



WHITESPAN
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WINS

(WHITESPAN INFORMATION AND NEWS SERVICES)

A GATEWAY TO KNOWLEDGE

Monthly Newsletter
MARCH 2025

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MAA FOUNDATION ACTIVITIES



MAA Foundation organizes regular skill development workshops and training programs to enhance women's professional and vocational skills. During the month of February, 2025, MAA Foundation organized various POSH awareness sessions and also imparted vocational skill trainings to young girls under the "SUI DHAGA PROJECT".

MESSAGE FROM THE CHIEF EDITOR

“Quality means doing it right when no one is looking.” – Henry Ford

It gives us immense satisfaction to share the 94th Edition of “WINS – E-Newsletter” for March 2025, covering legal updates released during the month of January 2025, articles shared by respected professionals, Case Laws and compliance calendar for the month of March 2025.

In this issue, we have covered the following:

1. Corporate Updates from MCA, SEBI, RBI, CBIC, CBDT and other miscellaneous Laws
2. Articles on Choosing the Right External Member for Your Organization's POSH Committee, Social Stock Exchange and difference between fast track merger and regular merger
3. Case Laws
4. Compliance checklist for the month of March 2025.

Trust, WINS not only helps you to keep yourself updated, but also saves your time with crisp summary, in the form of Editor's Quick Take.

My sincere gratitude to each one of you for sparing your precious time in reading this newsletter and sharing your valuable feedback. Your suggestions and ideas have been a source of inspiration for us and have motivated and guided us to scout for better contents, every month, in timely manner. We take this opportunity to invite articles on topics of professional interest. Please ensure that the article is original, written in good style and adds value for the readers.

You may reach to us at vinayshukla@whitespan.in or [+91 9810 624 262](tel:+919810624262)

With warm regards,

TEAM WINS (Whitespan Information and News Services)
March 2025

OUR EDITORIAL BOARD COMPRISES THE FOLLOWING PROFESSIONALS

1. **Mr. Vinay Shukla**, a fellow member of The Institute of Company Secretaries of India (ICSI), a graduate in Law, Commerce and Management and the co-founder of WsA having more than thirty years' experience in wide spectrum of corporate functions.
2. **Ms. Jaya Yadav**, a practicing company secretary based at Gurgaon is a fellow member of The Institute of Company Secretaries of India (ICSI) and a graduate in Law and Commerce from Delhi University.
3. **Ms. Divya Shukla**, a practicing advocate enrolled in the Bar Council of Delhi and a graduate in Law and Commerce from Christ University, Bengaluru.
4. **Mr. Pushkar Garg**, a member of The Institute of Company Secretaries of India (ICSI) and a graduate in Law and Commerce from MJP Rohilkhand University.
5. **Mr. Anuj Pathak**, CS Trainee and a graduate in Commerce from Lucknow University.
6. **Ms. Geetanjali Arya**, CS Trainee pursuing LLB from Choudhary Charan Singh University, Meerut and a graduate in commerce from Maharishi Dayanand University, Rohtak
7. **Ms. Shweta Chaturvedi**, a member of The Institute of Company Secretaries of India (ICSI) and a post-graduate in commerce from CSJMU, Kanpur

Ministry of Corporate Affairs (MCA)

1. Companies (Prospectus and Allotment of Securities) Amendment Rules, 2025

Date of Circular: February 12, 2025

Effective date: February 12, 2025

Link:

<https://www.mca.gov.in/bin/dms/getdocument?mds=uB9cbvrHAgY40CP98CDaNQ%253D%253D&type=open>

MCA vide its notification dated February 12, 2025, has made an amendment to Rule 9B(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 by adding a new proviso after the existing one:

“Provided further that a private company, other than a Producer company, which is not a small company as on 31st March, 2023, may comply with the provision of this sub-rule by 30th June, 2025.”

Securities Exchange Board of India (SEBI)

1. SEBI (Issuing Observations On Draft Offer Documents Pending Regulatory Actions) Order, 2020

Date of General Order: February 05, 2025

Effective date: February 05, 2025

Link:

https://www.sebi.gov.in/legal/general-orders/feb-2020/sebi-issuing-observations-on-draft-offer-documents-pending-regulatory-actions-order-2020_45903.html

SEBI General Order outlines the process for issuing observations on draft offer documents when investigations or regulatory actions are pending. Observations may be suspended for up to 30 days if there's a probable cause for an investigation. If delays occur due to factors outside the Board's control, a further 30-day suspension is possible. If the delay is due to the entities involved, observations will remain suspended until the investigation concludes.

If a show-cause notice is issued, observations may be delayed for up to 90 days. If recovery or penalty orders are not complied with, the suspension continues until compliance. Remanded proceedings and court restrictions on public issues are also addressed, with observations issued subject to court orders.

For further details, please refer the above-mentioned link.

2. Service platform for investors to trace inactive and unclaimed Mutual Fund folios- MITRA (Mutual Fund Investment Tracing and Retrieval Assistant)

Date of Circular: February 12, 2025

Effective date: February 12, 2025

Link:

<https://www.sebi.gov.in/legal/circulars/feb-2025/service-platform-for-investors-to-trace-inactive-and-unclaimed-mutual-fund-folios-mitra-mutual-fund-investment-tracing-and-retrieval-assistant-91847.html>

SEBI vide its circular dated February 12, 2025 introduced MITRA (Mutual Fund Investment Tracing and Retrieval Assistant), a service platform developed by Registrar and Transfer Agents (RTAs) to assist investors in locating inactive and unclaimed mutual fund folios.

The platform aims to:

1. Help investors identify forgotten or overlooked investments, including those made by others.
2. Encourage KYC compliance, reducing non-compliant folios.
3. Reduce the number of unclaimed folios.
4. Promote financial transparency and provide a reliable method for investors to track investments.
5. Incorporate fraud prevention measures to protect against fraudulent activities.

For further details, please refer the above-mentioned link.

3. Industry Standards Recognition Manual

Date of Advisory/ Guidance: February 12, 2025

Effective date: February 12, 2025

Link:

https://www.sebi.gov.in/legal/advisory-guidance/feb-2025/industry-standards-recognition-manual_91862.html

SEBI has established Industry Standards Forums (ISFs) to help regulated entities such as MIs, mutual funds, and listed companies comply with its regulatory directions. These forums were initially piloted in FY 2023-24 to address the unique needs of each entity type. SEBI has now developed formal guidelines for recognizing industry standards, which will be published on its website. These standards aim to provide uniformity and ease of compliance, although they are not required for SEBI's regulations and circulars to become effective. SEBI also has the flexibility to modify the guidelines or exempt certain ISFs based on their unique circumstances.

For further details, please refer the above-mentioned link.

4. Relaxation in timelines for holding AIFs' investments in dematerialised form

Date of Circular: February 14, 2025

Effective date: February 14, 2025

Link:

<https://www.sebi.gov.in/sebiweb/home/HomeAction.do?doListing=yes&sid=1&ssid=7&smid=0>

On January 5, 2024, the SEBI (Alternative Investment Funds) Regulations, 2012, was amended to mandate that all investments made by AIFs must be held in dematerialised form. This requirement was further clarified through SEBI Circular dated January 12, 2024, which was later incorporated into the Master Circular issued on May 7, 2024. Under new provisions, any investments made by AIFs on or after July 1, 2025 must be held in dematerialised form, regardless of whether the investments are made directly in the investee company or acquired from another entity.

