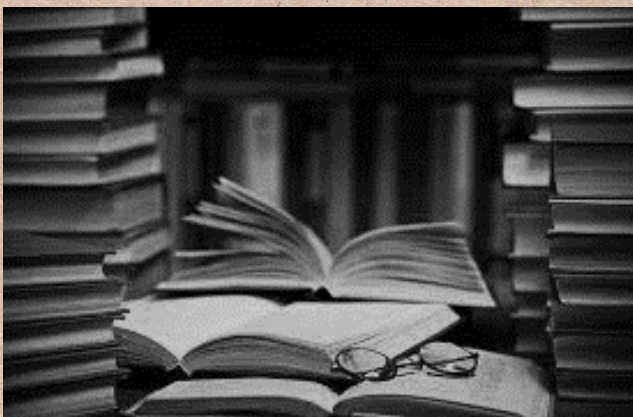


WWW.VAISHLAW.COM



pacta sunt servanda: "agreements must be kept"



INDEX[🏠]

SEBI UPDATES

- SEBI extends timeline for complying with the certification requirement for the key investment team of the AIF manager
- SEBI clarifies investment scope for Category II AIFs
- SEBI introduces amendments to master circular for InvITs
- SEBI tweaks provisions pertaining to electronic book provider platform

RBI & IFSC UPDATES

- Relaxations in investments by FPIs in corporate debt securities through the general route
- RBI issues Digital Lending Directions, 2025 to strengthen consumer protection and data governance
- Reporting of issuance of partly paid units by investment vehicles on FIRMS portal
- IFSCA issues framework to facilitate co-investment by venture capital scheme and restricted scheme
- IFSCA extends timeline for appointment of custodian under the FM Regulations

CORPORATE UPDATES

- Extension of deadline to file Form CSR-2 - Notified
- Substitution of company forms and additional disclosure requirements under financial statement and board's report - Notified

LABOUR UPDATES

- Haryana publishes conditions for employing women in night shifts
- Tamil Nadu permits all shops and establishments to keep open for 24x7 for a further period of 3 years
- Tripura Government amends the Tripura Shops and Establishments Act, 1970
- Andaman and Nicobar Islands revise the daily hours in factories

ENVIRONMENTAL UPDATES

- Biological Diversity (Amendment) Rules, 2025 – Notified
- Extension of return filing deadline under the E-Waste (Management) Rules, 2022

OTHER UPDATES

- Rule 8 of the Securities Contracts (Regulation) Rules, 1957 – Amended
- Credit Guarantee Scheme for startups
- FSSAI advisory on discontinuation of “100%” claims in food labelling and advertising

SEBI UPDATES

SEBI EXTENDS TIMELINE FOR COMPLYING WITH THE CERTIFICATION REQUIREMENT FOR THE KEY INVESTMENT TEAM OF THE AIF MANAGER

In terms of Regulation 4(g)(i) of the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 ("**AIF Regulations**"), the key investment team of the manager of an Alternative Investment Fund ("**AIF**") is required to have at least 1 key personnel who shall obtain certification from the National Institute of Securities Market by passing the NISM Series-XIX-C: Alternative Investment Fund Managers Certification Examination ("**NISM Certification**").

Subsequently, the Securities and Exchange Board of India ("**SEBI**"), *vide* its circular dated May 13, 2024, had, *inter alia*, specified that schemes of AIFs as on May 13, 2024, and schemes of AIFs whose application for launch of scheme were pending with SEBI as on May 10, 2024, may comply with the NISM Certification requirement by May 9, 2025.

SEBI, *vide* its circular dated May 13, 2025, has now extended the timeline for complying with the NISM Certification requirement from May 9, 2025 to July 31, 2025.

To read the circular [click here](#)



SEBI CLARIFIES INVESTMENT SCOPE FOR CATEGORY II AIFs

SEBI, *vide* its notification dated May 21, 2025, has notified the SEBI (AIFs) (Amendment) Regulations, 2025, thereby amending the AIF Regulations.

Regulation 17(a) of the AIF Regulations has been substituted to clarify that Category II AIFs shall now invest in investee companies or in the units of Category I or other Category II AIFs as may be disclosed in the placement memorandum.

The explanation to Regulation 17(a) of the AIF Regulations specifies that Category II AIFs shall invest primarily in unlisted securities and/or listed debt securities (*including securitised debt instruments*) which are rated 'A' or below by a credit rating agency registered with SEBI, either directly or through investment in units of other AIFs, in the manner as may be specified by SEBI.

To read the notification [click here](#)



SEBI INTRODUCES AMENDMENTS TO MASTER CIRCULAR FOR InvITs

SEBI, *vide* its circular dated May 7, 2025, has introduced certain amendments to the Master Circular for Infrastructure Investment Trusts ("**InvITs**") dated May 15, 2024 ("**InvIT Master Circular**").

The key amendments are as follows:

- (a) **Review of disclosure of financial information in offer document/ placement memorandum for InvITs:** InvITs shall provide a summary of audited financial statements of the assets being acquired for the previous 3 years and the stub period (*if available*). In cases where the general purpose financial statement of the assets being acquired are not available, combined/carved-out financial statements for those assets shall be prepared, which statements shall be audited by the seller's auditor. In the case of follow-on offers where InvIT has existed for lesser than 3 years, disclosures must cover the period of existence and the stub period (*if available*).
- (b) **Review of disclosure of financial information in offer document/ placement memorandum for initial offer and follow-on offer:** The financial information, to be disclosed in the offer document/ placement memorandum, shall comply with the following:
 - (i) In case of an initial offer, audited combined financial statements of the InvIT and in case of a follow-on offer, audited consolidated financial statements of the InvIT shall be disclosed in the offer document/ placement memorandum.
 - (ii) The financial information shall be prepared in accordance with Indian Accounting Standards ("**Ind AS**") and/or any addendum thereto under the Companies (Indian Accounting Standards) Rules, 2015.
 - (iii) The audit of the financial information shall be conducted by the InvIT's appointed auditor, who must be peer-reviewed and certified by the Institute of Chartered Accountants of India (ICAI). The auditor shall rely on reports of asset-level auditors, irrespective of the applicable accounting framework used for those assets, while preparing the final audit report. As part of the audit report, the auditor shall confirm whether all necessary information and explanations were obtained, the balance sheet and profit and loss statement agree with the books of account, the financial statements comply with applicable accounting standards, etc.
 - (iv) The offer document/ placement memorandum must disclose revenue and operating cash flow projections of the InvIT, along with related assumptions, project-wise, for the current and next 3 financial years. For the current financial year, figures should be split into actuals and projections. In an initial offer, projections must cover assets to be owned before allotment; in a follow-on offer, only assets to be acquired from the offer proceeds need to be included.
 - (v) InvIT shall prepare and disclose Management Discussion and Analysis (MDA) comprising of business overview of InvIT, summary of the financial information containing significant items of income and expenditure, procedure for dealing with and approval of related party transactions, quality of earnings and revenue streams, etc.
- (c) **Continuous Disclosures and Compliances by InvITs:** While disclosing its financial information to the stock exchanges, an InvIT shall comply with the following:
 - (i) The InvIT must submit quarterly and year-to-date financial results (*except for the last quarter*) within 45 days of each quarter-end, and annual financial results within 60 days of the financial year-end. The last quarter's financial results must be submitted along with the annual results, noting that the figures of the last quarter are balancing figures.

Whenever Net Distributable Cash Flows (NDCF) are declared and distributed, a corresponding statement of NDCF must be submitted. Additionally, the InvIT must file, on a half-yearly and annual basis, the statement of assets and liabilities, statement of changes in unitholders' equity, statement of cash flows, statement of net assets at fair value, and statement of total returns at fair value.

- (ii) The financial information shall be disclosed on both separate as well as consolidated basis, unless otherwise specified.
- (iii) The financial information shall be prepared on the basis of accrual accounting policy and shall be in accordance with uniform accounting practices adopted for all the periods, except if otherwise permitted under Ind AS and/or any addendum under the Companies (Indian Accounting Standards) Rules, 2015.
- (iv) The following disclosures, amongst others, shall be included in the half yearly and annual report of the InvIT (*as applicable*) unless otherwise specified and shall be subjected to audit/ limited review, if applicable: details of fees paid to the investment and project manager, breakup of the investments across all sectors/ sub-sectors, cases of changes in accounting policies (*if any*), statement of net borrowings ratio, statement of contingent liabilities, statement of commitments, statement of related party transactions, and disclosure regarding modified opinions by the auditor.
- (v) Before submission to the stock exchanges, the financial information must be approved by the board of directors or governing body of the investment manager. While presenting it for approval, the chief executive officer and the chief financial officer of the investment manager must certify that the said information is free from false or misleading statements or figures and do not omit any material fact. Once approved, the financial information shall be signed by the chairperson or managing director/ partner or the whole-time director/ partner, or, in their absence, any other duly authorized director/ partner of the investment manager.
- (vi) The annual financial information submitted to the stock exchanges shall be audited and accompanied with audit report.
- (vii) The InvIT, in its annual report, shall disclose summary of the investment manager's audited consolidated financial statements {*including the balance sheet and statement of profit and loss (without schedules)*} for the latest financial year, with comparative figures for the immediately preceding financial year. The said financial information need not be disclosed if there is no material erosion in the investment manager's net worth compared to the last disclosed financial statements, as determined by the trustees of the investment manager. However, if such non-disclosure is due to the absence of material erosion, this fact must be clearly stated.
- (viii) The InvIT shall enter into a simplified listing agreement, with all the stock exchanges where it proposes to list its units. It shall disclose its unit holding pattern for each class of unit holders: (X) one day prior to listing of units on stock exchanges; (Y) quarterly, within 21 days of each quarter-end; and (Z) within 10 days of any capital restructuring resulting in a change of over 2% in total outstanding units of InvIT.
- (ix) InvIT's credit rating shall be reviewed annually by a registered credit rating agency and shall be completed annually within 30 days from the end of each financial year.
- (x) The InvIT shall maintain a functional website wherein the contents of the said website should be updated up to last 2 days and the website should contain all the relevant information about InvIT, *inter alia*, including business details, financial information, compliance reports, etc.

- (xi) The InvIT shall ensure registration on SEBI's Complaints Redress System (SCORES) platform or such other electronic platform mandated by SEBI from time to time, in order to handle investor complaints electronically.
- (xii) The InvIT shall submit the following statements to stock exchanges on a quarterly basis for any private issue, public issue, rights issue, preferential issue: statement of deviations in use of proceeds from the objects stated in the offer document and a statement indicating category wise variation between projected utilization of funds made by it in its offer document.
- (xiii) The InvITs which have issued debt securities under the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, shall be required to comply with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and submit to stock exchanges quarterly financial results along with a statement disclosing material deviation(s) (*if any*) in the use of issue proceeds of debt securities from the objects of the issue, amongst other things.

To read the circular [click here](#)



SEBI TWEAKS PROVISIONS PERTAINING TO ELECTRONIC BOOK PROVIDER PLATFORM

SEBI, *vide* its circular dated May 16, 2025, has modified its Master Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper dated May 22, 2024, particularly on the chapters dealing with Electronic Book Provider ("EBP") platform, so as to increase its efficacy and utility.

