



Vision

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

Motto

सत्यं वद। धर्मं चर। इष्टार्थं कुरु। कुरुते हि त्वं त्वं त्वं त्वं

Mission

"To develop high calibre professionals facilitating good corporate governance"

Info Capsule

Tuesday, May 20, 2025

President

CS Dhananjay Shukla

Vice President

CS Pawan G Chandak

❖ Ministry of Finance

Department of Economic Affairs amends Rule 8 of the Securities Contracts (Regulation) Rules, 1957 (May 19, 2025)

The Department of Economic Affairs (DEA), Ministry of Finance, amended Rule 8 of the Securities Contracts (Regulation) Rules (SCRR), 1957. The amendment gives regulatory clarity to enhance ease of doing business for brokers. After taking note of the concerns raised by various stakeholders over certain provisions in the said Rules, the DEA had released a Consultation Paper in September, 2024,

(<https://dea.gov.in/sites/default/files/Consultation%20Paper%20for%20Public%20Comments%20on%20Rule%208%20SCRR%20%281957%29.pdf>)

inviting stakeholder comments.

For Details:

<https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=2129667>

❖ Capital Market and Securities Laws

SEBI updates audit committee norms for MIIs (May 20, 2025)

SEBI revised norms on the composition of audit committee and internal audit mechanism at market infrastructure institutions (MIIs). The regulator said the audit committee of the MII should not have any executive director including the managing director. The auditors of the MII and the key management personnel (KMP) would have a right to be heard in the meetings of the audit committee when it considers the auditors's report but would not have the right to vote. Further, whenever required, the KMPs could be invited to attend the audit committee meetings with the permission of the chair but would not have the right to vote. SEBI also said, MIIs should conduct internal audit of functions and activities at least once in a financial year. Besides, internal auditor should be an independent audit firm and report only to the audit committee.

For details:

<https://economictimes.indiatimes.com/markets/stocks/news/sebi-updates-audit-committee-norms-for-miis/articleshow/121279023.cms?from=mdr>

❖ Foreign Direct Investment

India plans stricter rules for companies with foreign ownership (May 19, 2025)

India is planning to tighten foreign ownership rules in a move that may have significant implications for businesses ranging from e-commerce to pharmaceuticals. The changes would redefine how India views foreign-owned companies, whether directly or indirectly, making them subject to foreign direct investment (FDI) regulations when it comes to share transfers or restructurings. India is reviewing its foreign investment laws to simplify them and plug any loopholes. New Delhi plans to create a new category of foreign-owned and controlled entities" (FOCE), which will also include Indian firms with indirect foreign investment.

For details:

<https://economictimes.indiatimes.com/news/economy/policy/india-plans-stricter-rules-for-companies-with-foreign-ownership-sources-say/articleshow/121267494.cms>

❖ **ESG Update**

• **Viña Concha y Toro (Latin America)**

- The board of directors is responsible for reviewing and approving each five-year sustainability plan. The current plan was approved in 2021 and covers the period up to the end of 2025. Following approval, the board actively monitors progress against targets set out in the sustainability plan. It also ensures the organisation achieves its goals, approving any changes to the plan or targets, based on actual performance.
- The board is advised by the Executive Sustainability Committee, which provides updates at least twice a year on the organisation's sustainability progress and proposes new initiatives.
- The Committee comprises the CEO as President of the Committee, and heads of key functions, each representing one of the six pillars in Viña Concha y Toro's sustainability strategy.
- Viña Concha y Toro has had a net zero commitment in place since 2019, which is validated by the Science-Based Targets initiative (SBTi).
- In 2021, Viña Concha y Toro became the first publicly-listed company in Chile to achieve B Corporation status.

For details: https://hub.climate-governance.org/article/vina_concha_y_toro_case_study

• **Google Signs Agreement for 600 MW of Solar Energy in U.S. to Help Power Data Centers (May 19, 2025)**

Renewable energy project developer energyRe announced a new agreement with Google, enabling the tech giant to purchase Renewable Energy Credits (RECs) from a portfolio of more than 600 MW of new solar and solar with storage projects being developed by energyRe in South Carolina. The announcement marks the second agreement between the Google and energyRe, bringing the new U.S. clean energy capacity enabled by the collaboration to over 1 GW, following a 12-year PPA signed by the companies in October 2024.