For investments made before July 1, 2025, dematerialisation requirement is not mandatory, except in certain cases. These include situations where the investee company is legally required to facilitate the dematerialisation of its securities, or when the AIF, either alone or with other SEBI-registered entities, exercises control over the investee company (as defined under Regulation 2(1)(f) of the AIF Regulations). In these cases, the affected investments must be dematerialised by October 31, 2025.

Some AIF schemes are exempt from this dematerialisation requirement. This applies to schemes whose tenure ends on or before October 31, 2025 (excluding any permissible extensions) and schemes that are in extended tenure as of February 14, 2025.

Additionally, the trustee or sponsor of the AIF must ensure that the 'Compliance Test Report', as prepared by the manager under Chapter 15 of the Master Circular, includes confirmation of compliance with the new regulations. This move allows AIFs time to adjust and meet the dematerialisation requirements while ensuring ongoing compliance with SEBI's regulatory framework, promoting transparency, and improving the management of investments.

5. Revised timelines for issuance of Consolidated Account Statement (CAS) by Depositories

Date of Circular: February 14, 2025

Effective date: May 14, 2025

Link:

https://www.sebi.gov.in/legal/circulars/feb-2025/revised-timelines-for-issuance-of-consolidated-account-statement-cas-by-depositories_91927.html

SEBI Master Circular for Depositories (dated December 3, 2024) revises the timelines for issuing Consolidated Account Statements (CAS). AMCs/MF-RTAs must now submit common PAN data to depositories by the 5th day of the month, with depositories dispatching e-CAS by the 12th day and physical CAS by the 15th day. For half-yearly CAS, data should be sent by April 8th and October 8th, with e-CAS sent by the 18th and physical CAS by the 21st. CAS will be sent monthly if there are transactions, and half-yearly if there are none. Investors can choose to receive CAS via email or physical mail. These changes aim to streamline the process and enhance compliance.

6. Industry Standards on “Minimum information to be provided for review of the audit committee and shareholders for approval of a related party transaction”

Date of Circular: February 14, 2025

Effective date: April 01, 2025

Link:

https://www.sebi.gov.in/legal/circulars/feb-2025/industry-standards-on-minimum-information-to-be-provided-for-review-of-the-audit-committee-and-shareholders-for-approval-of-a-related-party-transaction_91945.html

SEBI vide its circular dated February 14, 2025 has amended the paragraph 4 and 6 of Section III-B of the Master Circular dated November 11, 2025. SEBI's (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR Regulations) that requires that related party transactions (RPTs) be approved by the audit committee and, if material, by shareholders. SEBI Master Circular dated November 11, 2024, specifies the information to be provided to both the audit committee and shareholders for RPT approval.

To help listed entities comply with these requirements, the Industry Standards Forum (ISF), consisting of ASSOCHAM, CII, and FICCI, has developed industry standards for the minimum information needed for RPT review. These standards, formulated in consultation with SEBI, will be published on the websites of the involved industry associations and stock exchanges. Listed entities must follow these standards to comply with SEBI's regulations.

For further details, please refer the above-mentioned link.

7. Securities and Exchange Board of India (Procedure for making, amending and reviewing of Regulations) Regulations, 2025

Date of Circular: February 13, 2025

Effective date: February 13, 2025

Link:

https://www.sebi.gov.in/legal/regulations/feb-2025/securities-and-exchange-board-of-india-procedure-for-making-amending-and-reviewing-of-regulations-regulations-2025_91954.html

Securities and Exchange Board of India (Procedure for Making, Amending, and Reviewing of Regulations) Regulations, 2025 establish a formal and structured process for SEBI to create, update, and review its regulations. These regulations are designed to promote transparency, accountability, and public participation in SEBI's regulatory actions. They require SEBI to engage in public consultation and involve stakeholders, including market participants and industry experts, during the regulation-making process. This ensures that various perspectives are considered and that the regulations align with the needs of the market. Additionally, these regulations ensure that SEBI's actions are carried out within a clear legal framework, as they are made under the powers granted by laws such as the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992, and the Depositories Act, 1996. Ultimately, the regulations aim to provide a more transparent, structured, and consultative approach to SEBI's regulation-making, thereby enhancing its accountability and ensuring that its decisions are in the best interest of all stakeholders.

For further details, please refer the above-mentioned link.

8. Most Important Terms and Conditions (MITC) for Research Analysts

Date of Circular: February 17, 2025

Effective date: February 17, 2025

Link:

https://www.sebi.gov.in/legal/circulars/feb-2025/most-important-terms-and-conditions-mitc-for-research-analysts_91965.html

In accordance with Regulation 24(6) of the SEBI (Research Analysts) Regulations, 2014, research analysts (RAs) are required to disclose the terms and conditions of their research services to clients and obtain consent. SEBI, through Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2025/004 dated January 8, 2025, has outlined the mandatory terms and conditions that RAs must disclose. The circular also mandates that these terms include the Most Important Terms and Conditions (MITC), which must be standardized by the Industry Standards Forum (ISF) in consultation with the Research Analysts Association of India (RAASB) and SEBI.

As per the circular, the MITC for RA services, standardized by the ISF, is provided in Annexure A. RAs must inform their existing clients of the MITC via email or any other suitable communication method (which can be preserved) by June 30, 2025. Additionally, RAs are required to incorporate the MITC into their 'Terms and Conditions' for providing research services and disclose them to clients, ensuring that client consent is obtained as per Clause 2(xii) of the SEBI Circular.

For further details, please refer the above-mentioned link.

9. Most Important Terms and Conditions (MITC) for Investment Advisers

Date of Circular: February 17, 2025

Effective date: February 17, 2025

Link:

https://www.sebi.gov.in/legal/circulars/feb-2025/most-important-terms-and-conditions-mitc-for-investment-advisers_91963.html

In accordance with Regulation 19(1)(d) of the SEBI (Investment Advisers) Regulations, 2013, Investment Advisers (IAs) must establish an investment advisory agreement with their clients. SEBI's Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2025/003, issued on January 8, 2025, requires that the investment advisory agreement also include the Most Important Terms and Conditions (MITC), which must be disclosed by the IA. These MITCs will be standardized by the Industry Standards Forum (ISF) in consultation with the Investment Advisers Association of India (IAASB) and SEBI to ensure uniformity and clarity in the terms.

The MITC for IA services, as standardized by the ISF, is available in Annexure A of the circular. IAs are instructed to inform their existing clients of the MITC via email or any other suitable communication method (that can be preserved) by June 30, 2025. For any investment advisory agreements entered into after the circular's issuance, IAs must incorporate the MITC into the agreement and ensure that the terms are disclosed to clients and their consent obtained, as specified in Clause 2(xi) of the SEBI Circular. This ensures that clients are fully aware of the terms and conditions of the investment advisory services being provided, enhancing transparency and client protection.

For further details, please refer the above-mentioned link.

