

Vision

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

Motto

सत्यं वद। धर्मं चर। इष्टं कुरु। प्रयत्नं कुरु।

Mission

"To develop high calibre professionals facilitating good corporate governance"

Tuesday, May 26, 2026

Info Capsule

President

CS Pawan G Chandak

Vice President

CS Dwarakanath C

❖ **Insolvency and Bankruptcy**

Notification under sub-section (2) of section 1 of the Insolvency and Bankruptcy Code (Amendment) Act, 2026. (May 25, 2026)

In exercise of the powers conferred by sub-section (2) of section 1 of the Insolvency and Bankruptcy Code (Amendment) Act, 2026, the Central Government appoints the 26th day of May, 2026, as the date on which the following provisions of the said Act shall come into force, namely: –

1. sections 2 to 6 (both inclusive);
2. sections 8 to 33 (both inclusive);
3. sub-clause (iii) of clause (a) and clause (b) of section 34;
4. sections 35 to 39 (both inclusive);
5. section 41;
6. sections 43 to 44 (both inclusive);
7. section 46;
8. sections 48 to 59 (both inclusive);
9. sections 61 to 66 (both inclusive);
10. section 68;
11. clause (a) of section 69;
12. clause (a) of section 70;
13. sub-clause (i) to sub-clause (xxvi) of clause (b) of section 70 [Except sub-clause (xx) of clause (b) of section 70]; and
14. section 72.

For details:

<https://ibbi.gov.in/uploads/legalframework/d31669ba7f826ee9ebefe58e85d652ec.pdf>

❖ **Reserve Bank of India**

RBI issues final Amendment Directions on Cooling-off Period for Directors of Co-operative Banks (May 25, 2026)

The Reserve Bank had, on January 8, 2026, issued Draft Reserve Bank of India (Urban Co-operative Banks - Governance) Amendment Directions, 2026 and Draft Reserve Bank of India (Rural Co-operative Banks - Governance) Amendment Directions, 2026, seeking feedback from stakeholders. The draft Amendment Directions proposed to introduce a cooling-off period for directors of UCBs and RCBs after they complete a continuous tenure of ten years on the Board of a UCB / RCB, to ensure that the statutory provision contained in section 10A(2A)(i) read with section 56 of the Banking Regulation Act, 1949 is implemented in letter and spirit.

Feedback received on the above draft Directions has been examined and the consequent modifications have been made suitably in the final Amendment Directions. Accordingly, the Reserve Bank of India has issued the following Amendment Directions:

- i. Reserve Bank of India (Urban Co-operative Banks - Governance) Amendment Directions, 2026.
- ii. Reserve Bank of India (Rural Co-operative Banks - Governance) Amendment Directions, 2026.

For details:

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=62804

❖ **Ministry of Youth Affairs and Sports**

Government Notifies National Sports Governance Board Rules and National Sports Tribunal Rules, 2026 (May 26, 2026)

Government has notified the National Sports Governance (National Sports Board) Rules, 2026 and the National Sports Governance (National Sports Tribunal) Rules, 2026.

The National Sports Governance (National Sports Board) Rules, 2026 provide for the composition of the Board, term of office of the Chairperson and Members, salary, allowances and other conditions of service, as well as the powers and functions of the Board.

The National Sports Tribunal will serve as a dedicated adjudicatory body for sports-related disputes in the country, aimed at reducing reliance on civil courts and ensuring independent, speedy, effective and cost-efficient disposal of disputes relating to sports governance and administration.

For details:

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2265248®=3&lang=1>

❖ *Views/ Comments sought by Regulators*

Consultation Paper on Ease of Doing Business- Framework for strike prices of options contracts (May 25, 2026)

SEBI has placed this consultation paper with the objective to obtain feedback with regard to proposal on framework for introduction and ongoing management of strike prices for options in derivatives segment focussed around predictability and availability of options strikes (i.e. options contracts) in case of heightened intraday volatility, for ease of trading in the segment. At present, there is a Regulatory framework pertaining to 'Rationalisation of strike intervals for long dated index options and framework to disable existing long dated strikes'. Other than the aforesaid, each exchange follows its own framework around introduction and management of strike intervals for options on various underlyings and futures contracts. Strike Intervals have bearing on trading activity of market participants in terms of availability of trading products for the participants. These products need to be loaded in the trading applications / portals of stock broker on a daily basis and thus, also has a bearing on the systems of stock brokers. In case of significant intraday volatility, resulting into price movement beyond farthest available strike price, the market participants could be inconvenienced because of unavailability of options contracts around prevailing price. Public comments on the above are invited latest by June 15, 2026.

