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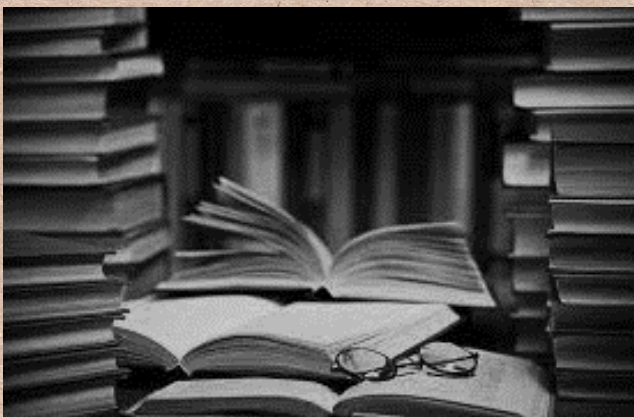


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## LEGAL MAXIM

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*Qui facit per alium, facit per se: "Whoever acts through another, acts himself"*



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**VA** VAISH  
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ESTD. 1971

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## SEBI UPDATES

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### SEBI EXTENDS TIMELINE OF ADDITIONAL LIQUIDATION PERIOD FOR VCFs MIGRATING TO THE SEBI (AIF) REGULATIONS

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Securities and Exchange Board of India ("SEBI"), *vide* its circular dated August 19, 2024 ("**VCF Migration Circular**"), provided, *inter alia*, for modalities for migration under which Venture Capital Funds ("VCFs") have been allowed to migrate to the SEBI (Alternative Investment Funds) Regulations, 2012 ("**AIF Regulations**") (*as was covered in our [earlier edition of Legalaxy](#)*).

Paragraph 5 of the VCF Migration Circular contained provisions for VCFs having at least 1 scheme which has not been wound up post expiry of its liquidation period (*in terms of Regulation 24(2) of the SEBI (Venture Capital Funds) Regulations, 1996*). Further, paragraph 5.2 of the VCF Migration Circular, *inter alia*, specified that VCFs with schemes whose liquidation period has expired and are not wound up and who migrate to AIF Regulations shall be granted an additional liquidation period till July 19, 2025.

SEBI, *vide* its circular dated June 6, 2025, has now extended the said additional liquidation period, prescribed under paragraph 5.2 of the VCF Migration Circular, to July 19, 2026. All other provisions of the VCF Migration Circular shall remain unchanged.

To read the circular [click here](#)



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### SEBI REVISES INDUSTRY STANDARDS ON RPTs BY LISTED ENTITIES

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SEBI, *vide* its circular dated June 26, 2025, has revised the Industry Standards on "Minimum information to be provided for review of the audit committee and shareholders for approval of a related party transaction" ("**Industry Standards**") by issuing the Industry Standards on "Minimum information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions" ("**RPT Industry Standards**").

Industry Standards Forum ("ISF") comprising of representatives from 3 industry associations, viz. ASSOCHAM, CII and FICCI, under the aegis of the stock exchanges, formulated the Industry Standards with the objective of providing a standard format for minimum information to be provided to the audit committee and shareholders (*as applicable*) for approval of related party transactions ("**RPTs**").

Regulations 23(2), (3) and (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**LODR Regulations**") require listed entities to obtain audit committee's and shareholders' approval prior to entering into material RPTs and Parts A and B of Section III – B of the SEBI Master Circular for compliance with the provisions of the LODR Regulations by listed entities dated November 11, 2024 ("**LODR Master Circular**"), specify the information to be placed before the audit committee and shareholders, respectively, for consideration of RPTs.

SEBI, *vide* its circular dated February 14, 2025, required listed entities to follow these Industry Standards with effect from April 1, 2025 (*as was covered in our [earlier edition of Legalaxy](#)*). The timeline for applicability of these Industry Standards was later extended by SEBI to July 1, 2025. This extension was pursuant to feedback received from various stakeholders requesting simplification of the Industry Standards.

