Info Capsule

Monday, May 05, 2025

President
CS Dhananjay Shukla
Vice President
CS Pawan G Chandak

❖ *Confederation of Indian Industry*

CII releases guidebook on adoption, governance of AI for board leaders (May 04, 2025)

Industry body CII has released a 'guidebook on effective adoption and governance of AI for board leaders', amid the rising use of Artificial Intelligence in businesses and the essential role of board engagement in supporting effective and meaningful AI governance. AI requires careful governance to fully harness its potential while mitigating the risks and challenges it presents, CII said in a release, adding that the guidebook aims to serve as an effective tool for the board of directors to navigate the intricate landscape of AI governance and drive better business outcomes. It encompasses basic concepts related to AI, its use in various business functions, criticality of AI governance and its framework, risks and challenges and its governance and liabilities of directors associated with deployment of AI in businesses.

For Details: *https://www.business-standard.com/industry/news/cii-releases-guidebook-on-adoption-governance-of-ai-for-board-leaders-125050400237_1.html*

❖ *Direct Tax*

CBDT notifies new ITR form 5 for 2025-26 with key updates (May 01, 2025)

The Central Board of Direct Taxes (CBDT) has issued Notification No. 42/2025, dated May 1st, 2025, unveiling the new Income Tax Return (ITR) Form 5 for the Assessment Year 2025-26. The income tax department highlighted various changes, one of the most notable revisions in ITR Form 5 is the introduction of a split within the Schedule-Capital Gain. This new structure mandates taxpayers to report capital gains before and after July 23rd, 2024.

The form now allows the reporting of capital loss incurred on share buybacks. However, this allowance is conditional upon the corresponding dividend income from these buybacks being declared as "income from other sources," particularly for transactions occurring after October 1st, 2024.

For Details:
https://incometaxindia.gov.in/communications/notification/notification-42-2025.pdf

❖ *Ministry of Consumer Affairs, Food & Public Distribution*

Report for Framework on Repairability Index (RI) in Mobile and Electronic Sector submitted (May 03, 2025)

The Committee constituted for the Framework on Repairability Index (RI) in Mobile and Electronic Sector has submitted its Report to Smt. Nidhi Khare, Secretary, Department of Consumer Affairs, Government of India. The committee's recommendations have been framed in alignment with the best global practices without causing any impediment to the industry with regard to innovation and ease of doing business. The Original Equipment Manufacturers (OEMs) are required to self-declare the Repairability Index based on a standards scoring criteria provided in the framework with no additional compliance burden. Further, the committee recommended that the Repairability Index should be displayed at the point of sale/purchase, E-commerce platforms and in form of QR code on packaged products to enable consumer to make informed choices. Repairability Index aims to create an ecosystem, where consumers choose options that align with the ethos of 'mindful utilization' of their products over 'wasteful consumption'. By empowering consumers with ease and hassle-free repair options, the Department of Consumer Affairs is reaffirming its commitment to a self-reliant, sustainable, and consumer-friendly economy.

For Details: *https://pib.gov.in/PressReleasePage.aspx?PRID=2126409*

❖ *ESG Update*

The British Petroleum Company P.L.C.

- British Petroleum (BP) aim is to reach Net Zero and Net Zero sales by 2050, support employees and local communities through the energy transition, support Biodiversity and reduce net freshwater use in stressed catchments where BP operate.
- In 2024, BP operational Scope 1 and 2 emissions were 38% lower compared with 2019 levels, including reductions from divestments and emissions reduction activities.
- All BP major operating sites attest or certify to ISO 14001 and BP assisted supplier achieve ISO 50001 certification for a warehousing facility.
- BP continue to embed and reinforce programs such as Safety Leadership Principles and the International Association of Oil & Gas Producers' (IOGP) Life-Saving Rules and Process Safety Fundamentals across BP Sites.
- In 2024 BP continued to advocate and share views with standard setters European Sustainability Reporting Standards on the development of EU reporting standards.
- BP follow Sustainability Accounting Standards Board (SASB) oil and gas exploration and production Standard into account when making disclosures as part of response to growing demand for non-financial information to help benchmark corporate performance.
- BP support the recommendations of the Task Force on Climate-related Financial Disclosures established by the Financial Stability Board to improve the reporting of climate-related risks and opportunities.
- BP continue work constructively with International Financial Reporting Standards Foundation's International Sustainability Standards Board (ISSB) as they develop good practices and standards for transparent climate-related reporting.