The key changes include the following:

- (a) **Applicability of EBP platform extended:** The circular extends the applicability of EBP platform to municipal debt securities as per the SEBI (Issue and Listing of Municipal Debt Securities) Regulations, 2015, in addition to debt securities and non-convertible redeemable preference shares. The threshold of the issue size has been reduced to INR 20 crores (*erstwhile INR 50 crores*);
- (b) **Access to EBP platform widened:** Apart from accessing the EBP platform for private placement of municipal debt securities, commercial papers and certificate of deposits, an issuer may choose to access the platform for private placement of securitised debt instruments or security receipts. Further, issuers constituted as real estate investment trusts, small and medium real estate investment trusts and InvITs may also access the EBP platform for private placement of their respective units. The issue size for voluntary access to EBP platform has been relaxed by reducing it to less than INR 20 crores (*erstwhile INR 50 crores*);
- (c) **Change in timeline for providing placement memorandum and term sheet:** An issuer issuing the securities for the first time through EBP platform can provide the placement memorandum and term sheet to the EBP at least 3 working days (*5 working days*) prior to the issue opening date;

- (d) **Quantum of allocations to anchor investors linked to the instrument rating:** Prior to the modification, the total allocation to anchor investors could not exceed 30% of the base issue size. Now, the total allocation to anchor investors has been linked to the instrument rating more specifically set out in the circular;
- (e) **Fixed timelines for details of issuance to be updated on the EBP website:** EBP shall ensure that the details regarding the issue is updated on its website by end of T-day for issuances closing up to 1 p.m. on T-day and by 1 p.m. on T+1 day for the remaining issues; and
- (f) **Timelines for issuance and listing of securities revised:** The timelines for each of the steps involved, from submission of the application for in-principle approval to the listing of the security on the stock exchanges, has been revised and mentioned in the table of the circular.

The provisions of the circular will be made applicable from the date of the circular except for certain clauses which will become effective as per the timelines specified in the said circular.

To read the circular [click here](#)



RBI & IFSC UPDATES

RELAXATIONS IN INVESTMENTS BY FPIs IN CORPORATE DEBT SECURITIES THROUGH THE GENERAL ROUTE

Reserve Bank of India ("RBI"), *vide* its notification dated May 8, 2025, has provided relaxations for investments by Foreign Portfolio Investors ("FPIs") in corporate debt securities. Investments by FPIs in corporate debt securities through the general route were subject to the short-term investment limit and the concentration limit as prescribed in the Master Direction – RBI (Non-resident Investment in Debt Instruments) Directions, 2025, dated January 7, 2025.

RBI has now, with a view to provide greater ease of investment to FPIs, withdrawn the requirement for investments by FPIs in corporate debt securities to comply with the short-term investment limit and the concentration limit.

To read the circular [click here](#)



RBI ISSUES DIGITAL LENDING DIRECTIONS, 2025 TO STRENGTHEN CONSUMER PROTECTION AND DATA GOVERNANCE

RBI, *vide* its notification dated May 8, 2025, has notified the RBI (Digital Lending) Directions, 2025 ("Digital Lending Directions"). These comprehensive guidelines aim to regulate digital lending activities by RBI-Regulated Entities ("REs") and their Lending Service Providers ("LSPs"), ensuring consumer protection, data privacy, and financial stability. The Digital Lending Directions consolidate and supersede previous guidelines related to digital lending.

The key highlights of the Digital Lending Directions include:

- (a) **Applicability:** Digital Lending Directions apply to all REs, including all Commercial Banks, Primary (Urban) Co-operative Banks, State Co-operative Banks, Central Co-operative Banks, Non-Banking Financial Companies ("NBFCs") and All-India Financial Institutions engaged in digital lending activities.
- (b) **Due Diligence of LSPs:** LSP is an agent of a RE that performs digital lending functions such as customer acquisition, underwriting support, loan servicing, recovery, etc., in line with RBI's outsourcing guidelines. The RE shall enter into a formal contract with the LSP outlining the roles, rights, and obligations of each party. RE shall conduct enhanced due diligence on LSPs before engagement, considering technical competence, data privacy policies, borrower treatment, compliance history, and statutory adherence. However, RE shall retain ultimate responsibility for LSP's actions and omissions.
- (c) **RE-LSP arrangements involving multiple lenders:** In cases where a LSP has agreements with multiple REs for digital lending, LSP shall provide a digital view of all the loan offers matching the borrower's request on the Digital Lending Apps ("DLAs") which meets the requirement of the borrower. This direction shall come into effect from November 1, 2025.

(d) Conduct and Customer Protection:

- (i) REs must ensure that digitally signed documents such as the key fact statement ("KFS"), sanction letter, terms and conditions, account statements, and privacy policies of the RE/ LSP with respect to storage and usage of borrowers' data are sent to the borrower upon loan execution. Additionally, REs must update the public website displaying comprehensive details of their digital lending products, associated DLAs and LSPs, grievance redressal contacts, etc.
- (ii) All digital loans must be disbursed and repaid directly between the borrower's bank account and the RE, eliminating third-party involvement. The flow of funds between the bank accounts of the borrower and the RE shall not be controlled either directly or indirectly by a third-party, including the LSP.
- (iii) Borrowers are granted a cooling-off period during which they can exit the loan by paying the principal and proportionate annual percentage rate without any penalty during an initial cooling-off period as determined by RE's board, not being less than 1 day. In case the borrower continues with the loan even after the cooling-off period, pre-payment shall continue to be allowed as per applicable RBI guidelines.
- (iv) The RE, and the LSP which has an interface with the borrower, shall designate nodal grievance redressal officers to deal with complaints, which complaint should be resolved within 30 days of receipt of the complaint. Contact details of the nodal grievance redressal officers shall be displayed on the websites of the RE, its LSP and on the DLA, as well as in the KFS provided to the borrower.

