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**08<sup>th</sup> December 2025**

***Reserve Bank of India vide notification dated November 24, 2025, amended  
Directions - Compounding of Contraventions under FEMA, 1999***

- The Reserve Bank of India (RBI) A.P. (DIR Series) Circular dated November 24, 2025, concerns an administrative change to the process of settling penalties under the Foreign Exchange Management Act (FEMA), 1999. The circular details an amendment to the Master Directions on the compounding of contraventions under FEMA, 1999.
- **Analysis:**
  - **Change in Payment Channels:** The RBI has decided to change the bank account details used for receiving the compounding application fee and the final 'compounding amount' (penalty).
  - **Streamlining Payments:** This change is made to streamline the receipt of these payments.
  - **Payment Modes:** The revised account details must be used for payments made through National Electronic Fund Transfer (NEFT) and Real Time Gross Settlement (RTGS).
  - **Documentation Update:** Annexure I of the Master Directions on compounding of contraventions under FEMA, 1999, has been modified to reflect the updated account details.
  - This is an administrative and procedural update that primarily impacts the financial intermediaries and entities dealing with foreign exchange compliance.
    - **Financial Intermediaries (Profession):** All Authorised Persons are directly impacted, as the circular is addressed to them and mandates they bring the changes to the notice of their clients. "Authorised Persons" primarily refers to financial institutions like banks and other entities authorized by the RBI to deal in foreign exchange.



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- **Compliance Professionals (Profession):** Company Secretaries, Chartered Accountants, and Legal Firms that advise clients on foreign exchange (FEMA) compliance and assist in the compounding process must use the new bank account details.
  - **Corporate Entities (Industry):** Any companies, firms, or individuals (their "constituents") that have violated FEMA rules and are seeking to compound (settle and pay the penalty for) a contravention are impacted
- The notification is attached herein.

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***Securities and Exchange Board of India vide circular dated November 25, 2025, provided specification of the terms and conditions for Debenture Trustees for carrying out activities outside the purview of SEBI***

- The SEBI circular, dated November 25, 2025, clarifies the terms and conditions under which a Debenture Trustee (DT) can undertake activities that fall outside SEBI's direct regulatory purview.
- **Analysis:** The circular implements the new Regulation 9C of the SEBI (Debenture Trustees) Regulations, 1993, by specifying the operational rules for non-core activities:
- **Permitted Non-Core Activities:** A DT is allowed to undertake two types of non-core activities on an arms-length basis through Separate Business Units (SBUs):
- Activities regulated by another financial sector regulator (e.g., RBI, IRDAI).
  - Activities that are fee-based, non-fund-based, and pertain to the financial services sector, but are not regulated by SEBI or any other financial sector regulator.



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- **RBI-Regulated DTs:** If a DT is also regulated by the Reserve Bank of India (RBI), it must carry out the core Debenture Trustee activity itself through an SBU.
- **Compliance and Review:** A DT must ensure that its non-SEBI regulated activities comply with the requirements of Regulation 9C and this circular. Compliance must be reviewed and approved by the DT's board of directors.
- **Reporting:** The DT must submit an undertaking confirming compliance as part of its half-yearly compliance report.
- The guidelines directly govern the operation and compliance of entities that serve as trustees for corporate debt.
  - **Financial Sector Entities (Industry):**
    - **All Registered Debenture Trustees (DTs):** They are the primary entities impacted, as they must organize any non-core business activities into Separate Business Units (SBUs) and ensure strict compliance.
  - **Regulatory/Compliance Roles (Profession):**
    - **Board of Directors (of DTs):** They have a direct responsibility to review and approve the compliance status of the DT's non-regulated activities.
    - **Compliance Officers and Company Secretaries:** They are responsible for preparing and submitting the half-yearly compliance reports, including the mandatory undertaking regarding non-regulated activities.
    - **Recognized Stock Exchanges:** They are listed as recipients of the circular, as they help monitor and facilitate compliance by listed debt issuers and their trustees.
- The circular shall come into force immediately.
- The circular is attached herein.

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### **Delhi High Court Awards ₹1.5 Lakh to Tommy Hilfiger Against Kolkata Trader Selling Counterfeit Goods**

The Delhi High Court has ruled in favour of Tommy Hilfiger, holding that a Kolkata-based trader was liable for trademark infringement and passing off after being found selling fake Tommy Hilfiger products. Justice Tejas Karia, delivering the judgment on November 28, 2025, observed that the trader's use of Hilfiger's registered trademarks on counterfeit items misled consumers into believing the goods were connected to the original brand.

