

Info Capsule

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❖ **International Financial Services Centre Authority**

Framework on Stewardship Code in IFSC (October 23, 2025)

IFSCA vide this circular introduced a Framework on Stewardship Code in IFSC to enhance investor protection and promote robust corporate governance. The said IFSCA circular states that Regulated Entities, undertaking investment activities, may adopt the Stewardship Code, as annexed with the circular or may adopt a Stewardship Code specified or published by: -

- a financial sector regulator in their home jurisdiction; or
- a financial sector regulator in India such as the Securities and Exchange Board of India (SEBI), the Insurance Regulatory and Development Authority of India (IRDAI), the Pension Fund Regulatory and Development Authority (PFRDA); or
- a Statutory professional body such as the Institute of Company Secretaries of India (ICSI).

The set of principles, enumerated under this Stewardship Code, are aimed at guiding the regulated entities (Fund Management Entity) undertaking investment activities in IFSC which act as institutional investors, aligning their practices with global standards for long-term value creation.

For details:

<https://ifsc.gov.in/Legal/Index?MId=XHvD60iPXRU=>

❖ **Business and Economy**

India to launch simplified GST registration from November 1 (October 24, 2025)

Union Finance Minister Nirmala Sitharaman on Friday 24th October, 2025 announced that a new GST registration system will be rolled out from November 1, 2025. The move is aimed at simplifying the registration process, particularly for small businesses and public sector entities.

Under the new system, applicants identified as low-risk, including those whose monthly output tax liability is under Rs 2.5 lakh, will receive automatic registration approvals within three working days. This change is expected to benefit nearly 96 percent of new applicants, reducing delays and easing compliance burdens. The reform is part of the broader GST 2.0 initiative, which also includes a rationalised two-slab tax structure of 5 percent and 18 percent, with a 40 percent rate for luxury and sin goods. Other measures include streamlined filing processes, automated refunds, and risk-based audits to improve efficiency and ensure fair compliance. The new GST registration system is expected to significantly ease the process for small businesses and public sector units, supporting faster onboarding and fostering a more transparent and growth-oriented tax environment.

For details:

<https://www.newindianexpress.com/business/2025/Oct/24/india-to-launch-simplified-gst-registration-from-november-1>

❖ **Capital Market and Securities Law**

Transfer of portfolios of clients (PMS business) by Portfolio Managers (October 24, 2025)

The SEBI has issued a circular dated October 24, 2025. According to the circular, as an initiative towards ease of doing business and for the purpose of simplification, it has been decided to allow transfer of PMS business. A Portfolio Manager shall transfer its PMS business only after obtaining prior approval from SEBI as per the mentioned process.

For details:

https://www.sebi.gov.in/web/?file=http://www.sebi.gov.in/sebi_data/attachdocs/oct-2025/1761301360689.pdf#page=1&zoom=page-width,-16,843

❖ **Views & Comments Sought by Regulators**

- **Consultation paper for review of LODR Regulations–clarification regarding the timeline for transfer of unclaimed amount by entity having listed non-convertible securities (October 24, 2025)**

The objective of this consultation paper is to seek comments/ views/ suggestions from the public on the proposal to amend the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR Regulations'), towards Ease of Doing Business (EoDB) and to streamline compliance requirements for non-convertible securities. Considering the implications of the matter on the market participants, public comments are invited on: Whether modifications in Regulation 61A (3) of the LODR Regulations, as suggested, is appropriate and adequate? The comments/ suggestions should be submitted latest by, November 14, 2025.

For details:

https://www.sebi.gov.in/web/?file=https://www.sebi.gov.in/sebi_data/attachdocs/oct-2025/1761306586026.pdf#page=1&zoom=page-width,-15,842

- **Consultation paper on "Regulatory Framework for differential distribution in Restricted Schemes and Venture Capital Schemes to facilitate blended finance and other fund structures" (October 23, 2025)**

IFSCA has uploaded a consultation paper on its website seeking comments/ suggestions from the public on Regulatory Framework for differential distribution in Restricted Schemes and Venture Capital Schemes to facilitate blended finance and other fund structures.

The consultation paper proposes a framework to enable fund managers to structure and manage schemes with differentiated distribution mechanisms, thereby facilitating greater participation of diverse investor classes, including institutional, philanthropic, and impact investors, while mandating certain safeguards to ensure transparency and investor protection.