(e) Technology and Data Requirement:

- (i) REs and LSPs must obtain prior and explicit consent from borrowers for collecting or sharing data. DLA shall not be allowed to access mobile phone resources like file and media, contact list, call logs, telephony functions, etc. The purpose of collecting data must be disclosed at every stage of interface, and explicit borrower consent is required before sharing personal information with third parties, unless mandated by law.
- (ii) REs must ensure that their LSPs do not store borrowers' personal data beyond minimal details necessary for operations, such as name and contact information, within the scope of the RE-LSP agreement. The RE is fully responsible for ongoing data privacy and security, and must implement and publicly disclose clear policies on data storage, retention duration, usage restrictions, destruction protocols, and breach handling. REs and LSPs shall not store or collect biometric data, unless permitted by law. All data must be stored in servers located within India and if the data is processed outside India, the same shall be deleted from such servers and brought back to India within 24 hours of processing.

(f) Reporting of Credit Information and DLAs:

- (i) REs shall report all digital lending done through their DLAs and/or DLAs of LSPs to credit information companies, to maintain transparency.
 - (ii) REs shall report details of DLAs, whether their own or those of the LSPs, either exclusively or as a platform participant to RBI, which shall be certified by the chief compliance officer of the RE or any other official designated in this regard. The reporting shall be completed by June 15, 2025.
- (g) **Default Loss Guarantee ("DLG") Arrangements:**
- (i) DLG is a contractual arrangement between a RE and another party whereunder the latter guarantees to compensate the RE for loan defaults up to a pre-specified percentage of the loan portfolio, specified upfront. This includes any similar upfront performance-linked guarantees. Such arrangements can be entered into with LSPs incorporated as a company under the Companies Act, 2013.
 - (ii) Before entering into any DLG arrangement, RE must adopt a board-approved policy outlining eligibility criteria for DLG providers, the nature and extent of DLG cover, monitoring processes and applicable fees. Each time a DLG arrangement is entered into or renewed, the RE must obtain a statutory auditor-certified declaration from the DLG provider detailing the total DLG exposure, number of REs and portfolios covered, and past default rates. These due diligence requirements are in addition to the general requirements applicable to RE-LSP arrangements.
 - (iii) RE shall not enter into DLG arrangements (X) for revolving credit facilities offered through digital lending channel and credit cards, and (Y) on the loans which are covered by the credit guarantee schemes administered by trust funds. Further, NBFC – P2P shall not enter into DLG arrangements for the loans facilitated over its platform.
 - (iv) RE shall accept DLG only in (X) cash deposited with the RE (Y) fixed deposit maintained with a scheduled commercial bank with a lien marked in favour of the RE, and (Z) bank guarantee in favour of the RE.
 - (v) REs must ensure that the total DLG cover on any loan portfolio does not exceed 5% of the total disbursed amount. For implicit guarantee arrangements, the DLG provider's performance risk must also be capped at 5% of the underlying portfolio.
 - (vi) DLG shall be invoked within 120 days of the loan becoming overdue, unless repaid by the borrower earlier. Additionally, the DLG agreement must remain in force for at least the duration of the longest loan in the covered portfolio.
 - (vii) REs shall ensure that LSPs with whom they have a DLG arrangement disclose on their websites the total number of portfolios and the respective amounts covered under DLG, on a monthly basis and no later than 7 working days after the end of each month.

REPORTING OF ISSUANCE OF PARTLY PAID UNITS BY INVESTMENT VEHICLES ON FIRMS PORTAL

RBI, *vide* its circular dated May 23, 2025, has issued clarification on reporting of issuance of partly paid units by investment vehicles on FIRMS portal. An investment vehicle which has issued its units to a person resident outside India is required to file Form InVI within 30 days from the date of issue of units in accordance with the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019.

In this regard, investment vehicles have been advised to report issuances of partly paid units made prior to the date of this circular in Form InVI within 180 days from the date of this circular (*i.e., by November 19, 2025*). No late submission fees shall be applicable for such reporting made within this period.

However, issuances of partly paid units by investment vehicles on or after the date of this circular shall continue to be reported within 30 days from the date of issue of units.

To read the circular [click here](#)



IFSCA ISSUES FRAMEWORK TO FACILITATE CO-INVESTMENT BY VENTURE CAPITAL SCHEME AND RESTRICTED SCHEME

International Financial Services Centres Authority ("IFSCA"), *vide* its circular dated May 21, 2025, has laid down a framework for facilitating co-investment by venture capital schemes and restricted schemes through a special purpose vehicle ("Special Scheme") and for such Special Scheme to undertake leverage.

The key highlights of the Special Scheme are as follows:

- (a) **Eligibility:** A registered Fund Management Entity ("FME"), having either an operational venture capital scheme or restricted scheme or both ("Existing scheme"), shall be eligible to launch a Special Scheme, in accordance with the terms and conditions of the placement memorandum of the Existing Scheme.
- (b) **Structure:** The Special Scheme shall be constituted as a company or limited liability partnership or trust and shall be classified as a Category I, II or III AIF, corresponding to the classification of the Existing Scheme. The Existing Scheme shall, at all times, hold at least 25% of the equity share capital, interest or capital contribution in the Special Scheme.
- (c) **Objective:** The Special Scheme shall be used for making co-investment with or without leverage, in line with the investment strategy of the Existing Scheme. A Special Scheme shall be permitted to invest only in single portfolio company provided that securities of more than 1 entity may be held if such securities are issued as a result of 1 or more corporate actions or restructurings at the portfolio company level, including but not limited to amalgamation, demerger, slump.

