

# *Niti*

*Developments in Corporate Laws*  
*April, 2025*



*"Krishna controls the Finite and the Infinite with inconceivable supernatural transcendental force.  
This is the power of inner energy."*

*.....Bhagavad Gita*

## **SECTION I – CORPORATE LAWS**

### **I. Securities and Exchange Board of India - Notifications, Circulars and Press Releases**

#### **A. Clarification on the position of Compliance Officer in terms of Regulation 6 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

[https://www.sebi.gov.in/legal/circulars/apr-2025/clarification-on-the-position-of-compliance-officer-in-terms-of-regulation-6-of-the-sebi-listing-obligations-and-disclosure-requirements-regulations-2015\\_93186.html](https://www.sebi.gov.in/legal/circulars/apr-2025/clarification-on-the-position-of-compliance-officer-in-terms-of-regulation-6-of-the-sebi-listing-obligations-and-disclosure-requirements-regulations-2015_93186.html)

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘LODR Regulations’) mandate that the Compliance Officer of a listed entity must be in whole-time employment of the listed entity, occupy a position not more than one level below the board of directors, and designated as a Key Managerial Personnel. This requirement was introduced vide SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment Regulations), 2024 dated December 12, 2024.

#### **Clarification on the Term “Level” in Regulation 6(1)**

SEBI has received queries seeking clarity on the interpretation of the term ‘level’ used in Regulation 6(1) of the LODR Regulations.

Upon examination, SEBI has clarified that the term ‘level’ used in regulation 6(1) refers to the position of the Compliance Officer in the organization hierarchy of the listed entity. Accordingly, ‘one-level below the board of directors’ means one-level below the Managing Director or Whole-time Director(s) who are part of the Board of Directors of the listed entity. This interpretation aligns with Regulation 2(1)(o) of the LODR Regulations read with section 2(51) of the Companies Act, 2013, which define Key Managerial Personnel.



In case a listed entity does not have a Managing Director or a Whole-Time Director, then the Compliance Officer shall not be more than one-level below the Chief Executive Officer or Manager or any other person heading the day-to-day affairs of the listed entity.

**B. Amendment to Circular for mandating additional disclosures by FPIs that fulfil certain objective criteria.**

[https://www.sebi.gov.in/legal/circulars/apr-2025/amendment-to-circular-for-mandating-additional-disclosures-by-fpis-that-fulfil-certain-objective-criteria\\_93399.html](https://www.sebi.gov.in/legal/circulars/apr-2025/amendment-to-circular-for-mandating-additional-disclosures-by-fpis-that-fulfil-certain-objective-criteria_93399.html)

On April 9, 2025, SEBI issued Circular No. SEBI/HO/AFD/AFD-POD-3/P/CIR/2025/52, introducing key amendments to the Foreign Portfolio Investor (FPI) disclosure framework. These amendment aim to streamline compliance requirements and enhance transparency for entities with significant investment in Indian equities.

**Key Amendments**

**1. Increased Threshold for Granular Disclosures**

SEBI has raised the threshold for mandatory granular disclosures from ₹25,000 crore to ₹50,000 crore in Indian equity Assets Under Management (AUM). FPIs exceeding this revised threshold must disclose detailed ownership information on a full look-through basis, up to the level of all natural persons. This move reflects the significant increase in daily market turnover and reinforce transparency for entities with substantial market exposure.

**2. Targeted Exemptions for Specific Entities**

To reduce compliance burden on low-risk entities, SEBI has introduced exemptions from granular disclosure requirements for the following categories:

- **Government-related entities** such as central banks, sovereign wealth funds, and public retail funds registered as FPIs.
- **Broad-based pooled structures** with a wide investor base or those with government, or government-related ownership.



These exemptions are designed to balance the regulatory oversight with operational efficiency, particularly for entities unlikely to pose systemic risk.

### 3. Implementation and Compliance

The circular came into effect immediately upon issuance underscoring SEBI's proactive approach to regulatory updates. Affected FPIs have been advised to review the revised framework promptly and ensure compliance with new disclosure exemptions criteria.

#### C. Extension of Automated Trading Window Closure to Immediate Relatives of Designated Persons (DPs)

<https://www.sebi.gov.in/legal/circulars/apr-2025/trading-window-closure-period-under-clause-4-of-schedule-b-read-with-regulation-9-of-securities-and-exchange-board-of-india-prohibition-of-insider-trading-regulations-2015-pit-regulations-ext-93504.html>

SEBI has issued a circular to extend automated implementation of trading window closure (under Clause 4 of Schedule B read with Regulation 9 of the SEBI (Prohibition of Insider Trading) Regulations, 2015) to Immediate Relatives of Designated Persons (DPs), specifically around the declaration of financial results.

