



Vision

"To be a global leader in promoting good corporate governance"

Motto

सत्यं वद। धर्मं चर। इष्टं कुरु। तृप्तये। अनेके ह्यु कुरु।

Mission

"To develop high calibre professionals facilitating good corporate governance"

Info Capsule

Tuesday, August 05, 2025

President

CS Dhananjay Shukla

Vice President

CS Pawan G Chandak

APPLICATIONS OPEN FOR 25TH ICSI NATIONAL AWARDS FOR EXCELLENCE IN CORPORATE GOVERNANCE

LAST DATE FOR SUBMISSION 14TH
AUGUST, 2025.

NO PARTICIPATION FEES!

AWARD CATEGORIES

LISTED SEGMENT	
CATEGORY	MARKET CAPITALISATION
LARGE-CAP	TOP 100
MID-CAP	101-250
EMERGING (SMALL-CAP)	251 ONWARDS
LISTED SME'S	ALL LISTED SME'S

UNLISTED SEGMENT	
CATEGORY	TURNOVER
LARGE	≥ ₹ 5, 000 CR
MEDIUM	< ₹ 5, 000 CR AND > ₹ 1, 000 CR
EMERGING	≤ ₹ 1, 000 CR

Please Visit:

https://icsi.edu/home/cg_award/25th_icsi_cg_awards/

❖ Views/ Comments sought by Regulators

Consultation Paper on proposals for ease of doing business - amendments to provisions relating to Related Party Transactions under SEBI (LODR) Regulations, 2015 and Circulars thereunder (August 04, 2025)

SEBI has placed this Consultation Paper with the objective to seek views or comments or suggestions from public on proposals relating to the following:

- Threshold for determining material Related Party Transactions ("RPTs") undertaken by listed entities.
- Threshold for determining material RPTs undertaken by subsidiaries of a listed entity.
- Relaxation in the minimum information to be furnished to the Audit Committee and shareholders for the approval of RPTs.
- Inclusion of provision in Regulation with respect to validity of omnibus approval for RPTs granted by the shareholders.
- Clarifications pertaining to applicability of RPT provisions.

The comments or suggestions on the above mentioned proposals, along with rationale, may be submitted latest by August 25, 2025.

For details: https://www.sebi.gov.in/reports-and-statistics/reports/aug-2025/consultation-paper-on-amendments-to-provisions-relating-to-related-party-transactions-under-sebi-lodr-regulations-2015-and-circulars-thereunder_95824.html

❖ International Financial Services Centres Authority

IFSCA Expert Committee recommends 25-yr tax holiday for GIFT City, concessional tax regime for overseas professionals (August 04, 2025)

An expert committee set up by the International Financial Services Authority (IFSCA) to help develop GIFT City in Gujarat as a global commodity hub has recommended extension of tax holiday to 25 years and introduction of concessional tax regime for overseas professionals relocating to India's greenfield finance hub. To attract experienced commodity trading professionals residing overseas to relocate to GIFT IFSC, the committee has also recommended certain concessions to be made with regard to personal income-tax laws.

For details: <https://www.thehindubusinessline.com/markets/ifsc-expert-committee-recommends-25-yr-tax-holiday-for-gift-city-concessional-tax-regime-for-overseas-professionals/article69892046.ece>

❖ **ESG Update**

bp Sustainability Report 2024

- Approximately 262ktCO₂e in emission savings made through energy efficiency improvements in production processes and flaring process optimization projects.
- Methane emissions reductions totalled around 39ktCO₂e, and came from multiple projects. For example, bp energy reduced methane emissions through investment in pipeline infrastructure, central delivery points, tankless upstream facilities, and electric-driven instrument air and electric gas compression.
- The company has made contributions totalling £100,000 to charities, including RefuAid which provides language tuition and financial and employability advice to help people given refuge in the UK restart their lives.
- In Türkiye, a project funded by bp is enhancing forest and maquis ecosystems, with input from local stakeholders to develop species restoration plans and identify priority areas for restoration.
- In India, bp launched an attraction campaign called 'bp works for women' aimed at increasing job applications from women who want to build a career in the energy industry
- Increased the recycled content to 50%, in a range of the high-density polyethylene (HDPE) plastic bottles for Castrol branded products, supplied by Castrol India.

