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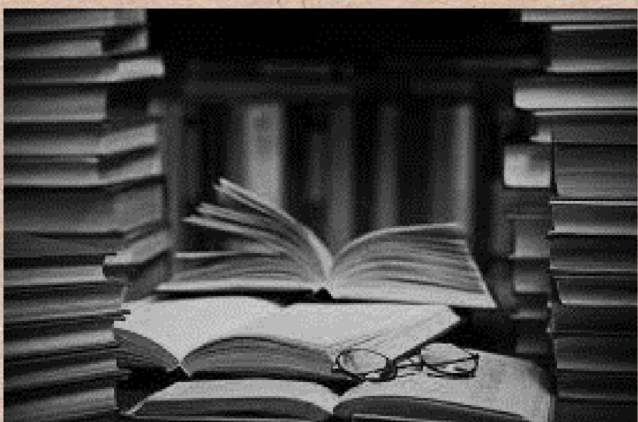
stare decisis: "the principle in law that a decision is made based on decisions in previous cases"



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SEBI UPDATES

SEBI INTRODUCES SPECIAL 6-MONTH WINDOW FOR RE-LODGEMENT OF PHYSICAL SHARE TRANSFER REQUESTS

Securities and Exchange Board of India ("**SEBI**"), *vide* its circular dated July 2, 2025, has introduced a special 6-month window effective from July 7, 2025 till January 6, 2026 ("**Re-lodgement Window**"), for the re-lodgement of physical share transfer requests, which were lodged prior to the deadline of April 1, 2019 and rejected/ returned/ not attended to owing to deficiency in the documents/ process or otherwise.

While physical share transfers were discontinued from April 1, 2019, and a subsequent cut-off date for re-lodgement of transfer deeds was set for March 31, 2021, the Re-lodgement Window will facilitate ease of investing and secure investor rights with respect to the securities purchased by them.

During the Re-lodgement Window, the securities that are re-lodged for transfer (*including those requests that are pending with the listed company/ registrar and share transfer agents (RTAs), as on date*) shall be issued only in dematerialized form, following a transfer-cum-demat process.

This circular requires listed companies, RTAs and stock exchanges to publicize this Re-lodgement Window on a bi-monthly basis. Additionally, RTAs and listed companies shall have focussed teams to attend to such requests, and provide SEBI with monthly reports on publicity efforts and status of re-lodged transfer-cum-demat requests, in the format set out in Annexure-A of the circular.

To read the circular click here

RBI INTRODUCES DIRECTIONS ON PRE-PAYMENT CHARGES ON LOANS

Reserve Bank of India ("**RBI**"), *vide* its notification dated July 2, 2025, has introduced the RBI (Pre-payment Charges on Loans) Directions, 2025 ("**Pre-payment Directions**"). The Pre-payment Directions are applicable to all loans and advances sanctioned or renewed on or after January 1, 2026, and shall apply to all commercial banks (*excluding payments banks*), co-operative banks, non-banking finance companies ("**NBFCs**") and all India financial institutions. The key terms include:

(a) No pre-payment charges shall be levied for:

(i) loans granted for purposes other than business to individuals, with or without co-obligant(s);
(ii) loans granted for business purpose to individuals and micro and small enterprises, with or without co-obligant(s) by a commercial bank (*excluding small finance bank, regional rural bank and local area bank*), tier 4 primary (urban) co-operative bank, NBFC-upper layer, and all India financial institution;
(iii) loans with sanctioned amount/ limit up to INR 50 lakhs by a small finance bank, regional rural bank, tier 3 primary (urban) co-operative bank, state cooperative bank, central cooperative bank and NBFC-middle layer.

These restrictions shall be applicable irrespective of the source of funds used for pre-payment of loans, either in part or in full, and without any minimum lock-in period. Further, applicability of the Pre-payment Directions in case of dual/ special rate (*combination of fixed and floating rate*) loans will depend on whether the loan is on floating rate at the time of pre-payment.