Considering the above, ISF, in consultation with SEBI came out with the RPT Industry Standards. Effective from September 1, 2025, the listed entities must adhere to the RPT Industry Standards for all RPT proposals submitted to the audit committees and in notices sent to the shareholders (*seeking approval for any RPTs*) in compliance with Parts A and B of Section III – B of the LODR Master Circular (*as modified in this circular*) read with Regulations 23(2), (3) and (4) of the LODR Regulations.

To read the circular [click here](#) & to read the LODR Master Circular [click here](#)



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## SEBI ISSUES FRAMEWORK FOR ESG DEBT SECURITIES

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SEBI, *vide* its circular dated June 5, 2025, has in consultation with ISF issued an operational framework for Environment, Social and Governance (“ESG”) debt securities (*other than green debt securities*), in order to facilitate issuers of social bonds, sustainability bonds and sustainability-linked bonds (collectively the “**ESG Debt Securities**”) to raise funds through the issuance of such securities.

This circular is applicable to the ESG Debt Securities labelled as ‘social bonds’ or ‘sustainability bonds’ or ‘sustainability-linked bonds’, which are listed or proposed to be listed on a recognised stock exchange, provided that such labelling is permitted only if the funds raised through the issuance of such ESG Debt Securities are proposed to be utilised for financing or refinancing projects.

Initial disclosure requirements, continuous post-listing obligations and appointment of independent third-party reviewer/ certifier for ESG Debt Securities have been laid down in the annexures to the circular.

Certain key points under the circular are as follows:

- (a) classification of a debt security as a green debt security, social bond or sustainability bond is to be determined by the issuer thereof based on its primary objectives for the underlying projects;
- (b) while initial disclosures are to be made by an issuer in the offer document for the securities, continuous disclosures (*as provided in the part II of Annexure-A of this circular*) shall be included in annual reports and financial results. Additionally, issuers are required to adhere to the obligations in accordance with the relevant international standards that the securities are aligned/ issued with;
- (c) issuers of social/ sustainability bonds shall ensure that all project(s) and/or asset(s) funded by the proceeds thereof, meet the documented objectives of social bonds/ sustainability bonds and utilise the proceeds only for the stated purpose, as disclosed in the offer document; and
- (d) to avoid the occurrence of purpose-washing, an issuer of social/ sustainability bonds shall: (i) at the time of raising funds for social/ sustainability objects, continuously monitor to check whether the form of operations undertaken is resulting in reduction of the adverse social/

sustainable impact, as envisaged in the offer document; (ii) not use misleading labels, hide trade-offs, or cherry pick data from research to highlight social/ sustainable practices while obscuring others that are unfavourable in this regard; and (iii) maintain highest standards associated with issue of social/ sustainability bonds while adhering to the rating assigned to it.

To read the circular [click here](#)



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## SEBI PROVIDES LIMITED RELAXATION FROM COMPLIANCE WITH CERTAIN PROVISIONS OF THE LODR REGULATIONS

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SEBI, *vide* its circular dated October 6, 2023, had relaxed the applicability of Regulation 58(1)(b) of the LODR Regulations till September 30, 2024, based on the relaxation provided by Ministry of Corporate Affairs ("**MCA**"), *vide* a general circular dated September 23, 2023.

Regulation 58(1)(b) of the LODR Regulations requires a listed entity to send a hard copy of the statement containing the salient features of all the documents, as specified in Section 136 (*Right of member to copies of audited financial statements*) of the Companies Act, 2013 ("**Companies Act**") and rules made thereunder to those holders of non-convertible securities, who have not registered their e-mail address(es) either with the listed entity or with any depository.

MCA, *vide* its subsequent general circular dated September 19, 2024, has, *inter alia*, extended the relaxation from sending physical copies of financial statements (*including board's report, auditor's report or other documents required to be attached therewith*) to the shareholders, for the annual general meetings conducted till September 30, 2025.

