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WINS

(WHITESPAN INFORMATION AND NEWS SERVICES)

A GATEWAY TO KNOWLEDGE

Monthly Newsletter
MAY 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 April, 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 96th Edition of “WINS – E-Newsletter” for May 2025, covering legal updates released during the month of April 2025, articles shared by respected professionals, Case Laws and compliance calendar for the month of May 2025.

In this issue, we have covered the following:

1. Corporate Updates from MCA, SEBI, RBI, CBIC, CBDT and other miscellaneous Laws
2. Article on the complexities of workplace relationships under the POSH Act
3. Case Laws
4. Compliance checklist for the month of May 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)
May 01, 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. **Ms. Geetanjali Arya**, CS Trainee pursuing LLB from Choudhary Charan Singh University, Meerut and a graduate in commerce from Maharishi Dayanand University, Rohtak
6. **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. Amendment in Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 [CAA Rules]

Date of Circular: April 04, 2025

Effective date: April 04, 2025

Link:

<https://www.mca.gov.in/bin/dms/getdocument?mds=Vl7V8BHbA7gmKAjfxzhiTw%253D%253D&type=open>

The Ministry of Corporate Affairs vide its public notice dated April 04, 2025, has proposed amendments to the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 to widen the scope and simplify the process of fast-track mergers under Section 233 of the Companies Act, 2013. Section 233 allows certain classes of companies to undertake mergers or amalgamations through a streamlined process requiring approval from the Central Government, delegated to the Regional Directors. The draft notification proposes the inclusion of additional classes of companies eligible for fast-track mergers, and an explanatory note has been provided for stakeholder reference. Stakeholders are invited to submit their comments or suggestions on the proposed amendments, along with brief justifications, via the e-Consultation Module on the MCA website by 05th May, 2025.



Securities Exchange Board of India (SEBI)

1. Clarification on the position of Compliance Officer in terms of regulation 6 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Date of Circular: April 01, 2025

Effective date: April 01, 2025

Link:

https://www.sebi.gov.in/legal/circulars/apr-2025/clarification-on-the-position-of-compliance-officer-in-terms-of-regulation-6-of-the-sebi-listing-obligations-and-disclosure-requirements-regulations-2015_93186.html

SEBI vide its circular dated April 01, 2025, has clarified that under Regulation 6(1) of the LODR Regulations, the Compliance Officer of a listed entity must be in whole-time employment, designated as a Key Managerial Personnel (KMP), and not more than one level below the Board of Directors. The term "one level below the Board" refers to a position directly reporting to a Managing Director (MD) or Whole-time Director (WTD) who is part of the Board. In cases where the listed entity does not have an MD or WTD, the Compliance Officer must report no more than one level below the Chief Executive Officer (CEO), Manager, or any person responsible for the day-to-day operations of the entity. This interpretation aligns with the definitions provided in Regulation 2(1)(o) of the LODR Regulations and Section 2(51) of the Companies Act, 2013.

2. Extension of timeline for formulation of implementation standards pertaining to SEBI Circular on “Safer participation of retail investors in Algorithmic trading”

Date of Circular: April 01, 2025

Effective date: August 01, 2025

Link:

<https://www.sebi.gov.in/legal/circulars/apr-2025/extension-of-timeline-for-formulation-of-implementation-standards-pertaining-to-sebi-circular-on-safer-participation-of-retail-investors-in-algorithmic-trading-93166.html>

SEBI had issued a circular on February 4, 2025, titled “Safer Participation of Retail Investors in Algorithmic Trading.” As per the circular, the implementation standards were to be issued by the Brokers’ Industry Standards Forum (ISF), under the aegis of the Stock Exchanges and in consultation with SEBI, by April 1, 2025. However, SEBI has received a representation from the Stock Exchanges requesting an extension of the timeline to finalize the implementation standards, as certain issues require further deliberation with the Brokers’ ISF. In view of ensuring a smooth and non-disruptive implementation for market participants and investors, it has been decided that the implementation standards shall come into effect from May 1, 2025, and the provisions of the circular shall be applicable from August 1, 2025.