10. Securities and Exchange Board of India (Procedure for making, amending and reviewing of Regulations) Regulations, 2025

Date of Circular: February 17, 2025

Effective date: February 17, 2025

Link:

https://www.sebi.gov.in/legal/regulations/feb-2025/securities-and-exchange-board-of-india-procedure-for-making-amending-and-reviewing-of-regulations-regulations-2025_91954.html

The Securities and Exchange Board of India (Procedure for Making, Amending, and Reviewing of Regulations) Regulations, 2025 outlines a structured process for SEBI to create, amend, and review its regulations. The regulations emphasize public consultation and stakeholder engagement to ensure that the process is transparent and inclusive. SEBI must follow a systematic approach when drafting new regulations, including gathering feedback from stakeholders before finalizing them. The regulations also mandate the regular review of existing rules to ensure their continued relevance and effectiveness, incorporating changes based on market developments or legal updates. This process aims to promote transparency and accountability, allowing stakeholders to understand and participate in the regulatory framework. The regulations are issued under SEBI's authority derived from the Securities and Exchange Board of India Act, 1992, and other relevant legislation, ensuring that SEBI's actions are consistent, informed, and aligned with the interests of the broader market. The regulations will come into effect in 2025, marking an important step towards enhancing the quality and credibility of SEBI's regulatory processes.

For further details, please refer the above-mentioned link.

11. Clarification regarding Investor Education and Awareness Initiatives

Date of Circular: February 20, 2025

Effective date: February 20, 2025

Link:

https://www.sebi.gov.in/legal/circulars/feb-2025/clarification-regarding-investor-education-and-awareness-initiatives_92064.html

SEBI Master Circular dated June 27, 2024 under Chapter 10 lays down specific provisions for the fees, charges, and expenses that Mutual Fund schemes can levy. One key requirement is that Asset Management Companies (AMCs) must set aside a minimum of 2 basis points of the daily net assets within the upper limit of the Total Expense Ratio (TER), as mandated by Regulation 52 of the SEBI (Mutual Fund) Regulations, 1996. These funds are to be allocated annually for investor education and awareness initiatives.

The circular further specifies that the scope of Investor Education and Awareness initiatives includes financial inclusion programs, as approved by SEBI periodically. Such programs are designed to enhance investor knowledge and participation in the financial markets, fostering a more informed investor base.

This directive is issued under the authority of Section 11(1) of the Securities and Exchange Board of India Act, 1992, which empowers SEBI to protect the interests of investors, promote market development, and regulate the securities market. The regulation ensures that AMCs contribute toward improving investor education, thus supporting informed decision-making and enhancing the overall integrity and growth of the mutual fund industry.

12. Opening of Demat Account in the name of Association of Persons

Date of Circular: February 25, 2025

Effective date: June 02, 2025

Link:

https://www.sebi.gov.in/legal/circulars/feb-2025/opening-of-demat-account-in-the-name-of-association-of-persons_92170.html

SEBI Master Circular dated February 25, 2025 has decided to allow Associations of Persons (AoPs) to open demat accounts in their own name for holding securities like mutual fund units, corporate bonds, and government securities. The key conditions include:

- 1.Security Restrictions:** AoPs can only hold securities allowed by their governing statutes, and cannot hold equity shares.
- 2.Required Details:** The PAN card details of both the AoP and its Principal Officer (e.g., secretary or manager) are needed.
- 3.Confirmation from AoP:** AoPs must confirm they hold only permitted securities in the demat account.
- 4.Legal Responsibility:** The Principal Officer is the legal representative in case of disputes, and AoP members are jointly liable for the AoP's actions.

Depositories are instructed to update systems and inform market participants about these changes.

13. Industry Standards on Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Date of Circular: February 25, 2025

Effective date: February 25, 2025

Link:

https://www.sebi.gov.in/legal/circulars/feb-2025/industry-standards-on-regulation-30-of-sebi-listing-obligations-and-disclosure-requirements-regulations-2015_92172.html

The Industry Standards Forum (ISF), formed by ASSOCHAM, CII, and FICCI in collaboration with SEBI, has developed a set of industry standards to aid listed entities in complying with Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR Regulations), which mandates the disclosure of material events or information. The primary objective of these standards is to provide clear guidelines on how companies should disclose such material events, ensuring transparency and timely reporting to investors and stakeholders. This initiative involved extensive consultation between the ISF, SEBI, and stock exchanges, ensuring that the standards are practical and aligned with current market practices. These standards will be published on the official websites of ASSOCHAM, CII, FICCI, and the stock exchanges, making them easily accessible to all listed entities. Companies are expected to follow these guidelines to ensure compliance with Regulation 30, which requires the prompt disclosure of information that could affect an investor's decision. By adopting these standards, listed entities will improve transparency, consistency, and efficiency in their disclosures, benefiting both the companies and investors while enhancing corporate governance.

14. Industry Standards on Key Performance Indicators (“KPIs”) Disclosures in the draft Offer Document and Offer Document

Date of Circular: February 28, 2025

Effective date: April 01, 2025

Link:

https://www.sebi.gov.in/legal/circulars/feb-2025/industry-standards-on-key-performance-indicators-kpis-disclosures-in-the-draft-offer-document-and-offer-document_92380.html

The Industry Standards Forum (ISF), which includes representatives from prominent industry associations such as ASSOCHAM, CII, and FICCI, has developed a set of standardized practices for the identification and disclosure of Key Performance Indicators (KPIs). This initiative was carried out in consultation with the Securities and Exchange Board of India (SEBI) and under the guidance of the Stock Exchanges, with the objective of ensuring a consistent and transparent approach for KPI disclosures in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (ICDR Regulations). These industry standards will be made publicly available on the websites of the ISF members, including the associations and the stock exchanges, to provide easy access to all stakeholders. The Issuer Companies and Merchant Bankers involved in preparing the draft offer document and the offer document are required to follow these standards rigorously. By doing so, they will ensure full compliance with the ICDR Regulations' provisions on KPI disclosure, contributing to greater transparency, consistency, and investor confidence in the capital markets. This initiative is aimed at streamlining the process, making it easier for investors to understand and compare the KPIs disclosed in the offering documents.

15. Amendments and clarifications to Circular dated January 10, 2025 on Revise and Revamp Nomination Facilities in the Indian Securities Market

Date of Circular: February 28, 2025

Effective date: March 01, 2025

Link:

https://www.sebi.gov.in/legal/circulars/feb-2025/amendments-and-clarifications-to-circular-dated-january-10-2025-on-revise-and-revamp-nomination-facilities-in-the-indian-securities-market_92377.html

The Securities and Exchange Board of India (SEBI) has issued Circular No. SEBI/HO/OIAE/OIAE_IAD-3/P/ON/2025/0027 on February 28, 2025, providing amendments and clarifications to its earlier circular dated January 10, 2025, concerning the revision and enhancement of nomination facilities in the Indian securities market. [Securities and Exchange Board of India](#) This circular aims to streamline and improve the nomination process for investors in the securities market, ensuring greater transparency and ease of access.

For detailed information and specific amendments, please refer to the above-mentioned link.



RESERVE BANK OF INDIA **(RBI)**

1. Foreign Exchange Management (Manner of Receipt and Payment) (Amendment) Regulations 2025

Date of Notification: February 10, 2025

Effective Date: February 10, 2025

Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12779&Mode=0>

The Reserve Bank of India (RBI) has made an amendment to Regulation 3 of the Foreign Exchange Management (Manner of Receipt and Payment) Regulations, 2023. In the Principal Regulations, in regulation 3, in sub-regulation (2), in clause (I), in sub-clause (a), for the item (ii) along with its proviso, the following shall be substituted, namely: -

“(ii) Member countries of ACU, other than Nepal and Bhutan – In respect of payments from a resident in the territory of one participant country to a resident in the territory of another participant country, through ACU mechanism, or as per the directions issued by the Reserve Bank to authorised dealers from time to time. For all other transactions, receipt and payment may be made in a manner as specified at (iii) below.”