(b) In cases other than specifically covered above, pre-payment charges, if any, shall be as per the approved policy of the Regulated Entities ("**REs**"). However, in case of term loans, pre-payment charges, if levied by the RE, shall be based on the amount being prepaid. In case of cash credit/ overdraft facilities, pre-payment charges on closure of the facility before the due date shall be levied on an amount not exceeding the sanctioned limit.

(c) No pre-payment charges shall be applicable in case of cash credit/ overdraft facilities if the borrower intimates the RE of its intention not to renew the facility before the period as stipulated in the loan agreement, provided that the facility gets closed on the due date.

(d) The applicability or otherwise of pre-payment charges shall be clearly disclosed in the sanction letter, loan agreement and in the key facts statement, as applicable. No pre-payment charges which have not been disclosed as specified herein shall be charged by an RE.

(e) Further, no charges shall be levied where pre-payment is effected at the instance of the RE or charges/ fees which were waived off earlier by the RE.

To read the Pre-payment Directions click here

IFSCA (TECHFIN AND ANCILLARY SERVICES) REGULATIONS, 2025 - NOTIFIED

International Financial Services Centres Authority ("**IFSCA**"), *vide* its notification dated July 8, 2025, has notified the IFSCA (TechFin and Ancillary Services) Regulations, 2025 ("**TechFin and Ancillary Services Regulations**"), which aim to provide a regulatory framework for techfins and ancillary services providers for making arrangements for carrying on any of the financial services listed in the IFSCA Act, 2019. The 'Framework for enabling Ancillary Services at International Financial Services Centres' and techfin provisions under Clause 7 and Annexure-I of the 'Framework for FinTech Entity in International Financial Services Centres' circular would be repealed 24 months from the commencement of the TechFin and Ancillary Services Regulations. However, existing ancillary service providers and techfin entities may continue under the respective circulars until they receive registration under the TechFin and Ancillary Services Regulations or for up to 12 months from commencement, whichever is earlier, unless extended.

The key highlights of the TechFin and Ancillary Services Regulations are as follows:

(a) <u>Registration</u>
An entity desirous of providing either techfin or ancillary services or both, shall not commence its operations in the International Financial Services Centre ("**IFSC**") unless a certificate of registration is granted by IFSCA. In case an existing ancillary service provider or techfin entity is unable to obtain the certificate of registration within the specified period, on an application made by the entity, the chairperson of the IFSCA may, for reasons recorded in writing, grant an extension beyond 12 months, but not exceeding 24 months in aggregate.

(b) <u>Legal form</u>
The applicant shall be an entity incorporated as a company or limited liability partnership (LLP) in the IFSC or a branch of a company or of a LLP incorporated outside the IFSC, or in any other form as may be permitted by IFSCA. A partnership firm registered under the Indian Partnership Act, 1932, wherein all its partners are members of professional body or institute constituted under any Act of Parliament, shall also be eligible to make an application under the TechFin and Ancillary Services Regulations. All the promoters or partners of the applicant entity shall be from a jurisdiction which has not been identified in the public statement of Financial Action Task Force (FATF) as 'High-Risk Jurisdictions subject to call for action'.

(c) <u>Procedure for making application and grant of Certificate of Registration (CoR)</u>
The application shall be made to IFSCA through the SWIT portal, along with the requisite documents and application fees, in the manner specified by IFSCA. IFSCA may grant in-principle approval to the applicant, subject to such conditions as deemed fit. On being satisfied that the conditions of the in-principle approval have been fulfilled, IFSCA may grant a CoR.

(d) <u>Fit and proper person requirements and code of conduct</u>
The techfin and ancillary services provider shall ensure that the entity and its principal officer, compliance officer, directors/ partners/ designated partners, and controlling shareholders are 'fit and proper' persons, at all times. The TechFin and Ancillary Services Regulations provides for a detailed criteria for the determination of the 'fit and proper' criteria. Further, the techfin

and ancillary services provider shall abide by the code of conduct as specified in fourth schedule of the TechFin and Ancillary Services Regulations.

