



JSA Corporate InVision

May 2025

SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI)

Facilitation to SEBI registered stock brokers to undertake securities market related activities in Gujarat International Finance Tec-City International Financial Services Centre

SEBI, *vide* circular dated May 2, 2025, has introduced measures to enhance ease of doing business for SEBI-registered stock brokers seeking to undertake securities market-related activities in the Gujarat International Finance Tec-City International Financial Services Centre (“**GIFT-IFSC**”). Previously, SEBI registered stock brokers were required to obtain explicit approval from SEBI for establishing a subsidiary or joint venture to operate in GIFT-IFSC. Pursuant to the amendment, SEBI registered stock brokers proposing to undertake securities market related activities in GIFT-IFSC are permitted to do so under a Separate Business Unit (“**SBU**”) of the stock broking entity itself without SEBI approval. These activities can also be carried out if the branch qualifies as an SBU.

Some of the key provisions are as follows:

1. SBUs in GIFT-IFSC must be exclusively engaged in providing securities market related activities as permitted by the International Financial Services Authority (“**IFSCA**”);
2. stock brokers must prepare and maintain a separate account for the SBU on arms-length basis;
3. the net worth of the SBU must be kept segregated from the net worth of the stock broker in the Indian securities market;
4. SBUs must maintain separate financial accounts and the net worth of the SBU must be independent of the domestic entity and adhere to IFSCA’s regulatory requirements; and
5. stock brokers that have already established subsidiaries or joint ventures for GIFT-IFSC operations may opt to dissolve those structures and continue such services through an SBU.

Review of disclosure requirements by Infrastructure Investment Trusts and Real Estate Investment Trusts

SEBI, *vide* circulars dated May 7, 2025, has revised Chapters 3 and 4 of the Master Circulars for Infrastructure Investment Trusts (“**InvITs**”) and Real Estate Investment Trusts (“**REITs**”) dated May 15, 2024, dealing with disclosure of information in the offer document and post listing of units. Some of the key revisions are as follows:

1. the offer document/placement memorandum must contain audited financial statements for a period of 3 (three) financial years (*earlier audited financial statements were not mandatory*). Further, if the latest audited financials are older than 6 (six) months from the date of filing, additional stub period financials must be provided;
2. if general-purpose financial statements are unavailable, combined or carved-out financial statements must be prepared and audited by the seller's auditor. If the REIT/InvIT has been in existence for less than 3 (three) completed financial years, disclosures should be provided for the years the REIT/InvIT has been operational, including any applicable stub periods;
3. in case of a follow-on offer, if the InvIT/REITs has been in existence for a period lesser than the last 3 (three) completed financial years, then financial statements of the InvIT/REITs must be disclosed for such financial years for which the InvIT/REITs has been in existence and for the stub period (if applicable); and
4. additional disclosures are specified which will be included as a part of the audited financial information and will be audited accordingly. These include project-wise operating cash flows, contingent liabilities and commitments as of the date of the latest financials.

Amendments to investor charter for registrars to an issue and share transfer agents

SEBI, *vide* circular dated May 14, 2025, has updated the investor charter for Registrars to an Issue and Share Transfer Agents (“**RTAs**”) (“**Investor Charter**”). It introduces a more detailed and structured framework for investor services, building upon previous guidelines to ensure higher standards of transparency, efficiency and accountability in the securities market. Some of the key changes in the Investor Charter are as follows:

1. it aims to improve investor protection and financial inclusion, particularly with the introduction of the ODR platform and SCORES 2.0; and
2. all the registered RTAs must continue to disclose on their respective websites, the data on complaints received against them or against issues dealt by them and redressal thereof, latest by 7th of succeeding month.

Composition of the internal audit team for Credit Rating Agencies

To provide Credit Rating Agencies (“**CRAs**”) with a larger pool of eligible professionals with the relevant experience/qualifications for conducting the internal audit, SEBI *vide*, circular dated May 14, 2025, has decided to include cost accountant and diploma in information system security audit qualifications from the Institute of Cost Accounts of India to the audit team.