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 Panchayati Raj**

Standing Committee on Rural Development and Panchayati Raj (2024-2025) Fifteenth Report on Devolution of Funds Under Panchayati Raj System (July 29, 2025)

The Fifteenth Report submitted by the Parliamentary Standing Committee on Rural Development & Panchayati Raj on Devolution of Funds under the Panchayati Raj System, presented to both Houses on 29 July 2025 is structured into two major sections:

Part I – Narrative & Analysis:

- A. Central Finance Commission – Fiscal Devolution
- B. Central 15th Finance Commission (2020-2026)
- C. Audit Online
- D. Benefits and Audit Online
- E. Standardized Auditor Certificate
- F. State Finance Commission
- G. Role of Ministry of Panchayati Raj
- H. Role of Department of Drinking Water & Sanitation
- I. Role of Department of Expenditure, Ministry of Finance

Part II – Observations and Recommendations:

1. Re- structuring of Tied and Untied Grants
2. Income Source of Gram Panchayats (GPs) and Rural Local Bodies (RLBs)
3. Performance Grants
4. Timely Uploading of Gram Panchayats Development Plans (GPDPS) on eGramSwaraj Portal
5. Constitution of State Finance Commission
6. Strengthening Devolution of Powers to Panchayati Raj Institutions (PRIs)
7. Ensuring Financial Autonomy through Predictable and Accountable Untied Fund Transfers to Panchayats

For details:

https://sansad.in/getFile/lsscommittee/Rural%20Development%20and%20Panchayati%20Raj/18_Rural_Development_and_Panchayati_Raj_15.pdf?source=loksabhadocs

❖ **Ministry of Corporate Affairs**

Standing Committee on Finance (2025-26) Eighteenth Lok Sabha, Ministry Of Corporate Affairs: Twenty First Report

National Financial Reporting Authority (NFRA)

Recommendations:

- The Committee stress the need for urgent action to ensure efficient utilization of funds for NFRA's effective functioning, especially with its growing responsibilities in overseeing Public Interest Entities (PIEs).
- To support NFRA's expanding role, the Committee recommend accelerating the recruitment process and establishing a dedicated, permanent cadre of skilled professionals. This will be crucial to strengthening its regulatory and oversight functions.
- Committee expect to provide more insights on how the learnings from NFRA's orders are being incorporated and whether audit deficiencies have been reduced;
- The Committee recommend that the Ministry should encourage NFRA to expand its outreach initiatives and deepen collaboration with key stakeholders, including audit firms, industry bodies, and regulators, to further enhance the quality and transparency of audits, especially in high-risk sectors.

Serious Fraud Investigation Office (SFIO)

Recommendations:

- The Committee recommend that the Ministry should prioritize the filling of vacant posts within SFIO, particularly in the investigation and prosecution wings to improve the performance of SFIO and full utilization of earmarked funds.
- The Committee also feel that the Ministry should come out with a concrete plan to ensure effective enforcement and accountability.
- The Committee urge that improved coordination, expedited trials, and enhanced case management, as well as exploring external expertise from Certified Fraud Examiners (CFEs) to fill specialized knowledge gap in SFIO in combating financial crimes.

Corporate Social Responsibility (CSR)

Recommendations:

- The Committee that the Ministry should establish a more comprehensive reporting and monitoring framework to ensure greater transparency in CSR spending, especially regarding unspent funds.
- Further, this should include regular publication of detailed reports on the impact and outcomes of CSR projects; a more robust system for monitoring ongoing projects, and timely enforcement of penalties for noncompliance.
- Ministry should consider strengthening the role of the Implementing Agencies and ensure better tracking of their performance to guarantee that CSR funds are being utilised effectively and for their intended purposes.

Insolvency and Bankruptcy Code (IBC)

Recommendations:

- Ministry to implement a direct submission system for resolution plans through a central online portal.
- Strengthen the role of RPs by establishing rigorous certification standards, specialized training, and independent performance reviews
- Implement a transparent system to track the time taken for case resolution, with a focus on monitoring instances where statutory timelines are violated.
- Review the structure of the Committee of Creditors (CoC) to ensure that operational creditors are adequately represented, as their interests are often overlooked.