(e) Appointment of principal officer and compliance officer
The techfin and ancillary services provider shall appoint a principal officer or designate one of its existing officers as a principal officer, who shall be responsible for its overall activities. Further, the techfin and ancillary services provider shall appoint a compliance officer or designate one of its existing officers as a compliance officer, who shall be responsible for the compliance of policies, procedures, maintenance of records, implementation of the requirements under these regulations, other applicable laws, and reports to the board of directors or head of the organisation, as the case may be. These officers shall be full-time employees of the service provider and shall be based out of IFSC.

(f) Miscellaneous
The techfin and ancillary service provider shall carry out its operation in any of the specified foreign currency and every service provider shall maintain its balance sheet in any of the specified foreign currencies. The techfin and ancillary service provider shall furnish information relating to its operations to IFSCA, in such manner, interval and form, as may be specified by IFSCA and such reporting shall be in US Dollar, unless otherwise specified by IFSCA. The techfin and ancillary service provider shall pay the annual fees, and any other fees as may be specified by IFSCA from time to time.

To read the TechFin and Ancillary Services Regulations click here

RBI ISSUES DIRECTIONS FOR REGULATED ENTITIES ON INVESTMENTS IN AIF

RBI, *vide* its notification dated July 29, 2025, has issued the RBI (Investment in Alternative Investment Funds) Directions, 2025 ("**AIF Directions**") by repealing its erstwhile circulars on Investments in Alternative Investment Funds ("**AIFs**") dated December 19, 2023 and March 27, 2024, respectively (*collectively referred to as the "**AIF Circulars**"*). The AIF Directions, effective from January 1, 2026 (*or an earlier date as determined by the RE in accordance with its internal policy*), outline the regulatory guidelines governing investments by REs in AIFs. Additionally, it mandates REs to ensure that their investment policies include suitable provisions for investments in an AIF scheme, in compliance with applicable laws and regulations.

The key highlights of the AIF Directions include:

(a) Applicability: The AIF Directions apply to REs, including commercial banks (*such as small finance banks, local area banks, and regional rural banks*), co-operative banks (*comprising primary urban, state, and central co-operative banks*), all-India financial institutions, and NBFCs, including housing finance companies, making investments in units of AIF schemes.

(b) Investment Limits: Individual REs are barred from contributing to more than 10% of the AIF scheme's corpus, with collective contribution by all REs being capped at 20% of such corpus.

However, these investment limits will not apply in case outstanding investments or commitments are made by a RE with prior approval from RBI under RBI's "Master Direction – RBI (Financial Services provided by Banks) Directions, 2016".

(c) Provisioning Requirements: If a RE invests more than 5% in an AIF scheme corpus, which also has downstream investment (*excluding equity instruments*) in RE's debtor company, the RE must make a 100% provision for its proportionate investment in the debtor company, subject to a maximum of the direct loan and/ or investment exposure to that debtor. Additionally, if RE's contribution in an AIF scheme is in the form of subordinated units, it shall deduct the entire investment from its capital funds, proportionately from both tier-1 and tier-2 capital, as applicable.

(d) Exemptions: RBI may, in consultation with the Government of India, exempt certain AIFs from the scope of the AIF Circulars and the AIF Directions, except for the requirement mandating REs to have in place appropriate investment policies governing its investments in an AIF scheme.

(e) Repeal clause: Post January 1, 2026, any new commitments by REs for contribution to an AIF scheme, must comply with the AIF Directions. However, outstanding investments by REs in an AIF scheme (*as on the date of issuance of the AIF Directions i.e., July 29, 2025*), wherein it has fully honoured its commitment, will continue to be governed by the AIF Circulars. Furthermore, for ongoing investments or commitments made in an AIF scheme before January 1, 2026, REs may choose to follow the provisions of either the AIF Circulars or the AIF Directions, in its entirety.