- (d) **Nature and tenure:** The nature of the Special Scheme shall correspond to that of the Existing Scheme with the Special Scheme tenure being co-terminus with the Existing Scheme, unless liquidated earlier. In the event of the liquidation of the Existing Scheme, the Special Scheme shall also be liquidated.
- (e) **Eligible Investors:** Any person shall be eligible to co-invest in the Special Scheme, subject to the minimum contribution requirements as mentioned in the IFSCA (Fund Management) Regulations, 2025 ("FM Regulations").
- (f) **Filing of term sheet:** A term sheet containing minimum disclosures along with a declaration cum undertaking as specified in the annexure to the circular shall be filed with the IFSCA within 45 days from the date of investment.
- (g) **Disclosures to investors:** The investors of the Existing Scheme shall be duly informed of the establishment of the Special Scheme prior to seeking capital contribution and shall be provided with the term sheet containing specified disclosures under the FM Regulations.
- (h) **Leverage, contribution and control:** The leverage undertaken by the Special Scheme shall be within the overall leverage limits specified in the placement memorandum of the Existing Scheme. The Existing Scheme and investors of the Special Scheme shall be permitted to create encumbrance, over their ownership interests in the Special Scheme, in favour of a lender to the Special Scheme. The FME shall be the decision-making and controlling authority of the operation of the Special Scheme and shall have the sole discretion in contributing in the Special Scheme.
- (i) **KYC:** For onboarding any new investors in the Special Scheme, the FME shall conduct the KYC in accordance with the IFSCA (AML-CTF and KYC) Guidelines, 2022. No separate KYC is required for existing investors to invest in the Special Scheme.
- (j) The FME shall pay the applicable fee as specified in the circular titled 'Fee structure for the entities undertaking or intending to undertake permissible activities in IFSC or seeking guidance under the Informal Guidance Scheme' dated April 8, 2025.
- (k) All other obligations specified under the FM Regulations shall apply to the Special Scheme. Each Special Scheme shall, prior to filing the term sheet with the IFSCA, obtain the relevant Special Economic Zone (SEZ) approval under the provisions of the SEZ Act, 2005 and the rules framed thereunder.

To read the circular [click here](#)



IFSCA EXTENDS TIMELINE FOR APPOINTMENT OF CUSTODIAN UNDER THE FM REGULATIONS

IFSCA, *vide* its circular dated May 24, 2025, has extended the timeline for appointment of custodian under the FM Regulations. The FM Regulations require an FME to appoint an independent custodian

to provide the custodial services for (a) retail schemes; (b) open ended restricted schemes; and (c) all other schemes managing Asset Under Management above USD 70 million.

For the schemes that were taken on record by the IFSCA and had entered into an agreement with a custodian not based in International Financial Services Centres ("IFSC"), before the FM Regulations coming into effect, a transition period of 12 months has been provided to appoint a custodian in IFSC.

Now, an additional time period of 6 months from the date of the issuance of this circular is granted for the appointment of an independent custodian based in IFSC, if required, for the schemes which are (a) taken on record by IFSCA after the FM Regulations, came into effect (*i.e., after February 19, 2025*); or (b) taken on record by IFSCA prior to the FM Regulations coming into effect but which did not enter into an agreement with a custodian as on February 19, 2025.

During the period of 6 months, the FMEs of the aforementioned schemes may appoint an independent custodian in India or any foreign jurisdiction which is regulated by the financial sector regulator in that jurisdiction and make necessary arrangement to provide such information to IFSCA whenever directed to do so.

The FMEs shall make necessary arrangements to ensure strict compliance with Regulation 132 of the FM Regulations on or before the expiry of the 6 months period.

To read the circular [click here](#)



CORPORATE UPDATES

EXTENSION OF DEADLINE TO FILE FORM CSR-2 – NOTIFIED

Ministry of Corporate Affairs ("MCA"), *vide* its notification dated May 19, 2025, has notified that the last date to file Form CSR-2 for the financial year 2023-24 is now on or before June 30, 2025 (*erstwhile deadline was March 31, 2025, which was an extension from December 31, 2024*).

To read the notification [click here](#)



SUBSTITUTION OF COMPANY FORMS AND ADDITIONAL DISCLOSURE REQUIREMENTS UNDER FINANCIAL STATEMENTS AND BOARD'S REPORT – NOTIFIED


MCA, *vide* its notification dated May 30, 2025 ("**Substituted forms notifications**"), has substituted the following forms/e-forms with effect from July 14, 2025: (a) Form CRA-2; (b) Form MGT-7; (c) Form MGT-7A; (d) Form MGT-15; (e) Form GNL-1; (f) Form ADT-1; (g) Form ADT-2; (h) Form ADT-3; and (i) Form ADT-4.

Further, MCA, *vide* its notification dated May 30, 2025, has notified the following amendments under Rule 5, Rule 8 and Rule 12 of the Companies (Accounts) Rules, 2014 in relation to the board's report ("**Financial Statements and Board's report notification**") with effect from July 14, 2025:

- (a) The statement containing the salient feature of the financial statement of a company's subsidiary or subsidiaries, associate company or companies and joint venture or ventures under the first proviso to sub-section (3) of Section 129 shall be in e-Form AOC-1.
- (b) The contracts or arrangements with related parties shall be in the e-Form AOC-2;
- (c) Specific disclosures in relation to the compliance with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH Act") stating: (i) number of complaints of sexual harassment received in the year; (ii) number of complaints disposed off during the year; and (iii) number of cases pending for more than 90 days;
- (d) A statement by the company with respect to the compliance to the provisions relating to the Maternity Benefits Act, 1961;
- (e) Every company shall submit the e-Form extract of the board report, extract of the auditor's report (standalone) and extract of the auditor's report (consolidated) as an attachment to the relevant e-Forms AOC-4, AOC-4 CFS, AOC-4 XBRL, AOC-4 NBFC (*Ind AS*) or AOC-4 CFS NBFC (*Ind AS*).