ESG

- The Committee proposed the creation of a dedicated ESG oversight body within Ministry of Corporate Affairs and amending the Companies Act, 2013, to include ESG objectives as part of their fiduciary duties of Directors. It also recommended establishment of Independent ESG committees within the Boards. It stated that the Ministry may dedicate a chapter for ESG in their Annual Report from the next year i.e., 2025-26 onwards.
- As per the Ministry of Corporate Affairs Environmental, Social, and Governance (ESG) principles are embedded within the existing Companies Act, 2013, statutory provisions are in place concerning energy conservation, gender diversity in directorships, workplace harassment disclosures, maternity benefits, directors' duties, and Corporate Social Responsibility (CSR) framework. The Ministry is of the view that the prevailing disclosure-based regime, underpinned by Board accountability and extant penal provisions, constitutes an "adequate monitoring mechanism" and facilitates "Ease of Doing Business," thus rendering additional explicit mandates redundant.
- The Committee urge the Ministry to establish dedicated ESG oversight body for actively combating greenwashing through specialized forensic expertise; formulation of sector-specific guidelines; extending targeted support to Micro, Small, and Medium Enterprises (MSMEs), and to ensuring expeditious and deterrent application of penal provisions against fraudulent ESG claims. While Section 166(2) provides a broad stroke, a direct and unambiguous legislative mandate will elevate ESG considerations to a non-negotiable strategic imperative for Boards transitioning from mere disclosure to fundamental corporate responsibility. The Committee, therefore, strongly reaffirm the need for statutory amendments to the Companies Act, 2013, to explicitly enshrine ESG objectives as integral components of Directors' fiduciary duties.

For details: https://sansad.in/getFile/lsscommittee/Finance/18_Finance_21.pdf?source=loksabhadocs

❖ Business and Economy

• India Emerges as World's 5th Biggest Aviation Market in 2024 (August 05, 2025)

India has emerged as the world's fifth-biggest aviation market, handling 211 million passengers, while Mumbai-Delhi was one of the busiest airport pairs in 2024. This was stated by the International Airport Transport Association (IATA), which has released the latest edition of the World Air Transport Statistics (WATS) for 2024. According to IATA, India saw 211 million air passengers last year, a growth of 11.1 per cent compared to 2023, ahead of Japan, which handled 205 million passengers with an annual rise of 18.6 per cent. The US remains the world's biggest aviation market with 876 million passengers in 2024 on the strength of its domestic market, growing 5.2 per cent year-on-year. China was the second-biggest passenger market, with 741 million passengers, a growth of 18.7 per cent compared to 2023. While the UK was at the 3rd spot with 261 million passengers, Spain stood at the 4th position with 241 million.

For details: <https://www.newsonair.gov.in/india-emerges-as-worlds-5th-biggest-aviation-market-in-2024/>

• NITI Aayog Unveils \$200 Billion Electric Vehicle Opportunity Report and India Electric Mobility Index (August 04, 2025)

NITI Aayog released its report titled 'Unlocking a 200 billion Dollar Opportunity: Electric Vehicles in India,' and the first edition of the India Electric Mobility Index (IEMI) in New Delhi. The report on unlocking a 200-billion-dollar opportunity in electric vehicles aims to move from incentives to mandates and disincentives and focusing on high-potential vehicle segments and geographies. It also aims to enable financing for electric buses and trucks, which currently face significant adoption barriers. Further, IEMI index tracks, evaluates and scores all States and UTs out of 100, across 16 indicators under three-core themes.

For details: <https://www.newsonair.gov.in/niti-aayog-unveils-200-billion-electric-vehicle-opportunity-report-and-india-electric-mobility-index/>

❖ **Pronouncement**

July 31, 2025	Ernst & Young U.S. LLP C/o Authorized Representative, Ernst & Young LLP Versus ACIT, Circle, International Tax-1 (2) (2), New Delhi,	ITAT DELHI
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Taxability of reimbursement of salary expenses vis-a-vis secondment employees deployed in India

Facts of the Case: The assessee is a limited liability partnership (LLP) firm and tax resident of United States of America (USA). It has filed its return of income for Assessment Year 2018-19 on 31.03.2019 u/s 139(4). During the course of assessment proceedings, the Ld. Assessing Officer observed that exemption claimed by assessee vis-à-vis reimbursement of costs with respect to secondment employees is not correct. Similarly, the Assessing Officer observed that the professional services rendered by the assessee are in the nature of FIS and not professional services and accordingly not covered by the provisions of Article-15 of India USA DTAA. The Assessing Officer for arriving at this conclusion relied the orders of Assessment Years 2021-22 and 2019-20.