2. Reserve Bank of India (Prudential Regulations on Basel III Capital Framework, Exposure Norms, Significant Investments, Classification, Valuation and Operation of Investment Portfolio Norms and Resource Raising Norms for All India Financial Institutions) Directions, 2023 - Amendment

Date of Notification: February 17, 2025

Effective Date: April 01, 2025

Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12783&Mode=0>

The Reserve Bank of India (RBI) in its Prudential Regulations on Basel III Capital Framework, issued on September 21, 2023, has made a revision regarding investments by All India Financial Institutions (AIFIs).

The key revision is that investments in long-term bonds and debentures (those with a minimum residual maturity of three years at the time of investment) issued by non-financial entities will no longer be counted towards the 25% ceiling applicable to investments classified under the Held to Maturity (HTM) category. This change ensures that such long-term investments are excluded from the HTM limit, as previously set out in the regulations.

This amendment has been incorporated into the relevant guidelines, with detailed changes outlined in the annex of the circular.

The new provisions apply to the AIFIs regulated by RBI, specifically Export-Import Bank of India (EXIM Bank), National Bank for Agriculture and Rural Development (NABARD), National Bank for Financing Infrastructure and Development (NaBFID), National Housing Bank (NHB), Small Industries Development Bank of India (SIDBI).

This adjustment aims to provide clarity on the treatment of long-term investments in the context of the HTM category and maintain consistency in regulatory compliance.

3. Review of Risk Weights on Microfinance Loans

Date of Notification: February 25, 2025

Effective Date: February 25, 2025

Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12786&Mode=0>

As per the Master Circular on Basel III Capital Regulations (April 1, 2024), claims meeting specific criteria can be classified as retail claims under the Regulatory Retail Portfolio (RRP), attracting a 75% risk weight. However, consumer credit (including personal loans) is excluded from RRP, with risk weights on these increased to 125% as per the November 16, 2023, circular.

Following a review, microfinance loans classified as consumer credit will be excluded from the higher risk weight and instead carry a 100% risk weight. Additionally, microfinance loans that are not consumer credit and meet the qualifying criteria can be classified under RRP, provided banks have the necessary policies in place.

For Regional Rural Banks (RRBs) and Local Area Banks (LABs), all microfinance loans will attract a 100%

4. Exposures of Scheduled Commercial Banks (SCBs) to Non-Banking Financial Companies (NBFCs) – Review of Risk Weights

Date of Notification: February 25, 2025

Effective Date: April 01, 2025

Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12787&Mode=0>

As per Paragraph 2.B of the circular ‘Regulatory measures towards consumer credit and bank credit to NBFCs’ dated November 16, 2023, a 25% point increase in the risk weight was applied to the exposures of Scheduled Commercial Banks (SCBs) to Non-Banking Financial Companies (NBFCs) in cases where the existing risk weight, based on the external rating of the NBFC, was below 100%. This measure was intended to raise the capital requirements for such exposures to address the risks associated with lower-rated NBFCs.

However, after a review, it has been decided to restore the original risk weights applicable to these exposures. The risk weights will now align with the external ratings of the NBFCs, as specified in Paragraph 5.8.1 of the ‘Master Circular – Basel III Capital Regulations’ dated April 1, 2024. This change ensures that the risk weights are once again determined based on the actual credit ratings assigned to the NBFCs, as amended from time to time. The decision reflects a move to revert to the earlier framework for risk-weighting exposures to NBFCs, which is consistent with the broader Basel III regulatory guidelines.



Central Board of Direct Taxes (CBDT)

1. Deduction of Income-Tax on Salaries under Section 192 of the Income-tax Act, 1961

Dated: February 20, 2025

Link: <https://incometaxindia.gov.in/communications/circular/circular-no-03-2025.pdf>

Key Highlights:

1. Income Tax Regimes & Slabs

- ❑ Employees can choose between the old and new tax regimes.
- ❑ The employer must deduct TDS as per the employee's declared preference.
- ❑ New tax regime slabs (default): Lower tax rates but fewer deductions.
- ❑ Old tax regime slabs: Higher tax rates but allows deductions under Chapter VI-A.

2. Tax Deduction at Source (TDS) Computation

- ❑ Employers must calculate tax based on the estimated total salary income of the employee for the FY.
- ❑ Rebate under Section 87A available for taxable income up to ₹7,00,000 in the new regime.
- ❑ Standard deduction of ₹50,000 applicable in both regimes.

3. Allowances & Exemptions

- ❑ Tax treatment of House Rent Allowance (HRA), Leave Travel Concession (LTC), gratuity, provident fund (PF) contributions, and pension is explained.
- ❑ Guidelines on perquisites such as car benefits, rent-free accommodation, and ESOP taxation.

4. Deductions under Chapter VI-A (Old Regime)

- ❑ Section 80C (LIC, PPF, EPF, tuition fees, home loan principal repayment) – Max ₹1.5 lakh.
- ❑ Section 80D (Health insurance premium) – ₹25,000 (₹50,000 for senior citizens).
- ❑ Section 80E (Education loan interest) – No limit.
- ❑ Section 80G (Donations) – 50% or 100% deduction as per eligibility.

5. Relief Under Section 89

- ❑ Available for employees receiving salary in arrears or advance, gratuity, compensation, or commuted pension.

6. Employer Responsibilities

- ❑ Must obtain employee declarations in Form 12BB for claiming deductions.
- ❑ Ensure correct PAN details; failure to provide PAN leads to TDS at 20%.
- ❑ TDS deposit deadlines and quarterly filing of Form 24Q.

7. Miscellaneous

- ❑ Special provisions for non-resident employees.
- ❑ Guidelines for retirement benefits & pension taxation.
- ❑ No TDS if taxable income does not exceed the basic exemption limit.



CENTRAL BOARD OF INDIRECT TAXES & CUSTOMS (CBIC)

1. Clarification on E-Way Bill Requirement for Goods under Chapter 71

Dated: February 06, 2025

Link: <https://services.gst.gov.in/services/advisoryandreleaseds/read/581>

The CBIC has issued an advisory regarding the E-Way Bill (EWB) requirement for goods classified under Chapter 71 of the Customs Tariff, covering natural or cultured pearls, precious/semi-precious stones, and precious metals, excluding HSN 7117 (Imitation Jewellery).

As per Rule 138(14) of the CGST Rules, 2017, these goods are exempt from mandatory EWB generation. However, an option to generate EWBs was previously available on the EWB portal under the category "EWB for Gold." Many industry stakeholders had voluntarily been using this facility, leading to confusion.

To clarify, the option to generate EWBs for goods under Chapter 71 (except HSN 7117) has now been withdrawn. Businesses and transporters should note that:

- EWB generation is not required for the movement of goods under Chapter 71 (except HSN 7117).
- For intra-state movement within Kerala, EWB remains mandatory as per Notification No. 10/24-State Tax dated 27/12/24.

2. Advisory on GST Registration Process (Rule 8 of CGST Rules, 2017)

Dated: February 12, 2025

Link: <https://services.gst.gov.in/services/advisoryandreleases/read/583>

The CBIC has outlined key steps for GST registration under Rule 8 of the CGST Rules, 2017:

◆ For Applicants Not Opting for Aadhaar Authentication:

- Must visit the designated GST Suvidha Kendra (GSK) for photo capturing & document verification.
- Appointment details will be sent via email.

