

THE BEGUR BULLETIN

TECHNOLOGY

JANUARY – DECEMBER 2025

YEARLY REGULATORY UPDATE



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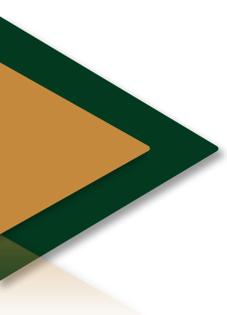
India's technology ecosystem continued its transition in 2025 from scale-driven digital adoption to regulation-backed institutional maturity. As emerging technologies such as artificial intelligence, deep-tech manufacturing, digital platforms, satellite communications, and online gaming became increasingly embedded in economic and social systems, the regulatory focus shifted decisively toward governance, accountability, and systemic resilience. Policymakers and regulators sought to balance innovation with safeguards, strengthening data protection, platform responsibility, cybersecurity, and consumer protection—while simultaneously supporting domestic manufacturing, R&D, and next-generation connectivity.

The year witnessed several defining regulatory developments. These included the operationalisation of India's data protection regime through the notification of the DPDP Rules and the constitution of the Data Protection Board; the release of India's first comprehensive AI Governance Guidelines and sectoral AI frameworks by MeitY, RBI, and SEBI; a fundamental reset of the online gaming landscape through new legislation, draft rules, and heightened judicial scrutiny; and far-reaching telecom and digital infrastructure reforms spanning spectrum allocation for satellite services, payment aggregator regulation, authentication standards, anti-fraud measures, and the transition to the Telecommunications Act, 2023 authorisation regime. In parallel, targeted industrial policy interventions such as the RDI Scheme for deep-tech, semiconductor and electronics manufacturing incentives, SEZ reforms, and state-level semiconductor initiatives signalled a clear push toward technology self-reliance and value-chain depth.

We value your thoughts and suggestions. If there is feedback on how we can improve The Begur Bulletin, we'd love to hear from you on communications@begurs.com. Your input helps us keep this platform insightful.

Enjoy reading, here's to staying informed, compliant, and capital-ready!

— Team Begur





LEGISLATIVE UPDATES

1. MeitY notifies Digital Personal Data Protection Rules, 2025

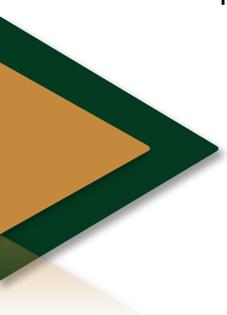
The Ministry of Electronics and Information Technology (“MeitY”) notified the Digital Personal Data Protection (“DPDP”) Rules, 2025 on November 13, 2025, bringing the Digital Personal Data Protection Act, 2023 into operational effect through a phased implementation framework.

Key Provisions

- a. **Phased implementation** - The Rules will come into force in three stages: immediate commencement for provisions relating to definitions, governance and the Data Protection Board; consent manager framework after one year (November 2026); and core compliance obligations after eighteen months (May 2027).
- b. **Data retention** - Data Fiduciaries must retain personal data, traffic data and processing logs for at least one year, even after account closure or deletion requests.
- c. **Children and persons with disabilities** - Processing requires verifiable parental or guardian consent, with behavioural profiling and targeted advertising to children prohibited once core obligations take effect.
- d. **Consent Managers** - A statutory registration framework for Consent Managers becomes operational from November 2026, prescribing governance and interoperability standards.
- e. **Significant Data Fiduciaries** - Designated entities must comply with enhanced obligations, including appointment of an India-based Data Protection Officer,

annual Data Protection Impact Assessments and audits, and restrictions on certain cross-border data transfers.

B&P View: The DPDP Rules have finally been notified after a considerable delay following the enactment of the DPDP Act in 2023, bringing much-needed clarity and ending the uncertainty that persisted in the absence of the Rules. The staggered rollout of different provisions in the Rules provides a limited but critical transition window for organisations to align their governance and data privacy systems with the legislative framework. The mandatory one-year retention requirement and enhanced child consent standards will require early operational changes, particularly for high-volume data processors and prospective Significant Data Fiduciaries.





MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY (MeiTY)

1. AI GOVERNANCE GUIDELINES

The MeiTY on November 05, 2025 released the India AI Governance Guidelines, following the work of a drafting committee tasked with developing a governance framework that supports innovation and global competitiveness while mitigating risks to individuals and society. The framework is positioned as principles-based and non-prescriptive, favouring adaptive governance over blanket regulation.

The Guidelines are anchored in seven foundational principles (Sutras) for human-centric AI development:

- a. **Trust** as the foundation across the AI value chain;
- b. **People-first** approach with meaningful human oversight;
- c. **Innovation over restraint**, prioritising responsible growth;
- d. **Fairness and equity**, including bias mitigation;
- e. **Accountability** of developers and deployers;
- f. **Transparency and explainability by design**; and
- g. **Safety, resilience and sustainability** of AI systems.

To operationalise these principles, the framework is structured around **six governance pillars**: (i) infrastructure and access to data, (ii) agile policy and regulatory interventions through existing laws, (iii) capacity building and skilling, (iv) India-specific AI risk assessment frameworks with

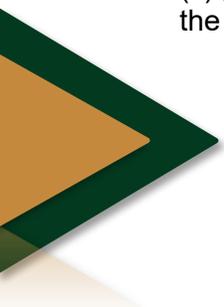
higher safeguards for high-risk use cases, (v) graded accountability and liability across the AI lifecycle, and (vi) institutional

mechanisms including a dedicated AI Governance Group and a strengthened AI Safety Institute. The implementation roadmap is phased, short-term focus on institutional set-up and voluntary commitments, medium-term on sandboxes, standards and sector-specific legal amendments, and long-term evaluation of a standalone AI law.

B&P View: The Guidelines signal India's clear preference for a flexible, innovation-enabling AI governance model, avoiding premature hard regulation while laying the groundwork for future statutory intervention. By emphasising risk-based accountability, sectoral calibration, and institutional capacity, the framework aligns India with global best practices without mirroring the more restrictive EU-style approach. Its effectiveness, however, will depend on timely operationalisation, inter-regulatory coordination, and the clarity of liability standards, particularly for high-risk and commercially deployed AI systems.

2. DRAFT AMENDMENT TO IT INTERMEDIARY GUIDELINES ON SYNTHETICALLY GENERATED INFORMATION

The MeiTY on October 22, 2025 issued draft amendments to the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021, expanding due diligence obligations on intermediaries to cover "synthetically generated information". The draft defines such information as content artificially or algorithmically created or altered to appear authentic, and clarifies that references to "information" in unlawful contexts under the Rules will include synthetic content. It further provides that intermediaries removing or disabling access



to synthetic content under grievance redressal or reasonable efforts will not lose safe-harbour protection under section 79 of the IT Act.

The amendments require intermediaries that provide tools for creating synthetic content to embed permanent and unique labels or metadata that are prominently visible or audible. These identifiers must cover at least 10% of the visual surface or the first 10% of audio duration and cannot be suppressed or removed. Significant social media intermediaries must require users to declare whether uploaded content is synthetic, deploy technical measures to verify declarations, and display clear labels when synthetic content is confirmed. Failure to act or knowingly permitting synthetic content without proper labelling will be treated as a breach of due diligence.

B&P View: The draft establishes a compliance framework for deepfakes and synthetic media. The rules signal accountability for provenance and transparency in synthetic content requiring intermediaries to balance innovation with regulatory safeguards.

3. DRAFT PROMOTION AND REGULATION OF ONLINE GAMING RULES, 2025

The MeitY on 2 October 2025, notified the draft of the Promotion and Regulation of Online Gaming Rules, 2025. under section 19 of the Act, providing the operational framework. The Rules establish the Online Gaming Authority of India, define registration processes for online games, institute grievance redress measures provide for enforcement mechanisms.

Key Provisions:

- a. **Authority:** A statutory body headquartered in NCR overseeing the

implementation of the regulatory framework, functioning digitally, with civil-court powers. Composition includes Chairperson (MeitY), Members from I&B, Sports, Financial Services, and law experts.