3. Relaxation of provision of advance fee restrictions in case of Investment Advisers and Research Analysts

Date of Circular: April 02, 2025

Effective date: April 02, 2025

Link:

https://www.sebi.gov.in/legal/circulars/apr-2025/relaxation-of-provision-of-advance-fee-restrictions-in-case-of-investment-advisers-and-research-analysts_93251.html

SEBI vide its circular dated April 02, 2025 has made an announcement pursuant to the amendments in the SEBI (Research Analysts) Regulations, 2014, made in December 2024, the Securities and Exchange Board of India (SEBI) received several representations concerning the restriction on the advance fee that Research Analysts (RAs) and Investment Advisers (IAs) could charge. The limitation of three months for RAs and two quarters for IAs was viewed as discouraging long-term recommendations. In response to this feedback, SEBI floated a consultation paper proposing to extend the allowable advance fee period. Based on this, SEBI has now relaxed the restriction, allowing both RAs and IAs to charge advance fees for up to one year, provided it is agreed upon by the client. These fee-related provisions — including limits on fee amounts, acceptable modes of payment, fee refunds, advance fees, and breakage fees — will apply only to individual clients and Hindu Undivided Families (HUFs) who are not accredited investors. For non-individual clients, accredited investors, and institutional investors seeking recommendations from proxy advisers, such fee terms will be determined through bilaterally negotiated contractual agreements.

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

4. Securities and Exchange Board of India (Infrastructure Investment Trusts) (Amendment) Regulations, 2025

Date of Regulation: April 02, 2025

Effective date: April 02, 2025

Link:

https://www.sebi.gov.in/legal/regulations/apr-2025/securities-and-exchange-board-of-india-infrastructure-investment-trusts-amendment-regulations-2025_93279.html

SEBI in exercise of its powers under Section 30, read with Sections 11 and 12 of the SEBI Act, 1992, has introduced further amendments to the SEBI (Infrastructure Investment Trusts) Regulations, 2014. These amendment is referred to as Securities and Exchange Board of India (Infrastructure Investment Trusts) (Amendment) Regulations, 2025 and aim to enhance the regulatory framework governing Infrastructure Investment Trusts (InvITs).

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

5. Standardized format for System and Network audit report of Market Infrastructure Institutions(MIIs)

Date of Circular: April 04, 2025

Effective date: For audit period of 2024-2025

Link:

<https://www.sebi.gov.in/legal/circulars/apr-2025/standardized-format-for-system-and-network-audit-report-of-market-infrastructure-institutions-miis-93324.html>

SEBI, in its circular dated April 04, 2025, has introduced a standardized format for the System and Network Audit reports of Market Infrastructure Institutions (MIIs). Currently, while all MIIs are required to conduct these audits, each follows its own reporting format, leading to inconsistencies and challenges in regulatory assessment. To address this, SEBI, in consultation with its Technology Advisory Committee (TAC) and the MIIs, reviewed the existing formats and developed a unified reporting template, detailed in Annexure A of the circular. The standardization aims to improve data quality, ensure uniform capture of regulatory information, and enhance the monitoring of compliance. It also facilitates easier traceability of audit findings by assigning unique IDs to each observation, allowing both SEBI and MIIs to track current and historical issues more effectively.

6. Amendment to Circular for mandating additional disclosures by FPIs that fulfil certain objective criteria

Date of Circular: April 09, 2025

Effective date: April 09, 2025

Link:

https://www.sebi.gov.in/legal/circulars/apr-2025/amendment-to-circular-for-mandating-additional-disclosures-by-fpis-that-fulfil-certain-objective-criteria_93399.html

SEBI in its "Master Circular for Foreign Portfolio Investors (FPIs), Designated Depository Participants (DDPs), and Eligible Foreign Investors" (SEBI/HO/AFD/AFD-PoD-2/P/CIR/P/2024/70) dated May 30, 2024, has mandated additional disclosures for FPIs that, individually or with their investor group, hold more than INR 25,000 crore of equity assets under management (AUM) in Indian markets. This was part of the size criteria for such FPIs. Similarly, the same disclosure requirements applied to subscribers of Offshore Derivative Instruments (ODIs) as per a SEBI circular from December 17, 2024. Recently, SEBI has decided to increase the threshold for the size criteria from INR 25,000 crore to INR 50,000 crore.

