

# MONTHLY CORPORATE NEWSLETTER

## APRIL 2025

Dear Readers,

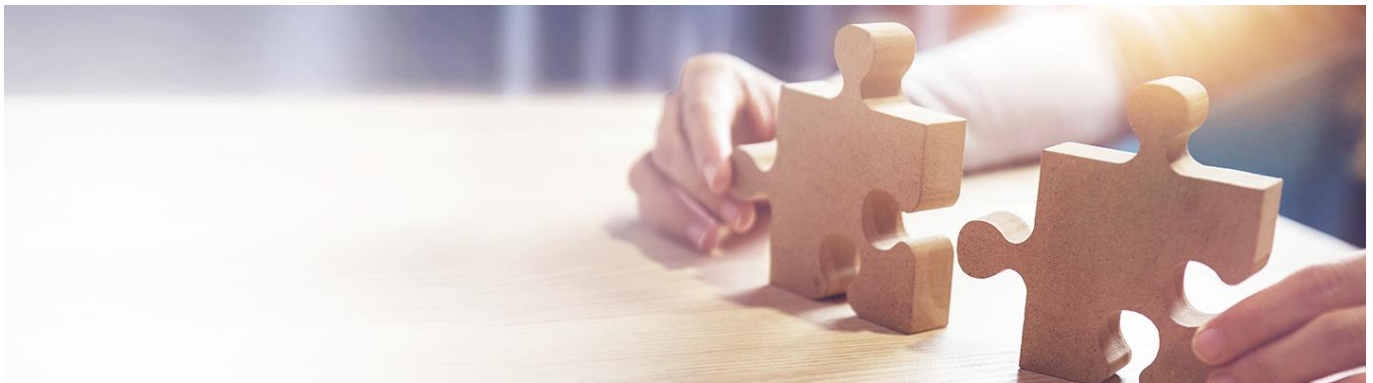
We bring you a concise analysis of important developments, recent publications and judgements and noteworthy regulatory amendments in the corporate and financial sectors on a monthly basis.

In this issue, we bring you the most recent updates and important notifications from key regulatory bodies including SEBI, RBI, and CCI. Stay informed with our comprehensive coverage on the latest circulars, notifications and orders that impact the corporate landscape.

Perceiving the significance of these updates and the need to keep track of the same, we have prepared this newsletter providing a concise overview of the various changes brought in by our proactive regulatory authorities and the Courts!

Feedback and suggestions from our readers would be appreciated. Please feel free to write to us at [mail@lexport.in](mailto:mail@lexport.in).

Regards,  
Team Lexport



### ABOUT US

Lexport is a full-service Indian law firm offering consulting, litigation and representation services to a range of clients.

The core competencies of our firm's practice *inter alia* are Trade Laws (Customs, GST & Foreign Trade Policy), Corporate and Commercial Laws and Intellectual Property Rights.

The firm also provides Transaction, Regulatory and Compliance Services. Our detailed profile can be seen at our website [www.lexport.in](http://www.lexport.in).

### OUR CORPORATE TEAM

Rajiv Sawhney  
Akshita Agarwal  
Fen Mathew

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**PART A: LATEST CIRCULARS / NOTIFICATIONS****1. CCI Draft Conduct Rules, 2025, Impose Stricter Ethical Obligations on Employees**

The Competition Commission of India (CCI) has released the draft CCI (Conduct) Rules, 2025, introducing enhanced ethical obligations for its employees to address the sensitive nature of competition law enforcement. The proposed rules include: (i) Tighter investment restrictions prohibiting employees and their dependents from investing in equities, derivatives, or speculative instruments, except for select pre-held assets like mutual funds or IPOs; (ii) Broader prohibition on speculation, including bans on trading based on unpublished price-sensitive information or encouraging others to do so; (iii) Stricter confidentiality norms, requiring employees to maintain absolute secrecy and file a declaration of fidelity and secrecy; (iv) Post-retirement restrictions, barring commercial employment for one year with entities employees interacted with in their official role unless prior approval is obtained; and (v) Explicit misuse of position clause, disallowing use of official influence for personal benefit and restricting unofficial communications or use of office facilities for private matters.

These rules go beyond the Central Civil Services (Conduct) Rules, 1964, reflecting the unique demands of the CCI's role. Public comments are invited until April 6, 2025, via the CCI website.

## **2. SEBI Unveils Comprehensive Investor Charters to Strengthen Investor Rights**

In a move aimed at empowering investors, SEBI has issued detailed Investor Charters for Registrars to an Issue and Share Transfer Agents (RTAs), Investment Advisors, and Research Analysts.

