NEWSLETTER Weekly

Volume-CXXVIII, Issue-IV, Dated: 24th March, 2025

SECURITIES AND EXCHANGE BOARD OF INDIA

1. **Industry Standards on "Minimum information to be provided for review of the audit committee and shareholders for approval of a related party transaction".**

   Securities and Exchange Board of India (SEBI) has extended the implementation date for the industry standards on "Minimum information to be provided for review of the audit committee and shareholders for approval of a related party transaction" from April 1, 2025, to July 1, 2025. This decision follows stakeholder feedback requesting more time for compliance. The Industry Standards Forum (ISF), comprising representatives from ASSOCHAM, CII, and FICCI, has been directed to incorporate stakeholder suggestions and release a revised version of the standards in a time-bound manner. Stock exchanges are instructed to inform all listed entities about this extension. The circular, issued under SEBI's regulatory powers, is available on SEBI's website.

   For more information, you can access the SEBI circular here:
   http://sebi.gov.in/legal/circulars/mar-2025/industry-standards-on-minimum-information-to-be-provided-for-review-of-the-audit-committee-and-shareholders-for-approval-of-a-related-party-transaction-_92843.html

2. **Facilitating ease of doing business relating to the framework on "Alignment of interest of the Designated Employees of the Asset Management Company (AMC) with the interest of the unitholders".**

   SEBI has issued a circular amending the regulatory framework for "Alignment of interest of the Designated Employees of the Asset Management Company (AMC) with the interest of the unitholders," aimed at facilitating ease of business for Mutual Funds. Effective April 1, 2025, the circular modifies the Master Circular for Mutual Funds, relaxing certain provisions of the SEBI (Mutual Funds) Regulations, 1996. Key changes include revised investment slabs for employees, allowing AMCs greater flexibility in determining these based on employee roles, and specific rules for liquid fund managers. The lock-in period for investments made by employees resigning or retiring before superannuation is reduced to one year, and redemption rules for open-ended schemes are clarified. Additionally, SEBI has outlined procedures for handling violations of the Code of Conduct, fraud, or negligence by designated employees. The circular mandates quarterly disclosure of aggregate employee investments in mutual fund schemes on stock exchange websites, enhancing transparency. These amendments, issued under SEBI's regulatory powers, seek to balance employee investment requirements with practical operational considerations.

   For more information, you can access the SEBI circular here:
   https://www.sebi.gov.in/legal/circulars/mar-2025/facilitating-ease-of-doing-business-relating-to-the-framework-on-alignment-of-interest-of-the-designated-employees-of-the-asset-management-company-amc-with-the-interest-of-the-unitholders-_92842.html

3. **Disclosure of holding of specified securities in dematerialized form.**

   Securities and Exchange Board of India (SEBI) has issued a circular revising the disclosure requirements for shareholding patterns of listed entities under Regulation 31 of the Listing Obligations and Disclosure Requirements (LODR) Regulations, 2015. The amendments, made in response to requests from stock exchanges and depositories, aim to enhance transparency for investors in the securities market. Key modifications include updates to Table I-IV of the shareholding pattern, requiring listed entities to disclose details of Non-Disclosure Undertakings (NDUs), other encumbrances, and total pledged shares. Additionally, outstanding convertible securities now explicitly include Employee Stock Option Plans (ESOPs). A new column has been added to capture the total number of shares on a fully diluted basis, including warrants, ESOPs, and convertible securities. Further, Table II has been updated with a footnote clarifying the treatment of promoters and promoter groups with nil shareholding. These changes necessitate updates to stock exchange bye-laws and depository systems. The revised disclosure formats will be applicable from the quarter ending June 30, 2025. SEBI has directed stock exchanges and depositories to implement the changes and ensure compliance. The circular, issued under SEBI's regulatory authority, modifies the previous Master Circular dated November 11, 2024. The full text is available on SEBI's official website.

For more information, you can access the SEBI circular here:
https://www.sebi.gov.in/legal/circulars/mar-2025/disclosure-of-holding-of-specified-securities-in-dematerialized-form_92797.html

4. **Online Filing System for reports filed under Regulation 10(7) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.**

Securities and Exchange Board of India (SEBI) has issued a circular mandating the transition to an online filing system for specific reports under Regulation 10(7) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. This change affects reports related to exemptions under Regulations 10(1)(a)(i) and 10(1)(a)(ii). Currently, these reports are submitted via email. To streamline the process, SEBI is introducing the SEBI Intermediary Portal (SI Portal) for online submissions. A parallel filing system, allowing submissions via both email and the SI Portal, will be in place from the date of the circular until May 14, 2025. After May 15, 2025, the SI Portal will be the sole method for filing these specific reports. Additionally, fee payments for these reports will be exclusively processed through the SI Portal from the date of the circular. Queries can be directed to the provided helpline.