- b. **Recognition & promotion:** Youth Affairs & Sports administers e-sports; I&B administers social games. Both categories can be registered; social games may also be offered without registration.
- c. **Determination & registration:** Authority decides if a game is a money game, social game, or e-sport. Applications are digital; registration within 90 days. E-sports require recognition under the National Sports Governance Act, 2025.
- d. **Certificates:** Valid up to five years; material changes must be reported. Registrations can be cancelled for conversion into money games, repeated violations, or failure to maintain recognition.
- e. **Grievance & appeals:** Users escalate complaints to GAC; Authority can hear appeals; further appeals lie with MeitY's Appellate Authority, to be disposed ideally within 30 days.
- f. **Enforcement:** Authority may direct banks, advertisers, and intermediaries; can impose penalties, suspend/cancel registrations, block unlawful games, and coordinate with enforcement agencies.

B&P View: The Draft Rules represent a significant step towards clarifying the regulatory treatment of online games under India's evolving digital governance framework. By introducing clearer classification criteria and a structured registration and compliance mechanism, the framework brings much needed certainty for skill-based formats, including e-sports and social gaming platforms. At the same time, the Rules signal a stricter enforcement posture towards money games, particularly those posing consumer protection or addiction-related risks. While this calibrated approach balances innovation with oversight, its



effectiveness will depend on consistent interpretation by self-regulatory bodies, clarity in classification thresholds, and the practical enforceability of compliance obligations across diverse gaming models.

4. PARLIAMENT PASSES PROMOTION AND REGULATION OF ONLINE GAMING BILL 2025

On 21 August 2025, Parliament passed the Promotion and Regulation of Online Gaming Bill, 2025. This law comprehensively regulates India's online gaming sector. It imposes a complete ban on "online money games" (whether based on chance or skill). Advertising or promoting real-money gaming platforms is prohibited, and banks/payment systems are barred from processing transactions for unlawful gaming. Simultaneously, the Bill promotes safe digital gaming: it formally recognizes e-sports and "social/educational" games, establishing government support and separate platforms for them.

Key provisions include:

- a. **Ban on online money games:** All games involving real-money stakes are prohibited, irrespective of whether they involve skill or chance. Advertising and promotion of such platforms has also been prohibited.
- b. **National Online Gaming Authority:** A central regulator will license platforms, classify games and supervise compliance.
- c. **Regulatory recognition for e-sports & social/educational games:** Government support, promotion, and dedicated platforms for these categories are formally provided.
- d. **Financial and operational safeguards:** Licensed operators must implement KYC/AML, age verification, fund segregation, responsible gaming measures, and grievance mechanisms.

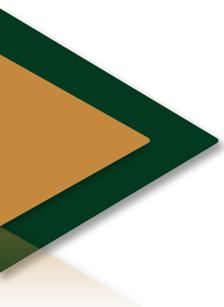
- e. **Enforcement powers:** Banks, payment processors, and advertisers must block unlawful transactions or promotions. Violations may attract fines, imprisonment, and website/app blocking.

B&P View: The enactment of this legislation represents a structural reset for the Indian online gaming sector. By outlawing all money games, irrespective of the traditional "skill versus chance" distinction, the framework eliminates long-standing ambiguities but simultaneously shuts down a significant segment of the industry. For legitimate operators, the law offers regulatory certainty and an opportunity to align with government-recognized categories such as e-sports and social/educational gaming, potentially unlocking access to institutional support and investment. Payment intermediaries, meanwhile, will need to enhance monitoring systems to ensure strict compliance with the prohibitions, as liability risks are likely to increase. From a market perspective, the regulatory clarity may drive consolidation, with compliant entities gaining competitive advantage, but it also raises questions about innovation pathways in monetization models.

5. MeITY RELEASES BRD FOR CONSENT MANAGEMENT SYSTEM UNDER DPDP ACT 2023

The MeITY on June 06, 2025 published a Business Requirements Document (BRD) outlining the design and functionalities of a Consent Management System (CMS) under the Digital Personal Data Protection (DPDP) Act, 2023. The BRD sets objectives of (i) enabling comprehensive consent lifecycle management, (ii) empowering data principals to exercise rights over their data, and (iii) ensuring compliance with the DPDP Act and draft DPDP Rules.

The BRD prescribes functional requirements including a detailed consent management lifecycle (collection, validation, updating, renewal and withdrawal), cookie consent management, a user dashboard for viewing and modifying



consents, real-time consent notifications, grievance redressal with tracking, role-based system administration, and tamper-proof audit logging.

A notable feature is the Consent Artifact, a secure record containing metadata such as timestamp, user ID, and purpose ID, which synchronises across systems in real time to ensure traceability and verifiability. While the BRD envisions that consent managers will handle most technical functions, certain legal obligations (such as providing compliant notices under Section 5 of the DPDP Act) are expressly imposed on data fiduciaries. This creates some uncertainty regarding the ultimate allocation of liability between consent managers and data fiduciaries.

B&P View: Private-sector firms that collect personal data will need to align their user interfaces and backend systems to these guidelines. Although the BRD itself is not a law, it signals enforcement expectations under the DPDP Act; technology platforms should prepare to update their consent flows and record-keeping to comply with these government-defined standards.

6. REGULATORY FRAMEWORK FOR AI

MeitY vide notification dated January 6, 2025, issued an “AI for India-Specific Regulatory Framework” (“**Report**”), prepared by an advisory group chaired by the Principal Scientific Advisor, constituted to undertake the development of a regulatory framework governing AI in India. The Report emphasises the importance of a coordinated, whole-of-government approach involving inter-ministerial coordination to develop policy framework as opposed to a fragmented approach among different sectoral regulators. Among other proposals, the Report suggests the creation of a ‘Technical Secretariat’ to build a systems-level understanding to identify gaps and establish protocols for ensuring AI accountability along with the need to prevent a rigid definition of AI to ensure the proposed legislation is future

ready and continues to evolve itself with the rapidly evolving AI landscape. B&P Comments: Owing to the exponential growth of AI across the world in recent times, it is imperative to establish a regulatory framework that ensures inclusive progress and mitigates associated risks. The mention of a joint effort among the ministries is noteworthy considering the many facets that characterise AI. It would be interesting to observe the regulatory approach adopted in the subsequent legislation as well as the timeframe for its enactment.

7. MeitY PUBLISHES DRAFT DIGITAL PERSONAL DATA PROTECTION RULES 2025 FOR PUBLIC CONSULTATION

The MeitY on January 03, 2025 published the draft Digital Personal Data Protection (DPDP) Rules, 2025 for public consultation. These rules flesh out obligations under the DPDP Act 2023 and are intended to “operationalize” the law. They cover requirements like data fiduciary registration, detailed consent content, data retention limits, breach reporting timelines, record-keeping, and exemptions. Once finalized, these rules will codify the manner in which companies must implement the DPDP Act’s privacy protections.

B&P View: The draft Rules significantly elevate compliance expectations for all businesses handling personal data, moving beyond policy formalities to mandate demonstrable, auditable safeguards. For many organizations, particularly startups and AI-driven platforms. Regulators are expected to adopt a rigorous enforcement posture once the Rules are finalized, making proactive compliance planning critical. Firms should not treat this as a routine update but as a structural shift in India’s data governance architecture, with implications for cross-border operations and investor due diligence. Collectively, these developments mark a decisive step towards the operationalization of India’s data protection regime, placing it in closer alignment with mature international privacy frameworks.

RESERVE BANK OF INDIA (RBI)

1. RBI ISSUES DIRECTIONS ON AUTHENTICATION MECHANISMS FOR DIGITAL PAYMENT TRANSACTIONS, 2025

The RBI vide Notification dated September 25, 2025, has issued the *Authentication mechanisms for digital payment transactions Directions, 2025* (“**Directions**”). The Directions seek to modernise the authentication framework for digital payment transactions by enabling secure, technology-neutral alternatives to existing SMS-based authentication methods. The Directions shall come into force with effect from April 01, 2026, unless otherwise specified.