SEBI (Alternative Investment Funds) (Amendment) Regulations, 2025

SEBI, *vide* notification dated May 21, 2025, has amended the SEBI (Alternative Investment Funds) Regulations, 2012, by modifying the explanation under Regulations 17 (2) (*conditions for Category II Alternative Investment Funds*) to state that a Category II Alternative Investment Fund must 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, directly or through investment in units of other Alternative Investment Funds, in the manner as may be specified by SEBI.

Process for appointment, re-appointment, termination or acceptance of resignation of specific key management personnel of Market Infrastructure Institutions

SEBI, *vide* circular dated May 26, 2025, has prescribed a framework for the appointment, re-appointment, termination or acceptance of resignation of specific Key Management Personnel (“**KMPs**”) of Vertical 1 (compliance and risk management) and Vertical 2 (technology and information security) of Market Infrastructure Institutions (“**MIIs**”), including stock exchanges, clearing corporations, and depositories. The provisions of this circular will come into force 90 days from the date of issuance, i.e., from August 24, 2025.

Some of the key provisions are as follows:

1. the MII must engage an external agency to recommend suitable candidates for positions such as compliance officer, chief risk officer, chief technology officer and chief information security officer. The agency's recommendations will be submitted to the nomination and remuneration committee, which will then evaluate the recommendations and present them to the Governing Board. The Governing Board will then make the final decision on re-appointment, termination, or resignation of these KMPs, with terminations only allowed if they have been given a reasonable opportunity to be heard;
2. the cooling-off period for KMPs shifting to a competing MII will now be determined by the Governing Board of the MII; and
3. in case the existing public interest director after completion of his first term is not considered for re-appointment by the Governing Board of the MII, the rationale for the same must be recorded and informed to SEBI.

RESERVE BANK OF INDIA (RBI)

Payments Regulatory Board responsible for regulating and supervising all payment and settlement systems

RBI, on May 20, 2025, has notified the Payments Regulatory Board (“**PRB**”), Regulations, 2025 to establish a new regulatory framework for payment systems in India. The PRB, replacing the previous Board for Regulation and Supervision of Payment and Settlement Systems, will be responsible for regulating and supervising all payment and settlement systems. This shift aims to enhance independence and accountability in regulatory decision-making. PRB will now be a central authority responsible for regulating India's digital payment landscape, ensuring a well-structured framework backed by expert governance. The PRB will be assisted by the Department of Payment and Settlement Systems which will report to the PRB. It will consist of 6 (six) members, including the RBI governor as chairman, a deputy governor in charge of payment systems, one other RBI-nominated officer, and 3 (three) members nominated by the Central Government.

MINISTRY OF CORPORATE AFFAIRS (MCA)

Companies (Indian Accounting Standards) Amendment Rules, 2025

MCA, *vide* notification on May 7, 2025, has issued the Companies (Indian Accounting Standards) Amendment Rules, 2025 amending the Companies (Indian Accounting Standards) Rules, 2015 (“**Principal Rules**”), focusing on the effects

of changes in foreign exchange rates. Amendments are made to Annexure B of the Principal Rules. Some of the key amendments are as follows:

1. a currency is exchangeable into another currency when an entity can obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations;
2. elaboration on the definition of exchangeable is inserted stating that an entity assesses whether a currency is exchangeable into another currency - at a measurement date and for a specified purpose. Further, the currency is not exchangeable into the other currency, if an entity is able to obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose; and
3. an entity must disclose information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects the entity's financial performance, financial position and cash flows.

Companies (Accounts) Amendment Rules, 2025

MCA, *vide* notification dated May 16, 2025, has amended the amend the Companies (Accounts) Rules, 2014, requiring every company covered under the provisions of Section 135 (1) of the Companies Act, 2013 to mandatorily furnish a report on Corporate Social Responsibility in Form CSR-2 to the Registrar of Companies. For the financial year 2023-2024, Form CSR-2 must be filed separately on or before June 30, 2025, after filing Form No. AOC-4 or Form No. AOC-4-NBFC (Ind AS) (*earlier this was March 31, 2025*).

