Info Capsule

Thursday, September 25, 2025

President
CS Dhananjay Shukla
Vice President
CS Pawan G Chandak

❖ *Reserve Bank of India*

The Reserve Bank has released the September 2025 issue of its monthly Bulletin. The Bulletin includes one speech, seven articles and current statistics.

The seven articles are:

I. State of the Economy;
II. Flow of Financial Resources to Commercial Sector in India during 2024-25;
III. The Untold Story of FinTech Customers' Experience;
IV. Review of Performance of the NBFC Sector;
V. Impact of UPI on Cash Demand – Evidence from National and Subnational Levels;
VI. Is Consumption Inequality Declining? – What the 2022-23 NSSO Survey Tells Us; and
VII. Infrastructure - An Engine of India's Growth Express.

For details:
https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=61277

❖ *Ministry of Finance*

Union Minister of Finance and Corporate Affairs Smt. Nirmala Sitharaman launches Goods and Services Tax Appellate Tribunal (GSTAT) in New Delhi (September 24, 2025)

The Union Minister for Finance and Corporate Affairs Smt. Nirmala Sitharaman formally launched the Goods and Services Tax Appellate Tribunal (GSTAT) in New Delhi, on September 24, 2025. The launch of GSTAT marks a major milestone in the evolution of the Goods and Services Tax regime and strengthens the institutional framework for indirect tax dispute resolution in the country. Smt. Sitharaman stated that GSTAT is a natural extension of the reform arc — an important advance for ease of doing business and a vital forum for justice; and in simple terms: when a taxpayer has a dispute, the first appeal lies within the tax administration. At the second level, whether the original order is from the Centre or a State, the appeal will now converge at a single, independent forum - the GSTAT.

For details:
https://www.pib.gov.in/PressReleasePage.aspx?PRID=2170932

❖ *Ministry of Information & Broadcasting*

Startup Accelerator Platform WaveX announces the launch of seven new incubation centers to support Media, Entertainment and AVGC-XR Sector Startups (September 24, 2025)

WaveX, the dedicated startup accelerator platform under the Ministry of Information & Broadcasting's WAVES initiative, has announced the launch of seven new incubation centers across India, in addition to the existing facility at the Indian Institute of Creative Technologies (IICT), Mumbai. This marks the first time that a dedicated accelerator-cum-incubator program has been rolled out specifically for startups in the AVGC (Animation, Visual Effects, Gaming, Comics) and XR (Extended Reality) domains.

With launch of these incubation networks, startups will gain access to advanced facilities for film production, game development, editing, and testing through IICT, FTII, SRFTI, and other partner incubators. The flagship IICT Incubator, Mumbai is equipped with world-class infrastructure such as an 8K Red Raptor Vista Vision camera, a 4K HDR preview theatre with Dolby Atmos, high-performance Alienware workstations, a state-of-the-art virtual production stage with LED walls, photogrammetry systems, professional sound and color-mix theatres, 4K HDR edit suites, VR testing kits, and the latest gaming consoles.

For details: *https://www.pib.gov.in/PressReleasePage.aspx?PRID=2170437*

❖ *ESG Update*

Walter Matter SA

Promoting Economic Development for Farmers

Cocoa and coffee provide an essential income for millions of smallholder farmers. Around 5 to 6 million smallholder households produce 90% of the world's cocoa, with approximately 50 million people worldwide dependent on the cocoa supply chain for their livelihoods, while 80% of coffee is produced by 25 million smallholders, with around 125 million people depending on coffee for their income or employment. Yet, the people at the heart of these industries often live in very challenging socio-economic conditions, complicated by the lack of access to schools, hospitals, and decent infrastructure.

Poverty and lack of access to basic services are complex issues no single company can solve on its own. Certifications like Fairtrade guarantee a minimum price for farmers, while others provide at least a premium on top of the market value. While these mechanisms contribute to providing farmers and their communities with increased economic resilience. Therefore, Walter also work with its partners to implement projects on income diversification, access to education or safe drinking water, support for women entrepreneurs, among others.

For details: https://www.wama.ch/wp-content/uploads/2024/07/WalterMatter-2023-Sustainability-Report-EN-Web.pdf

❖ *Ministry of Commerce & Industry*

Commerce Ministry Organises Seminar on India-UK CETA IPR Chapter (September 24, 2025)

Ministry of Commerce and Industry organised a seminar on "Demystifying the IPR Chapter in the India-UK CETA" in New Delhi. The seminar was organised in collaboration with the Centre for Trade and Investment Law (CTIL). The event brought together policymakers, domain experts, academia and industry representatives to deliberate on the opportunities and concerns related to the Intellectual Property Rights (IPR) provisions of the India-UK Comprehensive Economic and Trade Agreement (CETA).

For details: https://www.newsonair.gov.in/commerce-ministry-organises-seminar-on-india-uk-ceta-ipr-chapter/

❖ *DGFT*

Export of Second Generation (2G) Ethanol under HS Code 22072000 under Restricted Authorization (September 24, 2025)

Reference is invited to DGFT Notification No. 32/2025-26 dated September 24th, 2025 on the above-mentioned subject, amending Notification No. 62/2015-20 dated March 22, 2023, inserting therein an additional policy condition for export of 'Ethyl alcohol and other spirits, denatured, of any strength' under HS Code 22072000. For ease of understanding and to facilitate exporters, the following information is provided on the process involved in export of 2G Ethanol under Restricted Authorization, as notified. Exporters are advised to refer to the relevant Notification and Foreign Trade Policy (FTP) provisions and Export Policy (Schedule-II), ITC (HS) 2022 for the binding requirements. Second Generation (2G) Ethanol refers to ethanol produced from cellulosic or lignocellulosic feedstocks (e.g., agricultural residues, woody biomass, algae) that do not compete with food crops and meets BIS 15464 specifications, as defined in the Notification.