For details: <https://www.esgtoday.com/google-signs-agreement-for-600-mw-of-solar-energy-in-u-s-to-help-power-data-centers/>

❖ **Reserve Bank of India**

RBI proposes relaxing rules for investments in AIFs (May 19, 2025)

The Reserve Bank of India has proposed relaxing norms for investments in alternate investment firms by regulated entities (REs) in the aftermath of its earlier tightening bringing in financial discipline, it said in a release on 19.05.2025. In December 2023, the RBI had barred REs, including banks and non-banking finance companies (NBFCs), from investing in alternate investment funds (AIFs) that have investments in existing and recent borrowers. In a draft proposal released, it said a single RE's contribution to any alternate investment fund (AIF) scheme shall be capped at 10% of its corpus while a ceiling of 15% would apply for investments by all RE's in an AIF scheme.

For details: <https://economictimes.indiatimes.com/news/economy/policy/rbi-proposes-relaxing-rules-for-investments-in-aifs/articleshow/121269381.cms>

❖ **Business & Economy**

• **India's manufacturing sector is gaining global traction, says S&P Global (May 19, 2025)**

India's manufacturing sector is emerging as an increasingly attractive destination for global investors, with the country making notable progress in enhancing its competitiveness and making its manufacturing sector more attractive to global investors, S&P Global said on 19th May, 2025. It also highlighted in its latest research report, titled 'India Forward: Transformative Perspectives', that India is ramping up its push for alternative energy to build a cleaner, self-reliant transport future in which biofuels will play a central role. This push offers a triple win for the country through strengthening energy security, lowering greenhouse gas emissions, and enhancing rural incomes, the report said. India is well-positioned to capitalise on shifting global trade dynamics and cooperation trends, with its economy set to become the world's third-largest by FY31, S&P Global added.

For details: <https://www.livemint.com/economy/india-manufacturing-growth-s-p-global-india-report-global-investors-india-manufacturing-alternative-energy-india-11747654232132.html>

• **DGFT notification on precious metal trade ensures consistency between customs duties and import regulations: GTRI (May 20, 2025)**

The Directorate General of Foreign Trade (DGFT) has issued a new notification to streamline the import of precious metals, ensuring consistency between customs duties and import regulations. According to the Global Trade Research Initiative (GTRI), the move will help plug loopholes that were previously misused by importers to bypass higher duties. The DGFT Notification No. 08/2025, released on Monday updates India's Import Policy Schedule under the ITC (HS) 2022 classification. This aligns it with the changes introduced in the Union Budget 2025 to the Customs Tariff Schedule, particularly concerning precious metals like gold, silver, and platinum.

For details: <https://economictimes.indiatimes.com/news/economy/foreign-trade/dgft-notification-on-precious-metal-trade-ensures-consistency-between-customs-duties-and-import-regulations-gtri/articleshow/121281302.cms>

• **Warehouse startups up the tech play amid e-commerce boom (May 18, 2025)**

Warehouse tech startups in India are embracing AI, robotics, IoT, and blockchain to meet the rising demands of e-commerce and quick commerce. Backed by \$2.4B in funding, firms like Addverb, Arya, and Hexalog are driving automation, accuracy, and scalability across modern supply chains. Warehouse tech startups are rapidly stepping up their automation game, driven by a surge in demand from e-commerce, quick commerce and direct-to-consumer (D2C) players. From AI-powered quality checks to autonomous robots and blockchain tracking, these firms are developing cutting-edge tools to meet the speed, scale and accuracy that modern retail requires.

Startups are no longer just offering warehouse space, they are building flexible, tech-enabled ecosystems tailored to each client's operational model. Leveraging innovations like IoT-based temperature-controlled enclosures and app-enabled hand-held scanners, they are automating routine tasks, reducing training time and drastically improving picking accuracy.

For details: <https://www.financialexpress.com/business/start-ups/warehouse-startups-up-the-tech-play-amid-e-commerce-boom/3849451/>

❖ **Pronouncement**

May 14, 2025	Bodygear International Pvt. Ltd. v. The Assistant Commissioner of Income Tax, Circle 1(2), Kochi	ITAT Cochin Bench
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Whether deduction under Section 10B of the Income-tax Act, 1961 can be denied

(i) Merely because the claim was made in the revised return and not in the original return filed under Section 139(1), and

(ii) Because the Form 56G audit report was filed after the due date under Section 139(1) but before completion of assessment.

Facts of the Case: The appellant, Bodygear International Pvt. Ltd., is a company incorporated under the Companies Act, 1956 and engaged in the manufacture and export of toys. For the assessment year 2007–08, the assessee originally filed its return of income on 23.10.2007. Thereafter, revised returns were filed on 24.11.2007 and again on 22.02.2008, disclosing nil taxable income after claiming deduction under Section 10B of the Income-tax Act, 1961 (“the Act”). The audit report as prescribed under Rule 16E and Form 56G was submitted only on 22.02.2008, which was after the due date for filing return under Section 139(1).

