



# GENICON CS LEGAL MUSINGS

The Fornightly Legal Updates !!!

**#MUSINGS 10**

April 2025

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# SECURITIES AND EXCHANGE BOARD OF INDIA

## **SEBI clarified the position of Compliance Officer**

SEBI vide its circular dated April 01, 2025, clarifies the position of Compliance Officer in terms of regulation 6 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

As per the regulation, the Compliance Officer of a listed entity must:

- Be in whole-time employment of the listed entity,
- Be not more than one level below the Board of Directors, and
- Be designated as a Key Managerial Personnel (KMP).

SEBI has now clarified that the term "one level below the Board" refers to a position one level below the Managing Director or Whole-time Director(s) who are part of the Board of Directors. This interpretation aligns with Regulation 2(1)(o) of the LODR Regulations and Section 2(51) of the Companies Act, 2013.

In cases where a listed entity does not have a Managing Director or Whole-time Director, the Compliance Officer should be not more than one level below the Chief Executive Officer (CEO), Manager, or other individual responsible for the day-to-day affairs of the company.



# **SECURITIES AND EXCHANGE BOARD OF INDIA**

**Measures to facilitate ease of doing business with respect to framework for assurance or assessment, ESG disclosures for value chain, and introduction of voluntary disclosure on green credits.**

The Securities and Exchange Board of India (SEBI) has introduced significant updates to the Business Responsibility and Sustainability Reporting (BRSR) and ESG disclosure framework. These measures aim to simplify processes, reduce costs, and enhance sustainability reporting for listed entities and their value chain partners. The following are the Key Highlights:

## **Green Credits Disclosure:**

A new leadership indicator under Principle 6 of BRSR requires disclosures on Green Credits generated or procured by:

- a.The listed entity.
- b.The top ten value chain partners (by value of purchases and sales).

Applicability: FY 2024-25 onwards.



## **SECURITIES AND EXCHANGE BOARD OF INDIA**

### **BRSR Core Updates:**

The BRSR Core now includes additional Key Performance Indicators (KPIs) such as job creation in small towns and gross wages paid to women.

Emphasis is placed on third-party assessments based on industry standards developed in consultation with SEBI.

Mandatory assessment or assurance for top listed entities.

### **Assessment/ Assurance Providers:**

Listed entities must ensure that providers have the necessary expertise and maintain independence avoid conflict of interest.

Disclosure of name and type of Assessment / Assurance provider is mandatory.

### **ESG Disclosure for Value Chain;**

ESG Disclosures for Value Chain has been deferred by one year and will be voluntary for top 250 entities from 2025-2026.





# SECURITIES AND EXCHANGE BOARD OF INDIA

## SEBI- INFORMAL GUIDANCE

### **SEBI Clarifies Compliance Officer Level Under LODR**

The Securities and Exchange Board of India (SEBI) addressed Pakka Limited's query regarding the compliance officer's position under the LODR Regulations. Pakka Limited sought clarification on whether a Compliance Officer, who is one level below the CFO but functionally reports to the Board, satisfies regulatory requirements.

SEBI clarified that the Compliance Officer must be positioned no more than one level below the Managing Director or Whole-Time Director(s), as per Regulation 6(1) of the LODR Regulations and a recent SEBI circular. This ruling emphasizes the officer's hierarchical level, not just reporting lines.

SEBI's response clarifies that the "level" refers to the organizational hierarchy, distinct from "reporting" lines. Consequently, Pakka Limited must adjust the Compliance Officer's position to comply with the regulations.

A candlestick chart with green and red bars representing price movements, overlaid with a yellow trend line showing an upward trajectory. The chart is set against a dark background with a grid.

# SECURITIES AND EXCHANGE BOARD OF INDIA

## SEBI- INFORMAL GUIDANCE

### **SEBI Guidance: Takeover Exemption for Amalgamation**

SEBI, in response to a request from Arihant Capital Markets Ltd., provided informal guidance regarding the applicability of Regulation 10(1)(d)(iii) of the Takeover Regulations in a proposed amalgamation. The query concerned the merger of Paschim Chemicals Private Limited (PCPL) with Kaygee Investments Private Limited (KIPL), both promoters of IPCA Laboratories Limited. The amalgamation would result in KIPL's shareholding in IPCA Laboratories exceeding 25%.

SEBI clarified that this share acquisition, resulting from a scheme of arrangement not directly involving IPCA Laboratories and meeting specific conditions (no substantial cash consideration and continuity of voting rights), qualifies for exemption from open offer obligations under Regulation 10(1)(d)(iii). This guidance is based on the provided facts and is limited to the specific regulatory provision cited.





## NSE CIRCULARS

### **Submission of Integrated Filing- Governance**

In a step to improve ease of doing business the Expert Committee on ease of doing business has introduced recommendations for streamlining the Corporate Governance filings.

