



Tuesday, April 29, 2025

Info Capsule

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❖ Business & Economy

FM Sitharaman targets one billion UPI transactions per day to broaden its reach and impact (April 28, 2025)

Union Finance Minister Nirmala Sitharaman has underscored the need to achieve the target of one billion UPI transactions per day within the next two to three years. She has stressed the importance of accelerating the internationalisation of UPI with the development of interoperable frameworks. The Finance Minister on 28.04.2025 chaired a meeting in New Delhi to review various aspects and the way ahead for the Unified Payments Interface (UPI) ecosystem. The meeting was attended by senior officials from the Finance Ministry, Reserve Bank of India, and National Payments Corporation of India. The Finance Minister encouraged officials to intensify efforts to onboard more users and merchants onto the UPI platform to broaden its reach and impact.

For details:

<https://www.newsonair.gov.in/fm-sitharaman-targets-one-billion-upi-transactions-per-day-to-broaden-its-reach-and-impact>

❖ Ministry of Corporate Affairs

• IEPFA Hosts Preparatory Meeting with Stakeholder Companies for 'Niveshak Shivir' Initiative (April 28, 2025)

In a step forward to enhance investor services and streamline the claims process, the Investor Education and Protection Fund Authority (IEPFA), under the aegis of the Ministry of Corporate Affairs, Government of India, convened a preparatory meeting with Nodal Officers of stakeholder companies through video conference on April 28, 2025 chaired by Smt. Anita Shah Akella, Chief Executive Officer, IEPFA. This meeting was aimed at finalizing operational details for "Niveshak Shivir" - a collaborative initiative of IEPFA and the Securities and Exchange Board of India (SEBI). It was decided that Niveshak Shivir will be organised in the cities having large number of investors whose dividends are lying unclaimed with Companies for a period of six to seven years. As part of this initiative, selected companies with highest number of investors in unclaimed dividend account will be invited to set up dedicated kiosks at these events to assist investors directly.

For Details: <https://pib.gov.in/PressReleasePage.aspx?PRID=2124987>

• IEPFA Signs MoU with Kotak Mahindra Bank to Enhance Investor Education through Digital outreach (April 28, 2025)

In a significant move to enhance investor education and protection, the Investor Education and Protection Fund Authority (IEPFA), under the aegis of the Ministry of Corporate Affairs, Government of India, has signed a Memorandum of Understanding (MoU) with Kotak Mahindra Bank Limited (KMBL), one of India's premier financial institutions. This strategic partnership aims to amplify the dissemination of critical investor awareness messages through Kotak Mahindra Bank's extensive physical and digital network across the country.

The collaboration will see IEPFA's curated investor education content being prominently featured on Kotak Mahindra Bank's ATMs, kiosks, websites, mobile apps and social media platforms. Digital banners, short films, and educational videos produced by IEPFA will be showcased to raise awareness on responsible investing, financial fraud prevention, and the protection of investor's rights.

For Details: <https://pib.gov.in/PressReleasePage.aspx?PRID=2124989>

❖ *ESG Update*

Sun Pharmaceutical Industries Limited

- The Company thoroughly analysed the senior management responses and compared them with stakeholder feedback to create the materiality matrix, ensuring that the identified material topics aligned with stakeholder expectations and its business objectives.
- It ensures adherence to regulatory requirements, establish robust SOPs, and implement remedial actions to prevent non-compliance.
- The Company targets 30% women representation in workforce by 2040.
- The Company conducts ESG assessments of suppliers to manage and mitigate potential risks.
- The Company recorded 18% Reduction in absolute carbon emissions and 42% decrease in specific intensity for Scope 1 and 2 carbon emissions compared to baseline year 2020.
- The Company recorded 21% Reduction in absolute water consumption and 44% decrease in specific intensity for water consumption compared to baseline year 2020
- The Company sourced 38% of Energy from renewable sources

For Details: <https://sunpharma.com/responsibility/sustainability/pdf/Sun-Pharma-Sustainability-Report-FY-2023-24.pdf>

❖ *Reserve Bank of India*

Processing of Regulatory Authorisations/ Licenses/ Approvals through PRAVAAH (April 28, 2025)

In terms of the various Statutes/Master Circulars/Directions/Instructions etc. issued by the Reserve Bank from time to time, the Regulated Entities are required to submit applications/requests for seeking authorisations/licenses/approvals from different Departments of the Reserve Bank. On May 28, 2024, the Reserve Bank launched PRAVAAH (Platform for Regulatory Application, Validation And Authorisation) as a secure and centralised web-based portal for any entity or individual to seek authorisation, license or regulatory approval on any reference made by it to the Reserve Bank. PRAVAAH has since facilitated receipt of nearly 4,000 applications/requests. However, some applications/requests are still being submitted by the Regulated Entities outside PRAVAAH.

