



Vision

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

Motto

सत्यं वद। धर्मं चर। इष्टार्थं कुरु। श्रेयार्थं भू कुरु।

Mission

"To develop high calibre professionals facilitating good corporate governance"

Friday, August 08, 2025

Info Capsule

President

CS Dhananjay Shukla

Vice President

CS Pawan G Chandak

**APPLICATIONS OPEN FOR 25TH ICSI
LIFETIME ACHIEVEMENT AWARD
FOR TRANSLATING EXCELLENCE IN
CORPORATE GOVERNANCE INTO
REALITY**

**LAST DATE FOR SUBMISSION 14TH
AUGUST, 2025**

NO PARTICIPATION FEES!

ELIGIBILITY:

• ALL LISTED ENTITIES AND UNLISTED COMPANIES MAY NOMINATE ANY INDIVIDUAL WHO HAS EXPERIENCE OF 30 YEARS AS THE FOLLOWING: FOUNDER, CHAIRMAN, MD OR CEO.

• THE NOMINATED INDIVIDUAL SHALL BE OF ATLEAST 60 YEARS OF AGE.

PLEASE VISIT

https://icsi.edu/home/cg_award/25th_Ita_awards_2025/

❖ Capital Market and Securities Laws

Ease of doing business (EODB) -Policy for joint annual inspection by MIIs -information sharing mechanism-action by Lead MII (August 07, 2025)

SEBI vide circular dated June 30, 2017 has specified provisions pertaining to policy for annual inspection of members. Presently, annual inspection of stock brokers/ depository participants are conducted by each of the MIIs (Stock Exchanges/Depositories/Clearing Corporations) separately. Such an exercise unwarrantedly taxes the intermediaries due to frequent visits for inspections by different MIIs which result in disproportionate diversion of resources leading to disruption in the routine operations of the entities. Accordingly, in order to ensure ease of doing business and to take comprehensive view of entity's operations across all MIIs along with optimum utilization of resources, SEBI has prescribed the following:

- Joint annual inspection instead of separate inspections by MIIs
- Establishment of an information sharing mechanism
- Rationalization and streamlining of criteria for selection of entities

MIIs are further advised to frame a joint Standard Operating Procedure (SOP) by November 01, 2025 for detailed specifications of inspection criteria, information sharing mechanism and designating one MII as a 'Lead MII', which will initiate enforcement action for such inspections. The provisions of this circular shall come into force with effect from December 01, 2025.

For details: https://www.sebi.gov.in/legal/circulars/aug-2025/ease-of-doing-business-eodb-policy-for-joint-annual-inspection-by-miis-information-sharing-mechanism-action-by-lead-mii_95897.html

❖ IFSCA

Onboarding of certain categories of the Regulated Entities to the Central Registry for registration and satisfaction of assignment of receivables transactions (August 7, 2025)

Reference is drawn to section 19 of the Factoring Regulation Act, 2011 ('FR Act') and regulation 6 of IFSCA (Registration of Factors and Registration of Assignment of Receivables) Regulations, 2024 which inter-alia mandate the requirement of registration of the particulars of every transaction of assignment of receivables and satisfaction of assignment of receivables with the Central Registry.

In this context, it is informed that the Central registry has recently added following categories of the Regulated Entities as 'IFSCA Entity' in the Entity Category dropdown in the Entity Registration Form: IFSC Banking Unit; IFSC Banking Company; IFSC Finance Company; IFSC Finance Unit; and IFSC TReDS.

For details: <https://www.ifsc.gov.in/Legal/Index/wF6kttc1JR8=>

❖ *Views/ Comments sought by Regulators*

• **Consultation Paper on Review of Regulatory Framework for Registrars to an Issue and Share Transfer Agents (August 07, 2025)**

SEBI has placed this Consultation Paper on Review of Regulatory Framework for Registrars to an Issue and Share Transfer Agents. This paper sets out the proposed amendments to the SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993("RTA Regulations") by taking into account the changes in the regulatory landscape and solicits comments or views or suggestions from the public on the following amendments:

- Introduction of activity-based regulations for RTAs
- Doing away with categorization of RTAs
- Introduction of common definition for RTAs in place of existing separate definition for RTI and STA
- Net-worth requirement for RTAs
- Inclusion of securities premium for the purpose of computation of net-worth of RTAs (Ease of Doing Business)
- Institutional Mechanism for RTAs

The comments or suggestions along with rationale should be submitted no later than August 28, 2025.