#### **Key Recommendations Introduced:**

A. Deadline for Submission of XBRL Forms: Beginning with the quarter ending March 31, 2025, listed entities are required to submit their Integrated Filing-Governance (XBRL forms) within 30 days following the end of each quarter.

B. Simplification of Filing Process: From the same quarter onwards, listed entities are no longer required to submit existing XBRL forms pertaining to Corporate Governance and Investor Grievance Reports. This step replaces the traditional process with a singular Integrated Filing-Governance system.





## **NSE CIRCULARS**

### **Updates on the Implementation of recommendations of the Expert Committee for facilitating ease of doing business for listed entities- Disclosure of Integrated Filing- Financial.**

**XBRL Utility for Integrated Filing - Financial Now Available on NEAPS Portal**

To enhance compliance processes for listed entities, the XBRL utility for Integrated Filing - Financial has been made available on the NEAPS portal. This new utility aims to streamline the submission of financial results and promote efficiency in reporting.

Note that the following shall be discontinued w.e.f. April 01, 2025:

1. Financial results submitted in PDF form under NEAPS .
2. PDF filing of 'Integrated Filing - Financial'.
3. Existing XBRL utilities for filing Financial Results, Related Party Transactions Disclosure, Statement of Deviations and Impact of Audit Qualifications.
4. Submission of Statement of Deviation(s) / variation(s) in PDF format.





# FEMA NOTIFICATIONS

## **Changes consequent to the new Monetary Policy Statement announced by the Monetary Policy Committee for the FY 2025-26**

### **Liquidity Adjustment Facility - Change in rates**

The Reserve Bank of India vide circular RBI/2025-26/22 dated April 09<sup>th</sup>, 2025 has notified the outcomes of the monetary policy statement as prescribed by the Monetary Policy Committee. The changes made to the policy includes reduction of rates under the Liquidity adjustment Facility i.e the Repo Rate, Bank Rate, Standing Deposit Facility Rate (SDF), and Marginal Standing Facility Rate (MSF), thereby making availability of credit facilities at cheaper interest rates.

The rate changes which shall be effective from April 09<sup>th</sup>, 2025 are as follows: -

- (i)Repo Rate: 6.00% (reduced from 6.25%)
- (ii)Bank Rate: 6.25% (reduced from 6.50%)
- (iii)Standing Deposit Facility Rate: 5.75% (reduced from 6.25%)
- (iv)Marginal Standing Facility Rate: 6.25% (from 6.75%)

### **Standing Liquidity Facility for Primary Dealers**

The Monetary Policy Committee of the Reserve Bank of India vide notification RBI/2025-26/24 dated April 9<sup>th</sup>, 2025 has announced that consequent to the changes in the Repo rate, the collateralised liquidity support shall be available to all primary dealers (PDs) to borrow funds from the RBI at the rate of 6.00% to adjust their liquidity position.





# FEMA NOTIFICATIONS

## **Penal Interest on shortfall in CRR and SLR requirements due to change in Bank Rate**

The Reserve Bank through circular RBI/2025-26/23 has announced the changes in penal interest rates on shortfall in CRR and SLR (specifically linked to bank rates) requirements by banks.

**The revised rates which shall be effective immediately are as follows:**

Bank Rate plus 3.0 percentage points (9.25 per cent) or Bank Rate plus 5.0 percentage points (11.25 per cent).

[Note: For the purpose of calculating interest rates, the revised bank rate of 6.25% shall be taken]



## **FDI Policy Update: Issuance of Bonus Shares to Non-Resident Shareholders in Prohibited Sectors**

In a recent instance, tobacco manufacturer Godfrey Phillips India Ltd. reportedly sought clarification and approval from the RBI in respect of the issuance of bonus shares to non-resident shareholders, including those covered under FDI and FPI.

DPIIT's press note now adds a clarification to Para 1 Annexure 3 of the FDI Policy, stating that Indian companies engaged in FDI-prohibited sectors/activities are permitted to issue bonus shares to their pre-existing non-resident shareholders provided that the shareholding pattern of the pre-existing non-resident shareholders does not change pursuant to the issuance of bonus shares.

This clarification will be effective from the date of issue of the applicable FEMA notifications.

The press note further specifies that the issuance of bonus shares must comply with the applicable rules, laws, regulations, and guidelines.



# DEBT



## INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

The Insolvency and Bankruptcy Board of India (IBBI), through its circular dated 28<sup>th</sup> March 2025, has mandated that all Insolvency Professionals (IPs), Insolvency Professional Entities and Agencies must exclusively use the Banknote auction platform (formerly eBKray) for conducting auctions related to the sale of assets under the liquidation process, for all auction notices issued on or after 1<sup>st</sup> April 2025.

The Bidders are required to submit necessary documents, including a declaration of eligibility under Section 29A of the Insolvency and Bankruptcy Code and deposit the Earnest Money Deposit (EMD) through the platform, with a provision for forfeiture if found ineligible.