To read the AIF Directions click here

FMEs FACE HEAT OVER NON-COMPLIANCE WITH IFSCA REGULATIONS

IFSCA, *vide* its press release dated July 18, 2025, has undertaken regulatory actions against Fund Management Entities ("**FMEs**") for non-compliance with the International Financial Services Centres Authority (Fund Management) Regulations, 2025 ("**FM Regulations**").

IFSCA conducted multiple rounds of surprise visits to the office premises of the FMEs to check whether the Key Management Personnel ("**KMPs**") of the respective FMEs were present at the respective offices or not. The visit has been conducted to ensure compliance with Regulations 7(5) and 10(1) of the FM Regulations, which mandates that the principal officer and other KMPs must be present in the IFSCA and the FMEs must maintain adequate infrastructure including office space, equipment, communication facilities, and manpower sufficient enough to support its operations.

During the visit it found out that offices of multiple FMEs were closed/ unattended and their respective KMPs were consistently absent during the working hours. This was in contravention to the aforementioned regulations. Hence, to ensure the compliance with the regulatory standards, IFSCA decided to initiate regulatory actions against total 9 FMEs.

To read the press release click here

LABOUR UPDATES

ELI SCHEME ANCHORED ON JOB CREATION, EMPLOYABILITY & SOCIAL SECURITY

The Union Cabinet, *vide* its press release dated July 1, 2025, has announced the approval of the Employment Linked Incentive Scheme ("**ELI Scheme**") which is aimed at promoting job creation, improving employability, and enhancing social security across all sectors, with a special emphasis on manufacturing. With a dedicated outlay of INR 99,446 crores, the ELI Scheme targets the creation of over 3.5 crore new jobs nationwide within 2 years, out of which 1.92 crore beneficiaries are expected to be first-time entrants to the workforce. The ELI Scheme's benefits will apply to jobs created between August 1, 2025 and July 31, 2027.

The ELI Scheme is divided into 2 parts:

(a) Part A deals with the incentive to first-time employees registered with the Employees' Provident Fund Organisation ("**EPFO**"). It provides that the first-time employees will receive 1 month's wage (*up to INR 15,000*) in 2 instalments. Employees earning salaries up to INR 1 lakh will be eligible for the same. To encourage the habit of saving, a portion of the incentive will be kept in a savings instrument of deposit account for a fixed period and can be withdrawn by the employee at a later date.

(b) Part B provides for the incentives to employers in respect of employees with salaries up to INR 1 lakh. The government will incentivize employers, up to INR 3,000 per month, for 2 years, for each additional employee with sustained employment for at least 6 months. For the manufacturing sector, incentives will be extended to additional 2 years. Establishments, which are registered with EPFO, will be required to hire at least 2 additional employees (*for employers with less than 50 employees*) or 5 additional employees (*for employers with 50 or more employees*), on a sustained basis for at least 6 months.

Since the ELI Scheme envisages incentives to employers and employees, with the eligibility for the incentive being available only in cases where an employee's earning does not exceed INR 1 lakh, EPFO, *vide* its circular dated July 22, 2025, has directed all employers to ensure correct entry relating to gross wages in the electronic challan-cum-return to be filed from the wage month August 2025 onwards.

To read the press release click here & to read the EPFO circular click here

ESIC LAUNCHES SCHEME TO PROMOTE REGISTRATION OF EMPLOYERS/ EMPLOYEES

Employees State Insurance Corporation ("**ESIC**"), *vide* its circular dated July 1, 2025, has launched a scheme to promote registration of factories/ establishments and employees coverable under the Employees' State Insurance Act, 1948 ("**ESI Act**"). This is done as the ESI Act requires the employers to register the factory/ establishments under the ESI Act within 15 days after the ESI Act becomes applicable to the unit and such employers are also required to register their eligible employees. However, some of the employers as well as employees may have been left out from the coverage under the ESI Act. Hence, to encourage such employers to cover themselves under the ESI Act without any retrospective coverage and punitive action, the scheme has been launched as a one-time opportunity.