Pursuant to the above, SEBI, *vide* its circular dated June 5, 2025, has now provided limited relaxation from compliance with Regulation 58(1)(b) of the LODR Regulations; as follows-

- (a) entities having listed non-convertible securities, who have complied with the conditions specified in MCA's general circular dated September 9, 2024 and have not sent hard copy of statement containing the salient features of all documents, as specified in Section 136 of the Companies Act and the rules thereunder, to those holders of non-convertible securities, who have not registered their e-mail address(es), shall not be subject to any penal action for non-compliance with Regulation 58(1)(b) of the LODR Regulations for the period from October 1, 2024 to June 5, 2025; and
- (b) for the period from June 6, 2025 to September 30, 2025, similar relaxation from the requirements of Regulation 58(1)(b) of the LODR Regulations will be provided for entities having listed non-convertible securities provided that advertisement in terms of Regulation 52(8) of the LODR Regulations shall disclose the web-link to the statement containing the salient features of all the documents, as specified in Section 136 of the Companies Act and the rules thereunder, so as to enable the holder of non-convertible securities to have access to the said statement.

To read the circular [click here](#)



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## IFSC UPDATES

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### IFSCA AMENDS THE FRAMEWORK FOR FINANCE COMPANY/ FINANCE UNIT UNDERTAKING THE ACTIVITY OF GRCTC

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International Financial Services Centres Authority ("IFSCA"), *vide* its circular dated April 4, 2025, had issued an updated framework ("GRCTC Framework") for finance company/ finance unit undertaking the activity of Global/ Regional Corporate Treasury Centres ("GRCTC") (*which was covered in the [previous edition of Legalaxy](#)*).

IFSCA, *vide* its circular dated June 9, 2025, has now amended the GRCTC Framework to incorporate a proviso which provides for relaxation from the requirement of employing at least 5 qualified personnel, based in International Financial Services Centre ("IFSC"), to undertake the permissible activities including the head of treasury and the compliance officer before commencement of operations. The said proviso states that upon request by the applicant, the chairperson of IFSCA may grant relaxation from the above condition, taking into account the permissible activities proposed to be undertaken and the proposed business volume, for a time period not exceeding 1 year from the date of commencement of operations.

To read the circular [click here](#)



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### IFSCA AMENDS DIRECTIONS TO IBUs FOR OPERATIONS OF FCA OF INDIAN RESIDENTS OPENED UNDER LRS

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IFSCA, *vide* its circular dated December 13, 2024, had issued directions to IFSC Banking Units ("IBUs") for operations of Foreign Currency Account ("FCA") of Indian resident individuals ("RIs") opened under the Liberalised Remittance Scheme ("LRS") (*which was covered in the [previous edition of Legalaxy](#)*).

IFSCA, *vide* its circular dated June 23, 2025, has now amended the said directions. As per the amendment, IBUs shall obtain a declaration from the RI, confirming that the amount being spent from the RI's FCA for availing financial services or financial products in IFSC is for the purpose declared while remitting the money to the FCA under LRS or is for a purpose permitted under LRS. The addition of the words 'or is for a purpose permitted under LRS' extends the scope of permissible transactions, providing RIs with greater leeway to utilise their FCA funds for any other LRS-approved purpose.

Similarly, for availing services in any other foreign jurisdiction (*other than IFSC*), IBUs shall obtain a declaration from the RI, confirming that amount being remitted from its FCA is for the purpose declared while remitting the money under LRS or is for a purpose permitted under LRS.

To read the circular [click here](#)



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## CORPORATE UPDATES

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### NSDL NOTIFIES ADDITIONAL COMPLIANCE FOR OFF-MARKET SHARE TRANSFERS OF PRIVATE COMPANIES

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National Securities Depository Limited (NSDL), *vide* its circular dated June 3, 2025, has mandated additional compliance for off-market share transfer of a private limited company.

Prior to this circular, the demat account holder intending to transfer shares of a private limited company had to submit a duly filled and signed Delivery Instruction Slip (DIS) to their Depository Participant (DP), along with necessary details about the shares being transferred. The circular introduces an additional compliance requiring a DP to obtain a consent/ confirmation letter from the demat account holder issued by the respective private limited companies, confirming the transaction. The format of the consent/ confirmation letter is provided as an annexure to the circular.