◆ For Applicants Opting for Aadhaar Authentication (If Biometric Authentication is Required):

- Promoters/Partners & Primary Authorized Signatory (PAS) must visit GSK for photo capturing, biometric authentication, and document verification.
- If already biometric verified in any State/UT, only document verification is required.

◆ Non-Generation of ARN:

- Failure to complete biometric authentication, photo capture, or document verification within 15 days will prevent ARN generation.
- Ensure Aadhaar details are accurate to avoid authentication failures.

For further assistance, contact the GST Helpdesk or visit the nearest GST Suvidha Kendra (GSK).

3. Advisory on Introduction of Form ENR-03 for Unregistered Dealers

Dated: February 15, 2025

Link: <https://services.gst.gov.in/services/advisoryandreleaseds/read/584>

A new feature has been introduced in the E-Way Bill (EWB) system to allow unregistered dealers to enrol and generate e-Way Bills. Effective February 11, 2025, Form ENR-03 enables unregistered dealers engaged in goods transportation to obtain a unique Enrolment ID in place of a GSTIN for EWB generation.

◆ Key Features of ENR-03:

- Available under the "Registration" tab on the EWB portal.
- Requires PAN verification, address details, and OTP-based authentication.
- Generates a 15-character Enrolment ID upon successful registration.

◆ E-Way Bill Generation:

- Enrolled Unregistered Persons (URPs) can log in and use their Enrolment ID in place of a GSTIN.

Required details must be entered before proceeding with EWB generation

Miscellaneous Laws

National Stock Exchange of India

1. Clarification on fixing the record date under Regulation 42 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Date of Circular: February 07, 2025

Effective date: February 07, 2025

Link: https://nsearchives.nseindia.com/web/sites/default/files/inline-files/NSE_Circular_07022025.pdf

In reference to the recent amendment made by the Securities and Exchange Board of India (SEBI) to Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, through the notification dated December 12, 2024, it is clarified that listed entities must ensure a minimum gap of at least three working days between the date of board or shareholders' approval (as applicable to the specific corporate action mentioned in Regulation 42(1)) and the Record Date fixed for such action. This gap must be exclusive of the approval date and the actual record date.

Furthermore, with the latest amendment, sub-regulation 5 of Regulation 42 has been omitted, meaning listed entities are no longer required to announce the dates of closure of their transfer books for any purpose. All listed entities are requested to take note of these changes and ensure compliance accordingly.

Insolvency and Bankruptcy Board of India

1. Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Amendment) Regulations, 2025

Date of Circular: February 03, 2025

Effective date: February 03, 2025

Link: <https://ibbi.gov.in/uploads/legalframwork/69518dbf0bcccfeafdae76b906fcdaab.pdf>

IBBI vide its circular dated February 03, 2025 has made the certain regulations to amend the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 in exercise of the powers conferred by clause (t) of sub-section (1) of section 196, read with section 240 of the Insolvency and Bankruptcy Code, 2016 (31 of 2016), the Insolvency and Bankruptcy Board of India. These regulations may be referred to as the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Amendment) Regulations, 2025.

For further details, please refer the above-mentioned link.

2. Insolvency and Bankruptcy Board of India amends the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (CIRP Regulations)

Date of Circular: February 04 2025

Effective date: February 04, 2025

Link: <https://ibbi.gov.in/uploads/press/f56716ecf9231742a5a4e79c1f703502.pdf>

The Insolvency and Bankruptcy Board of India (IBBI) has issued the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Amendment) Regulations, 2025, on February 3, 2025. These amendments are designed to enhance the efficiency and effectiveness of the corporate insolvency resolution process, particularly with respect to real estate projects. The amendments come into immediate effect, reflecting the urgency of addressing challenges in the resolution of distressed real estate companies.

For further details, please refer the above-mentioned link.

3. Intimation to the Board on the appointment of insolvency professional under various processes under the Code

Date of Circular: February 11, 2025

Link: <https://ibbi.gov.in/uploads/legalframework/713b4ed4c289b651c47d811bc997fbf9.pdf>

Insolvency Professionals (IPs) are required to add their assignments to the IBBI portal for appointments as Interim Resolution Professionals or Resolution Professionals under the Corporate Insolvency Resolution Process (CIRP), as well as for liquidators in liquidation and voluntary liquidation processes. Once the assignment is approved, IPs can submit necessary reports like public announcements, EOIs, auction notices, and various forms to the board. However, assignments related to Resolution Professionals under the Insolvency Resolution of Personal Guarantors, Bankruptcy Trustee under the Bankruptcy Process of Personal Guarantors, and Administrators under the Insolvency and Liquidation Proceedings of Financial Service Providers are not yet required to be added. To streamline the process and improve record-keeping, the IBBI has updated the Assignment Module, formalizing the practice for better compliance and to reduce delays.

The Insolvency Professional (IP) must access the IBBI portal using a unique username and password to add assignments related to insolvency processes. After the assignment is approved, the IP is responsible for submitting compliance documents like public announcements and auction notices. The timelines for reporting assignments are as follows: for new cases, assignments must be added within three days of appointment; for ongoing cases, by February 28, 2025; and for closed cases, by March 31, 2025, with an extension until April 30, 2025, for Personal Guarantors. These guidelines aim to streamline reporting and minimize delays in the insolvency resolution process.

Intellectual Property Right

1. Notification Regarding Relocation of Headquarters of Controller General of Patents, Designs and Trade Marks (CGPD TM) to New Delhi

Date of Notification: February 25, 2025

Link: <https://ipindia.gov.in/newsdetail.htm?1055>

The Ministry of Commerce and Industry, through the Department for Promotion of Industry and Internal Trade (DPIIT), has officially announced the relocation of the headquarters of the Controller General of Patents, Designs, and Trade Marks (CGPD TM) to New Delhi. This move is aimed at enhancing coordination with central regulatory bodies and strengthening intellectual property (IP) administration in India.

As per Gazette Notification No. F. No. P-24017/56/2024-IPR-I, dated February 25, 2025, the CGPD TM headquarters, along with its Establishment and Finance Division, has been shifted to the following address:

Controller General of Patents, Designs, and Trade Marks

Boudhik Sampada Bhawan,

Plot No. 32, Sector 14,

Dwarka, New Delhi – 110078

This relocation supersedes the previous notification issued on November 25, 1959. It is expected to streamline operations, improve efficiency, and foster better collaboration with central government agencies. With this transition, all official communications to the CGPD TM must now be addressed to the New Delhi office.

Article 1

Choosing the Right External Member for Your Organization's POSH Committee

Thinking of forming an Internal Committee (IC) but can't decide how to pick an external member? We've got you covered! If your organization has more than 10 employees, The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act (hereinafter referred to as the "POSH Act"), mandates the constitution of an IC. While appointing the presiding officer and two employees from the organization may seem straightforward, choosing the right external member can often feel like a hurdle. The reason for having someone from outside the organization is simple — neutrality. An external member brings objectivity to the process, ensuring victims of sexual harassment feel comfortable speaking up without the fear of internal biases or politics influencing the outcome.

Who is Qualified to be an External Member?

According to Section 4(2)(c) of the POSH Act, an external member must be either from an NGO or an association committed to the cause of women or someone familiar with issues relating to sexual harassment.

While the Act doesn't specify exact qualifications or experience levels, the individual must have expertise in women's issues to empathize with complainants and guide the IC effectively. This can feel vague, but the key lies in choosing someone with a clear understanding of gender dynamics, workplace harassment laws, or advocacy work.

What Qualities to Look for in an External Member?