Comments and suggestions from the public are invited on the consultation paper which may be sent to IFSCA on or before November 11, 2025.

For details:

<https://ifsc.gov.in/PressRelease/Index?MI=LVtphqv9sug=>

- **RBI issues Draft Directions pursuant to Policy Announcement (October 24,2025)**

In pursuance of the announcement made in the Statement on Developmental and Regulatory Policies dated October 01, 2025, the Reserve Bank of India (RBI) on October 27,2025 has issued the following draft Directions for public comments:

1. Draft Reserve Bank of India (Capital Market Exposure) Directions, 2025
 - i. Draft Reserve Bank of India (Commercial Banks - Capital Market Exposure) Directions, 2025
 - ii. Draft Reserve Bank of India (Small Finance Banks - Capital Market Exposure) Directions, 2025
2. Draft 'Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Amendment Directions, 2025'

The comments on the draft guidelines are invited from public/stakeholders by November 21, 2025. The comments/ feedback may be submitted through the link under the 'Connect2Regulate' Section available on the Reserve Bank's website. Comments may alternatively be forwarded to The Chief General Manager, Credit Risk Group, Department of Regulation, Central Office Reserve Bank of India, 12th/ 13th Floor Shahid Bhagat Singh Marg, Fort Mumbai – 400 001 or by email.

For details:

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=61494

❖ ESG Update

FirstGroup Plc

FirstGroup became the first public transport operator in the UK to support the TCFD, and have set three near-term science-based targets covering Scope 1, 2 and 3 emissions. These have been validated by the Science Based Targets initiative (SBTi). As a Group, it also committed to reaching net zero emissions by 2050.

In 2025, the Company published first Climate Transition Plan – a comprehensive strategy for achieving climate transition goals. It details approach to reducing GHG emissions, managing climate related risks, and contributing to an economy-wide transition through modal shift and encouraging more people to switch to lower-impact forms of transportation. It also covers targets, actions and dependencies across all of FirstGroup's operations to ensure broad coverage and transparency in its climate transition efforts.

Using the Company's in-house capabilities, it has been mapping recorded air quality levels in fixed locations where bus services operate, particularly in areas with poorer air quality (e.g. exceeding 40µg/m³ annual mean limit value for NO₂). This has helped to highlight the importance of public transport in those areas for the reduction of emissions and congestion, whilst identifying where the provision of zero emission buses might be prioritised to help further address poor air quality in specific locations.

For details:

<https://www.firstgroupplc.com/~media/Files/F/Firstgroup-Plc/reports-and-presentations/reports/environmental-performance-report-2025.pdf>

❖ Pronouncement

22nd October 2025	Jain Brothers v. NFAC, New Delhi	ITAT Delhi
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Bogus purchases addition under section 69C rws 115 BBE

Facts of the Case: The Assessing Officer (AO) received information from the Investigation Wing that Balaji Trading Company was allegedly issuing bogus purchase bills to several entities. Based on this, proceedings were reopened under Section 147 of the Income Tax Act, 1961, and notice was issued under Section 148. In response, the assessee Jain Brothers filed its return of income and furnished details as required under Section 142(1) notices. The AO alleged that Balaji Trading Company was marked “inactive” on the GST portal, thus treating it as a non-existent entity. Consequently, the AO disallowed the purchase of ₹6,41,900, adding it under Section 69C (unexplained expenditure) read with Section 115BBE.

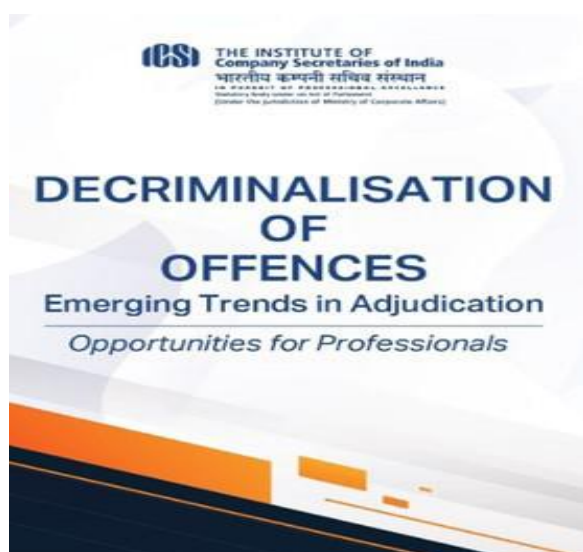
The assessee contended that all purchases were supported by invoices, bank payment records, and stock registers. Payments were made through account payee cheques. The sales corresponding to these purchases were accepted and not disputed. The NFAC/CIT(A) dismissed the appeal, primarily observing non-prosecution and claiming that the assessee's transportation by “cycle rickshaw” was not credible and that Balaji Trading Company failed to respond, treating it therefore as non-existent.