MINISTRY OF COMMERCE AND INDUSTRY (MoCI)

Guarantee provided against credit instruments extended by member institutions to finance eligible startups

MoCI, *vide* notification dated May 8, 2025, has issued the Credit Guarantee Scheme for Startups ("CGSS"), for the purpose of providing credit guarantees (upto a specified limit) against credit instruments extended by Member Institutions ("MI") to finance eligible borrowers being startups. The CGSS will help provide collateral free debt funding to startups. Loan/debt facilities sanctioned to an eligible borrower on or after the date of notification of the scheme will be eligible for coverage under the scheme. Some of the key provisions of the CGSS are as follows:

1. an entity that is recognised by the Department for Promotion of Industry and Internal Trade as a startup, is not in default to any lending/investing institution and/or not classified as 'Non-Performing Asset' as per the Reserve Bank of India guidelines, and their startup eligibility are certified by the MI for the purpose of guarantee cover, will be applicable to borrow under the CGSS;
2. scheduled commercial banks, financial institutions, registered Non-Banking Financial Companies (having a rating of BBB having minimum networth of INR 100 crore (Indian Rupees one hundred crore)) and SEBI registered Alternative Investment Funds, will be eligible for the lending/investing institutions under the CGSS;
3. a lending/investing institution will not be entitled to a guarantee in respect of eligible loan/venture debt facilities granted by it unless it has entered into an agreement with trustee/submitted an undertaking to the trustee;
4. the maximum guarantee cover per borrower will not exceed INR 20,00,00,000 (Indian Rupees twenty crore). The credit facility being covered, must not have been covered under any other guarantee scheme. The guarantee will be limited to the outstanding limit, less the value of collateral security accepted by the MI at the time of sanction of facilities in terms of its valuation policy guidelines, subject to compliance with other conditions of the CGSS; and

5. to avail the guarantee cover under the CGSS, the MIs must pay guarantee fee in the form of annual commitment charge of 0.15% per annum of the proposed pooled investment in startups upfront to the trust within 30 (thirty) days from the date of credit guarantee demand advice note of commitment charge. In case the pooled investment amount in startups is higher than what was proposed initially, the MI will pay the balance guarantee fee (commitment charges) from time to time.

MINISTRY OF FINANCE (MoF)

Securities Contracts (Regulation) Amendment Rules, 2025

MoF, *vide* notification dated May 16, 2025, has amended the Securities Contracts (Regulation) Rules, 1957. A proviso is inserted to Rule 8 (*qualifications for membership of a recognised stock exchange*) sub-clause (1)(f) (*conditions for eligibility to be elected as a member*) and (3)(f) (*no person who is a member at the time of application for recognition or subsequently admitted as a member must continue as such if*) of the Securities Contracts (Regulation) Rules, 1957, stating that investments made by a member must, at all times, not be construed as business except when such investments involve client funds or client securities, or relate to arrangements which are in the nature of creating a financial liability on the broker.

The updated rules are accessible [here](#).

MINISTRY OF HOME AFFAIRS (MHA)

Amendments to forms under the Foreign Contribution (Regulation) Rules, 2011

MHA, *vide* notification dated May 26, 2025, has notified the Foreign Contribution (Regulation) Amendment Rules, 2025 amending the Foreign Contribution (Regulation) Rules, 2011. Some of the key amendments are as follows:

1. an applicant seeking registration under Form FC-3A must enclose among other documents, the following documents:
 - a) financial statements and audit reports of the last 3 (three) financial years, including the statement of assets and liabilities, receipts and payments account, and income and expenditure account;
 - b) if the audit reports and financial statements do not contain activity-wise expenditure for the last 3 (three) financial years, a chartered accountant's certificate in the prescribed format specifying the activity-wise amount spent by the association, duly reconciled with the income and expenditure account and the receipt and payment account; and
 - c) year-wise activity reports of last 3 (three) years;
2. an applicant seeking prior permission under Form FC-3B must enclose the following documents:
 - a) commitment letter from the donor, with the amount committed in the letter matching the donation amount prescribed;
 - b) project report including a detailed breakup of proposed expenses to be incurred from the foreign contribution to be received, along with a declaration that administrative expenses must not exceed 20% of the foreign contribution;
 - c) letter from the chief functionary, in the prescribed format, providing point wise details in respect of each item of guidelines for prior permission issued by the MHA; and

