



Vision

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

Motto

सत्यं वद। धर्मं चर। इष्टार्थे क्लेशं त्यजेत्। क्लेशं त्यजेत्।

Mission

"To develop high calibre professionals facilitating good corporate governance"

Info Capsule

Thursday, May 22, 2025

President

CS Dhananjay Shukla

Vice President

CS Pawan G Chandak

❖ **Ministry of Finance**

CRCL and IIT Delhi Sign Memorandum of Understanding (MoU) to strengthen scientific capabilities and promote ease of doing business (May 21, 2025)

The Central Revenues Control Laboratory (CRCL), Central Board of Indirect Taxes and Customs (CBIC), Department of Revenue, Ministry of Finance, and the Indian Institute of Technology (IIT) Delhi signed a Memorandum of Understanding (MoU) toward trade facilitation and improving the ease of doing business. This MoU collaboration aims to foster R&D, innovation, and scientific excellence at CRCL, bolstering trade facilitation and regulatory efficiency. The MoU was signed by Prof. Rangan Banerjee, Director, IIT Delhi, and Shri V. Suresh, Director, CRCL, in presence of Shri Surjit Bhujabal, Special Secretary & Member (Customs), CBIC.

For details:

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2130367>

❖ **Capital Market and Securities Laws**

Caution to Investors on Stock Market Scams through Social Media Platforms (May 21, 2025)

SEBI has observed that some entities are using Social Media Platforms (SMPs) to entice and deceive gullible investors in the securities market and they use strategies to induce investors into trusting them by gaining their confidence.

SEBI advised investors to deal with only SEBI registered intermediaries and through authentic trading apps. Investors are advised to verify the status of registration of entities with SEBI at <https://www.sebi.gov.in/intermediaries.html> before investing and to carry out Investors are advised to deal with only SEBI registered intermediaries and through authentic trading apps. Investors are advised to verify the status of registration of entities with SEBI.

SEBI vide this Press Release cautioned investors about the rampant frauds and scams being carried out by unscrupulous entities and the means with which investors can protect themselves while carrying out transactions in the securities market by dealing with SEBI registered intermediaries.

For details: https://www.sebi.gov.in/media-and-notifications/press-releases/may-2025/caution-to-investors-on-stock-market-scams-through-social-media-platforms_94064.html

❖ **International Financial Services Centre Authority**

Framework to facilitate Co-investment by Existing Schemes at GIFT IFSC (May 21, 2025)

The Fund Management Regulations, 2025 permits co-investment, with or without leverage, through a Special Purpose Vehicle (SPV) (also known in Industry parlance as a Co-Investment Vehicle (CIV)), herein after referred to as the Special Scheme. To operationalise this, the IFSCA has brought out a framework that will facilitate Co-investment by venture capital schemes and restricted schemes, paving the way for existing schemes to create special schemes to undertake the investments much faster.

The framework defines the structure, objective and nature of such special schemes. One salient feature of the framework is that these special schemes can make investments even before intimating the Authority. Moreover, the term sheet of the special scheme can be filed with authority within 45 days from the date of investments, thus making the process of investment easier and faster.

For details: <https://ifsc.gov.in/Legal/Index?MId=YfoQfPzaY7k=>

❖ **ESG Update**

ERM

ERM is the world's largest specialist sustainability consultancy. ERM vision is to work in partnership with stakeholders towards a net-zero future which focus on material risks, opportunities and impacts. ERM key objectives include: To reduce Scope 1, 2 and 3 emissions associated with direct operations, in line with SBTi targets and to support clients and to collaborate with stakeholders in working towards a net-zero future.

- Since 2007, ERM began collecting greenhouse gas (GHG) data and implemented emissions reductions measures that remain ongoing.
- ERM became one of the first professional services firms to commit to the Science Based Target initiative (SBTi) in 2018 and ERM had announced own net-zero commitment in 2021 with emissions reductions aligned to an updated 1.5 degrees Celsius SBTi target, to be delivered across operations by 2025.
- ERM submitted Scopes 1, 2 and 3 GHG emissions data for third-party assurance and ERM conducted a Scope 3 review and rebaselined Scopes 1, 2 and 3 targets to remained on track to meet 2025 emissions reductions targets and commenced voluntary compensation of Scopes 1, 2 and a portion of Scope 3 emissions, as part of decarbonization approach.
- SBTi had approves ERM's science-based emission reduction targets in alignment with the SBTi Net-Zero Corporate Standard, including near-term and long-term GHG emission reduction targets by 2040 across operations and value chain.

For details: https://www.erm.com/globalassets/sr2024/erm-sustainability-report-2024_decarbonization-strategy.pdf

❖ **Insolvency and Bankruptcy Board of India**

- **Insolvency Resolution Process for Corporate Persons (Third Amendment) Regulations, 2025. (May 19, 2025)**

The Insolvency and Bankruptcy Board of India have notified The Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Third Amendment) Regulations, 2025.