When selecting an external member, it is important to focus on their relevant experience, ensuring they have a background in gender studies, women's rights advocacy, or legal expertise connected to sexual harassment. Impartiality is crucial — they should have a history of fair decision-making, with no prior relationships with anyone within the organization that might compromise their neutrality. Strong communication skills are essential for managing sensitive conversations, and it's a plus if they hold POSH training credentials. Availability is another factor — they must be able to actively engage in IC meetings, inquiries, and training programs.

Appointing and Re-appointing an External Member

After selecting an external member, formalize their appointment with a letter clearly defining their roles, responsibilities, confidentiality clauses, remuneration (if any), and tenure — typically three years as per the POSH Act. The Act doesn't bar renewing an external member's term, so if they prove effective, you can extend their engagement. However, it's advisable to rotate internal members regularly, ideally changing about a third of the IC each term to maintain a fresh perspective.

Integrating the External Member into Your IC

Once appointed, the external member should be integrated into the IC's functioning by familiarizing them with the organization's structure and culture. This allows them to better address workplace-specific issues without losing their neutral stance. Regular participation in IC meetings and POSH training programs further strengthens their involvement.

Role of External Member in Capacity Building Activities Within the Organization

The role played by the external member in capacity building activities is distinct from their role in handling complaints as part of the IC. While their role in the latter is largely reactive — addressing complaints that have already surfaced — their capacity-building role is more preventive. By closely observing the working of the organization, external members can offer valuable advice on proactive steps to minimize sexual harassment incidents in the future.

Employers are also responsible for ensuring that their IC members are adequately trained and possess a solid understanding of the POSH Act. The external member's expertise becomes indispensable in this context, as they bring a working knowledge of sexual harassment issues and tailor their insights to the specific needs of the organization. Their involvement in awareness campaigns, workshops, and training sessions helps build a robust culture of prevention and sensitivity.

Moreover, the external member can play a crucial role in aligning the management with POSH compliance. It's essential for management to recognize that preventing workplace harassment isn't just about reacting to complaints — it's about fostering an inclusive and respectful work environment. The external member, trusted for their neutrality and expertise, can effectively communicate the importance of compliance and help shift the organization's perspective from reactive to preventive.

Errors to Avoid

It's critical to avoid common mistakes when forming your IC. Skipping the appointment of an external member could render your committee illegal, as seen in *Jaya Kodate v. Rashtrasant Tukdoji Maharaj Nagpur University*, where the Bombay High Court ruled that an IC without a qualified external member violated the POSH Act. Appointing someone unqualified can also backfire, like in *Ruchika Singh Chabra v. Air France*, where the Delhi High Court ordered the reconstitution of an IC because the external member, though a lawyer, lacked ties to women's causes or NGOs.

Conclusion

Selecting the right external member goes beyond mere legal compliance — it demonstrates your organization's commitment to fostering a safe and inclusive workplace. Their presence adds neutrality and reassurance, helping build trust in the IC's decisions. By carefully choosing an external member and ensuring continuous engagement, your IC can move from just ticking boxes to truly cultivating a culture of respect and equality. If you need support in finding the right external member for your organization, feel free to reach out to MAA Foundation.

At MAA Foundation, our team of experts supports you with this crucial step of setting up your Internal Committee under the PoSH Act, 2013. Our experts guide you with the legal mandates and guidelines present in the PoSH Act and also the best industry practices that one needs to follow while setting up the Committee.

To start with the PoSH compliance implementation in your workplace, please don't hesitate to contact us at pooja@whitespan.in.

Please note: This article is for informational purposes only and should not be considered a substitute for formal or legal advice. If you have experienced sexual harassment, we encourage you to seek professional support or contact the appropriate authorities.

Author:

Pooja Vohra

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Certified POSH Trainer | IC External Member



Article 2

SOCIAL STOCK EXCHANGE

“AN EMERGING OPPORTUNITY FOR SOCIAL ENTERPRISES”

A social stock exchange is an electronic fund-raising platform that allows alternative fund raising structure to social enterprises (both not-for-profit and for-profit).

PURPOSE/ OBJECTIVE

Regulated platform that brings together social enterprises and donors

Facilitate funding and growth of social enterprises

Enabling mechanism to ensure robust standards of social impact and financial reporting

BENEFITS TO NGO AND INVESTORS

Better market access: SSE will make it easier for social enterprises and investors/donors to interact in a structured, common space with built-in regulations that ensure financial accountability and integrity.

Enhanced Visibility and Credibility: Registering with an SSE can significantly boost the visibility and credibility of an NGO. Being listed on a recognized platform serves as a stamp of approval, assuring donors and investors of the NGO's legitimacy and effectiveness. This increased credibility can attract more funding and support from various stakeholders.

REGULATORY FRAMEWORK

Chapter X-A of Issue of Capital and Disclosure Requirements Regulations, 2018 regulates the registration and listing of Social Enterprise on Social Stock Exchange.

Chapter IX-A of Listing Obligations and Disclosure Requirements, 2015

Eligibility Criteria for Registration of Social Enterprise in Social Stock Exchange

a) Predominance (Any one of the following)

At least 67% of the immediately preceding 3-year average of revenues comes from providing eligible activities to members of the target population

or

At least 67% of the immediately preceding 3-year average of expenditures has been incurred for providing eligible activities to members of the target population

or

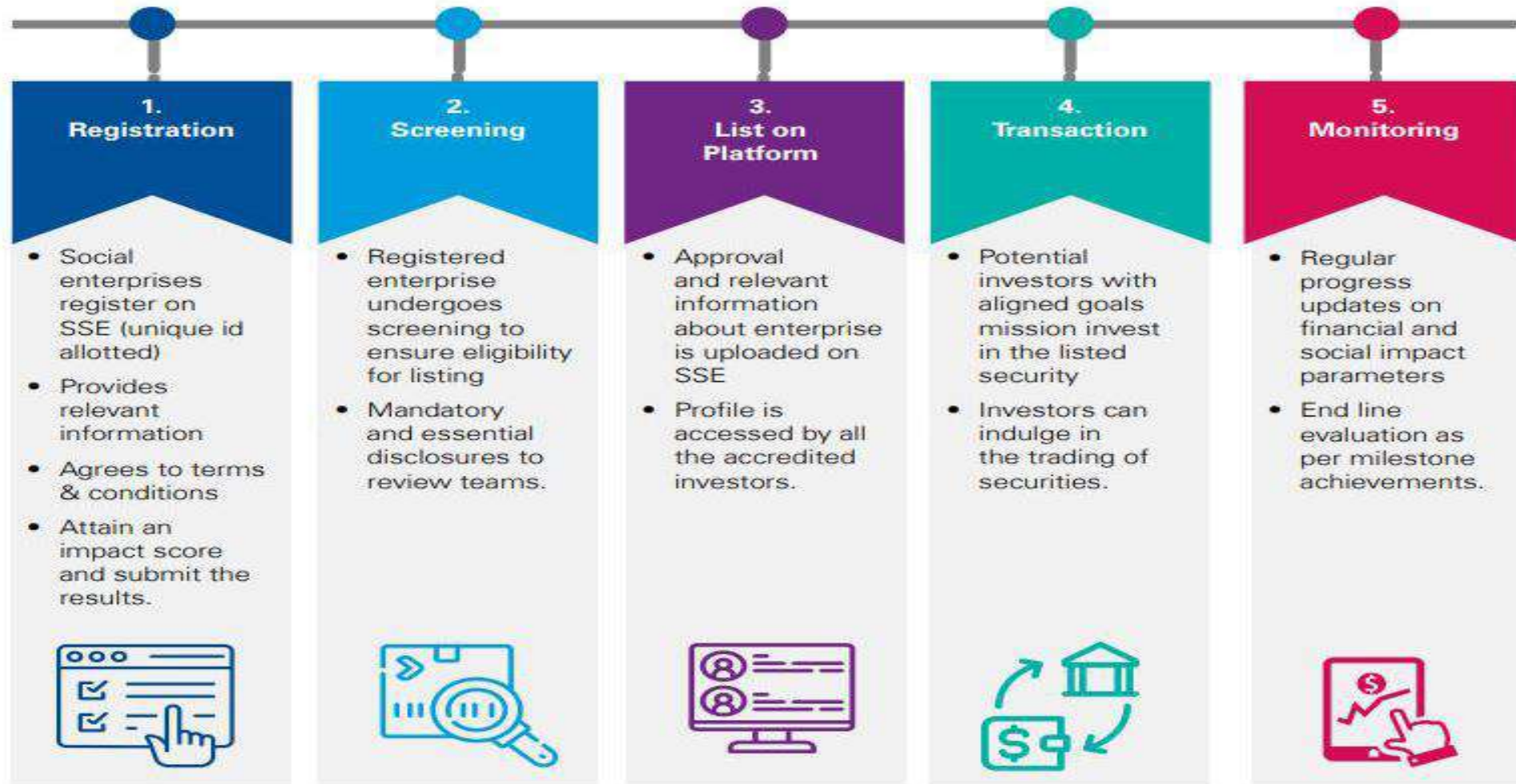
Members of the target population to whom the eligible activities have been provided constitute at least 67% of the immediately preceding 3-year average of the total customer base/beneficiaries

