

Niti

*Developments in Corporate Laws
August, 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. Ministry of Corporate Affairs (“MCA”) Notifications, Circulars and Press Releases

A. Companies (Indian Accounting Standards) Second Amendment Rules, 2025.

<https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=NTU4ODYxMzUz&docCategory=Notifications&type=open>

The Ministry of Corporate Affairs (MCA) has notified (on August 13, 2025) the Companies (Indian Accounting Standards) Second Amendment Rules, 2025, bringing several notable changes to Ind AS standards. These amendments aim to enhance reporting quality and align Indian financial reporting with evolving global practices. These will take effect primarily from 1 April 2025.

Significant changes introduced are as under:

- **Supplier Finance Arrangements:** Companies are now required to provide expanded disclosures regarding supplier financing (reverse factoring), including arrangement terms, outstanding balances, payment due dates, and associated liquidity risks. (Ind AS 7 and Ind AS 107)
- **Liability Classification:** Revised guidance clarifies situations under which liabilities should be shown as current or non-current, with nuanced instructions for breached loan covenants, grace periods, and refinancing arrangements. (Ind AS 1 and Ind AS 10)
- **Revenue and Leases:** Companies will see new provisions for revenue recognition, especially for contract modifications and variable consideration (Ind AS 115), and adjustments in lease concession disclosures, plus fresh relief for first-time adopters of Ind AS (Ind AS 101, Ind AS 116).
- **Global Minimum Tax:** Ind AS 12 has been updated to include specific provisions for OECD Pillar Two Global Minimum Tax rules, with new disclosure requirements and exceptions for deferred tax liabilities.



- Other Enhancements: Typographical corrections, clarifications, and updated references across Ind AS 108, 109, 28, and 32 to ensure consistency with global standards and fix legacy issues.

Implementation Timeline

- Following key changes have become applicable for accounting periods starting April 1, 2025.
 - Supplier finance arrangements disclosures (Ind AS 7 and Ind AS 107)
 - Revenue recognition updates, contract modifications, and variable consideration guidance (Ind AS 115)
 - Lease concessions disclosures and transitional reliefs for first-time adopters (Ind AS 116 and Ind AS 101)
 - Updates related to global minimum tax disclosures under Ind AS 12
 - Minor corrections and clarifications across Ind AS 108, Ind AS 109, Ind AS 28, and Ind AS 32
- Rules on liability classification under Ind AS 1 and Ind AS 10 are deferred and will be effective from April 1, 2026.

B. Companies (Incorporation) Second Amendment Rules, 2025

<https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=NTYxMDQwNDYw&docCategory=Notifications&type=open>

The MCA issued the Companies (Incorporation) Second Amendment Rules, 2025 vide notification on August 26, 2025. The main change is the substitution of the existing Form RD-1 with a revised version.

Key Highlights

- The amended rules replace the current Form No. RD-1 with a new version intended for various company applications to the Regional Director under the Companies Act, 2013, including:
 - Change of company name



- Change of financial year
- Conversion of public limited company into a private limited company, among others.
- The updated form now requires more detailed and verified information, increasing transparency and procedural clarity in company incorporation and related filings.
- The new version emphasizes digital submission and authenticity, including enhanced verification requirements.

Effective Date

This amendment will come into force September 15, 2025 and companies will need to comply with the revised form and procedural requirements from that date onward.

II. Securities and Exchange Board Of India (“SEBI”) Notifications, Circulars and Press Releases

A. Master Circular for Debenture Trustees (DTs)

<https://www.sebi.gov.in/legal/master-circulars/aug-2025/master-circular-for-debenture-trustees-dts-96073.html>

The Securities and Exchange Board of India (SEBI) has issued a comprehensive Master Circular for Debenture Trustees on August 13, 2025. This Master Circular consolidates and updates all the previously issued circulars into a single comprehensive document to streamline compliance and enhance investor protection in India's debt markets.

Key points about the Master Circular:

- It covers the eligibility and duties of debenture trustees, emphasizing their fiduciary role and responsibilities such as monitoring asset cover and enforcing security.
- It details issuer obligations, including disclosures to trustees, creation of security, and periodic reporting requirements.
- The circular standardizes trust deed and documentation requirements for debenture issues.
- It enhances investor protection mechanisms by prescribing procedures for default management, security enforcement, and grievance redressal.



