



Vision

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

Motto

सत्यं वद। धर्मं चर। इष्टार्थे क्लेशं त्यजेत्।

Mission

"To develop high calibre professionals facilitating good corporate governance"

Info Capsule

Thursday, June 19, 2025

President

CS Dhananjay Shukla

Vice President

CS Pawan G Chandak

❖ Business & Economy

FM Sitharaman urges fin techs to tap rural markets (June 18, 2025)

Union Finance Minister Nirmala Sitharaman has said that the fintech market is projected to grow to over 400 billion US dollar by 2028-29. She pointed out that the scale of opportunity is immense, expressing hope that the fintech revolution in the country will flourish in the coming years. Addressing the Digital Payments Awards 2025 Ceremony in New Delhi on June 18, 2025, the Finance Minister said that Indian fintech innovations have the potential to become global public goods that can benefit other emerging and developed economies.

Talking about financial inclusion, Ms Sitharaman said that the nation has achieved 80 percent financial inclusion in just six years, defying expectations.

For details:

<https://www.newsonair.gov.in/fm-sitharaman-urges-fin-techs-to-tap-rural-markets/>

❖ Public Comment invited by Regulators

Proposal for Repeal of the Explosives Act, 1884 and introduction of the Explosives Bill, 2025 for enactment of the Act (June 18, 2025)

The Explosives Act, 1884 is a pre-constitutional Act and it was comprehensively modified in the year, 1978. Many large and small companies began to manufacture high explosives after independence. It is observed that the Explosives Act, 1884, which is based on the old British pattern and is not adequately meeting the country's growing requirements and development in the explosive sector thereby resulted in difficulties for the industry.

In view of the above, comments/suggestions from the General public, Industry associations and other persons and entities concerned likely to be affected, is hereby invited on the above-mentioned proposed enactment. It is requested that comments/suggestion on the above stated enactment may be sent on or before 17.07.2025 in MS Office Word file to email: pritam.k@gov.in and expl-dipp@nic.in with the subject line "Comments/suggestions on the proposed Repeal of the Explosives Act, 1884 and introduction of the Explosives Bill, 2025 for enactment of the Act".

For details:

[https://dpiit.gov.in/sites/default/files/explosives StakeholderConsultation_17June2025.pdf](https://dpiit.gov.in/sites/default/files/explosives_StakeholderConsultation_17June2025.pdf)

❖ ESG Update

Aegon Ltd.

- Aegon has made a company-wide commitment to transition its general account investment portfolio to net-zero GHG emissions by 2050 and joined the NZAOA in 2021 to further reinforce its commitment. To drive progress toward its 2050 commitment, company set interim targets, to be achieved by 2025.
- Aegon operational emissions targets for 2025 and 2030 are aligned with the Paris Agreement to limit global warming to 1.5 °C.
- Company set 2030 group operational footprint target (scope 1 and 2) based on projected reductions in scope 1 and 2 emissions from its 2019 baseline.
- By the end of 2024, Aegon had achieved a 75% reduction in its operational carbon footprint compared with the 2019 baseline (68% in 2023).

For details: <https://www.aegon.com/system/files/file/2025-03/aegon-integrated-annual-report-2024.pdf>

❖ Capital Market and Securities Laws

SEBI Board Meeting (June 18, 2025)

The SEBI Board met on June 18, 2025 where it, inter-alia, approved the following:

- Amendments to SEBI (ICDR) Regulations, 2018 and SEBI (SBEB) Regulations, 2021 relaxing certain requirements related to public issue, with the objective of Ease of Doing Business.
- Amendment to SEBI (ICDR) Regulations, 2018 to mandate dematerialization of existing securities of select shareholders prior to filing of DRHP in order to promote dematerialisation of securities in the listed domain.
- Amendments to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as a measure to encourage dematerialization of securities as well as to streamline certain processes in view of current regulatory landscape.
- Simplification and streamlining of Placement Document for Qualified Institutions Placement.
- Introduction of special measures to facilitate Voluntary Delisting of certain Public Sector Undertakings.
- Amendments to regulatory framework for Social Stock Exchange for Ease of Doing Business.
- Amendments to SEBI (Merchant Bankers) Regulations, 1992 for rationalisation and Ease of Doing Business.
- Measures for regulation of activities of Debenture Trustee including measures for Ease of Doing Business.
- Measures to enhance Ease of Doing Business for the activities of Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs).
- Amendments to the SEBI (Certification of Associated Persons in the Securities Markets) Regulations, 2007 to specify certification requirements and associated timelines.
- Allowing Custodians to provide other financial services under same legal entity for ease of doing business.
- Approving Category I & II AIFs to offer co-investment opportunities within the AIF structure, to enhance ease of doing business for AIFs.
- Approving proposal to review regulatory framework for Angel Funds under AIF Regulations to rationalise their fund raising and enhance ease of doing business.
- Approving proposal to relax regulatory compliances for FPIs investing only in Government Securities (G-Secs) to facilitate ease of doing business.
- Facilitating ease of doing business for Portfolio Managers by simplifying the format for Disclosure Document.
- Approving the use of liquid mutual funds and overnight funds for compliance with deposit requirement mandated for Investment Advisers (IAs) and Research Analysts (RAs) in their regulations, as a measure of ease of doing business.