As per the amendment, regulation 40B relating to Filing of Forms of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 is being substituted wherein the form names and timeline of filing the same has been changed.

The regulations shall come into force on 1st June, 2025.

For details: [https://egazette.gov.in/\(S\(fgmamnate3bk5akhgztaed33\)\)/ViewPDF.aspx](https://egazette.gov.in/(S(fgmamnate3bk5akhgztaed33))/ViewPDF.aspx)

- **Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) (Amendment) Regulations, 2025. (May19, 2025)**

The Insolvency and Bankruptcy Board of India have notified Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) (Amendment) Regulations, 2025. As per the amendment after regulation 17A, the regulation 17B is being inserted which is read as;

17B. Non-submission of repayment plan

Where no repayment plan has been prepared by the debtor under section 105 of the Code, the resolution professional shall file an application, with the approval of creditors, before the Adjudicating Authority intimating the non-submission of a repayment plan and seek appropriate directions.

For details: [https://egazette.gov.in/\(S\(fgmamnate3bk5akhgztaed33\)\)/ViewPDF.aspx](https://egazette.gov.in/(S(fgmamnate3bk5akhgztaed33))/ViewPDF.aspx)

❖ *Competition Commission of India*

Frequently asked Questions on Combinations (May, 2025)

To help stakeholders understand Combinations, mergers and acquisitions (M&As), and their jurisdictional thresholds under the Competition Act, 2002, the Competition Commission of India (CCI) have issued Frequently Asked Questions (FAQs) with an objective that clarity in competition law enforcement is indispensable for promoting compliance, reducing transaction cost and encouraging pro-competitive business conduct.

For details: <https://www.cci.gov.in/images/whatsnew/en/faq-book-english-compressed1747724324.pdf>

❖ *Direct Tax*

CBDT Issues Notification No. 49/2025 for Revised ITR-U Form for Taxpayers (May 19, 2025)

The revised Form ITR-U under Notification No. 49/2025, published in the Official Gazette, has been notified under the Central Board of Direct Taxes (CBDT). The new form replaces the earlier version of ITR-U found in Appendix II of the Income-tax Rules, 1962.

The updated Income tax return form, applicable u/s 139(8A) of the Income-tax Act, 1961, allows the taxpayers to update their income in 48 months from the end of the relevant assessment year. The proceeding shows the effort of the government to promote voluntary tax compliance and propose a structured path for taxpayers to correct earlier filed returns or file missing returns.

For Details: <https://incometaxindia.gov.in/communications/notification/notification-49-2025.pdf>

❖ *Business and Economy*

Govt to boost production of Made-in-India merchant vessels, cut reliance on foreign ships (May 22, 2025)

The Centre has set the ball rolling to increase the fleet of large 'Made in India' merchant ships with an eye on joining the league of the top maritime countries of the world over the next two decades. The move stems partly from a realisation that a large fleet of merchant ships made in India is required, since foreign ships that transport merchandise to and from India may choose to stay away in case of an emergency. A situation like the recent three-day escalation between India and Pakistan can put ports on high alert, and may dissuade foreign ships from visiting Indian ports, thus harming trade. The government also feels that becoming a maritime power is an essential part of being a "developed nation" — something that the government hopes to become by 2027. The policy of the government is to take strides in this direction over the next decade or two," said a highly placed source in the Ministry of Ports, Shipping and Waterways. "Initiatives have been launched to boost indigenous shipbuilding and repair capabilities, reducing dependence on foreign vessels. India is advancing towards becoming the top 10 shipbuilding nations by 2030 and to ascend to the top five by 2047," said an official.

For Details: <https://indianexpress.com/article/business/govt-to-boost-production-of-made-in-india-merchant-vessels-cut-reliance-on-foreign-ships-10020850/>

❖ **Pronouncement**

Dated May 16, 2025	DCIT, Circle Hisar vs. Tirupati Matsup Pvt. Ltd.	ITAT Delhi
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Whether the purchases, not able to substantiate by the assessee, is to be held as unexplained expenditure and added back to the income of the assessee or a reasonable profit rate on the same is to be applied and added back to the income of the assessee?

Facts of the Case: The assessee is a company, engaged in the business of wholesale trade of building materials like Cement/TMT/Cables etc. and also was a civil contractor for various Government Departments and also with private companies. The return of income for the year under appeal was filed on 02.03.2022 at an income of INR 47,24,190/-. The case of the assessee was selected under CASS for complete scrutiny. During the course of assessment proceedings, various notices under section 142(1) were issued which were complied with by the assessee. The AO observed that the assessee has made purchases from various parties and in order to examine the genuineness of the purchases, summons under section 133(6) of the Act were issued to various suppliers. In response to the notices, many parties have filed their submissions and in the last, out of 49 parties with whom the purchases were made, the AO concluded that purchases from three parties were bogus as the assessee has failed to substantiate the purchases made from them. Accordingly, the AO has made an addition of INR 31,95,74,125/- being the amount of purchases made from these three parties as unexplained expenditure under section 69C of the Act in terms of the order passed under section 143 r.w.s 144B of the Act dated 15.12.2022.