Tribunal Observation: The assessee furnished invoices, stock records, and transportation details. The sales corresponding to disputed purchases were not questioned by either AO or CIT(A). This established a direct link between purchases and sales, implying real movement of goods. The Tribunal observed that even the Input Tax Credit (ITC) utilized by Balaji Trading Company amounted to ₹5.83 crores, evidencing its operational activity. The Revenue failed to produce concrete material proving the entity's non-existence or that the assessee's funds had been routed back in any circular manner. Hence, the presumption of bogus purchase remained unsubstantiated, and purely relying on the supplier's “inactive” GST status could not justify the addition.

Tribunal Ruling: The ITAT deleted the addition made under Section 69C and allowed the appeal of the assessee. The Tribunal held that when sales are accepted as genuine, the corresponding purchases cannot be disallowed unless there is tangible evidence proving manipulation or falsity.

DECRIMINALISATION OF OFFENCES - EMERGING TRENDS IN ADJUDICATION

About the Book



Diligence, Compliance and Good Governance have always been looked through the lens of absence of non-compliance or default. The law while enlisting the provision for actions to be undertaken and procedures to be followed under different circumstances and situations has been equally wary of the scenarios wherein such compliances may not be made in true letter and spirit. Hence, the outline of punishments in the form of fines & penalties and imprisonment also in certain cases, depending on the severity of default. However, the downside of such punishments is that where criminal prosecution is provided for non-compliance of procedural requirements, it acts as a roadblock in attracting investment.

Year of Publication: 2024

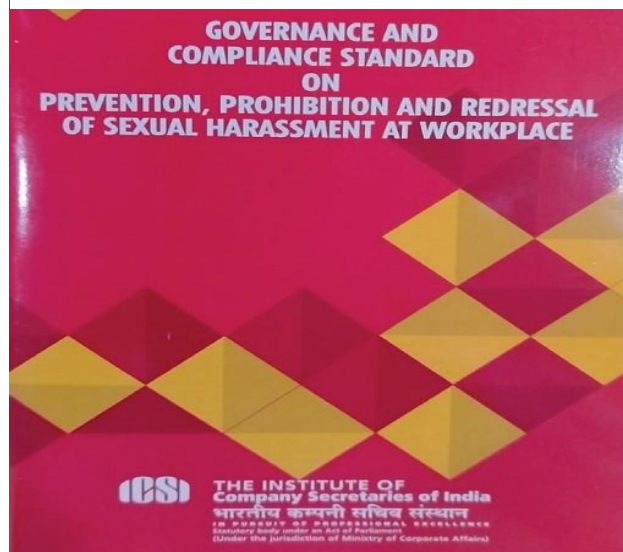
Price: Rs. 450/-

For Subscription:

<https://smash.icsi.edu/Scripts/ECart/Default/ItemWiseECartSearchOnlineBooks.aspx?ItemId=327>

GOVERNANCE AND COMPLIANCE STANDARD ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORKPLACE

About the Book



This Standard aims to enhance the implementation of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("PoSH Act"), by harmonizing workplace practices.

It provides standardized procedures for Internal Committee meetings, complaint and inquiry processes, and training/capacity building programs for employees/ Internal Committee members. The Standard also offers guidance on drafting gender-neutral PoSH policy, promoting inclusivity.

Year of Publication: 2024

Price: Rs 90/-

For Subscription:

<https://smash.icsi.edu/Scripts/ECart/Default/ItemWiseECartSearchOnlineBooks.aspx?ItemId=346>

Market Watch

Stock Market Indices as on 27.10.2025

S & P BSE Sensex	84778.84(+0.67%)
Nifty 50	25966.05(+0.66%)

Foreign Exchange Rates as on 27.10.2025

<https://www.rbi.org.in/scripts/referenceratearchive.aspx>

INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
88.06	102.41	117.39	.57

Prepared by Directorate of Academics

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

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