7. Clarification on Regulatory framework for Specialized Investment Funds ('SIF')

Date of Circular: April 09, 2025

Effective date: April 09, 2025

Link:

<https://www.sebi.gov.in/legal/circulars/apr-2025/clarification-on-regulatory-framework-for-specialized-investment-funds-sif-93401.html>

SEBI vide its Circular dated February 27, 2025, has introduced the regulatory framework for Specialized Investment Funds (SIFs), and in response to queries received from industry participants and AMFI, SEBI has issued the following clarifications. Firstly, the provisions under paragraph 12.27.2.4 of the Master Circular for Mutual Funds dated June 27, 2024, relating to the maturity of securities in interval schemes, shall not be applicable to Interval Investment Strategies offered under SIFs. This provides enhanced flexibility for such strategies in terms of security maturities. Secondly, paragraph 4.1.1 of the SIF Circular concerning the minimum investment threshold has been revised. The revised provision mandates that the Asset Management Company (AMC) shall ensure an aggregate investment of not less than INR 10 lakh at the PAN level by each investor across all investment strategies under the SIF. However, this minimum investment requirement shall not be applicable to mandatory investments made by AMCs for designated employees, as outlined in paragraph 6.10 of the Master Circular for Mutual Funds dated June 27, 2024.

8. Specialized Investment Funds (‘SIF’) – Application and Investment Strategy Information Document (ISID) formats

Date of Circular: April 11, 2025

Effective date: April 11, 2025

Link:

https://www.sebi.gov.in/legal/circulars/apr-2025/specialized-investment-funds-sif-application-and-investment-strategy-information-document-isid-formats_93442.html

SEBI has clarified that mutual funds launching Investment Strategies under Specialized Investment Funds (SIFs) must follow the same procedure as for mutual fund schemes, as per Regulation 28 of the SEBI MF Regulations. The regulatory framework for SIFs, outlined in SEBI Circulars dated February 27 and April 09, 2025, includes eligibility criteria and disclosure requirements through the Investment Strategy Information Document (ISID). To ensure uniformity and efficient processing, mutual funds must now submit applications in the format provided in **Annexure I**, and prepare ISIDs as per the format in **Annexure II** of the Circular.

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

9. Trading Window closure period under Clause 4 of Schedule B read with Regulation 9 of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (“PIT Regulations”) – Extension of automated implementation of trading window closure to Immediate Relatives of Designated Persons, on account of declaration of financial results

Date of Circular: April 21, 2025

Effective date: Top 500 Companies based on BSE capitalization as of March 31, 2025: July 01, 2025

All the remaining companies listed or proposed to be listed: October 01, 2025

Link:

<https://www.sebi.gov.in/legal/circulars/apr-2025/trading-window-closure-period-under-clause-4-of-schedule-b-read-with-regulation-9-of-securities-and-exchange-board-of-india-prohibition-of-insider-trading-regulations-2015-pit-regulations-ext-93504.html>

Under the SEBI (Prohibition of Insider Trading) Regulations, 2015, designated persons (DPs) are allowed to trade in securities only when the trading window is open. The trading window is closed by the Compliance Officer when there is a likelihood that DPs may possess Unpublished Price Sensitive Information (UPSI), including around key corporate events such as financial results. Specifically, the trading window remains closed from the end of each financial quarter until 48 hours after the declaration of financial results.

To strengthen compliance and reduce inadvertent breaches, the Master Circular on Surveillance of Securities Market dated September 23, 2024, mandates that Stock Exchanges and Depositories develop systems to restrict trades by freezing the PANs of DPs at the security level during the trading window closure period. This process is detailed through a structured procedure and flowchart involving coordination among listed companies, Stock Exchanges, and Depositories.

In light of the effective implementation of this mechanism for DPs and after consultation with relevant stakeholders, SEBI has now extended the same PAN-freezing framework to the immediate relatives of DPs. This move aims to further enhance transparency and integrity in securities trading during sensitive periods.