The Directions mandate that all domestic digital payment transactions adhere to minimum two-factor authentication, with at least one factor being dynamic, while permitting issuers and payment system participants to deploy interoperable, technology-neutral and risk-based authentication mechanisms. Issuers are permitted to adopt contextual and behavioral authentication for higher-risk transactions and are made liable for customer losses arising from non-compliance with prescribed authentication norms. The Directions also mandate compliance with the Digital Personal Data Protection Act, 2023, and require card issuers to implement validation and risk-based mechanisms for cross-border card-not-present transactions by October 01, 2026. Earlier RBI circulars on card transaction authentication and security stand repealed.

B&P View: The Directions mark a significant shift towards flexible and future-ready authentication frameworks in India’s digital payments ecosystem. By moving away from OTP-centric models and enabling risk-based, interoperable authentication, RBI has balanced enhanced consumer protection with innovation, while placing clear accountability

2. RBI ISSUES MASTER DIRECTION ON REGULATION OF PAYMENT AGGREGATORS, 2025

The RBI vide circular dated September 15, 2025, has issued the Master Direction on Regulation of Payment Aggregators, 2025 (“**Master Directions**”). The Master Directions consolidates and supersedes the existing regulatory framework governing Payment Aggregators (“PAs”), including online, physical point-of-sale, and cross-border PAs.

The Master Directions are issued under the Payment and Settlement Systems Act, 2007 and the Foreign Exchange Management Act, 1999 and are effective immediately unless otherwise specified.

Key Provisions:

- a. Non-bank Payment Aggregators must obtain RBI authorization, with PA-Physical entities required to apply by December 31, 2025.
- b. Minimum net-worth of ₹15 crore at application stage and ₹25 crore within three years has been prescribed.
- c. Enhanced governance, cyber security and risk management requirements have been mandated for Payment Aggregators.
- d. Merchant KYC norms have been strengthened, including CKYCR-based verification and FIU-IND registration.
- e. Strict escrow account and fund segregation norms have been introduced for Payment Aggregators.
- f. Additional FEMA-linked compliances and a ₹25 lakh transaction cap apply to cross-border Payment Aggregators.
- g. Expanded reporting, audit and disclosure obligations have been prescribed for authorized Payment Aggregators.
- h. Earlier RBI circulars on Payment Aggregators stand repealed, subject to

transitional provisions.

B&P View: The Master Directions marks a significant regulatory consolidation and tightening of the Payment Aggregator ecosystem in India. By harmonizing rules across online, physical, and cross-border payment models, RBI has enhanced regulatory clarity, systemic stability, and consumer protection. While compliance obligations, particularly around capital, escrow management, and cyber security have increased, the framework is expected to strengthen trust in digital payment infrastructure and support sustainable growth of regulated payment intermediaries.

3. RBI RELEASES FREE-AI COMMITTEE REPORT ON RESPONSIBLE AI IN FINANCE

The RBI on August 13, 2025 released the FREE-AI Committee Report, a first-of-its-kind framework for ethical AI in the financial sector. The Report outlines seven guiding “Sutras” (principles) and 26 recommendations organized under six pillars (data infrastructure, innovation sandbox, capacity building, governance, assurance, etc.). Key proposals include building a shared data/digital infrastructure for AI model development, creating a multi-stakeholder AI oversight committee, auditing frameworks and funding for homegrown AI solutions. The report’s vision is to “harmonize” innovation with risk mitigation in India’s finance ecosystem.

B&P View: This report will strongly influence how banks, fintechs and insurers use AI/ML. Firms should expect RBI guidance or rules (in due course) requiring AI governance, explainability and testing protocols. For instance, integrating AI into the UPI payments platform or public sector data systems (as suggested) could unlock new services, but

firms will be held to strict standards. Overall, the framework encourages the private sector to invest in compliant AI (e.g. via an AI sandbox) while preparing for possible regulatory audits of AI system.

4. RBI ISSUES REGULATORY PRESCRIPTIONS AND INSTITUTIONAL SAFEGUARDS FOR PREVENTION OF FINANCIAL FRAUDS USING VOICE CALLS AND SMS

The RBI vide Circular dated January 17, 2025, issued regulatory prescriptions and institutional safeguards to prevent financial frauds perpetrated using voice calls and SMS. The circular applies to banks, non-banking financial companies, payment system participants, and other regulated entities, and aims to curb misuse of telecom channels for fraudulent activities.

Regulated entities are required to utilise the Mobile Number Revocation List available on the Digital Intelligence Platform of the Department of Telecommunications, undertake customer communications only through designated numbering series, and comply with Distributed Ledger Technology (DLT) registration and content template requirements prescribed by the Telecom Regulatory Authority of India.

B&P View: The circular reflects enhanced coordination between financial and telecom regulators to address technology-enabled frauds. While addressed to financial sector entities, the measures have operational implications for telecom service providers and SMS intermediaries involved in customer communication and authentication processes.



**TELECOM REGULATORY AUTHORITY OF INDIA (TRAI) & DEPARTMENT OF
TELECOMMUNICATION ("DoT")**

1. DOT RELEASES NATIONAL FREQUENCY ALLOCATION PLAN 2025 (NFAP-2025)

The DoT on December 30, 2025, released the National Frequency Allocation Plan 2025 (NFAP-2025), effective from the date of release. This strategic policy document governs spectrum management from 8.3 kHz to 3000 GHz and aligns India with global standards. Key updates include the identification of the 6425–7125 MHz band for IMT (5G/6G) and the allocation of Ka, Q, and V bands for high-throughput satellite services. Additionally, it provides enhanced spectrum for In-Flight and Maritime Connectivity (IFMC) and supports emerging V2X (Vehicle-to-Everything) technologies.

B&P View: NFAP-2025 is a foundational update that prepares India for the 6G era and the massive expansion of satellite broadband. By identifying mid-band spectrum (6 GHz) for mobile services, the DoT is addressing the capacity needs of 5G Advanced while fostering a local ecosystem for next-gen hardware. The focus on IFMC and V2X further signals a shift toward ubiquitous connectivity, offering significant opportunities for telecom operators and automotive manufacturers to integrate high-speed data into transport infrastructure.

2. TRAI RELEASES RECOMMENDATIONS ON REGULATORY FRAMEWORK FOR FOREIGN SIM/eSIM CARDS IN M2M/IoT DEVICES MEANT FOR EXPORT

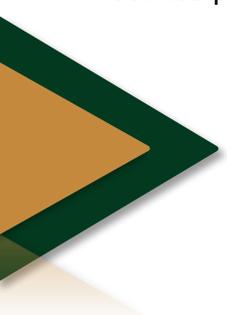
TRAI on December 30, 2025 released recommendations to establish a regulatory framework for the sale of foreign telecom service providers' SIM/eSIM cards used in

Machine-to-Machine (M2M) and Internet of Things (IoT) devices intended for export. Following a request from the Department of Telecommunications (DoT) in September 2024 and extensive stakeholder consultation, TRAI proposed a new "light-touch" service authorization under the Telecommunications Act, 2023, termed the "International M2M SIM Service Authorisation". This framework allows Indian manufacturers to embed foreign SIMs in products like smart meters and connected cars to ensure seamless functionality in destination countries, while permitting these SIMs to be activated in India for up to six months for testing purposes.

B&P View: These recommendations address a critical regulatory vacuum, facilitating smoother export operations for Indian M2M/IoT manufacturers. By proposing a zero-entry fee and zero-bank guarantee model, TRAI is significantly lowering compliance barriers, which aligns with the "Make in India" initiative and enhances the global competitiveness of Indian-made smart devices. The move toward digitally signed, auto-generated authorizations suggests a streamlined administrative process that will help Indian enterprises scale more rapidly in the international IoT market.

3. DOT AMENDS TELECOMMUNICATION CYBER SECURITY (TCS) RULES TO CURB FRAUD

DoT On November 27, 2025 clarified that the TCS Amendment Rules, 2025 (originally notified October 22, 2025) are in force. The rules target vulnerabilities in digital services



like banking and e-commerce. Key frameworks include a Mobile Number Validation (MNV) platform to stop identity fraud and a Resale Device Scrubbing mandate requiring refurbished device sellers to check IMEIs against a central blacklist. It also defines Telecom Identifier User Entities (TIUEs), mandating they share data with the government under regulated circumstances for better traceability.