For details:

https://www.sebi.gov.in/reports-and-statistics/reports/aug-2025/consultation-paper-on-review-of-regulatory-framework-for-registrars-to-an-issue-and-share-transfer-agents_95928.html

• **Proposals for Ease of Doing Business for Investment Advisers and Research Analysts (August 07, 2025)**

SEBI has placed this Consultation Paper with the objective to seek comments from public on proposals related to amendments to regulatory framework for Investment Advisers ("IAs") and Research Analysts ("RAs") with the objective of facilitating ease of doing business and addressing practical challenges in the current framework. The proposed measures are as follows:

- Permitting IAs and RAs to provide past performance to clients;
- Allowing IAs to provide second opinion to clients on pre-distributed assets;
- Easing the compulsory corporatization process for IAs;
- Relaxation in education criteria for IAs and RAs;
- Relaxing the requirement of furnishing of proof of address;
- Relaxing the requirement of furnishing of CIBIL report, Net worth/Asset Liability statement, infrastructure details.

Comments or suggestions are invited on the above mentioned proposals and should be submitted latest by August 28, 2025.

For details:

https://www.sebi.gov.in/reports-and-statistics/reports/aug-2025/proposals-for-ease-of-doing-business-for-investment-advisers-and-research-analysts_95932.html

❖ **ESG update**

Alaska Air Group, Inc.

Environmental Sustainability Strategy: Waste Management

Alaska Air Group's waste reduction strategy is centered around several key initiatives. It prioritizes onboard recycling program so that materials are properly sorted to minimize waste during operations. Additionally, it addresses food waste through pre-ordering and volume management, encouraging responsible consumption. The company also recycles and composts in our corporate offices and continues to explore new waste reduction opportunities and to engage our suppliers to make more sustainable and recyclable products available.

Ecosystem Preservation

Alaska Air Group recognizes the deep interconnection between the health of natural ecosystems, communities, and the resources we all depend on. That is why the company is acutely conscious of the need to steward resources wisely and to help preserve the ecosystems that sustain us. In support of this objective, it tracks water usage and works to reduce consumption and promote efficient water use in its aircraft and facilities. The company also balances 100% of its water usage by investing in the restoration of local water habitats through its partnership with the Bonneville Environmental Foundation.

For details: <https://news.alaskaair.com/investor-relations/events-presentations/wp-content/uploads/2024/08/Alaska-Airlines-Sustainability-Report-2023.pdf>

❖ **Ministry of Communications**

Telecommunications Commercial Communications Consumers Preference Regulations, 2018 deals with Unsolicited Commercial Communication or spam (August 07, 2025)

Telecom Regulatory Authority of India's (TRAI) Regulations, viz. Telecommunications Commercial Communications Consumers Preference Regulations, 2018 (TCCCPR-2018), deals with Unsolicited Commercial Communication (UCC) or spam. TCCCPR-2018 has provisions for:

- i. Registering preferences for commercial communication where a telecom subscriber can opt to block all commercial communications or can selectively block commercial communications as per preference categories and registering complaint against senders of UCC through Mobile App, sending SMS to short code 1909 and calling on 1909.
- ii. Blacklisting of registered entities and telemarketers for violation of TCCCPR-2018.
- iii. Action against Unregistered Telemarketer (UTM) such as giving a warning, putting them under usage cap or disconnecting in case of repeated violations.
- iv. Financial Disincentives (FDs) against the access service providers for failing to curb UCC.

For details: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2153527>

❖ **Business and Economy**

OpenAI releases ChatGPT-5 as AI race accelerates (August 07, 2025)

OpenAI on August 07, 2025 (Thursday) released a keenly awaited new generation of its hallmark ChatGPT, touting "significant" advancements in artificial intelligence capabilities, as a global race over the technology accelerates. ChatGPT-5 is rolling out free to all users of the AI tool, which is used by nearly 700 million people weekly, OpenAI said in a briefing with journalists. Altman cautioned that there is still work to be done to achieve the kind of artificial general intelligence (AGI) that thinks the way people do.