b) Target Segment

Social Enterprise shall target underserved or less privileged population segments or regions recording lower performance in the development priorities of central or state governments.

FEATURES OF ZERO COUPON ZERO PRINCIPAL BOND

Zero Coupon Zero Principal Instruments shall be issued only by a Not for Profit Organisation registered on a Social Stock Exchange. ZCZP instrument will have zero coupon rate and no principal amount shall be payable on maturity. Further, it can be issued only for a specified project or activity which falls under the list of eligible activities (eligible activities specified under regulation 292E of the regulations) and for specified project duration. ZCZP do not offer fixed interest/repayment returns but promises a social return to the funder.



STATISTICS

Entities registered on Social Stock Exchange:

78 NGOs registered on NSE

57 NGOs registered on BSE

WAY FORWARD

The concept of Social Stock Exchange is at nascent stage in India and with the increasing awareness it would gain momentum. It being a regulated platform brings transparency, reliability and more visibility. The number of Social Enterprises are registered/ listed are less and shall increase in the coming years. This exchange showcases the social impact of enterprise activities and is a platform which exhibit social return unlike financial return of normal Exchange. Listing and issuance of Net Coupon net Zero Principal bonds are less time consuming and simple compared to normal listing. In my view this concept needs more awareness and clarity on tax treatment.

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Article 3

DIFFERENCE BETWEEN FAST TRACK MERGER & REGULAR MERGER

BACKGROUND

Chapter X of the J.J. Irani Committee Report in 2005 highlighted the importance of introducing a swift merger process in India. The concept of fast-track merger was introduced under the Companies Act, of 2013.

*Section 233 of the Companies Act 2013 was notified by the Ministry of Corporate Affairs (MCA) on December 7, 2016.

*Rule 25 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 was notified by the Ministry of Corporate Affairs (MCA) on December 14, 2016.

MEANING OF MERGER

A merger is the combination of two or more companies to form a new entity or for one company to absorb another, aiming for growth, efficiency, reduced competition, or access to new markets. There are several types of mergers: horizontal mergers (between competitors), vertical mergers (with suppliers or distributors), conglomerate mergers (across different industries), market extension mergers (expanding into new regions), and product extension mergers (offering complementary products). Mergers can be structured as a merger of equals or an acquisition, with the goal of creating a more competitive and efficient organization.

MEANING OF FAST TRACK MERGER

Fast Track Merger is the simplified merger process which aims at providing the expeditious disposal of the scheme of the merger without the intervention of the court and a lengthy and time-consuming process. It offers certain classes of companies an alternative option of merger, with fewer legal requirements and a swift approval and registration process.

Regular Merger	Fast Track Merger
Mandatory approval of NCLT is required	No mandatory approval of NCLT is required.
Involves lengthy court process, more time consumption, and legal costs.	Avoids lengthy court process and saves time and cost.
Issuing a public advertisement is mandatory for the merger process under Section 230(3)	No requirement of issuing Public Advertisement.
General meeting and creditors meeting authorized by NCLT.	General and creditors meetings can be convened suo-moto.
In most cases, winding up/ dissolution of transferor is required.	<p>Registration of the scheme shall be deemed to have the effect of dissolution of transferor companies without the process of winding up.</p> <p>The transferee company absorbs the assets and liabilities of the transferor company, and the transferor company is dissolved as part of the merger process without the need for liquidation, unless specifically called for in the scheme.</p>

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 Governance matters



Case Laws

1. Sachin Jaiswal Vs. M/S Hotel Alka Raje (2025 INSC 275)

Background: The dispute arose when the legal heirs of Bhairo Prasad Jaiswal, a deceased partner of Hotel Alka Raje, claimed ownership over the hotel property. They contended that the land originally belonged to Bhairo Prasad and should not have been considered a partnership asset. The respondents, being partners of the firm, filed a suit for declaration of title and permanent injunction, which was decreed in their favor by the Trial Court. The High Court upheld the Trial Court's decision. The legal heirs challenged this ruling before the Supreme Court.

Questions of Law:

1. Whether a property contributed by a partner to a partnership firm remains individually owned by the partner or becomes the firm's property under Section 14 of the Partnership Act, 1932?
2. Whether a formal transfer document (such as a relinquishment deed) is necessary to transfer the property to the firm?
3. Whether legal heirs of a deceased partner can claim ownership over the property contributed by the deceased to the firm?

Judgment and Conclusion: The Supreme Court dismissed the appeal and upheld the High Court's ruling, reiterating that once a partner contributes property to a partnership firm, it becomes the firm's property. The legal heirs of the deceased partner cannot claim exclusive ownership over the property, as their rights are limited to the share in profits and liabilities as per the partnership agreement. The Court also clarified that no formal document is required to transfer the property to the firm, as the transfer occurs by virtue of the partner's intent and contribution. Relying on landmark precedents, the Court reinforced the settled position of law under the Partnership Act, 1932.

2. Aditya Birla Fashion and Retail Limited v. Friends Inc & Anr. [CS(COMM) 566/2024]

Background: Aditya Birla Fashion And Retail Limited (ABFRL) is the registered proprietor of the “PETER ENGLAND” trademark, originally conceived in 1889 and introduced in India in 1997. The brand was acquired by the plaintiff group in 2000 and has since expanded to 382 stores across 180 cities in India. The plaintiff alleged that the defendants, Friends Inc & Anr., were unauthorizedly using the mark “PETER ENGLAND” on their signboard, invoices, and business papers, causing confusion among consumers.

Questions of Law:

1. Whether the trademark "PETER ENGLAND" can be called a well-known mark under the Trademarks Act, 1999 ?
2. Whether the unauthorized use by Friends Inc is infringement or not.