To read the circular [click here](#)



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### MOF NOTIFIES AMENDMENTS TO THE FOREIGN EXCHANGE MANAGEMENT (NON-DEBT INSTRUMENTS) RULES

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Ministry of Commerce and Industry, *vide* its Press Note No. 2 (2025 Series) dated April 7, 2025, inserted a clarification permitting the issuance of bonus shares to existing non-resident shareholder(s) by Indian companies engaged in sectors prohibited for foreign direct investment ("FDI") (*which was covered in our [earlier edition of Legalaxy](#)*).

Pursuant to the above, Ministry of Finance (MoF), *vide* its notification dated June 11, 2025, has now notified the Foreign Exchange Management (Non-debt Instruments) (Amendment) Rules, 2025 ("**NDI Amendment Rules**") thereby amending the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 ("**NDI Rules**").

A new sub-Rule 7(2) has been inserted through the NDI Amendment Rules which provides that an Indian company, engaged in a sector or activity prohibited for FDI, may issue bonus shares to its pre-existing shareholders who are persons resident outside India, provided that the shareholding pattern of such shareholders is not changed pursuant to such issuance and that any bonus shares issued to such shareholders prior to the date of commencement of Rule 7(2) of the NDI Amendment Rules shall be deemed to have been issued in accordance with the provisions of the NDI Rules or the Foreign Exchange Management (Transfer or issue of Security by a Person Resident outside India) Regulations, 2000 or the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, as the case may be.

To read the notification [click here](#)



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## LABOUR UPDATES

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### REST INTERVALS REVISED FOR FACTORIES IN ANDAMAN AND NICOBAR ISLANDS

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Andaman and Nicobar Administration, *vide* its order dated June 2, 2025, has revised the intervals of rest of an adult worker in any factory within the Union Territory of Andaman and Nicobar Islands. The periods of work of adult workers in a factory each day shall be so fixed that no period shall exceed 6 hours (*erstwhile 5 hours*) and that no worker shall work for more than 6 hours (*erstwhile 5 hours*) before he has had an interval for rest of at least half an hour.

This revision is 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 regarding the reform and simplification of regulations and procedures related to 'ease of doing business' and 'ease of living' in the identified priority areas.

To read the order [click here](#)



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### TAMIL NADU MODIFIED THE PENALTY PROVISIONS UNDER ITS SHOPS AND ESTABLISHMENTS ACT

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Tamil Nadu Government, *vide* its notification dated June 6, 2025, has published the Tamil Nadu Shops and Establishments (Amendment) Act, 2025, thereby amending the Tamil Nadu Shops and Establishments Act, 1947. It shall come into force on such date as the State Government may, by notification, appoint.

By way of the amendment, Chapter IX (*dealing with the penalties and adjudication*) has been substituted. Section 45 (*penalties*) has been split into 3 parts thereby providing different penalties for different offences under various sections:

- (a) In case of Sections 3 (*registration of shops and establishments*), 7 to 11 (*provisions relating to hours of work in shops*), 13 to 23 (*provisions relating to hours of work in establishments other than shops*), 25 (*holidays and sick leave*), 26 (*pay during annual holidays*), 29 to 41 (*provisions related to wages*), 47 (*maintenance of registers and records and display of notices*), 47-A (*annual return*) and 50-A (*prohibition of discrimination against women employee*), a first contravention shall be punishable with a fine up to INR 5,000 and second or subsequent contravention (*within 3 years*) shall be punishable with a fine up to INR 10,000;
- (b) For contravention of Section 41-A (*payment of full wages to person employed pending proceedings in higher courts*), the employer shall be liable for penalty up to INR 50,000 and where such failure is a continuing one, with a further penalty up to INR 200 for every day during which such failure continues after the imposition of penalty or compounding of contravention, as the case may be. The penalty shall not exceed INR 1 lakh in aggregate. The adjudicating officer may direct that this amount shall be paid directly to the aggrieved employee by the employer; and

- (c) Any person, (i) who wilfully obstructs (X) an inspector while he is exercising any power conferred on him under this Act; or (Y) any person lawfully assisting an inspector in the exercise of his powers; or (ii) who fails to comply with any lawful direction made by an inspector, shall be liable for penalty up to INR 5,000.