10. FAQs on SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Date of Circular: April 23, 2025

Effective date: April 23, 2025

Link:

https://www.nsearchives.nseindia.com/web/sites/default/files/inline-files/SEBI%20FAQs_23042025.pdf

SEBI's Third Amendment to the LODR Regulations, 2024, along with the circular dated December 31, 2024, introduces several measures to ease compliance for listed entities. Key changes include the launch of an Integrated Filing System to streamline periodic disclosures, revised timelines for investor grievance redressal filings, mandatory secretarial audits for listed companies and their material unlisted subsidiaries, and removal of certain procedural requirements like proxy form dispatch and compliance certificates. These reforms aim to simplify processes, reduce regulatory burden, and enhance ease of doing business.

SEBI in order to make it easy for the listed entities has issued several FAQs regarding the above-mentioned amendment.

11. Clarificatory and Procedural changes to aid and strengthen ESG Rating Providers (ERPs)

Date of Circular: April 29, 2025

Effective date: April 29, 2025

Link:

<https://www.sebi.gov.in/legal/circulars/apr-2025/clarificatory-and-procedural-changes-to-aid-and-strengthen-esg-rating-providers-erps-93704.html>

SEBI's Master Circular dated May 16, 2024, sets out regulatory requirements for ESG Rating Providers (ERPs) to enhance transparency and accountability. Based on industry feedback, SEBI issued clarifications including extended timelines for rating reviews, conditional disclosure norms, temporary governance relaxations for smaller ERPs, and measures to prevent conflicts of interest. These changes aim to ease implementation while maintaining the integrity of ESG ratings.

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



RESERVE BANK OF INDIA **(RBI)**

1. Master Directions- Reserve Bank of India (Interest Rate on Deposits) Directions, 2025

Date of Master Direction: April 01, 2025

Effective Date: April 01, 2025

Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12825&Mode=0>

The Reserve Bank of India (RBI) has issued a comprehensive Master Direction on Interest Rates on Deposits, consolidating previous directions issued in the Master Direction - Reserve Bank of India (Interest Rate on Deposits) Directions, 2016 dated March 3, 2016, and the Master Direction - Reserve Bank of India (Co-operative Banks - Interest Rate on Deposits) Directions, 2016 dated May 12, 2016. The new Master Direction - Reserve Bank of India (Interest Rate on Deposits) Directions, 2025 has been issued to consolidate all instructions related to interest rates on deposits applicable to banks in a single document. This is done under the powers granted to the RBI by Sections 21 and 35A of the Banking Regulation Act, 1949.

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

2. Amendments to Directions - Compounding of Contraventions under FEMA, 1999

Date of Notification: April 24, 2025

Effective Date: April 24, 2025

Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12842&Mode=0>

In an amendment to its Master Directions on compounding under FEMA, 1999, the RBI has introduced clause 5.4.II.vi. This clause allows the compounding authority to impose a penalty cap of ₹2,00,000 per regulation or rule cited in compounding applications involving contraventions categorized under Row 5 of the compounding matrix. The discretion to apply this cap is based on the nature of the violation, any exceptional facts, and the broader public interest. The measure seeks to rationalize penalties for minor or procedural non-compliances and ensure proportional enforcement. AD Category-I and Authorised Banks are required to ensure prompt dissemination of this change among their customers.

Central Board of Direct Taxes (CBDT)

1. Form 10AB Condonation Filing Now Enabled

Date of Notification: April 17, 2025

Effective Date: April 17, 2025

The e-filing portal has now enabled the filing of condonation requests in Form 10AB under Section 12A of the Income Tax Act, as per amendments introduced in the Finance Act (No. 2), 2024.

This relates to the proviso to clause (ac) of Section 12A(1), allowing eligible trusts and institutions to seek condonation for delay in application for registration.

Taxpayers are advised to review their eligibility and submit Form 10AB accordingly on the [Income Tax e-Filing Portal](#).



CENTRAL BOARD OF INDIRECT TAXES & CUSTOMS (CBIC)

1. Advisory: Changes in Reporting Table 3.2 of GSTR-3B

Date of Notification: April 11, 2025

Effective Date: April 11, 2025

Link: <https://services.gst.gov.in/services/advisoryandreleases/read/594>

CBIC has issued an important update regarding Table 3.2 of GSTR-3B, which captures inter-state supplies to unregistered persons, composition taxpayers, and UIN holders.