Judgment and Conclusion: The Trade Marks Act, 1999 (Section 29) prohibits unauthorized use of a registered trademark. The defendants used “PETER ENGLAND” without authorization, fulfilling the criteria for infringement. The court reviewed sales turnover (₹1289 Crores in 2023-24), advertisement expenses (₹31 Crores in 2023-24), and extensive brand promotions. Accordingly, the court declared “PETER ENGLAND” a well-known mark under Section 2(1)(zg) of the Trade Marks Act, 1999.. The defendants were permanently restrained from using “PETER ENGLAND” in any manner.

3. Idemia Syscom India Pvt.Ltd. Vs. M/S Conjoinix Total Solutions Pvt. Ltd (ARB. P. 1284/2024)

Background: The Petitioner had engaged the Respondent, an MSME entity, to provide IT services for a vehicle tracking project awarded by the State Transport Department of Orissa. The parties formalized their business relationship through a Service Framework Agreement dated 09.02.2022, which included an arbitration clause for dispute resolution. Disputes arose when the Petitioner alleged breaches and non-performance by the Respondent. In response, the Respondent, invoked arbitration and proposed the appointment of a Sole Arbitrator. However, due to the Petitioner's reservations, the appointment of the arbitrator could not be finalized. Subsequently, the Petitioner approached the Delhi High Court under Section 11 of the A&C Act, seeking the Court's intervention in the appointment of an arbitrator. Meanwhile, the Respondent, being a registered MSME, initiated proceedings before the MSME Facilitation Council under Section 18 of the MSMED Act. This led to the present legal battle regarding the applicability and primacy of the MSMED Act over the A&C Act.

Question of Law:

1. Whether the MSMED Act, 2006, which governs disputes involving MSMEs, overrides the provisions of the A&C Act, 1996?
2. Whether the presence of an arbitration clause in a contractual agreement between the parties can negate the statutory mechanism under Section 18 of the MSMED Act?
3. Whether the Court can intervene under Section 11 of the A&C Act when proceedings under the MSMED Act have already been initiated?

Judgment and Conclusion: The Delhi High Court reaffirmed the supremacy of the MSMED Act over the Arbitration and Conciliation Act in disputes concerning MSMEs. The Court held that once a supplier registered under the MSMED Act invokes the jurisdiction of the MSME Facilitation Council, the statutory dispute resolution mechanism under the MSMED Act must be followed. A pre-existing arbitration agreement cannot override the statutory right granted to MSMEs under Section 18 of the MSMED Act. The ruling ensures that the protective framework established for MSMEs remains effective, preventing larger contracting entities from bypassing statutory protections through private arbitration clauses. Thus, the petition filed under Section 11 of the A&C Act was dismissed, and the MSME Facilitation Council was affirmed as the appropriate forum for dispute resolution in the present case.

4. Parmesh Construction Company Ltd. v. Pramod Kumar Sharma [Company Appeal (AT) (Insolvency) No. 149 of 2025]

Background: Parmesh Construction Company Ltd. submitted a Resolution Plan during the Corporate Insolvency Resolution Process (CIRP) that was approved by the Committee of Creditors (CoC) and was laid before the Adjudicating Authority for approval. Subsequently, another plan was tendered for consideration.

Questions of Law:

1. Whether a new Resolution Plan can be considered by the CoC after the same has been approved and submitted to the Adjudicating Authority.

Judgment and Conclusion: Resolution Plan even prior to the approval of the Adjudicating Authority is binding inter se the CoC and the SRA. The CoC is clearly not entitled to consider any other request for consideration of any Resolution Plan, after it has approved the Resolution Plan, which is pending consideration for approval before the Adjudicating Authority. The Appellant claiming to be Promoter of the CD had no authority or jurisdiction to submit/file a Resolution Plan for consideration, nor the prayer made by the Appellant that Resolution Plan submitted by the Appellant be placed before the CoC, could have been accepted.

5. Unison Hotels Pvt. Ltd.Vs. KNM Chemicals Pvt. Ltd [O.M.P. (COMM) 53/2025]

Background: Unison Hotels Pvt. Ltd., which operates the luxury hotel 'The Grand' in New Delhi, sourced industrial cleaning chemicals from KNM Chemicals Pvt. Ltd. Disputes arose over unpaid bills totaling Rs. 99.56 lakh. After failed conciliation under the MSMED Act, the dispute proceeded to statutory arbitration at the Delhi International Arbitration Centre (DIAC). The Arbitral Tribunal found Unison liable for Rs. 40.70 lakh (including interest) but dismissed its counterclaims alleging substandard supplies, citing Section 42 of the Sale of Goods Act. Unison filed a petition under Section 34 of the Arbitration and Conciliation Act, 1996, arguing that the Tribunal ignored its evidence, including a test report from Shriram Institute for Industrial Research, which purportedly indicated poor chemical quality.

Questions of Law:

1. Whether objections regarding the quality of goods must be raised within a reasonable time under Section 42 of the Sale of Goods Act, 1930?
2. Whether the MSMED Act, 2006 applies to invoices raised before a supplier's registration under the Act?
3. Whether the Arbitral Tribunal's rejection of Unison's counterclaims was valid under arbitration law?

Judgment and Conclusion: The Hon'ble Delhi High Court upheld the Arbitral Tribunal's findings, stating that, a buyer who keeps possession of the goods for an extended period without protest must be deemed to have accepted them. Raising objections after four and a half months does not align with commercial prudence or statutory requirements under the Sale of Goods Act. It was held that the MSMED Act's protections apply only to invoices issued after MSME registration. The Court dismissed Unison's challenge under Section 34 of the Arbitration Act, observing that judicial review of an arbitral award is limited to ensuring procedural fairness and adherence to the fundamental policy of Indian law. The scope of Section 34 does not extend to reappreciating evidence or reinterpreting contractual terms.

Compliance Checklist

COMPLIANCE CALENDAR FOR THE MONTH OF MARCH 2025

SUN	MON	TUE	WED	THU	FRI	SAT
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					



Income Tax Related Compliance

07 March	The last date to deposit tax deducted or collected is January 2025. For government offices, any TDS/TCS paid without a challan must be credited to the Central Government on the same day.
02 March	Section 194-IA: TDS on property transactions. Section 194-IB: TDS on rent payments. Section 194 M: TDS on payments to contractors/professionals. Section 194S: TDS on cryptocurrency and other virtual digital asset transactions (by specified persons).
15 March	a) The last date to submit Form 24G by government offices for TDS/TCS payments made in January 2025 without a challan. b) Deadline for issuing Quarterly TDS Certificates (non-salary payments) for the quarter ending 31 December 2024. c) Advance Tax Payment

GST Related Compliance

11 March	GSTR 1 for February-25 (Monthly)
20 March	GSTR 3B for February-25 (Monthly)
25 March	The last date to submit form GST Challan Payment for Taxpayers who have insufficient ITC for February and need to pay GST Challan (for all Quarterly Filers).
31 March	The last date to submit form GST RFD-11 by the registered persons who export goods or services to a country outside India or to a Special Economic Zone (SEZ)

POSH	
28 March	Companies based at Gurugram to file their annual POSH Annual report.
MCA	
31 March	CSR-2 for the financial year 2023-2024
MISCELLANEOUS	
15 March	Form EPF Payment and ESI Payment to be filed by employers who are registered under EPF and ESI.

FOR FURTHER INFORMATION OR ASSISTANCE PLEASE CONTACT:

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