For details:

https://www.sebi.gov.in/reports-and-statistics/reports/may-2026/consultation-paper-on-ease-of-doing-business-framework-for-strike-prices-of-options-contracts-_101603.html

❖ *Business and Economy*

- **Quad foreign ministers meet in Delhi to discuss Indo-Pacific security, supply chains and maritime cooperation (May 26, 2026)**

The Quad foreign ministers, including US Secretary of State Marco Rubio, met in New Delhi to regain strategic momentum and address shifting geopolitical dynamics in the Indo-Pacific region. Marking Rubio's first official visit in his current role, the meeting aimed to transition the grouping from a consultative forum into an action-oriented platform focused on tangible deliverables. Discussions centered heavily on strengthening maritime security, securing critical minerals, and enhancing global supply chain resilience. Ultimately, member nations emphasized the importance of unified collaboration to ensure a free, open, and stable Indo-Pacific, despite navigating distinct national priorities and external pressures.

For details:

<https://economictimes.indiatimes.com/news/defence/quad-foreign-ministers-meet-in-delhi-to-discuss-indo-pacific-security-supply-chains-and-maritime-cooperation/articleshow/131321228.cms>

- **FM Sitharaman launches initiatives to strengthen MSMEs (May 25, 2026)**

Union Finance Minister Nirmala Sitharaman called for increased focus on the three Fs – fuel, fertiliser and forex – amid the ongoing West Asia crisis, while asserting that the Indian economy remains resilient. The initiatives launched include the SIDBI MachFin Mart, a digital platform to help MSMEs access machinery through a structured marketplace supporting price discovery, standardisation and technology adoption. The finance minister also launched the RRB Co-Lending Portal to operationalise partnerships between SIDBI and Regional Rural Banks for improving credit flow in rural and underserved regions.

Another major initiative launched was Modernisation of Rural Enterprises (MoRE), a programme aimed at providing transformational support to 10 thousand rural micro and artisanal units over the next three years through cluster-based interventions.

For details:

<https://newsonair.gov.in/fm-sitharaman-calls-for-increased-focus-on-fuel-fertiliser-forex-amid-ongoing-west-asia-crisis/>

❖ **Pronouncement**

January 15, 2026	The Authority for Advance Rulings (Income Tax) And Others {Appellant(s)} Versus Tiger Global International II Holdings {Respondent(s)}	Supreme Court of India Civil Appeal No. 262 of 2026 [Arising out of SLP (C) No. 2640 of 2025] 2026 INSC 60
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The Power of an Independent Republic to Levy and Collect Tax forms part of its inherent Sovereign Functions

Brief Facts

In a common order Authority for Advance Rulings (Income Tax) (“AAR”) held that Respondents were entitled to the benefits of the India—Mauritius Double Taxation Avoidance Agreement (“DTAA”). However, High Court set aside the order passed by the AAA & held that the assesseees were entitled to treaty benefits and that their income would not be chargeable to tax in India. Aggrieved by the same, the Revenue has preferred the instant appeals.

Judgement

Hon’ble Apex Court inter alia observed that the power of an independent Republic to levy and collect tax forms part of its inherent sovereign functions, and such power is circumscribed only by the requirement of being within the authority of law. Article 265 of the Constitution of India envisages the same. In a world where nations must necessarily engage with each other for mutual economic growth through trade, commerce and business, and for reasons of economic policy, international cooperation, and diplomatic balance, the power of each nation is often exercised in tune with such bilateral or multilateral agreements, which do not take away such inherent power but which now stand shaped by the legal framework agreed to between the parties.....

Court referred to the *Vodafone International Holdings BV v. Union of India* judgment and said that *Vodafone* judgment provides crucial insight into this issue. It implies that business intent behind a transaction serves as strong evidence of whether the transaction is deceptive or an artificial arrangement. The commercial motive behind a transaction often reveals its true nature. In the present case, the respondents seek exemption from the Indian Income tax while, at the same time, contending that the transaction is also exempt under Mauritian law, which runs contrary to the spirit of the DTAA and presents a strong case for the Revenue to deny the benefit as such an arrangement is impermissible. Here again, it may be stated that this stand would again strengthen the reasoning that whether the sale is of shares of an Indian company then, will not be germane for consideration because only if the assessee is liable to pay tax in Mauritius, he can derive benefit under the provision under Article 13(c) of the DTAA as amended. Section 96(2) places the onus on the taxpayer to disprove the presumption of tax avoidance. This represents a significant shift in the burden of proof. In the case at hand, there is clear and convincing prima facie evidence to demonstrate that the arrangement was designed with the sole intent of evading tax, and the assesseees have failed to furnish sufficient material to rebut this presumption. Though it is permissible in law for an assessee to plan his transaction so as to avoid the levy of tax, the mechanism must be permissible and in conformity with the parameters contemplated under the provisions of the Act, rules, or notifications. Once the mechanism is found to be illegal or sham, it ceases to be “a permissible avoidance” and becomes “an impermissible avoidance” or “evasion”. The Revenue is, therefore, entitled to enquire into the transaction to determine whether the claim of the assesseees for exemption is lawful.