Key Changes (Effective April 2025 return period):

1. Auto-Populated & Non-Editable:
 - Values in Table 3.2 will now be auto-populated from GSTR-1, GSTR-1A, or IFF.
 - These values will be non-editable in GSTR-3B.
2. Amendments Only Through GSTR-1 or GSTR-1A:
 - If the auto-filled values are incorrect, changes must be made in GSTR-1A or amended in future GSTR-1/IFF filings.
 - GSTR-1A can be filed any time after GSTR-1 and before filing GSTR-3B.
3. Action Required by Taxpayers:
 - Ensure accurate reporting of inter-state supplies in GSTR-1, GSTR-1A, or IFF to avoid mismatches in Table 3.2.
 - No manual changes will be allowed in Table 3.2 of GSTR-3B from April 2025 onwards.

This move aims to enhance reporting accuracy and reduce inconsistencies between GSTR-1 and GSTR-3B.

2. Advisory: Changes to Table 12 of GSTR-1 and GSTR-1A

Date of Notification: April 11, 2025

Effective Date: April 11, 2025

Link: <https://services.gst.gov.in/services/advisoryandreleased/read/593>

GSTN has announced the implementation of Phase III changes to Table 12 of GSTR-1 and GSTR-1A, effective from the April 2025 tax period.

Key Updates:

1. Separate Tables for B2B and B2C:
 - HSN-wise summary of supplies must now be reported separately for B2B and B2C in dedicated tables.
2. Manual HSN Entry Disabled:
 - Taxpayers can no longer manually enter HSN codes.
 - HSN must be selected from a drop-down list provided by the system.

These changes aim to standardize HSN reporting and improve data consistency.

For more details, refer to the GSTN Advisory dated January 22, 2025 available on the [GST Portal](#)

Miscellaneous Laws

Insolvency and Bankruptcy Board of India

1. Insolvency and Bankruptcy Board of India (Insolvency Professionals) (Amendment) Regulations, 2025

Date of Circular: April 03, 2025

Effective date: April 03, 2025

Link: <https://ibbi.gov.in/uploads/legalframework/523cf46054e993a3066ed3d7c451327b.pdf>

The Insolvency and Bankruptcy Board of India (IBBI) has amended the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016, through the Insolvency and Bankruptcy Board of India (Insolvency Professionals) (Amendment) Regulations, 2025. The key change is in Regulation 5, where the word "twelve" has been replaced with "twenty-four," extending the relevant timeframe or limit from twelve to twenty-four.

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

Date of Circular: April 03, 2025

Effective date: April 03, 2025

Link: <https://ibbi.gov.in/uploads/legalframework/19c6f3252850f5bd0512d68898680e78.pdf>

The Insolvency and Bankruptcy Board of India (IBBI) has amended the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, under the powers conferred by clause (t) of sub-section (1) of section 196 and section 240 of the Insolvency and Bankruptcy Code, 2016. The amendment is titled the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Second Amendment) Regulations, 2025.

For further details, please refer above-mentioned link.

Article 1

THE COMPLEXITIES OF WORKPLACE RELATIONSHIPS UNDER THE POSH ACT: NAVIGATING BOUNDARIES AND POWER DYNAMICS

Introduction

The modern workplace is a complex ecosystem where professional and personal lives frequently intersect. Friendships, emotional connections, and sometimes romantic relationships between colleagues are a reality. While the law through the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“**POSH Act**”) seeks to ensure dignity and safety for employees, organizations have to navigate the difficult terrain when allegations arise from such entanglements, even when the underlying relationship may have been consensual.

The POSH Act: Scope and Expectations

The POSH Act was enacted to ensure that women have a safe, respectful, and dignified working environment. It defines sexual harassment broadly, encompassing not just overt physical advances but also any unwelcome verbal or non-verbal conduct of a sexual nature. Importantly, the Act also recognizes hostile work environments and the misuse of positions of power. It is, however, critical to recognize that its definitions are inclusive, not exhaustive. A wide range of behaviours, whether direct, implied, verbal, non-verbal, or environmental, can fall within the Act’s ambit if they create a sexually charged or intimidating atmosphere, even without clear evidence of coercion.

Organizations and Internal Committees have the responsibility not just to act upon direct complaints of harassment, but to examine the broader impact of personal relationships on professional integrity, fairness, and workplace culture. Thus, the IC’s mandate extends beyond merely adjudicating complaints. It is charged with preventing harassment and shaping a culture of dignity and respect.