B&P View: These rules impose new compliance layers on fin techs and secondary markets to eliminate "mule accounts" and stolen device circulation. The focus on "TIUE" obligations suggests that any entity using mobile numbers or IPs for authentication must now prioritize government-aligned traceability and device integrity.

4. GOVERNMENT FINALIZES FRAMEWORK FOR TRANSFER OF M2M SIM OWNERSHIP

DoT on October 29, 2025, notified a new framework for the transfer of M2M SIM ownership between Service Providers (M2MSPs) or Licensees. Prior to this, no provision existed for changing ownership records, leading to potential service disruptions during provider transitions. The new framework mandates a streamlined process where the M2M Service User initiates a request, followed by a No Objection Certificate (NOC) from the existing provider within 15 days and an undertaking from the new provider accepting all liabilities. Access Service Providers (ASPs) are then required to conduct fresh KYC and update records to ensure continuous service mapping.

B&P View: This framework fills a critical regulatory gap in the IoT/M2M ecosystem by decoupling the hardware (SIM) from the specific service provider, thereby preventing "vendor lock-in." By ensuring no service downtime during transfers, the DoT is

enhancing operational flexibility for enterprises managing large-scale deployments like smart meters or fleet tracking. Companies must now ensure their contracts and due-diligence processes account for these new KYC requirements and the 15-day NOC timeline to maintain seamless connectivity.

5. TRAI ISSUES CORRIGENDUM TO RECOMMENDATIONS ON "FORMULATING A DIGITAL RADIO BROADCAST POLICY FOR PRIVATE BROADCASTERS"

TRAI, via Press Release dated October 27, 2025, issued a corrigendum to its recommendations on "Formulating a Digital Radio Broadcast Policy for private broadcasters". These recommendations were originally submitted to the Government on October 3, 2025, following a request from the Ministry of Information and Broadcasting (MIB) in April 2024 under Section 11(1)(a)(i) of the TRAI Act, 1997. The corrigendum provides necessary corrections or clarifications to the October framework and is available on the official TRAI website for stakeholder reference.

B&P View: The issuance of this corrigendum reflects a commitment to technical and procedural precision as India moves toward a formal digital radio policy. By refining the October recommendations, TRAI is ensuring that the regulatory groundwork for private broadcasters is clear and robust. Firms in the broadcasting space should monitor these updates closely, as they will dictate the future technical standards and operational requirements for digital radio migration.

6. DOT SUSPENDS NEW TELECOM



APPLICATIONS DURING TRANSITION TO 2023 ACT AUTHORISATION REGIME

DoT on October 24, 2025 announced an interim suspension of all new applications for telecom licenses, registrations, and permissions, effective from November 10, 2025. This temporary measure is designed to manage administrative complexities and regulatory uncertainties as the sector transitions from the old licensing framework (under the Indian Telegraph Act, 1885) to the new authorization regime mandated by Section 3 of the Telecommunications Act, 2023. The suspension applies to Unified Licenses (UL), Unified License (VNO), standalone licenses, and No Objection Certificates (NoC). While no new requests will be accepted after the cutoff date, the DoT clarified that all applications submitted up to November 10, 2025, will continue to be processed normally.

B&P View: This "procedural pause" signals that the Government is nearing the final notification of the new authorization rules. For prospective market entrants, the suspension creates a temporary barrier, but it is a necessary step to prevent a backlog of applications under a soon-to-be-repealed legal framework. Businesses should use this window to audit their current permits, as existing licenses will eventually need to transition to the new, more streamlined "authorization" status upon renewal.

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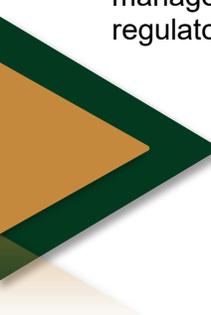
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8. DOT RELEASES DRAFT RULES FOR AUTHORISATION OF MISCELLANEOUS TELECOMMUNICATION SERVICES

DoT on 9 September 2025, released the Draft Telecommunication (Authorisation for Provision of Miscellaneous Telecommunication Services) Rules, 2025 for public consultation under the Telecommunications Act, 2023. The Draft Rules propose a consolidated authorisation framework for 'miscellaneous' telecom services (earlier categorised as auxiliary services), including enterprise communication services, machine-to-machine (M2M) services, inflight and maritime connectivity (IFMC), resale of foreign SIMs, and other niche offerings.

Key proposals include a new authorisation for enterprise communication services (covering cloud-based EPABX, audiotex and



conferencing), streamlined M2M authorisations with reduced fee burdens, a simplified regime for foreign SIM resale, and a refreshed framework for IFMC services.

B&P View: While the Draft Rules largely reorganise existing regulatory constructs, they introduce targeted changes that may materially affect niche service providers, particularly cloud-based enterprise communication platforms and M2M operators. The consultation process presents an important opportunity for stakeholders to address ambiguities and compliance costs, as the final rules are likely to shape investment appetite and operational models across specialised telecom segments.

9. DoT ISSUES INCLUSIVE KYC INSTRUCTIONS FOR PERSONS WITH DISABILITIES

DoT on 31 July 2025, issued revised instructions mandating an accessible and inclusive Know-Your-Customer (KYC) framework for persons with disabilities (PwDs) for availing telecom services. Issued pursuant to the Supreme Court's judgment in *Pragya Prasun v. Union of India & Ors.* and *Amar Jain v. Union of India & Ors.* (30 April 2025), the instructions supersede earlier DoT directions and require telecom licensees to offer multiple KYC options (including paper-based KYC), prohibit denial of services due to disability-related procedural barriers, mandate alternatives to eye-blink-based liveness detection, require appointment of designated officers for PwD enrolment issues, establish dedicated grievance redressal mechanisms, and introduce bi-annual accessibility compliance reporting from **1 January 2026**.

B&P View: The instructions embed accessibility as a binding compliance obligation within the telecom sector, requiring significant operational, system, and training changes across customer onboarding processes. Given the scale of telecom enrolments and point-of-

sale operations, licensees will need to rapidly adapt systems to avoid regulatory scrutiny and potential penalties, while sustained reporting obligations ensure continuous oversight rather than one-time compliance.

10. DoT RELEASES NATIONAL TELECOM POLICY 2025 FOR PUBLIC CONSULTATION

DoT on July 24, 2025 circulated the Draft National Telecom Policy 2025 for public consultation. Stakeholders were invited to submit feedback within 21 days. The draft outlines ambitious national targets for 2030 - universal and affordable connectivity for all, doubling the telecom sector's GDP contribution, achieving ₹1 lakh crore annual sector investment, doubling exports, doubling the number of telecom startups and R&D spending, creating 1 million new jobs, upskilling 1 million workers, adopting quantum-resistant security, and reducing carbon footprint by 30%. It envisions six strategic missions (e.g. connectivity, investments, innovation) to meet these goals.

Key proposals include:

- a. **Satellite Communications (Satcom):** Transition to Network Virtualisation and Software-Defined Networks (SDN); prioritisation of spectrum release for IMT, mmWave, and sub-THz for 6G; alignment of Non-Terrestrial Network (NTN) policy with the Indian Space Policy 2023; introduction of Ground Station as a Service (GSaaS); and establishment of Satcom use case labs.
- b. **Universal Connectivity:** Fiberisation of 80% of telecom towers and all Gram Panchayats under BharatNet (uptime >98%); expansion of fixed-line broadband to 10 crore households; deployment of one million public Wi-Fi hotspots; light-touch authorisation for submarine cables; and hybrid access through FWA, FTTH, Wi-Fi, Satellite, and HAPS.