- Debenture trustees must maintain necessary systems and infrastructure to ensure compliance, and the Board of Directors of the trustees is responsible for enforcing these provisions.
- The circular also prescribes due diligence processes for debenture trustees at different stages, including issuing due diligence certificates and maintaining relevant documentation for five years post-redemption.

The Master Circular supersedes all earlier SEBI circulars related to debenture trustees and is effective from August 13, 2025.

B. Securities and Exchange Board of India (Foreign Portfolio Investors) (Amendment) Regulations, 2025

https://www.sebi.gov.in/legal/regulations/aug-2025/securities-and-exchange-board-of-india-foreign-portfolio-investors-amendment-regulations-2025_96165.html

The SEBI notification No. SEBI/LAD-NRO/GN/2025/254 dated August 11, 2025, has amended the Foreign Portfolio Investors (FPI) Regulations, 2019.

The key amendment exempts FPIs investing solely in Government Securities from certain regulatory provisions under Regulations 4(c) and 22. This exemption includes relief from specific registration and compliance requirements. However, these FPIs will still be subject to conditions specified by SEBI.

The move aims to differentiate regulatory treatment based on investment focus, providing lighter regulatory burdens for FPIs focused exclusively on Government Securities. The amendments will take effect 180 days from the date of publication.

C. Securities and Exchange Board of India (Investment Advisers) (Amendment) Regulations, 2025.

https://www.sebi.gov.in/legal/regulations/aug-2025/securities-and-exchange-board-of-india-investment-advisers-amendment-regulations-2025_95991.html

The Securities and Exchange Board of India (SEBI) issued the SEBI (Investment Advisers) (Amendment) Regulations, 2025 via notification No. SEBI/LAD-NRO/GN/2025/253 dated August 4, 2025.



Key Amendments in the 2025 Investment Advisers Regulations

- Amendment to Regulation 8 (Capital Adequacy Deposit):

The amendment revises the requirement for the capital adequacy deposit that investment advisers (IAs) must maintain. The deposit, which previously had to be maintained with a scheduled bank, can now be maintained "in such form or manner as may be specified by the Board." This allows SEBI to prescribe new forms or ways of holding this deposit.

- New Provision for Marking the Deposit as a Lien:

A new Regulation 8(3) has been introduced, requiring the deposit to be marked as a lien in favor of a body or body corporate recognized by SEBI for administration and supervision of investment advisers. This adds an additional layer of security and regulatory oversight over the capital deposit.

Effective Date:

These amendments came into force on August 5, 2025.



Section II – Some Reminders for September, 2025

Particulars		Due Date
Payment of	Tax Deducted at Source for the month of August, 2025	7 th September, 2025
	Provident Fund (includes EDLI) for the month of August, 2025	15 th September, 2025
	Second Installment of Advance Tax FY 25-26	15 th September, 2025
	ESIC for the month of August, 2025	15 th September, 2025
Filing of	GSTR- 1 for August, 2025 (turnover of more than or less than Rs. 5 crores)	11 th September, 2025
	GSTR-8 for August, 2025 [return to be filed by the e-commerce operators who are required to deduct TCS (Tax collected at source) under GST]	10 th September, 2025
	GSTR-7 for August, 2025 [return to be filed by the persons who is required to deduct TDS (Tax deducted at source) under GST]	10 th September, 2025
	Income Tax Return by Individuals, Hindu Undivided Families (HUFs), Association of Persons (AOPs), and Body of Individuals (BOIs) and Firms and LLPs whose accounts are not required to be audited under the Income-tax Act	15 th September, 2025 (extended due date – original due date 15 th July, 2025)
	GSTR - 3B for August, 2025 (turnover of more than Rs. 5 crores)	20 th September, 2025
	GSTR - 3B for August, 2025 (turnover up to Rs. 5 crores, depending on the state)	22 nd September, 2025
	Tax Audit Report (Form 3CD) with Income Tax Department	30 th September, 2025
	KYC of Directors/ Partners (DIR 3 KYC)	30 th September, 2025
	Holding Annual General Meeting	30 th September, 2025



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