Why Workplace Relationships Pose Challenges

While mutual consent is often seen as the defining factor in personal relationships, the workplace introduces critical layers of complexity:

1. Power Dynamics:

When one party holds authority over the other, whether through official hierarchy, influence, or informal control, true consent can be ambiguous. The possibility (or perception) of coercion, favour, or retaliation complicates what might otherwise seem to be a consensual relationship.

2. Professional Boundaries:

Personal closeness can lead to perceptions of favouritism, undermine team cohesion, and erode trust. Even if no misconduct occurs, the appearance of bias can create a hostile environment for others.

3. The Need for Caution on Both Sides:

It is not only the person in authority who must act carefully; subordinates too must be mindful of maintaining professional decorum. Both parties bear a degree of responsibility in upholding the integrity of the workplace.

4. Breakdowns and Allegations:

Relationships can sour. What began as mutual may later be perceived differently by one party, particularly if career prospects or emotional well-being are affected. In such cases, distinguishing between a grievance and harassment becomes a delicate but crucial exercise for the IC.

5. Evidence Challenges:

Investigations often face a lack of independent witnesses or corroborative material when allegations arise from private interactions. In such cases, the IC must rely on circumstantial evidence, consistency of narratives, and behavioural patterns.

Key Lessons from IC Inquiries

1. Consent Does Not Excuse Misconduct:

A consensual relationship does not nullify the need for professionalism. Particularly when hierarchies exist, leaders must exercise greater caution.

2. ICs Must Take a Holistic View:

Even if evidence does not conclusively establish harassment, ICs must assess conduct contextually and protect workplace culture by recommending appropriate action.

3. Disciplinary Action Beyond POSH Findings:

Organizations can and should take disciplinary action for breaches of ethics, code of conduct, or lapses in leadership behaviour, even where the POSH violation is not proven.

4. Training and Clear Policies Are Essential:

Organizations must clearly articulate expectations around workplace relationships, including disclosure obligations where reporting lines are involved. Regular training sessions on POSH must be conducted.

Conclusion: A Call for Professionalism and Awareness

The workplace demands a higher standard of conduct. Relationships are not prohibited, but they must be handled with exceptional caution, transparency, and respect for organizational boundaries. Organizations must also recognize that POSH compliance is not just about preventing harassment, it is about cultivating a culture where personal dynamics do not compromise professional fairness and safety.

The responsibility lies not only with ICs and HR departments but with every employee, particularly those in positions of power. Organizations must move beyond a reactive, complaint-based model and foster proactive discussions around professionalism, boundaries, and ethical leadership. The POSH Act gives us the legal framework but it is organizational integrity, fairness, and maturity that ultimately sustain a truly respectful workplace.

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Case Laws

1. Dr. Smiths Biotech Private Limited – Liquidation Order

Facts:

Dr. Smiths Biotech Private Limited, engaged in biotechnology research and development, faced financial distress leading to the initiation of CIRP. Despite the process, no viable resolution plan was received within the stipulated time frame.

Issues Raised:

Whether the company should be liquidated under Section 33(1) of the IBC due to the absence of a resolution plan.

Whether the CoC's recommendation for liquidation was in compliance with the IBC provisions.

Final Judgment:

The NCLT ordered the liquidation of Dr. Smiths Biotech Private Limited under Section 33(1) of the IBC, following the CoC's recommendation. The tribunal appointed a liquidator to oversee the process, ensuring that the company's assets would be distributed in accordance with the priority prescribed under Section 53 of the IBC.

This judgment underscores the IBC's objective of timely resolution or liquidation, ensuring that unviable businesses are efficiently wound up to maximize asset value.

2. Piramal Capital & Housing Finance Ltd. vs. Dewan Housing Finance Corporation Ltd. (DHFL)

Facts:

Dewan Housing Finance Corporation Ltd. (DHFL), a major housing finance company, underwent a Corporate Insolvency Resolution Process (CIRP) initiated by the Reserve Bank of India (RBI) under Section 227 of the Insolvency and Bankruptcy Code (IBC). Piramal Capital & Housing Finance Ltd. emerged as the Successful Resolution Applicant (SRA) with a resolution plan approved by the Committee of Creditors (CoC) and the National Company Law Tribunal (NCLT). However, several stakeholders, including fixed deposit holders and erstwhile promoters, challenged aspects of the resolution plan.