For details: https://www.sebi.gov.in/media-and-notifications/press-releases/jun-2025/sebi-board-meeting_94657.html

❖ Market Watch

Stock Market Indices as on 19.06.2025	
S & P BSE Sensex	81361.87(-0.10%)
Nifty 50	24793.25(-0.08%)

Foreign Exchange Rates as on 19.06.2025 (https://m.rbi.org.in/scripts/ReferenceRateArchive.aspx)			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
86.69	99.33	116.15	0.59

THE GUIDANCE NOTE ON RELATED PARTY TRANSACTIONS



About the Book

The Guidance Note on Related Party Transactions is designed to clarify the various provisions, procedures, practices, and compliance requirements related to this topic.

Year of Publication: 2023

Price: Rs. 250/-



Weblink for Purchase:

<https://smash.icsi.edu/Scripts/ECart/Default/ItemWiseECartSearchOnlineBooks.aspx?ItemId=273>

COMPANIES ACT, 2013 WITH RULES



About the Book

Companies Act, 2013 with Rules

Year of Publication: 2022

Price: Rs. 900/-
(Rs. 585/- after discount, only for members)



Weblink for Purchase:

<https://smash.icsi.edu/Scripts/ECart/Default/ItemWiseECartSearchOnlineBooks.aspx?ItemId=263>

❖ **Pronouncement**

Dated 05/06/2025	The Principal Commissioner of Income Tax, Bengaluru vs. M/s. Interplex Electronics India Pvt. Ltd	Karnataka High Court
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Whether commission payments made to non-residents for services rendered outside India are subject to Tax Deducted at Source (TDS) under Section 195 of the Income-tax Act, 1961, and consequently whether disallowance under Section 40(a)(i) is justified.

Facts of the Case:

The assessee, M/s. Interplex Electronics India Pvt. Ltd., engaged the services of non-resident agents for procuring export orders from customers located outside India. In consideration of these services, the assessee paid commission to the said non-residents.

The Revenue argued that the commission income earned by the non-resident agents is deemed to accrue or arise in India under Section 9(1)(i) of the Income-tax Act, 1961. The assessee was under an obligation to deduct TDS under Section 195 on these payments. Non-deduction of TDS mandates disallowance under Section 40(a)(i). The Revenue emphasized the broad interpretation of the term "income deemed to accrue or arise in India" and contended that source-based taxation applied. The Revenue conducted an assessment and invoked disallowance under Section 40(a)(i) of the Income-tax Act, 1961, alleging that the assessee failed to comply with the provisions of Section 195, which mandates deduction of TDS on payments made to non residents.

The assessee submitted that the non-resident agents did not have any permanent establishment or business connection in India. The entire services were performed outside India, and the agents operated independently in their respective jurisdictions. As per the principles laid down by the Hon'ble Supreme Court, commission payments to non-residents for services rendered outside India do not result in income chargeable to tax in India. In the absence of a chargeable sum under the Act, the requirement to deduct TDS under Section 195 does not arise.

Tribunal's Observation: The Income Tax Appellate Tribunal (ITAT) ruled in favour of the assessee and held that the commission payments were not taxable in India. The services were rendered entirely outside India without any business presence of the non-residents in India. As the payments were not chargeable to tax in India, there was no requirement to deduct TDS under Section 195. Accordingly, disallowance under Section 40(a)(i) was not sustainable.

High Court's Observations and Decision: The primary condition for the applicability of TDS under Section 195 is that the payment must be chargeable to tax under the Income-tax Act. Payments to non-resident agents for services rendered outside India, in the absence of a PE or business connection in India, do not give rise to income taxable in India. The source of income is situated outside India as the services were performed abroad. Reliance was placed on the Supreme Court decision in GE India Technology Centre Pvt. Ltd., wherein it was categorically held that TDS obligations are linked to chargeability of income.

Prepared by Directorate of Academics

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

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