For details: *https://www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/sustainability/group-reports/bp-sustainability-report-2024.pdf*

❖ *Ministry of Electronics & IT*

Empowering Bharat: CSC CSR conclave 2025 champions tech-driven rural transformation through CSR (May 03, 2025)

The CSC CSR Conclave 2025 marked a pivotal moment in India's journey toward inclusive growth and rural empowerment, placing technology at the heart of social transformation. Inaugurated by Shri Atul Kumar Tiwari, Secretary of the Ministry of Skill Development and Entrepreneurship (MSDE), the event spotlighted the powerful role of Corporate Social Responsibility (CSR) in bridging the urban-rural divide through Common Services Centres (CSCs).

"CSC represents a radical idea bridging the urban-rural divide through technology," said Shri Atul Kumar Tiwari, Secretary of the Ministry of Skill Development and Entrepreneurship (MSDE), during the inauguration of the CSC CSR Conclave 2025. His remarks highlighted the central theme of the event leveraging Corporate Social Responsibility (CSR) for a sustainable tomorrow through rural empowerment and inclusive growth. Shri Tiwari also cited the visionary role of Common Services Centres (CSCs) in strengthening India's social capital, aligning with the Hon'ble Prime Minister's vision for rural digital empowerment. He acknowledged the vital role of CSC Academy in advancing CSR initiatives, especially in vocational training and digital empowerment for rural populations, and praised CSC's alignment with national goals, particularly through programs like the PM Vishwakarma Yojana.

For details: *https://pib.gov.in/PressReleasePage.aspx?PRID=2126412*

❖ *Business & Economy*

- **Parl panel seeks info on digital markets competition from CCI, MCA (May 04, 2025)**

A Parliamentary panel has sought detailed information from regulator CCI and the Ministry of Corporate Affairs on various aspects of competition in relation to the digital markets, including those pertaining to the digital competition bill, according to sources. The Parliamentary Standing Committee on Finance, which is looking into the 'Evolving Role of Competition Commission of India in the Economy, particularly the Digital Landscape', had a meeting on April 28.

For details: *https://www.ptinews.com/story/business/parl-panel-seeks-info-on-digital-markets-competition-from-cci-mca/2524997*

- **India's liberal FDI policy offers major investment opportunities: Deloitte (May 04, 2025)**

India's liberalised foreign direct investment (FDI) policy offers stability, predictability and sector-agnostic investment opportunities for global investors looking to tap into its vast and expanding economy, Deloitte India said on 04th May, 2025. It also said that sectors like pharmaceuticals, auto and tourism are not only FDI magnets but also engines of employment, exports, and innovation, driving India's next growth wave. India has made a significant advancement by allowing 100 per cent foreign direct investment under the automatic route in most sectors, including key areas like insurance, insurance intermediaries, tourism construction, hospitals, and medical devices.

For details: https://www.business-standard.com/economy/news/india-s-liberal-fdi-policy-offers-major-investment-opportunities-deloitte-125050400175_1.html

- **FPIs Return to Indian Equities with ₹4,223 Crore Inflow in April (May 04, 2025)**

After three months of net withdrawals, foreign investors pumped in over 4,200 crore rupees into the Indian equity market in April. According to the data, Foreign Portfolio Investors, or FPIs, made a net investment of 4,223 crore rupees in equities last month. The inflow into the equity market comes following an outflow of 3,973 crore rupees in March, 34,574 crore rupees in February and 78,027 crore rupees in January.