Issues Raised:

Whether the resolution plan's provisions regarding the appropriation of recoveries from avoidance applications under Section 66 of the IBC were valid.

Whether the plan's treatment of fixed deposit holders and other creditors was equitable and in compliance with the IBC.

Whether the erstwhile promoters, whose board was superseded by the RBI, had any locus standi to challenge the resolution plan.

Final Judgment:

The Supreme Court upheld the resolution plan approved by the CoC and the NCLT, emphasizing the commercial wisdom of the CoC in such matters. The Court ruled that:

- The provisions allowing the SRA to appropriate recoveries from avoidance applications were valid.
- The treatment of fixed deposit holders and other creditors was in accordance with the IBC.
- The erstwhile promoters, having been superseded by the RBI, did not have the standing to challenge the resolution plan.

3. Income Tax Officer vs. Ms. Vasari India Pvt. Ltd

Facts:

Ms. Vasari India Pvt. Ltd., a private limited company, was subjected to prosecution proceedings initiated by the Income Tax Department. The department alleged violations related to tax filings and compliance.

Issues Raised:

Whether the prosecution initiated against Ms. Vasari India Pvt. Ltd. was in accordance with the guidelines prescribed by the Central Board of Direct Taxes (CBDT).

Whether there was a violation of procedural norms in filing the prosecution.

Final Judgment:

The Hon'ble Court examined the circumstances under which the prosecution was initiated. It was observed that the prosecution did not adhere to the guidelines set forth by the CBDT. Recognizing this procedural lapse, the Court quashed the prosecution proceedings against Ms. Vasari India Pvt. Ltd.

4. Cryogas Equipment Pvt. Ltd. v. Inox India Ltd. & Others

Facts:

Cryogas Equipment Pvt. Ltd. filed a lawsuit against Inox India Ltd., alleging infringement of its industrial design for a cryogenic gas storage tank. Cryogas claimed that its design was protected under both the Designs Act, 2000, and the Copyright Act, 1957.

Issues Raised:

Can a functional industrial design be protected under both design and copyright laws?

Does the design in question possess sufficient aesthetic appeal to qualify for copyright protection?

Final Judgment:

The Supreme Court held that the design, being primarily functional, could not simultaneously enjoy protection under both the Designs Act and the Copyright Act. The Court emphasized the "functional utility" test, stating that if a design's primary purpose is functional, it falls outside the scope of copyright protection. This decision clarified the distinction between functional designs and artistic works, reinforcing that dual protection is not permissible when functionality predominates.

5. Navya Network v. Controller of Patents & Designs

Facts:

Navya Network applied for a patent titled “Treatment Related Quantitative Decision Engine,” designed to assist patients in choosing between multiple treatment options by generating computer-based reports. The Indian Patent Office (IPO) rejected the application on two grounds: lack of inventive step and non-patentability under Section 3(k) of the Patents Act, which excludes computer programs per se from patentability.

Issues Raised:

Did the invention involve an inventive step over existing prior art?

Was the invention excluded from patentability under Section 3(k) as a computer program per se?

Final Judgment:

The Madras High Court upheld the IPO's rejection based on the lack of inventive step, finding that the claimed invention was obvious in light of existing prior art. However, the Court did not address the second ground concerning Section 3(k). This omission raised concerns about procedural completeness, as the Court failed to consider all grounds of rejection. Nonetheless, the judgment finalized the rejection of the patent application on the grounds discussed.

Compliance Checklist

COMPLIANCE CALENDAR FOR THE MONTH OF MAY 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	
	GSTR-1 Return (Monthly)
	GSTR-3B (Monthly)
	GSTR-5
	GSTR-7
	GSTR-8
	GSTR-6
SEBI Compliances	
	Secretarial Compliance Report
	Financial results alongwith Auditors' Report
	Statement of Deviation and Variation
MCA	
	LLP Form 11
	PAS-6
	FC-4 Annual Return of a Foreign Company

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