These charters affirm key rights for investors including access to benefits and disclosures declared by companies, fair treatment, participation in AGMs/EGMs and e-voting, grievance redressal within prescribed timelines, and accessible services for all, including the differently abled.

The charters also emphasize transparency, suitability of financial products, clear disclosures, and the right to exit or provide feedback on financial services. Importantly, they prohibit any unfair or coercive clauses that violate regulatory norms.

This initiative is part of SEBI's broader push to promote investor awareness, confidence, and trust in the capital markets ecosystem.

## **3. SEBI Introduces New Application Format for Specialized Investment Funds**

SEBI has released a standardized format for filing the Application and Investment Strategy Information Document (ISID) by Specialized Investment Funds (SIFs), reinforcing transparency and compliance in fund operations.

Under the new format, SIFs must conduct due diligence to ensure the ISID aligns with SEBI (Mutual Funds) Regulations, 1996, and all applicable SEBI directives. They must also confirm adherence to legal and regulatory requirements, and verify that all disclosures are fair, accurate, and sufficient for investor decision-making.

Key checks include registration validity of intermediaries, factual correctness of financial data, and compliance with SEBI's documentation checklist. Additionally, trustees must certify that each Investment Strategy is a genuinely new product and not a minor tweak of an existing offering.

This move aims to enhance investor protection and promote robust fund governance in the specialized investment space.

## **4. Banking Laws Amended to Bring SBI Under IEPF Framework**

The Banking Laws (Amendment) Act, 2025 has been enacted to align public sector banks, including the State Bank of India (SBI), with IEPF norms already applicable to companies under the Companies Act, 2013.

With this amendment, SBI is now mandated to transfer to the Investor Education and Protection Fund (IEPF) any unpaid or unclaimed dividends, underlying shares (with no dividend claimed for seven consecutive years), and unclaimed interest or redemption amounts on bonds — after a period of seven years. The bank must also furnish a statement detailing such transfers.

This legislative update closes the gap between corporate and banking sector compliance, ensuring uniform investor protection and fund recovery mechanisms across financial institutions.

## **5. SEBI Warns Investors Against Rising Social Media Investment Scams**

The Securities and Exchange Board of India (SEBI) has issued a public warning about a surge in fraudulent investment schemes being promoted through social media platforms such as YouTube, WhatsApp, Telegram, Instagram, and others. These scams often involve individuals or groups impersonating SEBI-registered advisors, displaying fake certificates, and offering “guaranteed” or “risk-free” returns—tactics that are both illegal and misleading.

SEBI has flagged common methods used by fraudsters, including the operation of fake advisory services, impersonation of legitimate entities, and creation of deceptive private groups that lure investors with promises of insider tips or privileged access. Fake trading apps offering discounted IPOs or exclusive trade deals have also become a prominent threat.

Investors are strongly advised to verify the credentials of any advisory service or trading app before engaging. SEBI-registered intermediaries can be cross-checked through official lists provided by SEBI. Additionally, only intermediaries registered with SEBI use phone numbers starting with the ‘1600’ series—any claims from regular 10-digit mobile numbers should be treated with suspicion.

SEBI also cautioned that investors who fall prey to unregistered platforms may not have access to standard investor protection tools such as the SCORES platform, exchange dispute resolution mechanisms, or the smart ODR system. To combat this trend, SEBI is encouraging the public to report any suspicious platforms or activities via its Market Intelligence (MI) Portal.

## **6. SEBI Clamps Down on Fund Diversion After Gensol Blowup**

SEBI is set to roll out stricter regulations to curb round-tripping and promoter fund misuse, following the ₹262 crore Gensol Engineering scam. Promoters allegedly diverted funds into luxury purchases and routed money back into the company via offshore shell entities posing as Foreign Institutional Investors (FIIs).

The new framework will mandate real-time public disclosure of high-value related-party transactions, with justifications and cooling-off periods to allow independent audits. Enhanced FII scrutiny is also in focus—SEBI plans tighter KYC and Ultimate Beneficial Ownership (UBO) norms, especially for investments from tax havens like Mauritius and the Cayman Islands.

Integration with banks and FIU-IND is being considered for real-time tracking of cross-border flows. AI-based surveillance tools and mandatory forensic audits for high-risk companies are also on the table. In Gensol's case, FII holdings fell from 2.3% to 0.6%, prompting suspicions of price manipulation. SEBI froze a planned stock split and ordered a probe into ₹977 crore in loans, of which only 4,704 out of 6,400 EVs were actually procured.