For details: *https://www.newsonair.gov.in/fpis-return-to-indian-equities-with-%e2%82%b94223-crore-inflow-in-april/*

- **BPSL liquidation: MCA, IBBI study SC order to assess IBC implications(May 04, 2025)**

The Ministry of Corporate Affairs (MCA) and the Insolvency and Bankruptcy Board of India (IBBI) are studying the Supreme Court order in the Bhushan Power and Steel (BPSL) matter to assess its implications for the Insolvency and Bankruptcy Code (IBC), a top government official told Business Standard. "We are examining the order and seeing what learnings can be taken from there in terms of IBC regulations and processes," the government official said.

For details: *https://www.business-standard.com/economy/news/bpsl-liquidation-mca-ibbi-study-sc-order-to-assess-ibc-implications-125050400827_1.html*

Market Watch

Stock Market Indices as on 05.05.2025	
S & P BSE Sensex	80796.84(+0.37%)
Nifty 50	24461.15(+0.47%)

Foreign Exchange Rates as on 05.05.2025
(https://m.rbi.org.in//scripts/ReferenceRateArchive.aspx)

INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR/ 1 JPY
84.23	95.40	111.92	.58

❖ *Pronouncement*

30.04.2025	***Gayatri Balasamy v. M/s. ISG Novasoft Technologies Limited***	***Supreme Court***

Court can apply the doctrine of severability and modify a portion of the Arbitral Award while retaining the rest. inadvertent errors, including typographical and clerical errors can be modified by the court in an application under Section 34 of Arbitration and Conciliation Act, 1996. However, such a power must not be conflated with the appellate jurisdiction of a higher court or the power to review a judgment of a lower court.

The Hon'ble Supreme Court in this case has said that to deny courts the authority to modify an award—particularly when such a denial would impose significant hardships, escalate costs, and lead to unnecessary delays—would defeat the raison d'être of arbitration. This concern is particularly pronounced in India, where applications under Section 34 and appeals under Section 37 often take years to resolve.

The court opined that modification represents a more limited, nuanced power in comparison to the annulment of an award, as the latter entails a more severe consequence of the award being voided in toto. Read in this manner, the limited and restricted power of severing an award implies a power of the court to vary or modify the award. It will be wrong to argue that silence in the 1996 Act, as projected, should be read as a complete prohibition.

The court also opinioned that the Section 34 court can apply the doctrine of severability and modify a portion of the award while retaining the rest. This is subject to parts of the award being separable, legally and practically, as stipulated in Part II of our Analysis.

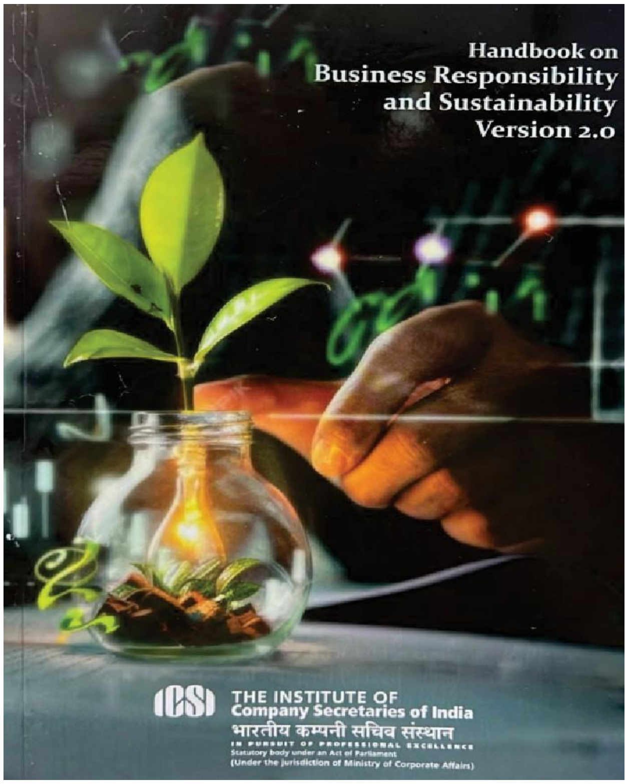
The apex court also said that the courts need not engage in any fact-finding exercise. By acknowledging the Court's power to modify awards, the judiciary is not rewriting the statute. We hold that the power of judicial review under Section 34, and the setting aside of an award, should be read as inherently including a limited power to modify the award within the confines of Section 34.