- c. **Innovation:** Spectrum earmarked for R&D with minimal compliance; transformation of C-DOT into a next-gen telecom R&D centre; introduction of experimental authorisations and regulatory sandboxes; funding for technology readiness; and acceptance of IPRs as collateral for innovation financing.
- d. **Domestic Manufacturing:** 150% increase in domestic telecom output, with 50% import substitution; establishment of a Telecom Manufacturing Zone (TMZ); incentivisation of indigenous telecom products and software; and development of industry-aligned courses in telecom, electronics design, AI, cybersecurity, 5G/6G, IoT, and quantum communication.
- e. **Secure and Trusted Network:** Establishment of National Telecom SafeNet; biometric-based user identification; 50% reduction in telecom cybersecurity incident response times; Satcom monitoring facilities; telecom cybersecurity audits; trusted hardware/software supply chains; and mobile number validation services to protect against fraud in banking, insurance, and other service sectors.
- f. **Sustainability & Ease of Doing Business:** Utilisation of the Digital Bharat Nidhi (DBN) to expand rural and underserved network coverage, incentive schemes for fixed-line broadband proliferation, and harmonisation of Indian testing standards with global requirements.

B&P View: If finalized, this policy will accelerate private investment in 5G rollout, fibre networks and telecom R&D. Telecom operators and equipment vendors should gear up for the 5G expansion goals and also leverage AI/ML for network optimization and new services (as envisioned by the policy). The clear targets indicate strong government support for next-gen connectivity, which could spur partnerships and spectrum investments in the private sector to meet those coverage

and technology goals.

11. DOT CLARIFIES END-USER KYC REQUIREMENT FOR INTERNET TELEPHONY PROVIDERS OPERATING UNDER “BUSINESS CONNECTION” CATEGORY

DoT, vide clarificatory letter dated June 16, 2025, issued guidance on Know Your Customer (“KYC”) compliances applicable to licensees providing internet telephony services through bulk mobile numbering series under the “Business Connection” category.

The clarification relates to an earlier Addendum dated August 31, 2023, which mandated that all licensees issuing bulk mobile numbering series to enterprise customers must conduct KYC verification for each individual end-user or end-customer. There had been ambiguity on whether the Addendum was limited to bulk mobile connections provided over the public switched telephone network or traditional enterprise telephony lines. Through this letter, the DoT has clarified that the end-user KYC requirement applies equally to licensees providing internet telephony services through bulk mobile connections.

Accordingly, all licensees providing mobile connections irrespective of whether the service is delivered through internet-based calling are now required to undertake KYC of each end-user. Non-compliance with these instructions will be treated as a breach of the terms and conditions of the Unified License and may attract penal consequences. Entities are required to ensure compliance within 90 days from the date of issuance of the clarification.

B&P View: This clarification significantly expands the scope of end-user KYC obligations beyond traditional bulk enterprise telephony to include internet-based calling services. The move reflects DoT’s increasing



focus on traceability and fraud prevention in enterprise communication models, particularly where bulk connections may be misused for spoofing, illegal call routing, or financial scams. Internet telephony providers and enterprise communication platforms will need to reassess onboarding frameworks, contractual allocations of compliance responsibility, and operational readiness to implement end-user KYC at scale within the prescribed timeline.

12. TRAI RELEASES RECOMMENDATIONS ON ASSIGNMENT OF SPECTRUM FOR SATELLITE-BASED COMMUNICATION SERVICES

TRAI vide Press Release dated May 09, 2025, has issued Recommendations on the *Terms and Conditions for the Assignment of Spectrum for Certain Satellite-Based Commercial Communication Services*, pursuant to a reference from the Department of Telecommunications under the Telecommunications Act, 2023.

Key Recommendations:

- a. Spectrum assignment recommended for NGSO-based FSS in Ku, Ka and Q/V bands, and for GSO/NGSO-based MSS in L and S bands (user links) and C, Ku, Ka and Q/V bands (feeder links).
- b. Validity period of spectrum assignment to be five years, extendable by two additional years.
- c. Shared spectrum usage to be permitted, subject to mandatory coordination among authorised entities.
- d. Compliance with ITU Radio Regulations mandated for all authorised operations.
- e. Time-bound assignment framework with a 30-day timeline for spectrum allocation.

- f. Spectrum charges fixed at 4% of Adjusted Gross Revenue (AGR), subject to minimum annual charges.
- g. Additional per-subscriber levy applicable for NGSO-based FSS operations in urban areas.

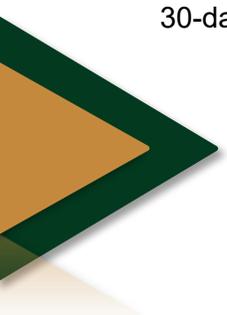
B&P View: The recommendations provide regulatory clarity on satellite spectrum assignment while promoting efficient spectrum sharing, market certainty and improved satellite connectivity, particularly in rural and remote areas.

13. TRAI RELEASES RECOMMENDATIONS ON BROADCASTING SERVICE AUTHORISATIONS UNDER THE TELECOMMUNICATIONS ACT, 2023

On February 21, 2025, TRAI released a new framework aligning broadcasting services with the Telecommunications Act, 2023, replacing the century-old Indian Telegraph Act regime. The recommendations transition licenses into a simplified "International M2M SIM Service Authorization" covering DTH, HITS, IPTV, and Radio. Key reforms include voluntary migration for existing holders with no fees, infrastructure sharing, and the removal of the ₹100 crore net-worth requirement for IPTV. Notably, DTH authorization fees are slashed from 8% to 3% of AGR, with a glide path to 0% by the end of FY 2026-27.

B&P View: This framework drastically reduces the financial and compliance burden on distributors, specifically benefiting DTH and HITS operators. By making radio technology-agnostic and allowing concurrent internet streaming, TRAI is modernizing the sector to enhance global competitiveness and "Ease of Doing Business."

14. TRAI AMENDS TCCCPR, 2018 TO



STRENGTHEN CONSUMER PROTECTION AGAINST UNSOLICITED COMMERCIAL COMMUNICATION

TRAI, vide Press Release dated February 12, 2025, has notified amendments to the *Telecom Commercial Communications Customer Preference Regulations, 2018* ("TCCCPR") to address evolving misuse of telecom resources and enhance consumer protection against Unsolicited Commercial Communication ("UCC").

The amendments simplify spam reporting by allowing complaints against unregistered senders without prior preference registration, extend the complaint window to 7 days, and reduce action timelines against UCC senders to 5 days. Consumers are empowered through mandatory opt-out options in promotional messages, standardised message headers for easy identification, limits on consent validity, and regulation of robo-calls. Stringent measures have been introduced against spammers, including suspension and blacklisting of telecom resources, restrictions on the use of 10-digit numbers for telemarketing, and deployment of analytics and honeypots for real-time spam detection. Graded financial disincentives have been prescribed for access providers for non-compliance.

B&P View: The amendments significantly strengthen India's anti-spam regulatory framework by enhancing consumer control, tightening enforcement against violators, and increasing accountability of access providers and telemarketers, while facilitating legitimate commercial communications through registered and traceable channels.

15. CONSULTATION PAPER ON THE

TELECOMMUNICATION TARIFF (SEVENTY FIRST AMENDMENT) ORDER, 2025

TRAI on January 15, 2025, issued the draft Telecommunication Tariff (Seventy First Amendment) Order, 2025 proposing that the broadband tariff (FTTH) for Public Data Offices ("PDOs") under the PM-WANI scheme should not exceed twice the tariff applicable for corresponding retail broadband (FTTH) services offered by service providers.

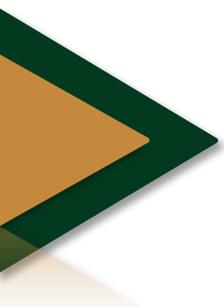
B&P View: The proposed tariff cap is a constructive measure to improve the viability of PM-WANI PDOs by addressing pricing disparities with retail broadband services. While it may modestly limit service providers' pricing flexibility, the proposal supports broader policy objectives of expanding public Wi-Fi infrastructure and advancing digital inclusion.