To enhance compliance and prevent inadvertent violation for insider trading norms by DPs and their immediate relatives.

The circular mandates automated PAN-ISIN level trading freeze during the trading window closure period, now extended to cover immediate relatives of DPs.

Phase	Companies to be covered	PAN – ISIN Freeze Start Date
Phase - 1	Top 500 companies based on BSE market capitalization as of March 31, 2025, listed on BSE, NSE and MSEI.	July 1, 2025



<b>Phase</b>	<b>Companies to be covered</b>	<b>PAN – ISIN Freeze Start Date</b>
Phase - 2	All the remaining companies listed on BSE, NSE, and MSEI and those listed after April 21, 2025	October 1, 2025

**D. Clarificatory and Procedural changes to aid and strengthen ESG Rating Providers (ERPs).**

<https://www.sebi.gov.in/legal/circulars/apr-2025/clarificatory-and-procedural-changes-to-aid-and-strengthen-esg-rating-providers-erps-93704.html>

On April 29, 2025, SEBI issued a circular introducing procedural clarifications and enhancements to reinforce the ESG Rating Providers (ERPs) framework.

Key highlights include refinements to the withdrawal process for ESG ratings:

**Subscriber-pays ERPs** may withdraw ratings in the absence of subscribers except for bundled ratings (e.g., index-based ratings like the Nifty 50). Rating may also be withdrawn if the issuer does not publish a Business Responsibility and Sustainability Report (BRSR).

**For issuer-pays ERPs** can withdraw security level ratings after the longer of three years or half the tenure of the security, subject to No Objection Certificate (NOC) from at least 75% of bondholders. Ratings at the issuer or entity level may be withdrawn after three years.

In terms of disclosures:

Subscriber-pays ERPs must publicly disclose assigned ratings in a prescribed format. However, access to detailed rating rationale may be limited to subscribers.

Stock exchanges are required to display ESG ratings in designated section for listed entities or securities.



Further regulatory adjustments include:

- A two year deferral of the internal audit requirement for Category II ERPs.
- Expansion of audit eligibility to include members of the Institute of Cost Accountants of India (ICMAI) including those holding ACMA/FCMA and DISSA qualifications.
- A two-year deferral for the implementation of governance requirements, such as the formation of an ESG Ratings Sub-Committee and a Nomination and Remuneration Committee for Category II ERPs.

The circular, effective immediately, also standardizes the format for rated entities to respond to rating rationales and defines confidentiality safeguards to protect proprietary ERP methodologies.

**Section II – Some Reminders for May, 2025**

<b>Particulars</b>		<b>Due Date</b>
<b>Payment of</b>	Tax Deducted at Source for the month of April, 2025	7 <sup>th</sup> May, 2025
	Provident Fund (includes EDLI) for the month of April, 2025	15 <sup>th</sup> May, 2025
	ESIC for the month of April, 2025	15 <sup>th</sup> May, 2025
<b>Filing of</b>	GSTR- 1 for April, 2025 (turnover of more than or less than Rs. 5 crores)	11 <sup>th</sup> May, 2025
	GSTR-8 for April, 2025 [return to be filed by the e-commerce operators who are required to deduct TCS (Tax collected at source) under GST]	10 <sup>th</sup> May, 2025
	GSTR-7 for April, 2025 [return to be filed by the persons who is required to deduct TDS under GST]	10 <sup>th</sup> May, 2025
	GSTR - 3B for April, 2025 (turnover of more than Rs. 5 crs)	20 <sup>th</sup> May, 2025
	GSTR - 3B for April, 2025 (turnover up to Rs. 5 crores, depending on the state)	20 <sup>th</sup> May, 2025
	Filing of TDS Return for 4 <sup>th</sup> Quarter of FY25	31 <sup>st</sup> May, 2025
	Statement of Financial Transaction (SFT) under Section 285BA(1) of the Income Tax Act for FY25.	31 <sup>st</sup> May, 2025
	Annual Disclosure requirement for Large Entities	15 <sup>th</sup> May, 2025
	Filing of Form PAS 6 - Reconciliation of Share Capital Audit Report	30 <sup>th</sup> May, 2025
	Filing of form LLP 11- Annual Return in LLP	30 <sup>th</sup> May, 2025
	Secretarial Compliance Report (Regulation 24A of SEBI (LODR) Regulations	30 <sup>th</sup> May, 2025
	Statement of deviation(s) or variation(s) for proceeds of public issue, rights issue, preferential issue, Qualified Institutions Placement (QIP) (Regulation 24A of SEBI (LODR) Regulations	30 <sup>th</sup> May, 2025
	Financial Results for Q4/ Full Year along with Limited Review Report/ Auditor's Report (Regulation 33 of SEBI (LODR) Regulations	30 <sup>th</sup> May, 2025



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