The scheme will remain open for a period of 6 months from July 1, 2025 to December 31, 2025.

To read the circular click here

ESIC APPROVES AMNESTY SCHEME FOR WITHDRAWAL OF CRIMINAL CASES FILED AGAINST INSURED PERSONS AND EMPLOYERS

ESIC, *vide* its circular dated July 24, 2025, has launched the Amnesty Scheme, 2025 ("**Amnesty Scheme**") with the aim to reduce the number of litigation by providing a mechanism for resolution of disputes outside the court. By way of the Amnesty Scheme, ESIC targets to earn goodwill of stakeholders and enhance the brand image of ESIC.

The Amnesty Scheme provides the opportunity for the withdrawal of prosecution cases filed under Sections 84 (*punishment for false statements*) and 85 (*punishment for failure to pay contributions, etc.*) of the ESI Act and court cases under Sections 75 (*matters to be decided by employees' insurance court*) and 82 (*appeal*) of the ESI Act and Article 226 (*power of High Courts to issue certain writs*) of the Constitution of India up to March 31, 2025, subject to certain terms and conditions. The Amnesty Scheme has specific procedures laid down in relation to closed units, running units, cases involving insured persons, prosecution cases against employers and non-submission of contribution returns.

The Amnesty Scheme shall be in force from October 1, 2025 to September 30, 2026.

To read the Amnesty Scheme click here

ANDAMAN AND NICOBAR ISLANDS IMPLEMENT THIRD PARTY CERTIFICATION/ SELF-INSPECTION MECHANISM

Andaman and Nicobar Islands, *vide* its notification dated July 1, 2025, has implemented the "Third Party Certification/ Self-Inspection Mechanism" for factories, shops and commercial establishments under labour laws in the Union Territory of Andaman and Nicobar Islands. The mechanism is intended to promote transparency and accountability in inspections, while simultaneously encouraging compliance with labour laws in factories, shops, and commercial establishments in accordance with the powers conferred upon the State/ UT governments (*appropriate governments*) under various labour laws.

This mechanism is structured in 2 parts, wherein the first part pertains to the "inspection scheme", which consists of self-inspection/ certification and third-party certification based on risk based classification for factories; and the second part pertains to third party certification for shops and commercial establishments. With respect to the factories, eligible units must submit self-inspection/ certification (*provided as Annexure – A to the notification*) *via* email to lcdet@and.nic.in. Incorrect or false submissions may lead to revocation of self-certification privileges and reinstatement of regular inspections. In any case, the labour department has reserved the right to carryout surprise inspections or inspections based on specific complaints, if any. With respect to the shops and commercial establishments, only third-party certification is permitted.

To read the notification click here

ENVIRONMENTAL UPDATES

HAZARDOUS AND OTHER WASTES (MANAGEMENT AND TRANSBOUNDARY MOVEMENT) AMENDMENT RULES, 2025 – NOTIFIED

Ministry of Environment, Forest, and Climate Change ("**MoEFCC**"), *vide* its notification dated July 1, 2025, has notified the Hazardous and Other Wastes (Management and Transboundary Movement) Amendment Rules, 2025 ("**Hazardous Waste Amendment Rules**"), by amending the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 ("**Hazardous Waste Rules**"). The Hazardous Waste Amendment Rules introduces provisions related to Extended Producer Responsibility ("**EPR**") for scrap of non-ferrous metals.

Key points under the Hazardous Waste Amendment Rules are as follows:

(a) 'EPR' has been defined as the responsibility of the producer of non-ferrous metal products for meeting targets in accordance with Schedule XI of the Hazardous Waste Rules. Definitions to several other terms including environmentally sound management of scrap, non-ferrous metals, orphaned products, and standard operating procedure have been provided.