As announced in the Press Release dated April 11, 2025, with effect from May 01, 2025, Regulated Entities are advised to use PRAVAAH for submitting applications for regulatory authorisations, licenses, approvals to the Reserve Bank using the application forms already available in the portal.

All Regulated Entities are advised to adhere to the above instructions. Instructions related to accessing the portal, submission and tracking of applications etc. are available on the portal itself. Further, for the convenience of users, the user manual, FAQs and videos are also available on the portal. PRAVAAH portal can be accessed at <https://pravaah.rbi.org.in>.

For Details: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12845&Mode=0>

❖ **Direct Tax**

April 24, 2025	MADHU TRANSPORT COMPANY PRIVATE LIMITED v/s ITO	ITAT KOLKATA
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Whether disallowance under Section 40(a)(ia) of the Income Tax Act, 1961 is sustainable when the assessee failed to deduct tax at source on payment of interest, but the payee has already offered the income to tax in its return, and Form 26A was not filed by the assessee.

Facts of the Case: The Assessee, Madhu Transport Company Private Limited have paid Interest to M/s Srei Infrastructure Pvt. Ltd. without deducting TDS.

- AO's finding: Interest paid to M/s Srei Infrastructure Pvt. Ltd. without deducting TDS.
- CIT(A): Disallowance confirmed due to non-filing of Form 26A as per Section 201(1) read with Rule 31ACB.

Section 40(a)(ia) provides for disallowance of 30% (earlier 100%) of certain expenditures such as interest, commission, brokerage, etc., if TDS is not deducted or after deduction is not deposited. Further, proviso to Section 201(1) provides relief to the deductor

- If payee has furnished return of income under Section 139.
- Payee has included the said sum in the return.
- Paid taxes due on such income.
- The deductor furnishes Form 26A from a CA certifying compliance.

Rule 31ACB and Form 26A prescribes the manner of furnishing the CA certificate. The relevant rule was notified via Income-tax (11th Amendment) Rules, 2012 effective from 12.09.2012.

ITAT Kolkata Ruling: Interest was duly offered to tax by M/s Srei Infrastructure Pvt. Ltd. This fact was already confirmed by the first appellate authority. The Supreme Court in case of Hindustan Coca Cola Beverages Pvt. Ltd. v. CIT held that tax cannot be recovered from the payer once the payee has paid tax on such income. Further, Form 26A and Rule 31ACB came into force only from 12.09.2012. If the assessment year in question falls prior to 12.09.2012, non-filing of Form 26A cannot be a ground for disallowance.

Accordingly, since the payee has paid tax, disallowance under Section 40(a)(ia) is not sustainable. AO was directed to delete the addition.

❖ **Pronouncement**

April 25, 2025	Central Bureau of Investigation {Appellant(s)} Versus Surendra Patwa & Ors {Respondent(s)}	Supreme Court of India Criminal Appeal No. Of 2025 (Arising out of SLP (Crl.) No. 7735 of 2024) 2025 INSC 572
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An Administrative Action can be set aside on the grounds of Violation of the Principles of Natural Justice**Brief Facts**

The Reserve Bank of India issued the Master Directions on Frauds – Classification and Reporting by commercial banks and select FIs. The Master Directions had been formulated with the objective of providing a framework for banks, to enable early detection and reporting of frauds, and consequently taking actions in a timely manner. In view of the same, the Appellant-Banks initiated administrative actions that affected the respondents, by declaring the companies' bank accounts as fraudulent - an action which had significant civil consequences delineated in the Master Directions. The Appellant-Banks also initiated criminal proceedings against the respondents, with respect to fraudulent activity that was detected, as the Master Directions require the Banks to refer certain categories of cases to the State Police or the Central Bureau of Investigation, as a general rule. Aggrieved by the same, the respondents approached different jurisdictional High Courts, challenging the validity of the Master Directions, and the actions taken consequently. The High Courts, vide the impugned orders, have quashed not only the administrative actions initiated in pursuance of the Master Directions, but also the First Information Reports (FIRs) registered and the subsequent criminal proceedings initiated against the respondents. Therefore, Appellant approached to the Supreme Court.