Consequent to the above notification, the following e-Forms have been substituted:

Form AOC-1, AOC-2, AOC-4, AOC-4 CFS, AOC-4-NBFC (*Ind AS*), AOC-4 CFS NBFC (*Ind AS*), CSR-2, extract of the board report, extract of the auditor's report (standalone) and extract of the auditor's report (*consolidated*).

To read the Substituted forms notification for each form: (a) [click here](#), (b-d) [click here](#), (e) [click here](#) (f-i) [click here](#) & to read the Financial Statements and Board's report notification [click here](#) 

LABOUR UPDATES

HARYANA PUBLISHES CONDITIONS FOR EMPLOYING WOMEN IN NIGHT SHIFTS


Haryana Government, *vide* its notifications dated May 8, 2025, has notified certain conditions for employing women employees during night shifts: (a) in information technology (IT), information technology enabled services (ITeS), banking establishment, three-star or above hotels, 100% export oriented establishments, logistics and warehousing establishments registered under the Punjab Shops and Commercial Establishments Act, 1958 ("**Haryana S&E Act**") in the State of Haryana ("**S&E Exemption Notification**"), and (b) in factories ("**Factories Exemption Notification**").

Establishments governed by Haryana S&E Act must apply for grant of exemption under Section 28 of the Haryana S&E Act for employing women employees during night shifts in their respective establishments and ensure compliance with the conditions which include the following:

- (a) The exemption will be valid for 1 year from the date of order of exemption unless there is any change of security, transportation agreement and other details of occupier/ director/ manager;
- (b) It shall be the duty of the employer or other responsible person at the workplace or institutions to ensure compliance of the POSH Act;
- (c) Each employer shall submit a declaration that they have obtained consent from each women employee to work during night shift (08:00 PM to 06:00 AM);
- (d) The employer shall provide proper lighting inside and in the surrounding area of the establishment and to all places where the female employees may move out of necessity in the course of such shift;
- (e) Security measures to be ensured by the employer during the shift as well as during commute;
- (f) The employer shall provide transportation facility to the women workers from their residence and back, provided that a women worker may opt out of transportation facility by giving her consent if she is willing to come to the workplace by herself; and
- (g) The occupier or manager shall see that the women workers are employed in a batch of not less than 4. However, in IT/ ITeS sector, quorum may be relaxed for any woman in senior position (*earning more than INR 1 lakh per month*) when she gives consent to work in night.

Factories Exemption Notification sets out certain conditions in respect of any factory which apply for the exemption for employing women in all the factory during night shift, i.e., between the hours of 07.00 PM to 06.00 AM, which *inter alia* include the following:

- (a) Declaration/ consent from each women worker to work during night shift shall be obtained;
- (b) The provisions of the POSH Act or any other law or any other instructions/ conditions issued in this regard from time to time by the Central Government or State Government, shall be complied with by the occupier of the factory;
- (c) Proper lighting and CCTV cameras to be provided inside and all surrounding areas of the factory and to all places where the female workers may move out of necessity in the course of her work;
- (d) The occupier shall provide transportation facility to the women workers from their residence and back, provided that a women worker may opt out of transportation facility by giving her consent if she is willing to come to the workplace by herself;
- (e) Provided that a women worker may opt out of transportation facility by giving her consent if she is willing to come to workplace by herself; and
- (f) Security measures to be ensured by the employer during the shift as well as during commute.

To read the S&E Exemption Notification [click here](#) & to read the Factories Exemption Notification [click here](#) 

TAMIL NADU PERMITS ALL SHOPS AND ESTABLISHMENTS TO KEEP OPEN FOR 24X7 FOR A FURTHER PERIOD OF 3 YEARS

Tamil Nadu Government, *vide* its notification dated May 8, 2025, has notified an extension for exempting all shops and establishments, employing 10 or more persons, from the provisions of Section 7(1) (*opening and closing hours of shops*) and Section 13(1) (*opening and closing hours*) of the Tamil Nadu Shops and Establishments Act, 1947 ("**TN S&E Act**") and has permitted them to keep open for 24x7 on all days of the year, for a period of 3 years with effect from June 5, 2025, unless it is revoked, subject to certain conditions.

The conditions, *inter alia*, include the following:

- (a) Every employee shall be given 1 day holiday in a week on rotation basis, and the details of every employee shall be provided in 'Form S' added to the Tamil Nadu Shops and Establishments Rules, 1948 ("**TN S&E Rules**") and shall be exhibited by the employer in a conspicuous place in the establishments;
- (b) Details of the employees who are on holiday/ leave, on daily basis, shall be exhibited in a conspicuous place in the establishments;
- (c) Wages including overtime wages of the employees shall be credited to their savings bank account;

- (d) The working hours shall not be more than 8 hours in any day and 48 hours in any week and the period of work including over time shall not exceed 10.5 hours in any day and 57 hours in a week;
- (e) Women employees shall not be required to work beyond 8.00 P.M. on any day in normal circumstances. However, with the prior written consent of the concerned women employees, the employer may permit them to work between 8:00 P.M. and 6:00 A.M., subject to ensuring adequate measures for the protection of their dignity, honour, and safety;
- (f) Transport arrangements shall be provided to women employees working in shifts. A notice to this effect shall be displayed prominently at the main entrance of the establishment, indicating the availability of transport facilities; and
- (g) Every employer employing women employees shall constitute Internal Complaints Committee in accordance with the POSH Act and the said committee shall be operative.

The aforesaid conditions shall be implemented in addition to the provisions specified in the TN S&E Act and the TN S&E Rules. In case of violation of any statutory provision or any of the aforesaid conditions noticed by the Inspector or otherwise, necessary penal action will be initiated against the employer/ manager as laid down in the TN S&E Act and the TN S&E Rules.