(b) All activities related to the implementation of the EPR shall be done through an online portal managed by the Central Pollution Control Board ("**CPCB**"). Manufacturers, producers, collection agents, refurbisher, and recycler of scrap of non-ferrous metals are required to register with the CPCB, and file half yearly and annual returns on such online portal. None of the aforementioned entities shall be permitted to carry out any business without obtaining registration. Registration fees and annual maintenance charges payable to CPCB shall be based on the capacity of scrap of non-ferrous metals generated, recycled, refurbished or handled.

(c) Every producer has the responsibility of recycling non-ferrous metal scrap in line with targets specified in Schedule XI of the Hazardous Waste Rules. In doing so, producers can collaborate with third party collection agents and dealers. These targets can be fulfilled either by direct recycling or by purchasing EPR certificates from registered recyclers through the online portal.

(d) EPR certificates are generated by the CPCB for recyclers based on the quantity and conversion factor of recycled output. Such certificates shall have a 2-year validity from the end of the financial year in which it was generated.

(e) Refurbishing of non-ferrous metal products listed in Schedule-XII of the Hazardous Waste Rules is permitted and refurbishers will produce EPR certificates on the online portal, which producers may use to defer their EPR obligations temporarily, as per the duration set by the CPCB.

(f) Producers have been permitted to purchase EPR certificates equivalent to their current and pending liabilities plus 10% of the current year liability. However, EPR certificates shall be subject to audit by the CPCB or any other agencies authorised by it.

(g) Manufacturers are also required to incorporate minimum percentages of domestically recycled non-ferrous metals into their new products as specified in Schedule-XIII of the Hazardous Waste Rules.

(h) CPCB has been empowered to impose environmental compensation on entities failing to comply with the Hazardous Waste Rules. However, payment of such environmental compensation will not absolve the producer from the EPR target and any unfulfilled EPR target for a particular year shall be carried forward to the next year and so on, up to 3 years.

(i) A steering committee, consisting of representatives from key ministries, industry bodies, and research institutions, has been constituted for overall implementation, and to resolve disputes, revise targets, and provide guidance on policy matters.

(j) State Governments, municipalities, local bodies, and state pollution control boards ("**SPCBs**") are mandated to facilitate infrastructure development, conduct awareness programmes, worker welfare, and monitor the compliance of EPR as directed by CPCB.

To read the Hazardous Waste Amendment Rules click here

TIMELINE FOR FILING RETURNS EXTENDED UNDER BATTERY WASTE MANAGEMENT RULES, 2022

MoEFCC, *vide* its order dated July 10, 2025, has extended the timeline for filing annual returns for the financial year 2024-25 by producers of batteries under the Battery Waste Management Rules, 2022 ("**Battery Rules**").

The Battery Rules impose a mandatory requirement on battery producers to file annual returns by June 30, every financial year. These returns shall be submitted in Form 3 by providing critical data on the quantity of waste batteries collected, recycled, or refurbished. This process helps to ensure compliance with EPR obligations with the CPCB and SPCB, fostering a circular economy and environment-friendly disposal and management of battery waste.

Furthermore, an amendment dated October 25, 2023 introduced provisions empowering the Central Government to relax the timelines for filing returns by producers, recyclers, and refurbishers up to a maximum of 9 months. This flexibility aims at enabling smooth and effective implementation of the Battery Rules. Considering the request of the CPCB and to facilitate compliance, MoEFCC has agreed to extend the timeline for producers of batteries to file their annual returns for FY 2024-25 from June 30, 2025 to September 30, 2025.

To read the order click here

LIST OF WHITE CATEGORY INDUSTRIES REVISED

MoEFCC, *vide* its orders dated July 28, 2025, has notified the revised list of industrial sectors or projects, processes or activities with a pollution index score of up to 25, which are exempted from the requirement of obtaining prior consent from SPCBs under the Water (Prevention and Control of Pollution) Act, 1974 ("**Water Act**") and the Air (Prevention and Control of Pollution) Act, 1981 ("**Air Act**") for establishing or operating any industrial plant. The revised list now contains 54 white category industries. However, such industries are required to submit a written intimation to the concerned SPCBs or the pollution control committees.