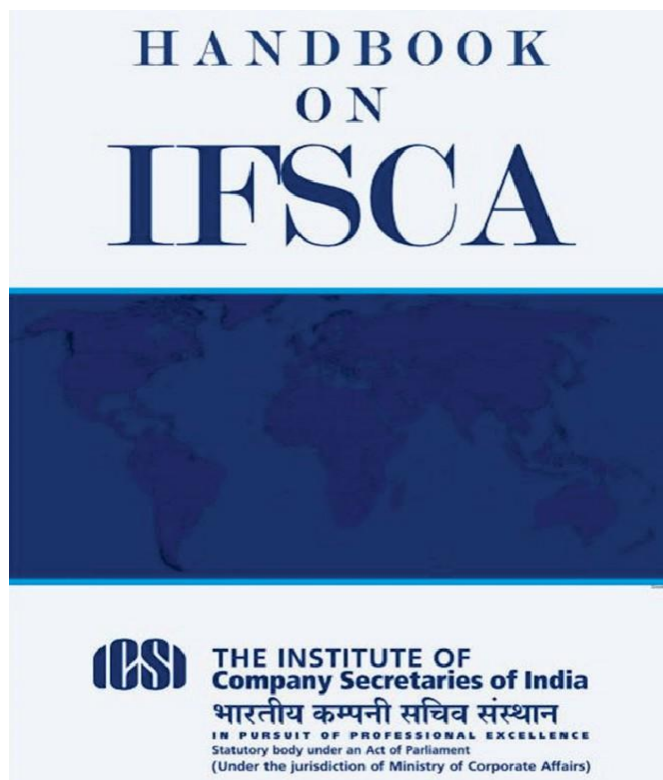
ITAT Observation: The term 'professional services' as defined in Article 15(2) of the DTAA are supported by the definitions in the Explanation (a) to section 194J which specifically refers to "engineering profession' and also to "profession of technical, consultancy or interior decoration or advertising or such other profession as is notified by the Board for the purposes of section 44AA or section 194J. These activities are thus regarded by the statute as professions though they have no governing professional body. We also find that the ITAT drew assistance from the notification dated 12/01/1977 5.0 18(E) and also the notification no 385(E) dated 4/5/2001 which include in the description of "professionals" all kinds of film personalities such as actors, directors, editors and singers etc and all persons in the profession of information technology including persons practicing data entry and rendering all kinds of computer software and hardware services. Further, the notification dated 21/8/2008 includes in the term "professionals all sports persons such as coaches, referees, commentators and sports columnists. This Hon'ble Tribunal has thus treated all these persons as "professionals' though none of them belong to any governing professional body.

Judgement: In view of the discussion above, we are inclined to agree with the assessee that "professional services' as defined in Article 15(2) of the DTAA cannot be circumscribed by putting them as belonging to any governing professional body. We are therefore of the considered view that the assessee falls within the meaning of 12(5)(e) of the DTAA and hence benefit of Article 15 of the DTAA cannot be denied to it. Accordingly, we direct the AO to delete the addition on this count.

❖ **Market Watch**

Stock Market Indices as on 05.08.2025	
S & P BSE Sensex	80710.25(-0.38%)
Nifty 50	24649.55(-0.30%)

Foreign Exchange Rates as on 05.08.2025 (https://m.rbi.org.in/scripts/ReferenceRateArchive.aspx)			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR/ 1 JPY
87.79	101.42	116.62	.59

HANDBOOK ON IFSCA**About the Book**

The publication 'Handbook on IFSCA' has been issued with a view to acquaint members with the developments at the IFSCA and enable them to discharge their roles effectively. The publication contains brief overview of the IFSCA, the IFSCs, opportunities at IFSC, benefits for operating at IFSC, recognitions for the CS Profession, brief background of regulations, suggestive formats, checklists, etc.

Year of Publication: 2023

Price: Rs. 300/-

Weblink for Purchase:

<https://smash.icsi.edu/Scripts/ECart/Default/ItemWiseECartSearchOnlineBooks.aspx?ItemId=285>

COMPILATION OF INFORMAL GUIDANCE BY SEBI**About the Book**

This publication provides summarized and analysed Informal Guidance on SEBI (Prohibition of Insider Trading) Regulations, 2015 & SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.

Year of Publication: 2023

Price: Rs. 300/- (Excluding Postage)

Weblink for Purchase:

<https://payu.in/invoice/47311703154416385FCFF2323E4E0FBA7E7188F585220534625FAFB9C5BA7A91/5CC5C752DEA07B6F2813FB0136AE4CBF>

Prepared by Directorate of Academics

For any suggestions, please write to academics@icsi.edu.

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