To read the notification [click here](#) (relevant page numbers 181 to 183 of the gazette)



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## PUNJAB EXTENDS 365 DAYS OPERATIONAL APPROVAL FOR ESTABLISHMENTS BY ONE YEAR

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Punjab Government, *vide* its notification dated June 17, 2025, has extended the exemption granted to all establishments from the provisions of Sections 9 (*opening and closing hours*) and 10(1) (*close day*) of the Punjab Shops and Commercial Establishments Act, 1958 ("**Punjab S&E Act**") and permits all the establishments registered under the Punjab S&E Act to keep open on all 365 days of the year, for a further period of 1 year, i.e., up to May 31, 2026.

The aforesaid permission is subject to certain conditions which, *inter alia*, include the following:

- (a) Every employee shall be given 1 day holiday in a week without making any deductions from his/ her wages on account thereof and list of the time table of such holidays for a month shall be placed on the notice board in advance;
- (b) Every employee shall be given a rest period of 1 hour after 5 hours of continuous work;
- (c) No employee shall be required to work for more than 10 hours in a day or 48 hours in a week and the spread over of an employee shall not exceed 12 hours in a day;
- (d) If the establishment remains open after 10 p.m. on any day, adequate safety and security arrangements shall be ensured for employees and visitors;
- (e) Female employees shall be provided separate locker, security and rest rooms at the work place;
- (f) The employer shall comply with the Sexual Harassment of Women at Workplace (Prevention Prohibition and Redressal) Act, 2013;
- (g) If required to work after 8 p.m., written consent of female employee shall be taken as adequate safety and security arrangements shall be made during working hours and it shall be ensured that they safely reach home after their work is over;
- (h) The Child and Adolescent Labour (Prohibition and Regulation) Act, 1986 shall be implemented in the establishments;
- (i) Consent letter shall be taken from the employees and it should be kept as record in the establishments;
- (j) The employee shall be given national and festival holidays with wages;
- (k) The wages including overtime wages of the employees shall be credited to their savings bank account.

To read the notification [click here](#)



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## OTHER UPDATES

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### E-COMMERCE PLATFORMS ADVISED TO CONDUCT SELF-AUDITS TO IDENTIFY DARK PATTERNS

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Central Consumer Protection Authority (CCPA), *vide* its advisory dated June 5, 2025, has advised all e-commerce platforms to take necessary steps to ensure that their platforms do not engage in deceptive and unfair trade practice which are in the nature of dark patterns and to conduct self-audits to identify such dark patterns. The self-audit is to be undertaken within 3 months from the issuance of the advisory and corrective actions are to be taken in relation thereto.

CCPA is also encouraging the platforms to give self-declarations, based on the aforesaid audit reports, that their platform is not indulging in any dark patterns.

To read the advisory [click here](#)



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### MCA NOTIFIES THE REVISED FORM AOC-4 XBRL, CRL-1 AND INC-22A

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MCA, *vide* its notification dated June 6, 2025 and 2 additional notifications dated June 27, 2025, has notified the Companies (Filing of Documents and Forms in Extensible Business Reporting Language) Amendment Rules, 2025, the Companies (Restriction on number of layers) Rules, 2017 and the Companies (Incorporation) Amendment Rules, 2025, respectively.

As per the aforesaid amended rules, effective from July 14, 2025: (a) companies filing Form AOC-4 XBRL are now required to attach a copy of the signed financial statements duly authenticated as specified in Section 134 of the Companies Act (*including board's report, auditors' report and other documents*) along with the said form; (b) Form CRL-1 {*which was required to be filed within 150 days from September 20, 2017 by the companies (other than banking company, non-banking company, insurance company and government company) having more than 2 layers of subsidiaries as on September 20, 2017*} has been substituted and notified; and (c) Form INC-22A (*which was required to be filed by all companies incorporated on or before December 31, 2017, to verify the particulars of the company and its registered office*) has been substituted and notified.

To read the notification for Form AOC-4 XBRL [click here](#), to read the notification for Form CRL-1 [click here](#) & to read the notification for Form INC-22A [click here](#)



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