Against this order, the assessee preferred appeal before the Ld.CIT(A) who vide impugned order dated 30.09.2023 has allowed substantial relief to the assessee.

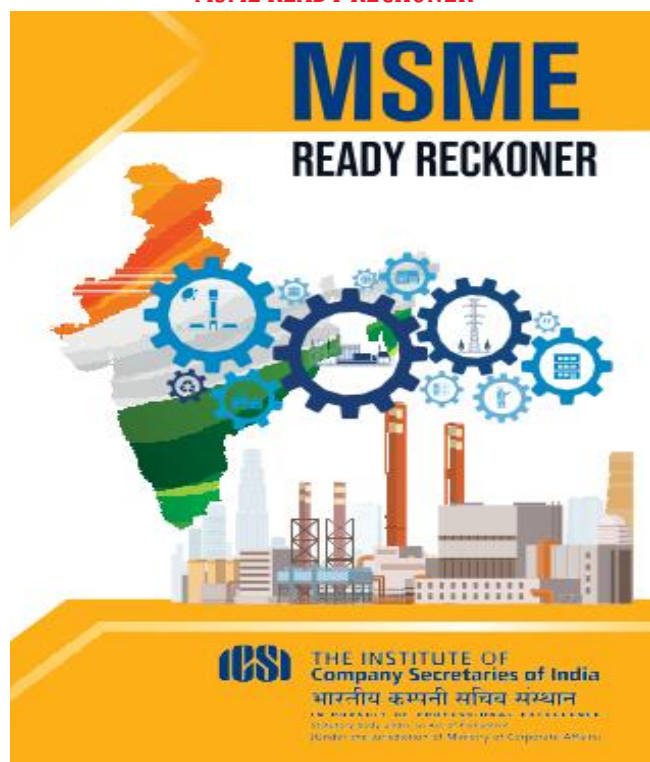
ITAT Observation and Decision: On careful consideration of the arguments put forth by both the parties and after perusing the material available on record, ITAT find that the AO has made an addition of INR 31,95,74,125/- being purchases made from three parties by holding the same as unverifiable/in-genuine purchases and invoked the provision of section 69C of the Act for making disallowance of the same as unexplained expenditure. The Ld.CIT(A) observed that the amount of INR 31,95,74,125/- includes the amount of GST also thus the net amount of purchases i.e. the value of goods is to be considered as amount of purchases and accordingly, he reduces the amount of purchases from INR 31,95,74,125/- to INR 26,47,92,365/-. This action of the Ld.CIT(A) has not been disputed by both the parties thus, the correct amount of purchases to be considered is INR 26,47,92,365/-.

Considering the overall facts and circumstances of the case, in our considered opinion, G.P rate of 5% on the in-genuine purchase of INR 26,47,92,365/- would be reasonable to meet the end of justice. Accordingly, direct the AO to apply profit rate of 5% on such unverifiable purchases and made addition after reducing the G.P. declared by the assessee on such purchases. Here we wish to state that the addition is confirmed on account of trading addition and no addition is sustained under s. 69C of the Act as after application of the profit rate, there is no question of invoking the provision of section 69C of the Act. With these directions, Ground of appeal raised by the Revenue is partly allowed and cross-objections taken by the assessee are dismissed.

❖ **Market Watch**

Stock Market Indices as on 22.05.2025	
S & P BSE Sensex	80951.99(-0.79%)
Nifty 50	24609.70(-0.82%)

Foreign Exchange Rates as on 22.05.2025 (https://m.rbi.org.in/scripts/ReferenceRateArchive.aspx)			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
85.66	97.12	115.00	.59

MSME READY RECKONER**About the Book**

MSMEs have served multifarious roles as regards the Indian Economy. If one is to look back in the pages of history the struggle for free freedom was fuelled by self-reliance brought in by the khadi village Gram Udyog. If the Charkha made the wheels turn of the Indian Destiny back then, foundation of the Indian economy powering both exports and social development even today.

Year of Publication: 2024

Price: Rs. 300/-



Weblink for Purchase:

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SS-1 - SECRETARIAL STANDARD ON MEETINGS OF THE BOARD OF DIRECTORS

About the Book

Section 118(10) of the Companies Act, 2013 requires every company to observe Secretarial Standards with respect to General and Board Meetings specified by the ICSI and approved as such by the Central Government.

Secretarial Standard on Meetings of the Board of Directors (SS-1) was made applicable from 1st July, 2015 and revised version thereof was made applicable from 1st October, 2017.

Considering the legal amendments on the subject, SS-1 has been revised further by the ICSI to bring it in alignment with the provisions of the Companies Act, 2013 and rules made thereunder.

Year of Publication: 2024

Price: Rs. 70/-



Weblink for Purchase:

<https://smash.icsi.edu/Scripts/ECart/Default/ItemWiseECartSearchOnlineBooks.aspx?ItemId=313>

Prepared by Directorate of Academics

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