The assessment was completed under Section 143(3) of the Act on 23.12.2009, wherein the Assessing Officer (AO) disallowed the claim under Section 10B solely on two grounds: (i) that the claim was not made in the original return filed under Section 139(1), and (ii) that the audit report in Form 56G was filed belatedly.

The assessee contended that the original return was filed within the due date prescribed under Section 139(1), and the revised return filed within the time permissible under Section 139(5) legally substitutes and replaces the original return. Hence, the revised return becomes the operative return for all purposes under the Act.

The assessee further submitted that the requirement of filing the prescribed audit report before the due date under Section 139(1) is directory and not mandatory. It was argued that filing of the audit report before the completion of the assessment constitutes sufficient compliance.

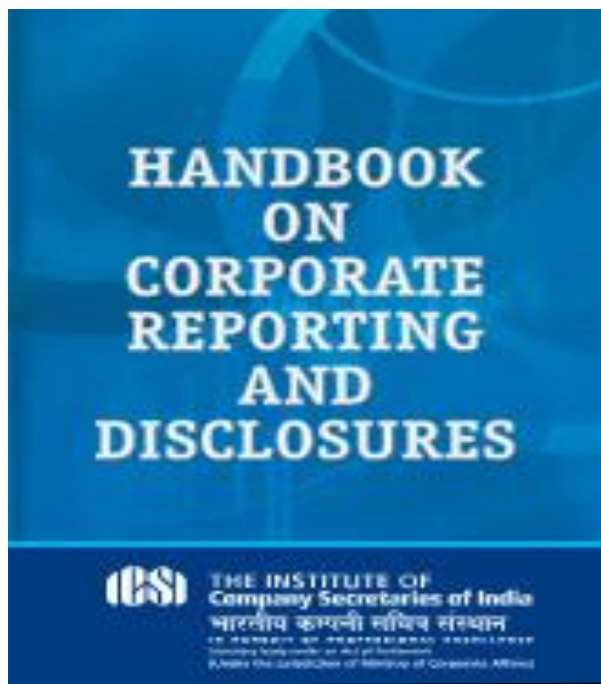
The Revenue relied on the lower authorities’ orders. It was submitted that the assessee had not made a claim for deduction under Section 10B in the original return filed under Section 139(1), and the audit report in Form 56G was filed only on 22.02.2008, much after the prescribed due date. Hence, the mandatory conditions under Section 10B were not complied with.

ITAT Observation and Decision: The Tribunal noted that the original return of income was indeed filed within the time prescribed under Section 139(1), and the revised return was filed within the permissible time under Section 139(5). Since the AO had accepted the revised return, its validity was not under challenge. Therefore, the revised return legally substituted the original return for all purposes.

On the question of delay in filing Form 56G, the Tribunal distinguished the judgment in PCIT v. Wipro Ltd., emphasizing that there is no specific bar in Section 10B requiring the audit report to be filed along with the return under Section 139(1), so long as it is filed before the assessment is completed.

Accordingly, the Tribunal concluded that the revised return validly substituted the original return. The claim under Section 10B made in the revised return is to be treated as validly made. The belated filing of Form 56G, being before the assessment completion date, constitutes sufficient compliance. However, as the AO had not examined whether the assessee satisfied the other conditions prescribed under Section 10B, the matter was remanded back to the AO to verify the same and grant deduction accordingly.

HANDBOOK ON CORPORATE REPORTING AND DISCLOSURES



About the Book

To address the changing landscape of regulatory requirements, emerging trends like integrated reporting and sustainability disclosures, and the influence of technological advancements on reporting practices, the Institute has developed the “Handbook on Corporate Reporting and Disclosures” for navigating the complexities of corporate reporting. It incorporates recent regulatory requirements, industry standards, and best practices adopted by corporates, delivering practical insights and actionable guidance for professionals at all levels.

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<https://smash.icsi.edu/Scripts/ECart/Default/ItemWiseECartSearchOnlineBooks.aspx?ItemId=354>

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)

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

❖ Market Watch

Stock Market Indices as on 20.05.2025

S & P BSE Sensex	81186.44(-1.06%)
Nifty 50	24683.90(-1.05%)

Foreign Exchange Rates as on 20.05.2025

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

INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
85.45	96.19	114.26	.59

Prepared by Directorate of Academics

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

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