For Details: https://www.dgft.gov.in/CP/

❖ *Pronouncement*

September 12, 2025	**ITC Limited (Appellant) Versus State Of Karnataka & Anr(Respondents)**	**Supreme Court of India Civil appeal no. 11798 of 2025 (Arising out of SLP (C) No.16830 of 2021)**

Search or Seizure without warrant or without reasons recorded are illegal and unsustainable under Legal Metrology Act

Brief Facts

The Appellant, ITC Limited, is engaged in the business of stationery items including Exercise Books / Notebooks, Pens, Pencils, etc. under its brand 'Classmate'. On 02.07.2020, Respondent No.2 acting under Section 15 of the Legal Metrology Act, 2009, conducted an inspection at the Appellant's premises and seized 7600 CFCs / packages of 'Classmate' exercise books for the alleged violation of Rule 24(a) of the Legal Metrology (Packaged Commodities) Rules, 20112 which is punishable under Section 36(1) of the Legal Metrology Act 2009 Act. Pursuant to the seizure, a seizure notice and a compounding notice both dated 02.07.2020 were issued to the Appellant. The principal issue that arises for consideration herein is whether the inspection and seizure conducted by Respondent No.2 under Section 15 of the 2009 Act, without obtaining a prior warrant, was unlawful and violative of the principles of natural justice, thereby justifying invocation of writ jurisdiction under Article 226 of the Constitution.

Judgement

Hon'ble Apex Court inter alia observed that Section 15 contemplates three different actions, namely, search, inspection, and seizure. The provision authorises an officer entering the premises to conduct a search for the recovery or discovery of any concealed material used or proposed to be used in contravention of the Act and, during such search, to inspect such materials. If the officer has reason to believe that the material may be used as evidence, he is empowered to seize it. The language of Section 15(1) makes it clear that the officer must have reason to believe that an offence has been committed or is likely to be committed and that materials or evidence relevant thereto are available in the premises. These pre-requisites under Section 15(1) are common to inspection, search and seizure. Significantly, Section 15(1)(b) stipulates that, before seizure, the officer must have reason to believe that such materials, goods, records, or documents may furnish evidence indicating that an offence under the Act has been committed or is likely to be committed with regard to goods already traded or likely to be traded.
Further, Supreme Court in *Narayanappa and others v. Commissioner of Income Tax, Bangalore, MANU/SC/0124/1966: AIR 1967 SC 623 while considering the expression "reason to believe",* held as follows:

"4. The belief must be held in good faith: it cannot be merely a pretence. To put it differently it is open to the Court to examine the question whether the reasons for the belief have a rational connection or a relevant bearing to the formation of the belief and are not extraneous or irrelevant to the purpose of the section. To this limited extent, the action of the Income-tax Officer in starting proceedings under s. 34 of the Act is open to challenge in a court of law."

In view of the foregoing, the entire proceedings from search to seizure are illegal and unsustainable, as neither a warrant was obtained nor reasons recorded for search, inspection, or seizure. The mandatory safeguards under Section 15 of the 2009 Act, and Sections 165, 100(4) and 100(5) Cr.P.C were disregarded. The 2009 Act itself contemplates action against officials violating its provisions under Sections 42 and 43. Compliance with statutory procedures, including recording "reasons to believe" before initiating search or seizure, is incumbent upon officials; non-compliance renders the action futile and results in arbitrary excise of authority. In the present case, the respondents not only violated Section 15 of the 2009 Act, but also failed to comply with Sections 100(4) and 165 Cr.P.C. Further, there is nothing on record to show that the search was so imminent as to justify dispensing with a warrant. On the same day as the inspection, search, and seizure, a notice under Section 48 of the 2009 Act was issued, specifying a compounding fee for contraventions of Sections 29, 36(1), and 36(2) of the Act, and Rules 18(2) and 27 of the 2011 Rules, and directing the appellant to respond within 15 days, failing which further legal action would follow. The Single Judge of the High Court correctly set aside these notices, but the Division Bench erroneously reversed the order. Therefore, the notices/orders issued by the respondents, as well as the judgment and order of the Division Bench of the High Court deserve to be quashed and are quashed. As a consequence, the order of the Single Judge stands restored.

❖ *Market Watch*

Stock Market Indices as on 25.09.2025	
S & P BSE Sensex	81194.99(-0.64%)
Nifty 50	24904.80(-0.61%)

Foreign Exchange Rates as on 25.09.2025 *(https://m.rbi.org.in//scripts/ReferenceRateArchive.aspx)*			
INR / 1 USD	**INR / 1 EUR**	**INR / 1 GBP**	**INR/ 1 JPY**
88.66	104.16	119.31	.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:
https://smash.icsi.edu/Scripts/ECart/Default/ItemWiseECartSearchOnlineBooks.aspx?ItemId=315

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

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