Some of the white category sectors classified by the CPCB include assembly of bicycles, baby carriages, and other small non-motorizing vehicles; bailing (*hydraulic press*) of waste paper; bio-fertilizer and bio-pesticide manufacturing (*without inorganic chemicals*), medical oxygen, packing of powdered milk, etc.

To read the notification under the Water Act click here & to read the notification under the Air Act click here

OTHER UPDATES

BILLS OF LADING ACT, 2025 REPLACES 169 YEARS-OLD COLONIAL-ERA LAW

Ministry of Law and Justice, *vide* its notification dated July 24, 2025, has published the Bills of Lading Act, 2025 thereby repealing the Bills of Lading Act, 1856. The legislation replaces archaic terminology with clear and business friendly language, streamlining rights and obligations for carriers, shippers, and lawful holders, thereby reducing ambiguity in shipping documentation to lower litigation risks as well as strengthening India's position in global trade by aligning with international norms.

The key features of the Bills of Lading Act, 2025 are as follows:

(a) All rights of suit and liabilities under a bill of lading will now transfer and vest directly in the consignee of goods or endorsee, provided property in the goods has passed.
(b) The Bills of Lading Act, 2025 does not affect any right of stoppage in transit, any right to claim freight against the original shipper or owner, or any liability of the consignee or endorsee.
(c) A bill of lading in the hands of a consignee or endorsee for valuable consideration (*representing goods to have been shipped on board a vessel*) shall be deemed conclusive evidence of shipment against the master or signatory, notwithstanding that such goods or some part thereof may not have been so shipped.
(d) The Bills of Lading Act, 2025 empowers the Central Government to issue directions for effective implementation, and incorporates a standard repeal and saving clause, ensuring continuity and legal validity of past actions under the Bills of Lading Act, 1856.

The above reforms aim to enhance clarity, promote ease of understanding, and enable smoother enforcement in line with contemporary trade and legal standards enabling ease of doing business in India.

The Bills of Lading Act, 2025 shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

To read the notification click here

COSMETICS (AMENDMENT) RULES, 2025 – NOTIFIED

Ministry of Health and Family Welfare, *vide* its notification dated July 29, 2025, has notified the Cosmetics (Amendment) Rules, 2025 ("**Cosmetics Amendment Rules**") thereby amending the Cosmetics Rules, 2020 ("**Cosmetics Rules**"). Following are the key amendments introduced by the Cosmetics Amendment Rules:

(a) Record keeping requirement under the Cosmetics Rules has been substituted. The licensee shall now have to keep the records in accordance with the Cosmetics Rules either as hardcopy or through electronic means (*no specific means of record-keeping was provided earlier*) and such records shall be retained for a period of 3 years or 6 months after expiry of the batch whichever is later (*earlier the requirement was to keep the records for 3 years after the date of expiry of the batch or the date of manufacture, as applicable under the Cosmetics Rules*);

(b) New Rule 31A has been inserted which provides for cancellation or suspension of licence. If a licensee fails to comply with any of the conditions of license or with any provision of the Drugs and Cosmetics Act, 1940 or the rules made thereunder, the State Licensing Authority may, after giving the licensee an opportunity to show cause as to why an order for cancellation or suspension of license should not be passed and after giving an opportunity of being heard, by an order in writing, stating the reasons thereof, cancel the licence or suspend it for such period as he thinks fit, either wholly or in respect of some of the substances to which it relates. Right to appeal against such an order has been provided; however, the order passed by the State Government in relation to the appeal shall be final; and

(c) In Rule 34 (*manner of labelling*) of the Cosmetics Rules, sub-rule 10 has been substituted which now provides that where the cosmetic is meant for export, then the label on package or container of cosmetic shall comply with the law of the country to which the cosmetic is to be exported, provided that where a cosmetic is required by the consignee to be not labelled with the name and address of the manufacturer, the label on package or container shall bear a code number as approved by the State Licensing Authority.