For more information, you can access the SEBI circular here:
https://www.sebi.gov.in/legal/circulars/mar-2025/online-filing-system-for-reports-filed-under-regulation-10-7-of-sebi-substantial-acquisition-of-shares-and-takeovers-regulations-2011_92791.html

5. **Harnessing DigiLocker as a Digital Public Infrastructure for reducing Unclaimed Assets in the Indian Securities Market.**

Securities and Exchange Board of India (SEBI) has introduced a new initiative in collaboration with DigiLocker to address the issue of unclaimed financial assets in the securities market. As per SEBI's circular, titled "Harnessing DigiLocker as a Digital Public Infrastructure for Reducing Unclaimed Assets in the Indian Securities Market," this initiative allows investors to store and retrieve their demat and mutual fund holdings digitally. By integrating DigiLocker, investors can now access their Consolidated Account Statement (CAS) and other financial holdings within a secure and centralized platform. The initiative also enables users to appoint Data Access Nominees, ensuring that legal heirs can retrieve financial details when required. A key feature of this integration is the automated notification system managed by KYC Registration Agencies (KRAs). In the event of an investor's demise, the KRAs will trigger notifications to Data Access Nominees, granting them read-only access to the DigiLocker account. This process simplifies the transmission of financial assets and reduces cases where investments remain unclaimed due to a lack of awareness among heirs. SEBI's partnership with DigiLocker is a step towards streamlining investor protection by improving access to financial records, minimizing asset mismanagement, and reducing unclaimed investments in India's securities market.

For more information, you can access the SEBI circular here:
https://www.sebi.gov.in/legal/circulars/mar-2025/harnessing-digilocker-as-a-digital-public-infrastructure-for-reducing-unclaimed-assets-in-the-indian-securities-market_92769.html

6. **Framework on Social Stock Exchange (SSE).**

Securities and Exchange Board of India (SEBI) issued a circular on March 19, 2025, revising the framework for the Social Stock Exchange (SSE). SEBI previously notified the framework via circulars in 2022 and 2023. Based on recommendations from the SSE Advisory Committee and public feedback, SEBI has reduced the minimum application size for subscribing to Zero Coupon Zero Principal Instruments from ₹10,000 to ₹1,000. This change, aimed at enhancing accessibility, modifies the provisions under Paragraph 1, sub-paragraph AC, point (4) of the earlier circulars. The revision comes under the powers granted by Section 11 and Section 11A of the SEBI Act, 1992, to protect investors' interests and promote the securities market's development. The updated framework is effective immediately, and the circular is available on the SEBI website under the "Legal → Circulars" section.

For more information, you can access the SEBI circular here:
https://www.sebi.gov.in/legal/circulars/mar-2025/framework-on-social-stock-exchange-sse-_92767.html

MINISTRY OF FINANCE

1. **PFRDA notifies Regulations for Operationalisation of the Unified Pension Scheme (UPS).**

The Pension Fund Regulatory and Development Authority (PFRDA) has officially notified the regulations for the Operationalization of the Unified Pension Scheme (UPS) under the National Pension System (NPS), effective from April 1, 2025. This development follows the Government of India's notification dated January 24, 2025, introducing UPS for Central Government employees covered under NPS.

Eligibility Criteria:

The regulations facilitate the enrolment of three categories of Central Government employees:

Existing Employees: Those in service as of April 1, 2025, who are already covered under NPS.

New Recruits: Individuals joining Central Government services on or after April 1, 2025.

Retired Employees: Employees who were under NPS and have superannuated, voluntarily retired, or retired under Fundamental Rules 56(j) on or before March 31, 2025. In cases where such a subscriber has passed away before opting for UPS, their legally wedded spouse is also eligible.

Key Features of UPS:

Assured Pension: The scheme promises an assured pension of 50% of the average basic pay drawn over the last 12 months prior to superannuation.

Minimum Payout: There is a guaranteed minimum monthly payout of ₹10,000, subject to employees contributing 10% of their basic pay and Dearness Allowance each month. The Economic Times

Enrolment Process:

Eligible employees must decide to enroll in UPS within three months from April 1, 2025, making the deadline June 30, 2025. Once made, this decision is final and irrevocable. Enrolment and claim forms will be available online from April 1, 2025, on the Protean CRA website. Employees also have the option to submit the forms physically. This initiative aims to provide a more secure and predictable pension framework for Central Government employees, enhancing their post-retirement financial stability.

For more information, you can access the GOI press release here:
https://pib.gov.in/PressReleasePage.aspx?PRID=2113486

2. **CGST Delhi East Commissionerate encourages greater compliance and awareness among unregistered manufacturers and traders during GST Registration Campaign 2025.**

The Central Goods and Services Tax (CGST) Delhi East Commissionerate successfully conducted a GST Registration Campaign on March 21-22, 2025, aiming to enhance registration and compliance among unregistered manufacturers and traders within its jurisdiction.