For details: <https://economictimes.indiatimes.com/news/international/uae/agritech-investments-and-incubators-nurturing-the-next-generation-of-food-innovators-in-dubai/articleshow/122569172.cms>

❖ **Pronouncement**

July 15, 2025	Jaykishor Chaturvedi & etc. ... Appellant(S) versus Securities and Exchange Board of India ... Respondent	Supreme Court
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Interest on unpaid penalties is compensatory in nature, not penal. Its primary purpose is not to punish the defaulter, but to make good the financial loss occurred to the Revenue on account of delay in receiving the payment that was lawfully due.

Facts of the Case

The appellants are the promoter-directors of M/s. Brijlaxmi Leasing and Finance Limited, a company incorporated under the Companies Act and limited by shares, which is listed on the Bombay Stock Exchange and engaged in providing various financial services, including lending, loan syndication, advisory, and portfolio management, among others. The company in the year 1995-96 went in to initial public offer for fully paid-up share capital.

The respondent conducted examination of scrip of the company and found that the promoters and directors of the company purchased shares of the company on various dates in violation of the provisions of Regulation Nos.13(4) and 13(4A) read with 13(5) of the SEBI (Prohibition of Insider Trading) Regulations, 1992. Upon issuance of show cause notices, the Adjudicating Officer passed adjudication orders on 28.08.2014 under section 15-I of the SEBI Act read with Rule 5 of the SEBI Rules, 1995, imposing penalty on the appellants.

Challenging the aforesaid orders, the appellants preferred appeals before the Tribunal under Section 15E of the SEBI Act. The Tribunal dismissed these appeals. Aggrieved by the same, the appellants preferred further appeals before the Supreme Court. By a common judgment dated 28.02.2019, a 3-Judge Bench of this Court disposed of all these appeals upholding the quantum of penalty imposed on the appellants.

Thereafter, the respondent through its Recovery Officer, Western Regional Office, issued demand notices directing the appellants to pay the penalties imposed by the Adjudicating Officer vide orders dated 28.08.2014 along with interest @ 12% p.a. from 28.08.2014 to 13.05.2022. However, the appellants failed to comply with the demand for payment issued by the respondent. Consequently, the respondent issued notices of attachment of bank accounts. The Respondent also issued notices of attachment of demat accounts.

Aggrieved by the aforesaid actions taken by the respondent, the appellants preferred appeals before the Tribunal on the ground that the recovery proceedings and attachment notices issued are excessive in nature and grossly disproportionate to the penalties imposed by the Adjudicating Officer. By the impugned order, the Tribunal dismissed all these appeals. Hence, the appellants filed appeal before Supreme Court.

Judgment

When a penalty is imposed, a specific period is granted for compliance. If the payment is not made within that stipulated period, the delay deprives the Revenue of the timely use of funds that rightfully belong to the public exchequer. Therefore, the accrual of interest upon default is automatic and flows from the nature of the liability – serving to compensate for the time value of money and the disruption caused by delayed payment, rather than to impose an additional punitive burden.

Supreme Court held that interest must accrue from the expiry of the 45-day compliance period following the adjudication orders dated 28.08.2014. The subsequent demand notices are nothing but reminders and are not the first demand notices before the accrual of liability for interest. Accepting the appellants' position would encourage defaulters to delay payment indefinitely under the guise of awaiting formal orders, thereby undermining the efficacy of the enforcement framework and resulting in a loss to the revenue. Accordingly, all these appeals stand dismissed. The appellants are directed to pay interest calculated by the respondent, within a period of 15 days from the date of receipt of a copy of this judgment.

For details:

https://api.sci.gov.in/supremecourt/2022/40595/40595_2022_9_1501_62318_Judgement_15-Jul-2025.pdf

RULES AND TOOLS FOR INTERPRETATION OF STATUTES

About the Book

This publication is dedicated for support and use by professionals and it is aimed at developing legal interpretation skills among the professionals.

Year of Publication: 2021

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About the Book

This publication has been made an endeavor to focus on project financing, process involved in obtaining project finance, importance of financial ratio analysis, analysis and interpretation of financial statements, etc.

Year of Publication: 2021

Price: Rs. 350/- (Excluding Postage)

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❖ Market Watch

Stock Market Indices as on 08.08.2025

S & P BSE Sensex	79857.79(-0.95%)
Nifty 50	24363.30(-0.65%)

Foreign Exchange Rates as on 08.08.2025

(<https://m.rbi.org.in/scripts/ReferenceRateArchive.aspx>)

INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
87.61	102.04	117.66	.59

Prepared by Directorate of Academics

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

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