To read the Cosmetics Amendment Rules [click here]

COMPREHENSIVE CYBER SECURITY AUDIT POLICY GUIDELINES ISSUED BY CERT-IN

Indian Computer Emergency Response Team ("**CERT-In**"), under the Ministry of Electronics and Information Technology, *vide* its notification dated July 25, 2025, has issued the Comprehensive Cyber Security Audit Policy Guidelines ("**CERT-In Guidelines**"). These directives, rooted in Section 70B of the Information Technology Act, 2000, seek to create a rigorous, standardised approach for cybersecurity audits of organizations spanning the public and private sectors.

The key provisions of the CERT-In Guidelines are as follows:

(a) Objectives and Applicability: The framework focuses on:

(i) CERT-In Empanelled Auditors: Organizations officially recognized to conduct security assessments such as vulnerability and penetration tests; and

(ii) Auditee Entities: Any organization, regulated or voluntary, that owns, manages, or operates digital infrastructure subject to audit.

(b) Scope of Cybersecurity Assessments: The CERT-In Guidelines provide an expansive list of assessments covered under their framework such as (i) regulatory and compliance audits, (ii) risk assessments and vulnerability testing, (iii) penetration testing, (iv) reviews of network and IT infrastructure, (v) application, source code, and cloud security evaluations, (vi) testing of operational technology, IoT devices, and industrial control systems, (vii) specialized audits, including blockchain, AI systems, and software or hardware 'bill of materials' analyses, etc.

The cyber security audit should be conducted at least once in a year.

(c) Roles and Responsibilities: the CERT-In Guidelines set out the detailed responsibility of the auditees as well as the auditors.

(d) Audit Planning and Execution: Comprehensive audit planning is mandatory for both auditors and auditees, the specific guidelines for which have been set out in the CERT-In Guidelines.

(e) Reporting and Data Governance: Audit findings shall be presented in clear, precise, comprehensive report which shall be signed by the audit team, independently reviewed, and endorsed by senior audit leadership. Vulnerabilities must be categorized by severity and exploitability. Critical issues require immediate notification, and final reports are issued after remediation and follow-ups. Reports must be securely delivered to authorized contacts.

(f) Audit Performance: Auditees should limit audit awareness to key staff, provide temporary access credentials, and monitor progress. Auditors must hold pre-audit discussions, use qualified personnel, report critical vulnerabilities immediately, and obtain consent for high-risk tests. Testing environments and data security protocols must be clearly defined and followed, with regular coordination between parties.

(g) Data Management: Audit data must be kept confidential, stored within India, and shared only with consent or regulatory obligation. Any data breaches must be promptly reported and addressed by auditors.

(h) Enforcement and Non-Compliance Measures: CERT-In may take following graded actions on the auditing organizations based on a matrix set out in the CERT-In Guidelines: (i) move to watch list with warning and written commitment, (ii) suspension, (iii) debarment, or (iv) penal and legal actions.

To read the CERT-In Guidelines click here

MCA SUBSTITUTES FORM LEAP-1 AND E-FORM CSR-1

Ministry of Corporate Affairs (MCA), *vide* its notifications dated July 3, 2025 and July 7, 2025, has notified the Companies (Listing of Equity Shares in Permissible Jurisdictions) Amendment Rules, 2025 and the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2025, respectively.

The primary change in the aforesaid amended Rules involve: (a) the substitution of Form LEAP-1 (*form for submission of prospectus with the Registrar*) within the Second Schedule of the Companies (Listing of Equity Shares in Permissible Jurisdictions) Rules, 2024, effective from July 3, 2025; and (b) the replacement of e-Form CSR-1 (*registration of entities for undertaking CSR activities*), with a web-based version, effective from July 14, 2025.

To read the notification for Form LEAP-1 click here & to read the notification for e-Form CSR-1 click here

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

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