16. TRAI RELEASES RECOMMENDATIONS ON REGULATORY FRAMEWORK FOR GROUND-BASED BROADCASTERS

TRAI on January 15, 2025 finalized its recommendations for "Ground-based Broadcasters" (GBBs), establishing a framework that allows television channels to be delivered to Distribution Platform Operators (DPOs) via terrestrial means instead of mandatory satellite links. This shift leverages advancements in wireline (fiber/cable) and wireless (cellular/cloud) technologies, permitting GBBs to reach multiple DPO networks simultaneously. The framework mirrors the existing 2022 Satellite TV Guidelines but removes satellite-specific requirements, allowing broadcasters to switch between or concurrently use satellite and terrestrial mediums with government permission.



B&P View: This update represents a significant modernization of India's broadcasting landscape, breaking the satellite monopoly on content delivery. By permitting terrestrial transmission at a national level, TRAI is reducing entry costs and operational complexity for new broadcasters. The recommendation to examine Free Ad-Supported Streaming Television (FAST) channels further suggests that the regulator is preparing to integrate internet-native broadcasting models into the formal regulatory net, promoting long-term technological neutrality.



PRESS INFORMATION BUREAU

1. NOTIFICATION OF DRAFT CIVIL DRONE (PROMOTION AND REGULATION) BILL, 2025

The Ministry of Civil Aviation released the Draft Civil Drone (Promotion and Regulation) Bill, 2025 on September 16, 2025 for public consultation, proposing a consolidated statutory framework to govern the manufacture, sale, operation, and regulation of drones in India. The Bill seeks to replace the existing rules-based regime under the Drone Rules, 2021 with a comprehensive legislative architecture.

Key Provisions:

- a. Expanded applicability to Indian and foreign entities across the entire drone supply chain, and to registered drones irrespective of their location of operation;
- b. Mandatory registration of all drones, with compliance obligations on manufacturers and sellers to ensure unique identification prior to sale;
- c. Compulsory certification of all drone pilots, with no express exemptions for hobbyist or non-commercial use;
- d. Enhanced safety, security, and insurance requirements, along with stricter penalties including fines and imprisonment; and
- e. Broad delegated powers vested in the Central Government to prescribe classifications, licensing requirements, operational norms, and economic regulations through subordinate legislation.

B&P View: The proposed Bill represents a decisive shift towards a unified statutory regime for India's drone ecosystem, strengthening safety and accountability through mandatory registration, certification, and enforcement mechanisms. However, the absence of tailored carve-outs for start-ups, R&D, and recreational use, combined with wide delegated regulatory powers, may increase compliance costs and

regulatory uncertainty. The impact on innovation and ease of doing business will largely depend on the proportionality and flexibility of the final legislation and the rules framed thereunder.

2. UNION CABINET APPROVES RESEARCH, DEVELOPMENT & INNOVATION (RDI) SCHEME FOR DEEPTECH

On July 01, 2025, the Union Cabinet approved the Research, Development and Innovation (RDI) Scheme, committing ₹1 trillion over six years to catalyse private sector participation in high-impact research and development, with ₹200 billion allocated for FY 2025–26. The Scheme is administered by the Anusandhan National Research Foundation (ANRF) under the Department of Science and Technology (DST) and is aimed at addressing funding gaps in capital-intensive and high-risk deep-tech innovation.

Key features of the Scheme include:

- a. Concessional and low-interest loans, including nil-interest support for select projects;
- b. Equity funding for startups through a dedicated Deep-Tech Fund of Funds;
- c. Grant support of up to 50% of project costs for initiatives at Technology Readiness Levels (TRLs) 4 and above;
- d. Focus on sunrise sectors such as artificial intelligence, biotechnology, quantum computing, green energy, robotics, and digital agriculture; and
- e. A multi-tier governance structure comprising an ANRF Board chaired by the Prime Minister, an Executive Council, and an Empowered Group of Secretaries (EGoS) for approvals and oversight.

Building on this policy momentum, industry stakeholders launched the India Deep Tech Alliance (IDTA) in September 2025, with leading Indian and global venture capital firms committing over ₹80 billion in private capital for India-domiciled deep-tech startups and scale-ups over the next 5–10 years.

B&P View: The RDI Scheme is a material step toward de-risking private investment in deep-tech R&D by combining grants, concessional debt, and equity support within a centralized governance framework. If implemented with speed and clarity, it can meaningfully address India's mid-to-late-stage innovation financing gap; however, execution discipline, approval timelines, and effective public-private coordination will be critical to translating fiscal commitment into scalable outcomes.

3. APPROVALS GRANTED FOR MICRON AND AEQUS SEZ PROJECTS IN GUJARAT AND KARNATAKA

On June 9, 2025, the Board of Approval for Special Economic Zones (SEZs) approved two high-value proposals under the reformed SEZ framework, marking significant progress in India's semiconductor and electronics manufacturing drive.

The approved projects include:

(a) Micron Technology India Pvt Ltd: A ₹13,000 crore semiconductor manufacturing SEZ in Sanand, Gujarat, focused on memory packaging and chip assembly.

(b) Aequs Group: A ₹100 crore electronics components SEZ in Dharwad, Karnataka, aimed at supporting the consumer and durable electronics sector.

B&P View: These approvals reflect the early momentum generated by India's policy reforms in the semiconductor space. With major investments now flowing into Gujarat

and Karnataka, the foundation is being laid for a globally competitive electronics manufacturing ecosystem.

4. SEZ AMENDMENT RULES 2025 NOTIFIED TO BOOST SEMICONDUCTOR AND ELECTRONICS MANUFACTURING

On June 3, 2025, the Ministry of Commerce and Industry notified the Special Economic Zones (Amendment) Rules, 2025, introducing key regulatory reforms to support India's growing semiconductor and electronics manufacturing ecosystem. These amendments aim to lower entry barriers, enhance supply chain flexibility, and attract global investments.

Key Amendments:

- a. **Reduced Land Requirement:** Minimum area for semiconductor and electronics SEZs reduced from 50 to 10 hectares, allowing projects in urban and semiurban areas.
- b. **Clear Definition of Electronic Components:** Now includes display modules, camera modules, lithium-ion cells, and PCBs — expanding eligibility and easing approvals.
- c. **NFE Inclusion for Free-of-Cost Goods:** SEZ units can now count free-of-cost goods toward Net Foreign Exchange (NFE), aligning with global valuation norms.
- d. **Export & DTA Supply Flexibility:** Finished goods can be exported or sold to the Domestic Tariff Area (DTA) and FTWZs without earlier input restrictions.
- e. **Relaxed Land Certification:** No need for encumbrance-free certificates if land is mortgaged or leased to government entities, expediting project approvals.

B&P View: The SEZ reforms mark a shift from "Assemble in India" to a stronger "Make in India" approach. While the changes will

ease project execution and improve investor confidence, parallel efforts are needed to address infrastructure gaps, talent shortages, and sustainability challenges. These rules lay the groundwork for India's emergence as a credible player in the global semiconductor value chain.

5. HCL-FOXCONN JV SEMICONDUCTOR PLANT APPROVED UNDER INDIA SEMICONDUCTOR MISSION

On May 14, 2025, the Union Cabinet approved the establishment of the 6th semiconductor manufacturing unit under the India Semiconductor Mission, led by a joint venture between HCL and Foxconn. With an investment of ₹3,706 crore, the facility will be set up near Jewar Airport in Uttar Pradesh and is designed to produce 20,000 wafers per month, yielding up to 36 million display driver chips annually. Scheduled to begin operations by 2027, the project is expected to create approximately 2,000 jobs, marking a major step in bolstering India's chip manufacturing capacity. The facility will focus on display driver ICs, which are integral to consumer electronics, automotive displays, and industrial equipment.

B&P View: This approval strengthens India's position in the global semiconductor supply chain and aligns with the strategic push to localize critical electronic components. The project's scale, location near a major logistics hub, and job creation potential make it a cornerstone of India's next-generation electronics manufacturing roadmap.

