphasized that written communications and conduct can establish a binding arbitration agreement. It noted that referral courts must refer disputes to arbitration unless the agreement is prima facie null or incapable of performance. Consequently, the Court allowed the appeal, set aside the Delhi High Court's judgments, and directed reference to arbitration.

### SUPREME COURT UPHOLDS ARBITRATION DESPITE UNSIGNED AGREEMENT



### SUPREME COURT REJECTS PERNOD'S PLEA OVER 'LONDON PRIDE' TRADEMARK DISPUTE



The Supreme Court considered whether Pernod Ricard India Pvt. Ltd., maker of Blenders Pride and Imperial Blue whiskies, could prevent a rival from selling whisky as London Pride. Pernod alleged that the mark and packaging were deceptively similar, including the use of bottles embossed with its registered house mark "SEAGRAM'S," and sought an interim injunction. Both the Commercial Court and Delhi High Court had refused the injunction, and the Supreme Court upheld their decisions. The Court emphasized that trademark rights extend to the mark as a whole and that common or laudatory words like "Pride" cannot be monopolized without evidence of distinctiveness. Comparing the marks in their entirety, the Court noted differences in the dominant elements—"Blenders," "Imperial," and "London"—as well as typography, layout, and overall impression, meaning consumers were unlikely to be confused. Similarly, while the rival used blue and gold on labels, the overall trade dress was distinct. Allegations regarding Seagram's embossing were reserved for trial. Applying the principles for interim relief, the Court found that Pernod had not shown irreparable harm or a strong likelihood of confusion. Accordingly, the Supreme Court dismissed the appeal, upheld the lower courts' refusal to grant an injunction, and directed the trial to proceed expeditiously.



# IN THE PARLIAMENT



## INDIA PASSES ONLINE GAMING BILL, 2025: REGULATION, RESTRICTIONS, AND OPPORTUNITIES

The Lok Sabha and Rajya Sabha have passed the Promotion and Regulation of Online Gaming Bill, 2025, amid Opposition protests. The law, aimed at regulating the sector, has drawn mixed reactions: esports stakeholders welcome it, while real-money gaming platforms face severe restrictions. Union Minister Ashwini Vaishnaw said the bill fosters innovation while curbing risks tied to monetary gaming. The Act establishes the National Online Gaming Commission (NOGC) to license, monitor, and classify games as permissible (esports, non-monetary skill-based), prohibited (involving monetary stakes), or hybrid (reviewed by the regulator). Licensed platforms must ensure age checks, deposit limits, transparent ads, self-exclusion tools, compliance with AML and data rules. Disputes will be handled by an appellate tribunal, with final appeals to the Supreme Court. The law imposes a blanket ban on real-money games like fantasy sports, rummy, and poker. Offering, advertising, or facilitating such games could mean up to three years' jail and ₹1 crore fine. Ads and influencer promotions can invite two years' jail and ₹50 lakh fines, while banks and payment processors are barred from enabling related transactions. The government cited social, financial, and health harms caused by money-based gaming, especially among youth. Cricket, heavily reliant on fantasy gaming sponsorships, may see reduced endorsements. Esports is expected to thrive, with the bill providing recognition and structure as India prepares for esports' Olympic debut in 2027.

## PARLIAMENT PASSES INCOME TAX BILL, 2025: SIMPLIFYING SIX-DECADE-OLD LAW

Parliament has passed the Income Tax Bill, 2025, replacing the six-decade-old Income Tax Act, 1961, effective from April 1, 2026. Finance Minister Nirmala Sitharaman emphasized that the Bill does not introduce any new tax rates but simplifies language, removes redundant provisions, and streamlines the law. The number of sections has been reduced from 819 to 536, chapters from 47 to 23, and word count from 5.12 lakh to 2.6 lakh, enhancing clarity. The legislation also introduces 39 new tables and 40 new formulas, replacing dense text with more readable formats. Sitharaman highlighted that the Bill aims to make tax administration leaner, more understandable, and easier to implement. Drafted in six months with approximately 75,000 person-hours, the Bill involved extensive work by Income Tax Department officers. FAQs and an information memorandum will soon be issued to guide taxpayers, and computer systems will be updated to operationalize the law. Alongside, the Taxation Laws (Amendment) Bill, 2025, was passed to amend block assessment procedures in search cases and provide direct tax benefits to Saudi public investment funds. The government also extended all New Pension Scheme (NPS) benefits to the Unified Pension Scheme (UPS) effective April 2025. The Bill marks a significant step toward a taxpayer-friendly, modernized financial framework without increasing the tax burden.