- d) undertaking to adhere to the Good Practice Guidelines of the Financial Action Task Force (FATF), in the prescribed format;
- 3. a note is inserted under Form FC-3C stating that if the registration under the Foreign Contribution (Regulation) Act, 2010 has ceased, an affidavit regarding receipt and utilisation of foreign contribution after expiry of registration certificate must be submitted in the prescribed format and a copy of the FCRA designated and utilisation bank account statements from the date of expiry till date, duly certified by an officer of the bank; and
- 4. an applicant intimating change of name and/or address under Form FC-6A must also enclose the following documents:
 - a) copy of approval of relevant authority for amendment, duly signed by chief functionary; and
 - b) copy of resolution of the governing body passed before effecting the change.

JSA UPDATES

The Supreme Court of India clarifies scope of modification of arbitral awards under the Arbitration and Conciliation Act, 1996

On April 30, 2025, a 5 (five) judge constitution bench of the Hon'ble Supreme Court of India ("**Supreme Court**") in *Gayatri Balasamy vs. M/s. ISG Novasoft Technologies Limited*, held that the courts possess a limited power to modify arbitral awards under Sections 34 and 37 of the Arbitration and Conciliation Act, 1996 ("**Arbitration Act**"). The Supreme Court further clarified that this power is not absolute and may only be exercised in specific circumstances, such as when the arbitral award is severable, to correct clerical or computational errors, or to modify post-award interest. However, the Supreme Court stated that such power is always subject to the express statutory framework and legislative intent and cautioned that it may not be exercised to rewrite the award or to conduct a merits-based evaluation.

For a detailed analysis, please refer to the [JSA Prism of May 12, 2025](#).

Supreme Court upholds the constitutional validity of the pecuniary jurisdiction of consumer commissions established under the Consumer Protection Act, 2019 basis the value of goods or services paid as consideration

The Supreme Court has, in *Rutu Mihir Panchal and Ors. vs. Union of India and Ors.*, held that the determination of the pecuniary jurisdiction of the District, State and National Consumer Commissions ("**Consumer Commissions**") based on the consideration paid for the purchase of goods and services under Sections 34 (1), 47 (1)(a)(i) and 58 (1)(a)(i) of the Consumer Protection Act, 2019 ("**2019 Act**") ("**Provisions**") is constitutional and not violative of Article 14 of the Constitution of India ("**Constitution**").

The classifications set forth in the Provisions (which have been further revised by the Consumer Protection (Jurisdiction of the District Commission, the State Commission and the National Commission) Rules, 2021) prescribe a reasonable and rationale determination of the pecuniary jurisdiction of consumer courts. These Provisions prevent consumers from approaching Consumer Commissions solely on the basis of self-assessed claims for damages.

For a detailed analysis, please refer to the [JSA Prism of May 14, 2025](#).

Supreme Court denies anticipatory bail in an economic offence for evasion of judicial process

On April 9, 2025, a 2 (two) judge bench of the Supreme Court in the case of *Serious Fraud Investigation Office vs. Aditya Sarda*, held that accused persons who evade judicial process and obstruct the execution of warrants, especially in serious economic offence cases, are not entitled to the privilege of anticipatory bail. The Supreme Court has reaffirmed that economic offences involving large-scale fraud and public fund siphoning require a distinct and rigorous approach to bail. Such offences are considered grave, given their wide-ranging impact on the financial health of the country and public trust in financial systems.

For a detailed analysis, please refer to the [JSA Prism of May 16, 2025](#).