To read the notification [click here](#)



TRIPURA GOVERNMENT AMENDS THE TRIPURA SHOPS AND ESTABLISHMENTS ACT, 1970

Tripura Government, *vide* its notification dated May 17, 2025, has notified the Tripura Shops and Establishments (Seventh Amendment) Ordinance, 2025 ("**Tripura S&E Ordinance**") thereby amending the Tripura Shops and Establishments Act, 1970 ("**Tripura S&E Act**"). Following are the amendments introduced by Tripura S&E Ordinance:

- (a) A new sub-section (4) has been added in Section 1 (*short title, extent*) of the Tripura S&E Act extending the applicability of the Tripura S&E Act to such class or classes of shops or establishments where 20 or more persons are employed;
- (b) Daily hours have been revised to 10 hours (*erstwhile 8.5 hours*) in a day and total number of hours of work including overtime work has been revised to 12 hours (*erstwhile 10 hours*) in a day and 144 hours in a quarter (*erstwhile 120 hours in any one year*). Further, the employer shall now have to obtain written consent from a lactating mother or pregnant woman in case she is required to work overtime;
- (c) The period of work and intervals for rest shall be arranged to ensure that the total time period does not exceed 12.5 hours (*erstwhile 10.5 hours*) in a day; and

- (d) Section 10 (*restriction on employment of young persons or woman*) of the Tripura S&E Act has been substituted. The section now provides an option to women employees to work in any shift, in any shop or establishment, on any day of a week so far as a written consent has been obtained from the concerned woman employee and the employer ensures adequate facilities as mentioned in the proviso to the said Section 10.

To read the Tripura S&E Ordinance [click here](#)



ANDAMAN AND NICOBAR ISLANDS REVISE THE DAILY HOURS IN FACTORIES

Andaman and Nicobar Administration, *vide* its order dated May 20, 2025, has revised the daily hours of an adult worker in any factory within the Union Territory of Andaman and Nicobar Islands. This change has been made in consideration of the need to enhance productivity and efficiency in the manufacturing sector, and in compliance with the directives of the Department for Promotion of Industry and Internal Trade ("DPIIT") regarding the reform and simplification of regulations and procedures related to ease of doing business and ease of living in the identified priority areas.

With effect from May 20, 2025, the daily working hours of an adult worker have been increased to 10 hours (*erstwhile 9 hours*) in any day.

To read the order [click here](#)



ENVIRONMENTAL UPDATES

BIOLOGICAL DIVERSITY (AMENDMENT) RULES, 2025 – NOTIFIED

Ministry of Environment, Forest and Climate Change, *vide* its notification dated May 6, 2025, has notified the Biological Diversity (Amendment) Rules, 2025 ("**BD Amendment Rules**"), to further amend the Biological Diversity Rules, 2024 ("**BD Rules**").

The BD Amendment Rules have amended the BD Rules by substituting Rule 19 which deals with the procedure for obtaining a certificate of origin for cultivated medicinal plants. Pursuant to the aforesaid, 3 new forms being Forms 11, 11A and 12 have been inserted in the BD Rules, thereby substituting the erstwhile Forms 11 and 12. The said Rule provides that: (a) books containing the details of cultivated medicinal plants should be maintained by the Biodiversity Management Committee in Form 11 in the web portal; (b) an application for obtaining certificate of origin for cultivated medicinal plants under Section 7(2) of the Biological Diversity Act, 2002 must be made to the Biodiversity Management Committee along with the prescribed fee (*being INR 200/-*) in Form 11A on the web portal; and (c) on the basis of the entries made in the books maintained as required above, the certificate of origin will be generated in the web portal in the Form 12.

To read the notification [click here](#)



EXTENSION OF RETURN FILING DEADLINE UNDER THE E- WASTE (MANAGEMENT) RULES, 2022

Central Pollution Control Board, *vide* its notice dated May 21, 2025, has extended the deadline for filing quarterly and annual returns for the financial year 2024-25 under the E-Waste (Management) Rules, 2022. All entities registered on the E-Waste Extended Producer Responsibility ("**EPR**") Portal may file their returns until June 30, 2025 (*erstwhile deadline April 30, 2025*). Entities may continue to generate and transfer EPR certificates on the EPR Portal during this period of extension.

To read the notification [click here](#)



OTHER UPDATES

RULE 8 OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957 – AMENDED

Department of Economic Affairs, Ministry of Finance, *vide* its notification dated May 19, 2025, has notified the Securities Contracts (Regulation) Amendment Rules, 2025 ("**SCR Amendment Rules**"), thereby amending Rule 8 of the Securities Contracts (Regulation) Rules, 1957 ("**SCR Rules**"), which deals with the qualifications for membership of a recognised stock exchange.

A new proviso has been inserted to Rules 8(1)(f) and Rule 8(3)(f) of the SCR Rules to iterate that investments made by a member shall not be construed as business except when such investments: (a) involve client funds or client securities; or (b) relate to arrangements that create a financial liability on the broker.

To read the notification [click here](#)



CREDIT GUARANTEE SCHEME FOR STARTUPS

DPIIT, Ministry of Commerce and Industry, *vide* its notification dated May 8, 2025, has notified Credit Guarantee Scheme for Startups ("**CGSS**") for the purpose of providing credit guarantees to loans extended to finance eligible borrowers being startups.