6. UNION CABINET APPROVES ELECTRONICS COMPONENT MANUFACTURING SCHEME (ECMS) TO BOOST DOMESTIC PRODUCTION 2025

On April 26, 2025, the Union Electronics & IT Minister launched the Electronics Component Manufacturing Scheme (ECMS) and its web portal. The cabinet had approved ECMS to

boost domestic production of electronics components. ECMS provides differentiated incentives – turnover-linked, capex-linked, and hybrid (including employment-linked), for manufacturing of defined component categories. It covers sub-assemblies and bare components (e.g. display and camera modules, PCBs, Li-ion cells) as well as capital equipment and supply-chain items. The scheme is first-come, first-served and emphasizes quality and design capability.

B&P View: ECMS marks a major policy push to deepen India's electronics manufacturing value chain. By extending incentives across modules, components and capital goods, ECMS aims for an integrated ecosystem. The employment-linked incentive is novel, tying subsidies to job creation. Firms planning to apply should align project plans with the target segments in ECMS (notably a. high-priority camera/display modules, b. bare components, c. specialized PCBs/Li-ion, d. capital equipment).

JUDICIAL UPDATES

1. SUPREME COURT NOTICE ON DISGUISED E-SPORTS BETTING

On 3 November 2025, the Supreme Court took up a petition filed by the NGO *Centre for Accountability Systemic Change* seeking a nationwide ban on online betting platforms that present themselves as e-sports. The petition argued that these platforms misuse the recognition of e-sports to run real-money gambling, and asked the Court to direct the government to block unlawful apps under the IT Act, stop payment systems from processing transactions for unregistered games, recover taxes from offshore operators, and protect children's data.

The Bench of Justices J.B. Pardiwala and K.V. Viswanathan issued notice to the Union of India and regulators, noting overlaps with the Online Gaming Act, 2025, and agreed to examine whether disguised e-sports betting requires immediate prohibition.

B&P View: The Court's move shows growing concern about platforms blurring the line between legitimate e-sports and gambling. For regulators, it strengthens the case for tighter enforcement and coordination. For industry players, it highlights the need for transparent licensing and a clear separation between e-sports and betting models.

2. MADRAS HIGH COURT URGES UNION TO CONSIDER AUSTRALIA-STYLE CHILD INTERNET LAW

On 9 December 2025, the Madras High Court in *S. Vijayakumar v. Union of India* (W.P.(MD) No. 23323 of 2018) disposed of a PIL concerning children's easy access to pornographic content. The Division Bench of Justices G. Jayachandran and K.K. Ramakrishnan directed authorities to intensify awareness campaigns and suggested that the Union of India explore legislation similar to Australia's law prohibiting internet usage by children below 16 years of age.

The petition sought enforcement of parental control mechanisms by Internet Service Providers under the National Commission for Protection of Child Rights Act, 2005. The Court found the counter affidavits of authorities inadequate, noting that awareness campaigns in schools were insufficient and that parental windows in devices could substantially curb access to harmful content.

B&P View: This ruling highlights judicial concern over child internet safety and the inadequacy of current safeguards. By urging consideration of an Australia-style law, the Court signals a possible shift towards stricter statutory regulation of children's online access.

3. DELHI HIGH COURT UPHOLDS PERSONALITY RIGHTS OF SEVERAL BOLLYWOOD CELEBRITIES

The Delhi High Court, on September 12, 2025 granted an interim injunction in favour of Bollywood actor, Abhishek Bachchan, restraining websites, e-commerce platforms and YouTube channels from unauthorized use of his name, image, likeness and persona. The Court held that such misuse amounted to infringement of his personality

rights and directed blocking/removal of infringing products and AI-generated content. This order follows a similar one passed in favour of Aishwarya Rai Bachchan on September 09, 2025, underscoring the judiciary's consistent recognition of celebrities' personality rights.

B&P View: This order highlights the growing judicial emphasis on safeguarding personality rights in India, especially in the age of digital platforms and AI-generated content. With increasing misuse of celebrity personas for commercial and reputational harm, such rulings reinforce the economic and moral value of one's identity. Going forward, we expect more litigation and policy focus in this area, with Personality Rights becoming a critical aspect of brand protection, reputation management, and IP strategy for public figures.

4. ALLAHABAD HIGH COURT ORDERS COMMITTEE TO EXPLORE ONLINE GAMING REGULATION

On June 12, 2025, the Allahabad High Court directed the Uttar Pradesh government to form a High-Powered Committee to assess the need for legislation regulating online gaming and betting. Headed by Prof. KV Raju, Economic Advisor to the state, the committee will include senior bureaucrats and domain experts. The Court observed that the Public Gambling Act, 1867, is outdated and ineffective in addressing digital gambling, fantasy sports, and cross-border gaming operations. It flagged issues like minimal penalties, jurisdictional gaps, and the lack of legal clarity on online games' status. Citing psychological and social harms, particularly among youth, and risks of money laundering and financial fraud via offshore platforms, the Court called for a technology-driven, robust legislative framework. While the Court quashed the pending proceedings against the accused due to procedural lapses, it permitted a fresh investigation in accordance with law.

B&P View: The Allahabad High Court's directive reflects judicial recognition of the inadequacy of colonial-era gambling laws in addressing the modern digital gaming ecosystem. By pushing for a high-level expert committee the Court underscores the urgency of creating a unified, contemporary legal framework. This move is likely to increase state-level legislative reforms.

5. MADRAS HIGH COURT UPHOLDS TNOGA'S BAN ON LATE-NIGHT REAL MONEY GAMING AND AADHAAR MANDATE

On June 3, 2025, the Madras High Court upheld the Tamil Nadu Online Gaming Authority's (TNOGA) decision to ban Real Money Games (RMG) between 12 a.m. and 5 a.m., and to mandate Aadhaar verification for all players. The ruling came in response to petitions challenging Sections 5(2) and 14(1)(c) of the Tamil Nadu Prohibition of Online Gambling and Regulation of Online Games Act, 2022 and its 2025 regulations. It was ruled that the State is constitutionally empowered to regulate online games under Entries 6 (public health) and 26 (trade and commerce) of the State List. The Court cited rising public health concerns, including 47 suicide cases in Tamil Nadu between 2019–2024 linked to online gaming addiction, and emphasized the heightened risks in digital formats, such as anonymity and addictive interfaces. Aadhaar-based age verification was upheld for its reliability and role in preventing underage access.

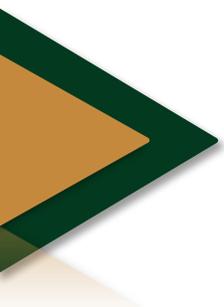
B&P View: The Madras High Court judgment affirms state-level regulatory authority over digital RMGs on public health grounds, endorsing a paternalistic yet targeted approach. It could encourage similar measures in other states and intensify demands for a centralized online gaming regulatory framework.

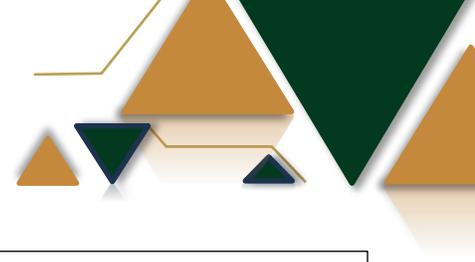


6. SUPREME COURT MANDATES ACCESSIBLE DIGITAL KYC FOR PERSONS WITH DISABILITIES

In **April 2025**, the Supreme Court of India, in *Pragya Prasun & Ors. v. Union of India & Ors.*, held that India's existing digital KYC frameworks create systemic barriers for persons with disabilities (PwDs), including acid attack survivors and persons with visual impairments. The Court noted that mandatory "liveness" checks such as blinking, facial recognition, or on-screen reading are inaccessible to many PwDs, and that the insistence on such digital-only KYC methods, despite the availability of alternative verification mechanisms, results in denial of access to essential services such as banking, telecom, insurance, pension, and investment products. Relying on the Rights of Persons with Disabilities Act, 2016 and Article 21 of the Constitution, the Court directed regulators to mandate accessibility standards, require periodic accessibility audits, and ensure reasonable accommodation in digital service delivery.