In its suit, Tommy Hilfiger sought a permanent injunction to restrain the unauthorised use of its trademarks—TOMMY HILFIGER, TOMMY, TOMMY SPORT, TOMMY GIRL, and related logos. In December 2018, the Court had already issued an ex parte ad-interim injunction, noting that Partha Chatterjee, who operated under the name Denim India, had repeatedly failed to accept service or appear before the Court.

Tommy Hilfiger submitted that it is a globally recognised lifestyle brand with substantial goodwill and a strong presence in India. It informed the Court that, during a physical investigation in January 2018, it discovered that Chatterjee was distributing counterfeit merchandise and obtained samples of the infringing products. These goods, it argued, bore identical marks without permission and were likely to mislead consumers regarding their source.

Since Chatterjee neither appeared nor filed a written statement, the Court treated the assertions in the plaint and the accompanying documents as admitted. It held that the brand had proven its trademark registrations, long-standing use, and reputation. The Court concluded that infringement and passing off were clearly established, noting that Chatterjee was selling identical goods to the same consumer base and through similar market channels, thereby damaging the brand's reputation and deceiving buyers into purchasing inferior counterfeits.

The Court remarked that the defendant was exploiting Tommy Hilfiger's substantial goodwill and attempting to create a false association with the brand. It highlighted the high likelihood of consumers being misled into believing the counterfeit goods originated from the genuine brand, causing harm both to the brand and to unsuspecting customers.

Relying on the precedent in *Strix Ltd. v. Maharaja Appliances Ltd.*, the Court held that notional damages may be awarded where detailed evidence is unavailable. It granted Tommy Hilfiger ₹1.5 lakh in damages and allowed it to recover litigation costs, directing the Joint Registrar to assess the costs. The suit was accordingly disposed of.

**Case Title:** *Tommy Hilfiger Europe BV v. Partha Chatterjee*

**Case Number:** CS(COMM) 1302/2018





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## **Allegations of Forgery Alone Cannot Divest NCLT of Jurisdiction: Delhi High Court**

The Delhi High Court has held that mere claims of fraud or forgery are not sufficient grounds to remove a matter from the jurisdiction of the National Company Law Tribunal (NCLT). It ruled that civil courts cannot entertain parallel proceedings when the same issues are already being examined by the NCLT in an oppression and mismanagement petition. Justice Amit Mahajan set aside a trial court's order that had declined to reject a civil suit filed by the founders of a defence-tech startup, reaffirming that the Companies Act expressly bars civil courts from intervening in matters falling within the NCLT's scope.

The Court observed, "A simple assertion of forgery or fraud, by itself, does not lift the bar under Section 430 of the Companies Act, 2013. The NCLT's jurisdiction is ousted only when the issues fall outside the scope of rectification and involve exceptionally complex questions." It emphasised that the NCLT has extremely broad jurisdiction in company matters, including the power to scrutinise allegedly forged documents and order forensic examinations.

The dispute stemmed from a conflict between Karyan Global LLP and the founders of a defence-technology startup manufacturing unmanned aerial vehicles for the armed forces. The founders had borrowed ₹12.70 crore in 2020 by pledging 26% of their shares, and repaid the loan in full by 2024. They later learned that Karyan Global had filed an oppression and mismanagement case before the NCLT in Allahabad. The firm relied on documents — including a 2020 shareholders' agreement, share transfer forms and board resolutions — which the founders claimed were forged. They then filed a civil suit seeking a declaration that the documents were forged and void, along with an injunction restraining Karyan Global from using them. The firm sought rejection of the suit under Section 430, arguing that the issues fell squarely within the NCLT's jurisdiction.

The High Court agreed, noting that the NCLT is competent to examine contested documents and may order forensic testing under its procedural framework. It rejected the argument that civil courts must decide forgery claims, holding that mere allegations of fraud cannot automatically shift a dispute out of the NCLT's hands.

The Court further clarified that the bar on civil courts applies to *any matter* which the NCLT is empowered to deal with, not just the final reliefs it may grant. Since the authenticity of the documents lay at the heart of the oppression and mismanagement proceedings already pending before the NCLT, the High Court held that parallel civil proceedings would risk inconsistent findings and lead to unnecessary multiplicity of litigation. It cautioned that permitting a civil suit in such circumstances would allow parties to evade the NCLT's jurisdiction by simply alleging fraud — a tactic the law does not permit.



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Consequently, the High Court allowed Karyan Global's application and held that the founders must raise all objections before the NCLT, where the primary company law dispute is already being adjudicated.

**Case Title:** *Karyan Global LLP v. Vivek Kumar Mishra & Ors.*  
**Case Numbers:** CRP 10/2025, CAV 25/2025, CM APPL 2464/2025, CM APPL 61625/2025

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