The key points of the CGSS are as under:

- (a) To be an eligible borrower under the CGSS, an entity must: (i) be recognized as a startup by the DPIIT; (ii) not be in default to any lending/ investing institution; (iii) not classify as a Non-Performing Asset (NPA) as per the RBI guidelines; and (iv) be certified by the Member Institution ("**MI**") (*includes banks, financial institutions, NBFCs, AIFs engaged in lending/ investing and conforming to the eligibility criteria duly approved under the scheme*) for the purpose of guarantee cover.
- (b) Eligible lending/ investing institutions under the CGSS include Scheduled Commercial Banks, Financial Institutions, SEBI registered AIFs, and RBI registered NBFCs having a rating of BBB and above, and having a minimum net worth of INR 100 crores, subject to the continued rating eligibility.
- (c) Lending/ investing institutions must execute an agreement or furnish an undertaking to the trustee (*means the Credit Guarantee Fund for Startups (CGFS), established by the Government of India to guarantee payment against defaults in loans or debt extended to eligible borrowers*) to be entitled to guarantee eligible loan/ venture debt facilities granted by it.
- (d) MIs are responsible for prudent credit evaluation, monitoring borrower accounts and safeguarding securities taken from the borrower in respect of the credit facility, amongst other things.

- (e) CGSS introduces a fee structure with annual guarantee fees for transaction-based cover (*with varying rates based on region/ sector*) and annual commitment charges for umbrella-based cover payable by the MI, with provisions for penal charges on delayed payments.
- (f) Credit guarantee cover can be either transaction-based or umbrella-based; however, AIFs are not eligible for transaction-based guarantee cover. The instruments of assistance would be in the form of venture debt, working capital, subordinated debt, debentures, optionally convertible debt and other fund based as well as non-fund-based facility.
- (g) For transaction-based guarantee cover, the trust guarantees up to 85% of defaulted amounts (*for loans up to INR 10 crores*) and 75% of defaulted amounts (*for loans above INR 10 crores*), subject to a maximum of INR 20 crores per borrower. For umbrella-based guarantee cover, the trust covers actual losses or up to 5% of pooled startup investment, whichever is lower, capped at INR 20 crores.
- (h) It provides for the conditions for invoking transaction-based guarantee cover and umbrella-based guarantee cover:
 - (i) For transaction-based guarantee cover, a claim may be invoked if the guarantee was active when the account turned NPA, a lock-in period of 12 months from the commencement of the guarantee has elapsed, the borrower has defaulted with the dues classified as NPA by the lending institution. However, no claim shall be entertained if the loss resulted from actions or decisions taken in contravention of the guidelines issued by the trust.
 - (ii) A claim under umbrella-based guarantee cover is considered valid if the guarantee was active at the time of venture debt fund ("VDF") closure, all commitment charges and 1% guarantee fee on the pooled investment have been paid by MI, dues payable to VDF are non-recoverable, and loss in respect of the facility did not result from violating trust guidelines.
- (i) MI is responsible for recovering dues and must share recovery details with the trust and such other information as may be required from time to time. MI will hold lien on assets created out of the credit facility extended to the borrower, on behalf of both itself and the trust. The trust shall not exercise subrogation rights and the responsibility of the recovery of dues shall rest with the MI.
- (j) It provides for a management committee being constituted by the DPIIT, to oversee the affairs of the trust and provide necessary guidance to the trust on broad policy matters related to CGSS.
- (k) MI must submit all statements, documents, and information as required by the trust or trustee in relation to the guarantee.

FSSAI ADVISORY ON DISCONTINUATION OF “100%” CLAIMS IN FOOD LABELLING AND ADVERTISING

Food Safety and Standards Authority of India (“FSSAI”), *vide* its advisory dated May 28, 2025, has advised the food business operators to discontinue the usage of term “100%” on food product labels, packaging and promotional content. This is pursuant to the Food Safety and Standards (Advertising and Claims) Regulations, 2018 (“FSS Regulations”) which strictly prohibits any advertisement or claim that undermines other manufacturers or influences consumer perception in a misleading manner and also due to the fact that the term “100%” is not defined or referenced in any manner under the Food Safety and Standards Act, 2006, or the rules and regulations made thereunder.

FSS Regulations further mandates that the claims must be truthful, unambiguous, meaningful, not misleading and help consumers to comprehend the information provided. According to FSSAI, the term “100%” is ambiguous, misleading and its usage – in isolation or conjunction with other descriptor – is likely to convey a false sense of absolute purity or superiority, potentially leading consumers to believe that competing products in the market do not comply with prescribed standards.

To read the advisory [click here](#)



Contributors:**Krishna Kishore**
Partner**Yatin Narang**
Partner**Pritika Shetty**
Associate**Navya Shukla**
Associate**Saksham Kumar**
Associate**Neel Mehta**
Associate**Sakshi Solanki**
Associate**Ishita Jha**
Associate**Prerna Mayea**
Associate**Tushali Agnihotri**
Associate**Isha Chawla**
Associate

We hope you like our publication. We look forward to your suggestions. Please feel free to contact us at mumbai@vaishlaw.com.



Corporate, Tax and Business Advisory Law Firm

DELHI1st, 9th, 11th Floor,
Mohan Dev Building, 13, Tolstoy
Marg, New Delhi, 110001 (India)+91-11-42492525
delhi@vaishlaw.com**MUMBAI**106, Peninsula Centre,
Dr. S.S. Rao Road, Parel,
Mumbai, 400012 (India)+91 22 42134101
mumbai@vaishlaw.com**BENGALURU**105 -106, Raheja Chambers,
#12, Museum Road,
Bengaluru, 560001 (India)+91 80 40903588/89
bangalore@vaishlaw.com

DISCLAIMER: The material contained in this publication is solely for information and general guidance and not for advertising or soliciting. The information provided does not constitute professional advice that may be required before acting on any matter. While every care has been taken in the preparation of this publication to ensure its accuracy, Vaish Associates Advocates neither assumes responsibility for any errors, which despite all precautions, may be found herein nor accepts any liability, and disclaims all responsibility, for any kind of loss or damage arising on account of anyone acting / refraining to act by placing reliance upon the information contained in this publication.