Supreme Court affirms validity of employment bond containing restrictive clause and directs payment of penalty for premature resignation

In a recent case of *Vijaya Bank and Anr. vs. Prashant B Narnaware*, a 2 (two) judge bench of the Supreme Court upheld the validity of a clause which required an employee to serve a minimum tenure of 3 (three) years or pay liquidated damages of INR 2,00,000 (Indian Rupees two lakh) in case of an early exit. The Supreme Court reaffirmed that such provisions were not unconscionable, unfair or unreasonable, do not constitute a restraint of trade under Section 27 of the Indian Contract Act, 1872 (“**Contract Act**”) and are not opposed to public policy under Section 23 of the Contract Act. This ruling affirms that the quantum of liquidated damages must have a clear nexus with the genuine loss suffered by the employer and the employee’s position. This judgment reinforces that the enforceability of restrictive clauses —when voluntarily agreed upon— is contractually binding and enforceable. While this ruling strengthens the employer’s ability to recover costs associated with recruitment and training provided to the employee in the event of premature resignation, it also highlights the importance of ensuring that such provisions remain reasonable and linked to demonstrable loss.

For a detailed analysis, please refer to the [JSA Prism of May 28, 2025](#).

Kerala High Court has reinforced that the jurisdiction of Internal Committee is limited to complaints constituting sexual harassment only

In the recent case of *Hareesh M.S. vs. The Kerala State Financial Enterprises Ltd. and Ors.*, a single judge bench of the Kerala High Court reinforced the jurisdictional limits of the Internal Committee (“**IC**”) under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“**POSH Act**”), and held that the IC cannot proceed with a complaint or issue notice to a respondent where allegations do not disclose any conduct that falls within the definition of ‘sexual harassment’ under Section 2(n) of the POSH Act. This decision reinforces procedural fairness and highlights the importance of a structured, legally compliant inquiry process. It further reinforces that while the POSH Act is designed to provide an accessible and sensitive mechanism for addressing genuine complaints of sexual harassment, it must also be applied carefully ensuring that individuals are not subjected to the rigours of inquiry in cases where applicability of the POSH Act is limited or absent.

For a detailed analysis, please refer to the [JSA Prism of May 2, 2025](#).

Karnataka High Court to examine validity of compulsory gratuity insurance rules

In the ongoing case of *Bruhat Bangalore Hotels Association and Ors. vs. The Principal Secretary*, a single judge bench of the Karnataka High Court, while examining the constitutional validity of the Karnataka Compulsory Gratuity Insurance Rules, 2024 (“**Insurance Rules**”) has, *vide* an interim order dated April 28, 2025, restrained the Government

of Karnataka from taking coercive action against the petitioners for non-payment of gratuity insurance premiums for employees who have not completed 5 (five) years of continuous service, subject to the petitioners continuing to pay insurance premiums for employees who have completed 5 (five) years of continuous service. The ongoing proceedings assume particular significance as they mark the first constitutional challenge to the Insurance Rules. Notably, several employers across key sectors such as hospitality, manufacturing, and retail have already commenced compliance efforts—ranging from procuring group gratuity insurance policies, to undertaking internal documentation and registration requirements as compliance measures under the Insurance Rules. The outcome of the present case is likely to set a precedent with broad-based implications.

For a detailed analysis, please refer to the [JSA Prism of May 8, 2025](#).

Delhi High Court holds that truthful and scientifically backed content shared in good faith by social media influencers is not defamation or disparagement

A single judge of the Delhi High Court in *San Nutrition Private Limited vs. Arpit Mangal and Ors.*, while rejecting grant of an interim injunction, has held that influencers are not liable for defamation or disparagement when the information shared by them is true, not misleading and without malicious intent. This decision highlights the need to strike a careful balance between protecting the right to freedom of speech and expression of social media influencers and preserving the reputation of businesses in an increasingly digital landscape. It underscores the importance of fostering a harmonious coexistence between individual expression and corporate honesty in the era of social media. Notably, the ruling gains further significance as it deals with circumstances for grant of an interim injunction, a form of immediate relief that businesses often seek when facing potential defamation or brand disparagement.

For a detailed analysis, please refer to the [JSA Prism of May 14, 2025](#).