B&P View: The judgment significantly strengthens accessibility obligations across regulated sectors and imposes a clear duty on regulators and regulated entities, public and private to redesign digital KYC processes. In particular, the direction to the Reserve Bank of India to issue binding guidelines requiring alternative modes of "liveness" verification signals an impending shift away from one-size-fits-all biometric checks. Regulated entities will need to revisit KYC workflows, technology design, and compliance frameworks to incorporate accessible alternatives, failing which they risk regulatory action and constitutional challenges.





STATE SPECIFIC UPDATES

1. ANDHRA PRADESH & GOA CONSIDER BANNING SOCIAL MEDIA FOR CHILDREN UNDER THE AGE OF 16

Several Indian states, including Goa and Andhra Pradesh, are examining proposals to restrict access to social media platforms for users below 16 years, drawing from Australia's under-16 social media ban that came into force in late 2025. The issue has also reached the judiciary, with the Madras High Court urging the Union Government to consider similar measures at the national level in light of child safety and mental health concerns.

The proposals carry significant implications given India's 1-billion-plus internet user base and its importance as a growth market for global technology platforms. Industry stakeholders have raised concerns around enforceability, age-verification challenges, privacy risks, and the possibility of minors being pushed towards unregulated digital spaces. Legal experts note that internet governance falls within the Union's legislative competence, limiting the scope of state-level restrictions without central approval.

B&P View: The debate reflects increasing regulatory focus on child safety in digital spaces, but any move toward age-based bans will require careful calibration at the central level. While India's data protection regime already

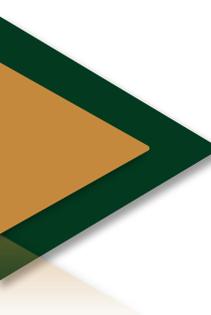
contains child-specific safeguards, its phased implementation leaves interim policy gaps. A disproportionate or poorly designed restriction could raise constitutional, privacy, and enforcement challenges, making targeted platform obligations and parental controls a more viable near-term approach.

2. TAMIL NADU LAUNCHES SEMICONDUCTOR DESIGN PROMOTION SCHEME AND EARMARKS DEDICATED PARKS

Under the "Product Nation Tamil Nadu" vision, the State Government of Tamil Nadu has launched the Semiconductor Design Promotion Scheme to bolster the electronics ecosystem. The scheme specifically targets fabless firms by offering prototyping grants to reduce the high cost of chip design and development. To support the physical manufacturing and supply chain side, the government has earmarked 200 acres in Sullur and Palladam for specialized semiconductor machinery parks.

B&P View: Tamil Nadu is strategically positioning itself to move up the value chain from pure electronics assembly to high-value semiconductor design. By providing prototyping grants, the state is lowering the entry barrier for startups and domestic fabless companies. The allocation of land in the Sullur-Palladam industrial belt ensures that the hardware infrastructure and machinery supply chain are co-located, creating a robust cluster that could rival established global semiconductor hubs.

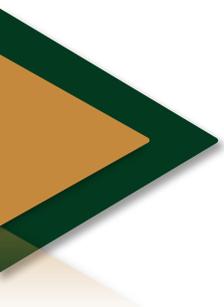
3. UNION CABINET APPROVES MAJOR SEMICONDUCTOR PROJECTS IN ODISHA AND ANDHRA PRADESH





In August 2025, the Union Cabinet granted approval for four landmark semiconductor projects aimed at strengthening India's domestic chip-making capabilities. Under this initiative, SiCSem and 3D Glass are set to establish their manufacturing facilities in Odisha, while Advanced System in Package Technologies (ASIP) will set up a specialized unit in Andhra Pradesh. These projects represent a significant expansion of the national semiconductor mission into the eastern and southern industrial corridors.

B&P View: The approval of these projects highlights the government's push for geographical diversification in the high-tech manufacturing sector. By bringing players like SiCSem and 3D Glass to Odisha, the state is poised to become an emerging hub for advanced materials and glass substrates. Similarly, ASIP's unit in Andhra Pradesh will bolster the state's existing electronics ecosystem, focusing on the crucial "packaging" segment of the supply chain which is essential for reducing import dependency.



MISCELLANEOUS

1. INDIA ACCEPTS FIRST OLFACTORY (SMELL) TRADEMARK

On 21 November 2025, the Controller General of Patents, Designs and Trade Marks accepted, for advertisement, India's first-ever olfactory (smell) trademark application under the Trade Marks Act, 1999. The application by Sumitomo Rubber Industries Ltd. seeks protection for a "floral fragrance / smell reminiscent of roses as applied to tyres" in Class 12 (tyres for vehicles), marking a milestone in the recognition of non-conventional trademarks in India.

The acceptance follows the successful resolution of statutory challenges under Section 2(1)(zb) (graphical representation and distinctiveness), where the applicant submitted a scientific seven-dimensional olfactory vector model mapping the scent across recognised olfactory parameters (floral, fruity, woody, nutty, pungent, sweet, and minty), enabling the Registry to treat the scent as both distinctive and graphically representable.

B&P View: This development represents a landmark expansion of India's trademark regime, signalling openness to non-traditional marks beyond visual and auditory identifiers. By accepting a scientifically supported olfactory representation, the Registry has set a practical precedent for future sensory branding claims. While this paves the way for innovative brand differentiation, it also raises important questions for trademark practice around standards of distinctiveness, graphical representation, and potential oppositions, particularly as more entities explore experiential and sensory elements in brand identity.

2. SEBI RELEASES CONSULTATION PAPER ON RESPONSIBLE USAGE OF AI/ML IN SECURITIES MARKETS

On June 20, 2025, the Securities and Exchange Board of India (SEBI) issued a Consultation Paper on guidelines for responsible usage of AI/ML in Indian Securities Markets. The paper highlights current use of AI/ML by exchanges, brokers, and mutual funds across functions ranging from customer support (chatbots) to statutory compliance (KYC, transaction monitoring, fraud detection). Recognising the transformative potential and risks of AI/ML, SEBI proposes a principle-based framework for responsible deployment.

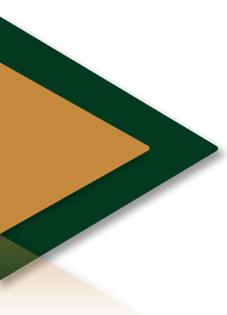
Key proposals:

- a. **Model Governance:** Mandatory oversight, monitoring, performance checks, contractual safeguards with service providers, periodic audits, traceability, and compliance with laws.
- b. **Investor Protection & Disclosure:** Transparent disclosures to clients on the use of AI/ML (features, risks, accuracy, charges, and data quality), comprehensible language, and grievance redressal mechanisms.
- c. **Testing & Monitoring:** Segregated testing environments, shadow testing, post-deployment monitoring, drift detection, and human oversight.
- d. **Fairness & Bias Controls:** Bias testing, audit frameworks, remediation mechanisms, and emphasis on high-quality, complete datasets.
- e. **Data Privacy & Cybersecurity:** Alignment with the DPDP Act 2023, reporting obligations for breaches, and harmonisation with SEBI and CERT-In reporting frameworks.
- f. **Tiered Compliance Approach:** More stringent governance and disclosure obligations for client-facing AI (e.g., robo-advice, automated order routing), with lighter-touch rules for back-office or internal utilities.



- g. **Risk Categorisation & Controls:** Recommendations to mitigate risks such as malicious AI use (digital signatures, watermarking), concentration of Gen-AI providers (diversification, reporting), herding/collusion (auditing, proprietary datasets), interpretability challenges (explainability tools, human review), and systemic model failure (stress testing, volatility controls).

B&P View: SEBI's consultation paper represents the first comprehensive regulatory articulation of AI/ML usage in Indian capital markets. By anchoring the framework in governance, fairness, and transparency, SEBI has positioned itself at par with international approaches such as the EU's AI Act. Market participants should anticipate future binding regulations based on these principles and begin strengthening internal AI governance, disclosure processes, and bias/audit controls. Importantly, this paper signals that sectoral regulators in India are converging on stricter oversight of AI systems—a development that will directly impact fintechs, brokers, and asset managers deploying AI in investor-facing contexts.





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