Campaign Highlights:

1. **GST Helpdesks:** Set up at key locations, including Hallan Chowk and Gole Baithak in Old Seelampur, Jacket Market of Jaffrabad, Subhash Road in Gandhi Nagar, and New Seelampur, these helpdesks addressed over 2,000 queries from traders, providing assistance with the GST registration process.

2. **Educational Outreach:** Approximately 200 students from reputed universities participated as GST Ambassadors, engaging with the community to raise awareness about the benefits and procedures of GST registration.

3. **Informational Materials:** Around 7,500 pamphlets detailing GST registration provisions were distributed in Hindi and Urdu to ensure accessibility and understanding among diverse linguistic groups.

The initiative received a positive response from the local trade community, many of whom were previously unregistered and conducted transactions primarily in cash, impacting the formal economy. The campaign led to the generation of over 100 fresh GST registration applications, marking a significant step toward greater tax compliance and integration into the formal economic system. This campaign aligns with broader efforts to enhance tax compliance and awareness among businesses, particularly in light of recent changes in GST regulations. For instance, mandatory Multi-Factor Authentication (MFA) for GST portal access and updates to E-Way Bill (EWB) rules have been introduced to improve security and streamline processes. By proactively engaging with unregistered businesses, the CGST Delhi East Commissionerate aims to foster a culture of compliance, ensuring that all entities contribute fairly to the nation's revenue and benefit from the formal economic system.

For more information, you can access the GOI press release here:
https://pib.gov.in/PressReleasePage.aspx?PRID=2114137

3. **CBDT seeks inputs from stakeholders on income-tax rules and related forms on provisions of Income Tax Bill 2025, after it was introduced in Parliament.**

The Central Board of Direct Taxes (CBDT) has initiated a consultative process to gather inputs from stakeholders on the Income Tax Rules and related forms in light of the proposed Income Tax Bill, 2025, which was introduced in Parliament last month and is currently under review by a Select Committee. This initiative aims to enhance clarity, reduce the compliance burden, and eliminate obsolete rules, thereby making tax processes more accessible for taxpayers and other stakeholders.
Key Focus Areas for Suggestions:

- The committee reviewing the rules and forms invites inputs in four primary categories:
- Simplification of Language: Making tax laws easier to comprehend.
- Reduction of Litigation: Addressing ambiguities that lead to legal disputes.
- Reduction of Compliance Burden: Simplifying procedures to improve the taxpayer experience.
- Identification of Redundant or Obsolete Rules and Forms: Eliminating outdated provisions to enhance efficiency.

To facilitate this consultative process, a utility has been launched on the e-filing portal, accessible to all stakeholders since March 8, 2025. Stakeholders can submit their inputs by entering their name and mobile number, followed by an OTP-based validation process. All suggestions should clearly specify the relevant provision of the Income-tax Rules, 1962 (including the specific section, sub-section, clause, rule, sub-rule, or form number) to which the recommendation pertains under the aforementioned categories.

The Income Tax Bill, 2025, seeks to modernize India's tax system by simplifying existing laws and ensuring greater transparency. Key proposals include introducing a 'tax year' system to replace the current financial and assessment years, expanding the definition of virtual digital assets to encompass cryptocurrencies and non-fungible tokens (NFTs), and reforming tax recovery and appeals processes to streamline dispute resolution. Stakeholders are encouraged to participate actively in this consultation to contribute to the development of a more efficient and taxpayer-friendly tax framework.

For more information, you can access the GOI press release here:
https://pib.gov.in/PressReleasePage.aspx?PRID=2112222

4. **Various measures have been taken by the government to strengthen cyber security in the financial sector.**

In order to prevent payment related frauds including UPI transaction frauds, various initiatives have been taken by the Government, Reserve Bank of India (RBI) and National Payments Corporation of India (NPCI) from time to time. These includes device binding between customer mobile number and the device, two factor authentication through PIN, daily transaction limit, limits and curbs on use cases etc. Additionally, NPCI provides a fraud monitoring solution to all the banks to generate alerts and decline transactions by using AI/ML based models. RBI and Banks have also been taking up awareness campaigns through short SMS, radio campaign, publicity on prevention of 'cyber-crime' etc.

For more information, you can access the GOI press release here:
https://pib.gov.in/PressReleasePage.aspx?PRID=2110405

MINISTRY OF CORPORATE AFFAIRS

1. **Smt. Nirmala Sitharaman launches PM Internship Scheme App in presence of MoS, Corporate Affairs Shri Harsh Malhotra.**

PM Internship Scheme has the potential to bridge the gap between classroom learning and industry expectations- Finance Minister. The Minister of Finance and Corporate Affairs, Smt. Nirmala Sitharaman, in the presence of MoS Corporate Affairs, and MoS Road and Transport Shri Harsh Malhotra launched a dedicated mobile app for the Prime Minister's Internship Scheme on 17th March, at Samanvay Hall No. 5, at Parliament, New Delhi.