Notwithstanding Section 33, the Apex Court affirmed that a court reviewing an award under Section 34 possesses the authority to rectify computational, clerical, or typographical errors, as well as other manifest errors, provided that such modification does not necessitate a merits-based evaluation. There are certain powers inherent to the court, even when not explicitly granted by the legislature. The scope of these inherent powers depends on the nature of the provision, whether it pertains to appellate, reference, or limited jurisdiction as in the case of Section 34. The powers are intrinsically connected as they are part and parcel of the jurisdiction exercised by the court.

The Hon'ble court held that inadvertent errors, including typographical and clerical errors can be modified by the court in an application under Section 34. However, such a power must not be conflated with the appellate jurisdiction of a higher court or the power to review a judgment of a lower court.

For details:
https://api.sci.gov.in/supremecourt/2021/20788/20788_2021_1_1501_61506_Judgement_30-Apr-2025.pdf

HANDBOOK ON BUSINESS RESPONSIBILITY AND SUSTAINABILITY VERSION 2.0



About the Book

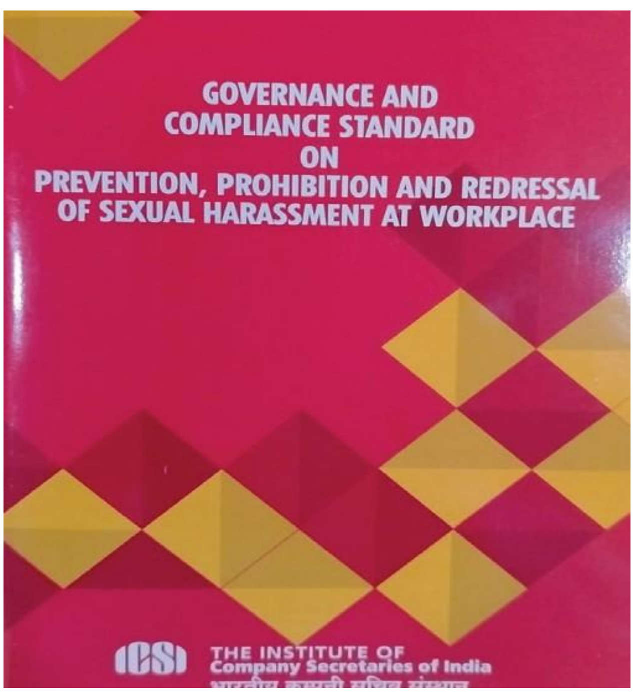
The ICSI launched the "Handbook on Business Responsibility and Sustainability" to promote the integration of ESG practices in business and recognize corporate sustainability efforts. With BRSR reporting becoming mandatory for FY 2022-23, the Institute published this guide in 2023 for corporations and professionals.

Building on this initiative, the ICSI has released the second edition, 'Handbook on Business Responsibility and Sustainability Version 2.0', reflecting best practices from companies participating in the second edition of the Awards.

Year of Publication: 2024
Price: Rs. 1000/-

For Subscription:
https://smash.icsi.edu/Scripts/ECart/Default/ItemWiseECartSearchOnlineBooks.aspx?ItemId=345

GOVERNANCE AND COMPLIANCE STANDARD ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARRASSMENT AT WORKPLACE



About the Book

This Standard aims to enhance the implementation of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("PoSH Act"), by harmonizing workplace practices.

It provides standardized procedures for Internal Committee meetings, complaint and inquiry processes, and training/ capacity building programs for employees/ Internal Committee members. The Standard also offers guidance on drafting gender-neutral PoSH policy, promoting inclusivity.

Year of Publication: 2024
Price: Rs 90/-

For Subscription:
https://smash.icsi.edu/Scripts/ECart/Default/ItemWiseECartSearchOnlineBooks.aspx?ItemId=346