Bombay High Court directs compensation as appropriate relief for illegal termination; held, reinstatement cannot be granted after retirement age

In the recent case of *M/s J Fibre Corporation vs. Maruti Harishchandra Amrute and Ors.*, a single judge bench of the Bombay High Court reaffirmed the settled legal position that reinstatement would not be an appropriate remedy where a workman has already attained the age of retirement, even if the termination is held to be illegal. It further held that monetary compensation would be the appropriate relief. The judgment reiterates a balanced approach, emphasising the need to adhere to legal process while also recognising practical limitations on reinstatement in long-pending disputes involving retired employees. For employers, it is a timely reminder that process is key, and that lapses, however minor they may seem, can have significant legal and financial consequences.

For a detailed analysis, please refer to the [JSA Prism of May 19, 2025](#).

Telangana introduces draft bill for the welfare and protection of gig and platform workers

In a pioneering move and preceding the implementation of the Code of Social Security, 2020 (“SS Code”), the State of Telangana has followed Rajasthan and Karnataka in securing the rights and welfare of gig and platform workers with the introduction of a draft bill, which once enacted, will be called the Telangana Gig and Platform Workers (Registration, Social Security and Welfare) Act, 2025 (“**Draft Telangana Gig and Platform Workers Bill**”). This legislation seeks to address the needs of gig and platform workers who have long been excluded from traditional labour protections by providing them with essential social security, safety measures, and employment-related entitlements, setting a strong precedent for other States.

For a detailed analysis, please refer to the [JSA Prism of May 7, 2025](#).

Haryana revises working conditions for women

On a regulatory roll aimed at modernising labour norms and championing gender inclusivity in the workplace, the Government of Haryana on May 8, 2025, released 2 (two) pivotal notifications under the Punjab Shops and Commercial Establishments Act, 1958, as applicable in Haryana ("**Haryana S&E Act**") and the Factories Act, 1948 ("**Factories Act**"). These back-to-back notifications refine the legal framework surrounding employment of women during night shifts in designated sectors. Superseding previous notifications on the subject, these comprehensive updates reflect a broader governmental push to foster safety and equitable working conditions for women, particularly in roles involving non-traditional hours.

For a detailed analysis, please refer to the [JSA Prism of May 20, 2025](#).

Corporate Practice

JSA's corporate practice is centered around transactional and legal advisory services including day-to-day business, regulatory issues, corporate and governance affair. We have an expert team of attorneys who advise on legal issues concerning inbound and outbound investments, strategic alliances, collaborations and corporate restructurings. We advise clients through all stages of complex and marquee assignments including restructuring, mergers and acquisitions (including those in the public space) to private equity and joint ventures. Our vast clientele includes multinational corporations and large Indian businesses in private, public and joint sector. We work closely with in-house counsel teams, investment banks, consulting and accounting firms along with multilateral agencies and policy making institutions on development of policy and legal frameworks. We provide assistance and counsel to start-ups and venture backed companies by drawing upon our in-depth understanding of how companies are incorporated, financed and grown. With an in-depth understanding of the industry combined with years of expertise, our attorneys provide innovative and constructive solutions to clients in complex transactional engagements. We emphasise teamwork across our wide network of offices across India. This allows us to benefit from the various specialisations available for the ultimate benefit of our clients. We also provide assistance in dealing with diverse corporate governance and compliance issues including FCPA /Anti-Bribery/Anti-Corruption matters and investigations.

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18 Practices and
41 Ranked Lawyers



7 Ranked Practices,
21 Ranked Lawyers



14 Practices and
12 Ranked Lawyers



12 Practices and 50 Ranked
Lawyers



20 Practices and
22 Ranked Lawyers



8 Practices and
10 Ranked Lawyers
Highly Recommended in 5 Cities



Recognised in World's 100 best
competition practices of 2025



Among Best Overall
Law Firms in India and
14 Ranked Practices



Asia M&A Ranking 2024 – Tier 1

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Litigation Law Firm
of the Year 2024

Innovative Technologies Law Firm of
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Banking & Financial Services
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