Supreme Court held that once it is factually found that the unlisted equity shares, on the sale of which the assesseees derived capital gains, were transferred pursuant to an arrangement impermissible under law, the assesseees are not entitled to claim exemption under Article 13(4) of the DTAA. The Revenue has proved that the transactions in the instant case are impermissible tax-avoidance arrangements, and the evidence prima facie establishes that they do not qualify as lawful. Consequently, Chapter X-A becomes applicable. The applications preferred by the assesseees relate to a transaction designed prima facie for tax avoidance and were rightly rejected as being hit by the threshold jurisdictional bar to maintainability, as enshrined in proviso (iii) to Section 245R(2). Accordingly, capital gains arising from the transfers effected after the cut-off date, i.e., 01.04.2017, are taxable in India under the Income Tax Act read with the applicable provisions of the DTAA. The judgment of the High Court therefore deserves to be set aside.

For details:

https://www.sci.gov.in/view-pdf/?diary_no=12512025&type=j&order_date=2026-01-15&from=latest_judgements_order

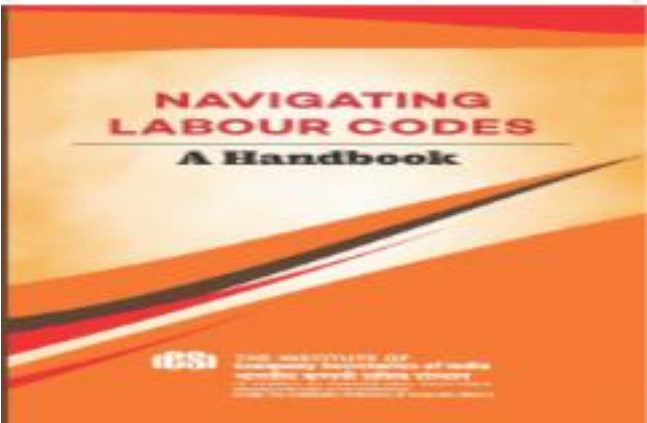
• **ESG update**

Tata Teleservices (Maharashtra) Limited

- TTML mitigates the risk of inadequate recycling practices, or delays in component availability by investing in resource efficient processes, strengthening repair, refurbishment and return, implementing robust recycling mechanisms.
- TTML strengthens fair working conditions by reinforcing comprehensive HR policies, enhancing DEI initiatives, and ensuring transparent and ethical workforce practices.
- TTML fosters protection of whistle blowers by maintaining confidential reporting channels, ensuring non retaliation policies, and conducting regular awareness sessions on ethical practices.
- TTML actively promotes culture of safety, providing regular health and safety training, and implementing ergonomic workplace practices.

For details:

https://nsearchives.nseindia.com/corporate/BRSR_532371_13052026201349.pdf



NAVIGATING LABOUR CODES
A Handbook

NAVIGATING LABOUR CODES
Year of Publication: **Dec 2025**
Price: **Rs. 300/-**
Link: <https://smash.icsi.edu/Scripts/ECart/Default/ItemWiseECartSearchOnlineBooks.aspx?ItemId=394>



STAKEHOLDER ENGAGEMENT TOOLKIT ON ESG

STAKEHOLDER ENGAGEMENT TOOLKIT ON ESG
Year of Publication: **Oct 2025**
Price: **Rs. 250/-**
Link: <https://smash.icsi.edu/Scripts/ECart/Default/ItemWiseECartSearchOnlineBooks.aspx?ItemId=392>

❖ **Market Watch**

Stock Market Indices as on 26.05.2026	
S & P BSE Sensex	76009.70 (-0.63%)
Nifty 50	23913.70(-0.49%)

Foreign Exchange Rates as on 26.05.2026 (https://m.rbi.org.in//scripts/ReferenceRateArchive.aspx)			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR/ 1 JPY
95.44	111.05	128.64	.60

Prepared by Directorate of Academics & Research

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

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