On April 15, SEBI barred the Jaggi brothers from market participation and directorial roles for violating PFUTP norms. A wider probe by MCA, ED, CBI, and SFIO is underway for suspected fraud, fund diversion, and governance failures. Gensol's stock has crashed 83%, erasing nearly ₹3,850 crore in value. Its EV venture BluSmart has halted operations in key cities, delaying salaries for over 10,000 drivers.

With ₹2,050 crore in loans at risk and major auditor scrutiny looming, SEBI's crackdown signals a strong stance against corporate opacity and promoter overreach—especially in fast-growing sectors like green energy and EVs.

## **7. IBC Revamp Ahead: Govt to Cut RP Powers, Fast-Track Resolutions**

The government is set to overhaul the Insolvency and Bankruptcy Code (IBC), 2016, aiming to reduce the authority of Resolution Professionals (RPs) and shift to a more creditor-led model. The move comes amid concerns over delays and inefficiencies in the current Corporate Insolvency Resolution Process (CIRP).

Key reforms include introducing a Creditor-Led Resolution Process (CLRP), cutting the resolution timeline from 330 to 165 days, and expanding pre-pack insolvency to large companies. The shift will reduce the RP's role in tasks like claim verification and asset management, using automation and greater Committee of Creditors (CoC) involvement instead.

The planned amendments also propose a group insolvency framework, allowing unified resolution for companies within the same group. The changes aim to boost transparency, speed up resolutions, and improve asset recovery—essential for reviving distressed firms and preserving economic value. A Cabinet note is expected soon, with the amended bill likely to be tabled in the upcoming Monsoon Session.

## **8. SEBI Drafts Key Changes to Online Dispute Resolution in Securities Market**

SEBI has released a draft circular proposing significant changes to the Online Dispute Resolution (ODR) framework in the Indian securities market. The move aims to make the dispute resolution process more efficient, transparent, and accessible for investors and intermediaries. Public comments on the draft are open until May 12, 2025.

A major revision is the inclusion of Depositories under the ODR system, which previously applied only to stock exchanges and clearing corporations. This expansion ensures broader grievance redressal coverage across the securities market infrastructure.

SEBI is also introducing a provision for direct arbitration in certain types of disputes, bypassing the conciliation stage where appropriate. This is expected to reduce resolution timelines in straightforward or high-priority cases.

To ensure finality in conciliation, the draft mandates irrevocable consent, meaning once parties agree to a resolution, they cannot withdraw from it. This move aims to build trust and reduce post-settlement litigation.

The framework will now require ODR institutions to maintain dedicated panels for conciliators and arbitrators. This separation is designed to enhance neutrality and ensure role-specific expertise in resolving disputes.

SEBI is also introducing Standard Operating Procedures (SOPs) under Clause 40A, which will guide ODR platforms in streamlining and standardizing their processes, reducing ambiguity and ensuring fairness.

Stakeholders, including investors, legal professionals, and market participants, are encouraged to submit feedback via email to [ia\\_ho@sebi.gov.in](mailto:ia_ho@sebi.gov.in), with the subject: "Public comments on Amendment to Master Circular on Online Resolution of Disputes in the Indian Securities Market."

## **9. SEBI Proposes Relaxation for Sending Physical Financial Statements**

SEBI has released a draft circular on April 21, 2025, proposing limited relief from Regulation 58(1)(b) of the SEBI (LODR) Regulations, 2015. This regulation requires companies to send hard copies of financial statements to holders of non-convertible securities who haven't registered their email IDs. The draft aims to align with the Ministry of Corporate Affairs' (MCA) earlier relaxation and invites public comments until May 12, 2025.

Under the proposal, no penal action will be taken for failing to send physical copies for AGMs held up to September 30, 2025, if companies comply with MCA's conditions. Issuers must ensure relevant financials are available online and include a web link in newspaper ads (as per Regulation 52(8)) for investor access.

The relaxation applies to companies with listed non-convertible debt securities that have followed the MCA's directions and haven't dispatched hard copies to investors lacking email addresses. SEBI is trying to reduce the compliance burden while still ensuring investors have access to financial information digitally.

Stakeholders can submit their views via SEBI's online consultation portal, where they can rate each proposal and provide detailed feedback. Technical support is available through SEBI officials if needed.

The move reflects SEBI's recognition of evolving investor preferences and a push toward paperless compliance, balancing transparency, accessibility, and sustainability in financial reporting.

**END OF THE NEWSLETTER**

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