# IN SOLVENCY

## INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

### **IBBI Revises Form H to Strengthen CIRP Transparency and Compliance**

The Insolvency and Bankruptcy Board of India (IBBI), through the Second Amendment to the CIRP Regulations effective from April 3, 2025, has revised Form H - the Compliance Certificate under Regulation 39(4)-to enhance transparency and standardize reporting in the Corporate Insolvency Resolution Process (CIRP). The updated Form H now requires resolution professionals to provide detailed disclosures on timelines, fair and liquidation values, voting patterns, treatment of creditors, legal proceedings, and compliance with the Insolvency and Bankruptcy Code. It also includes disclosures on resolution plan implementation, performance guarantees, and regulatory fee payments, ensuring a comprehensive review of the entire resolution process.





# GOODS AND SERVICES TAX

## **1)Table 3.2 of GSTR-3B Becomes Non-Editable from April 2025**

Starting April 2025, the auto-populated values in Table 3.2 of GSTR-3B for inter-state supplies to unregistered persons, composition taxpayers, and UIN holders will be non-editable. To ensure compliance, taxpayers must report accurate values in GSTR-1, GSTR-1A, or IFF. Any corrections can be made via GSTR-1A until GSTR-3B is filed, or through GSTR-1/IFF in subsequent periods. Stay vigilant to avoid discrepancies!

## **2)Phase-III Changes to Table-12 of GSTR-1 & GSTR-1A from April 2025**

Starting April 2025, GSTN will implement Phase-III for Table-12 of GSTR-1 and GSTR-1A. Table-12 will be split into B2B and B2C tables for HSN-wise reporting of supplies. Manual HSN entry will be discontinued, and taxpayers must select HSN codes from a dropdown menu. For details, refer to the GSTN advisory dated Jan 22, 2025, available on the GST Portal.

## **3)Case-Insensitive IRN Generation Effective June 2025**

From June 1, 2025, the Invoice Reporting Portal (IRP) will treat invoice/document numbers as case-insensitive for IRN generation. All invoice numbers, regardless of format (e.g., “abc”, “ABC”, or “Abc”), will be converted to uppercase to ensure consistency and prevent duplication, aligning with GSTR-1’s existing approach.



# **RULES REQUIREMENT LAW** **COMPLIANCE**

## **COMPLIANCE CALENDAR**

<b>EVENT DATE</b>	<b>AS PER ACT</b>	<b>APPLICABLE FORMS</b>
<b>30/04/2025</b>	<p>Every company that has obtained services or goods from an MSME supplier and has outstanding payment for more than 45 days must disclose it to the ROC by filing the MSME-1 Half yearly return.</p> <p>(Period : October 2024 to March 2025)</p>	<b>MSME-1</b>
<b>20/04/2025</b>	<p>All the non-resident ODIAR services providers should file their monthly return GSTR-5A on or before the given due date of 20th April 2025, for the month of March 2025.</p>	<b>GSTR-5A</b>



# COMPLIANCE

## COMPLIANCE CALENDAR

EVENT DATE	AS PER ACT	APPLICABLE FORMS
28/04/2025	Statement of inward supply of goods or services or both received by Unique Identity Number (UIN) holders, which is required to be filed by them on a Monthly basis.	GSTR-11
30/04/2025	Challan-cum-statement or TDS on rent by individual/HUF under Section 194M	Not Applicable
21/04/2025	Regulation 31(1)(b) of SEBI LODR	Disclosure of Shareholding Pattern.



# LEGAL MAXIM

## **Lex Loci Contractus**

Lex Loci Contractus is a legal principle that means "the law of the place of the contract."

Origin: The concept of lex loci contractus has its roots in private international law and conflict of laws.

Meaning: Lex loci contractus is a Latin phrase that translates to "the law of the place of the contract." It implies that the laws of the place where the contract was entered into or is to be performed will govern the contractual relationship between the parties.





# WISDOM CORNER

## Load on the head

A person boarded a train and took a seat, but the bag he carried with him remained sitting on his head. His fellow travelers were surprised and asked him why he was still keeping his bag on his head. The man said he did not want to add to the burden of the train which was already over-loaded.

The fellow travelers were amused, and one of them said to him, “You seem to be a crazy person. Even if you carry the load on your head it is going to be a load on the train. Why carry an unnecessary burden on your head? Isn’t it stupid?”

The man burst into laughter and said, “I had thought you were householders, but you all seem to be sannyasins.” This man was a real sannyasin. He said,

“I carry the bag on my head in order to conform to the ways of the world. I wonder why you laugh at me? I see all of you carrying the burden of the world on your heads, although you know that like this train it is God who bears all our burdens. I just wanted to conform to your ways.”

And then the man not only put the bag down on the train, but seated himself on it saying, “This is the right way a sannyasin should sit. He is not a doer; everything just happens.”

One who understands the beauty of non-action enters the state of inaction which is acting without ego. As we are, we are all doers, and all our doings are egocentric.


**- Osho**





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