## LEGAL NEWS

➔ A23's petition marks the first constitutional challenge to the Central legislation, which received presidential assent on August 22, 2025. The company contends that the Act was passed without stakeholder consultation and that its sweeping prohibitions are arbitrary and disproportionate. It has specifically sought to strike down Sections 2(1)(g), 5, 6, 7, and 9 of the Act, arguing that the law conflates skill-based games with games of chance. The petition highlights the economic fallout, citing disruption to over 600 direct employees and potential loss of livelihood for two lakh workers across the sector. A23 also claims that the law jeopardizes ₹23,440 crore in investments and undermines a sector that has contributed over ₹1,600 crore in GST till July 2025. The Karnataka High Court, led by Justice B.M. Shyam Prasad, has issued notice to the Union government and scheduled the next hearing for September 8, 2025.

➔ On 31 July 2025, a special NIA court acquitted all seven accused in the 2008 Malegaon blast case, including Pragya Singh Thakur and Lt Col Prasad Purohit, citing lack of reliable evidence. The trial, which spanned nearly 17 years, involved charges under the Unlawful Activities (Prevention) Act and various IPC sections. The court flagged serious procedural lapses—improper panchnama, contaminated forensic samples, and failure to conclusively link the bomb to Thakur's motorcycle. Judge A.K. Lahoti stressed that suspicion cannot replace legal proof, and convictions must rest on admissible evidence. The court found no credible link between Purohit and the RDX, nor proof of conspiracy meetings. It also noted manipulation of medical records, undermining the investigation's integrity.

➔ At the launch of "[In] Complete Justice? The Supreme Court at 75" in New Delhi, former Supreme Court judge Abhay Oka voiced concern over the lack of transparency in the Collegium system. Responding to senior advocate Indira Jaising's query on Justice B.V. Nagarathna's dissent in elevating Justice Vipul Pancholi, Oka stressed that citizens have a right to know reasons for judicial dissent. Jaising argued secrecy in Collegium decisions undermines accountability and clouds criteria for appointing future Chief Justices. Justice Oka acknowledged that while transparency is vital, it must be balanced against the reputational risks to candidates who are considered but not recommended. He emphasized that the Collegium's deliberations, including dissenting views, should be documented and disclosed in a manner that respects both institutional integrity and individual privacy.

➔ The Supreme Court has ruled that stray dogs in the NCR must be sterilized, vaccinated, dewormed, and released back to their localities under the Animal Birth Control Rules, 2023. A bench of Justices Vikram Nath, Sandeep Mehta, and N.V. Anjaria overturned an earlier order to confine all strays, calling it impractical. Aggressive or rabid dogs must remain in shelters. The court also mandated designated feeding zones, prohibited feeding strays in public places, and directed municipalities to set up helplines for enforcement. The bench emphasized that civic bodies must file periodic compliance reports detailing sterilization drives and infrastructure readiness. It also warned that failure to implement the Animal Birth Control Rules in letter and spirit could invite contempt proceedings against municipal authorities.

➔ On August 25, 2025, the Supreme Court constituted a Special Investigation Team (SIT) chaired by retired Justice Jasti Chelameswar to probe allegations of illegal animal acquisition, mistreatment, and financial irregularities at the Vantara Centre in Jamnagar, Gujarat. The SIT includes former Chief Justice Raghavendra Chauhan, ex-Mumbai Police Commissioner Hemant Nagrale, and Customs official Anish Gupta. It has been tasked with examining compliance with wildlife laws, international conventions, and veterinary standards, as well as investigating claims of misuse of biodiversity resources, water, and carbon credits. The SIT was directed to submit its report by September 12, 2025.

## LEGAL TRIVIA

**A, a supplier, delivered goods worth ₹10 lakhs to B on 15th March 2020. B failed to pay despite repeated reminders. On 20th February 2023, B sends an email acknowledging the outstanding amount and promises to settle it soon. A files a recovery suit on 10th March 2025. B contests the suit, arguing that it is barred by limitation under the Limitation Act, 1963.**

**Provide your answer by referring to the statutory provisions and any relevant case laws.**





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