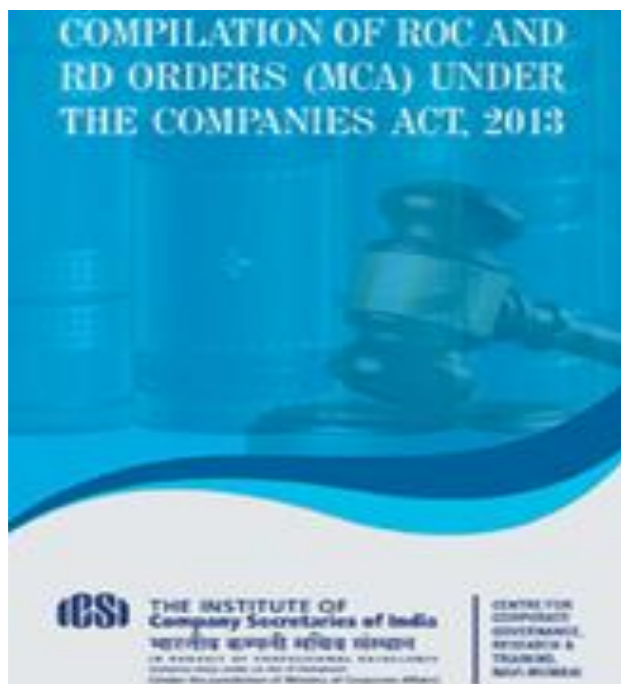
Judgement

Hon'ble Apex Court inter alia observed that from a perusal of the 98.1. paragraphs, case of *SBI v. Rajesh Agarwal, (2023) 6 SCC 1*. it is clear that the principles of natural justice are not applicable at the stage of reporting a criminal offence. It has further been clarified that providing an opportunity of being heard prior to the commencement of a criminal action (i.e. registration of an FIR), would frustrate the very purpose of initiating a criminal proceeding, which is to meet the ends of justice. More specifically, para 98.1 of Rajesh Agarwal's case (supra) explicitly states that no opportunity of being heard is required before an FIR is lodged or registered. We are in full agreement with the submission made on behalf of the Appellant CBI that the High Courts exceeded their jurisdiction by quashing the FIRs and the subsequent criminal proceedings, despite no challenge being made to the same. Further, the same have been erroneously quashed in certain instances, either where there was no opportunity of being heard afforded to the Appellant CBI (respondents before the High Courts), or where the Appellant-CBI was not even impleaded as a party-respondent before the High Courts.

It is pertinent to mention that the administrative actions initiated in pursuance of the RBI's Master Directions were set aside only on the ground of non-adherence to the principle of *Audi Altare Partem* and not on merits. Setting aside of an administrative action on the grounds of violation of the principles of natural justice does not bar the administrative authorities from proceeding afresh.

For Details: https://www.sci.gov.in/view-pdf/?diary_no=159522024&type=j&order_date=2025-04-25&from=latest_judgements_order

COMPILATION OF ROC AND RD ORDERS (MCA) UNDER THE COMPANIES ACT, 2013



About the Book

This publication endeavours to encompass adjudicated matters from different regions as abstracted from the MCA website pertaining to violations of various Sections of the Companies Act, 2013, and their corresponding Rules.

The primary focus is on cases adjudicated by the ROC and, which cover a diverse range of situations and involve various Sections of the Companies Act, 2013. Notably, this publication also includes certain cases that have been appealed to the

Year of Publication: 2023

Price: Rs. 450/- (Excluding Postage)

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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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❖ Market Watch

Stock Market Indices as on 29.04.2025

S & P BSE Sensex	80288.38(+0.09%)
Nifty 50	24335.95(+0.03%)

Foreign Exchange Rates as on 29.04.2025

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

INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
85.20	97.07	114.28	.59

Prepared by Directorate of Academics

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