The App has the following features:

- Intuitive interface with a clean design and effortless navigation
- Easy registration through Aadhaar face authentication
- Effortless navigation - Eligible candidates can sift through opportunities by location etc.
- Personalized dashboard
- Access to a dedicated support team
- Real time alerts to keep candidates abreast of new updates
- Smt. Nirmala Sitharaman commended the Prime Minister's vision in introducing a package of five schemes to promote employment, skilling, and opportunities. She emphasized that the PM Internship Scheme has the potential to bridge the gap between classroom learning and industry expectations, thereby enhancing youth employability. She further urged the industry to actively participate in the scheme, highlighting that their involvement would contribute to nation-building while fostering a skilled workforce in the country.
- The Minister of State, Shri Harsh Malhotra observed that the launch of the PMIS App will significantly enhance accessibility to internship opportunities for the youth.
- With the PMIS application, the users can also explore the referral program recently announced by Ministry of Corporate Affair (MCA). The referral program would enable the registered youth to refer other eligible candidates for the scheme and win rewards. The registered youth on the PM Internship portal (web browser) can also participate in this referral program.

The Prime Minister's Internship Scheme (PMIS Scheme) announced in the Budget 2024-25, aims to provide internship opportunities to one crore youth in top 500 companies in five years. As an initiation to this Scheme, the Pilot Project targeted at providing 1.25 lakh internship opportunities to the youth was launched on 03.10.2024 for the Financial Year 2024-25. Salient features of the Scheme are:

- 12-month paid internships in top companies of India.

- This scheme provides an opportunity to the youth to get training, and gain experience and skills within the real-life environment (at least six months) of the businesses or organizations that help in bridging the gap between academic learning and industry requirements, in turn, assisting enhancement of her/his employability.
- The scheme targets individuals aged 21 to 24 who are currently not enrolled in any full-time academic program or not in full-time employment, offering them a unique chance to kick-start their careers.
- Each intern will be supported with monthly financial assistance of ₹5,000, supplemented by one-time financial assistance of ₹6,000.

Eligible youth can apply through the new mobile app or through the Portal accessible at https://pminternship.mca.gov.in/.

For more information, you can access the GOI press release here:
https://pib.gov.in/PressReleasePage.aspx?PRID=2112011

2. **Prime Minister's Internship Scheme - Empowering Youth, Enabling Careers.**

India stands at the cusp of a demographic dividend, with a burgeoning youth population poised to drive the nation's progress. Recognizing this potential, the Government of India launched the Prime Minister's Internship Scheme (PMIS) on October 3, 2024. This visionary initiative aims to provide one crore young Indians with 12-month paid internships in the nation's top companies over the next five years, thereby bridging the gap between academic learning and industry demands. By integrating classroom knowledge with practical experience, PMIS aspires to cultivate a workforce that is both skilled and adaptable to the evolving global economic landscape. This unique scheme empowers youth with practical experience, envisioning the position of India as the "Skill Capital of the World." The platform now offers a simplified PMIS Portal along with a dedicated mobile app, allowing users to easily filter opportunities by district, state, sector, and location radius. Strengthening its outreach and accessibility, the Minister of Finance and Corporate Affairs, Smt. Nirmala Sitharaman, officially launched the dedicated mobile app for PMIS on 17th March 2025. Candidates can also apply for up to three internships at the same time through the app, giving them greater flexibility. To encourage wider participation, recently over 80 outreach events have been conducted across colleges, ITIs, and Rozgar Melas. Additionally, national digital campaigns and influencer-led awareness drives are ongoing to further spread the word. An assessment framework has also been introduced to recognize and reward the top-performing States and Union Territories.

Additionally, the app allows users to participate in the Referral Program introduced by the Ministry of Corporate Affairs. Registered users can refer other eligible candidates and earn rewards. The referral program is also available on the PMIS web portal. The PMIS app will play a key role in making internships more accessible, helping youth easily connect with valuable opportunities.

Expansion in Pilot Phase - Round II (Jan-Mar 2025) Following the success of Round I, Round II of the internship initiative scales up significantly, offering 1.18 lakh+ internships across all 735 districts, with participation from 327 reputed companies, including roles carried forward from Round I. Opportunities span diverse sectors such as Automobile, Travel & Hospitality, Banking & Finance, Manufacturing, Metals & Mining, FMCG, and more, catering to candidates from various educational backgrounds. The Prime Minister's Internship Scheme is not merely an employment program, it is a transformative investment in India's future. By seamlessly integrating academic knowledge with real-world industry experience, PMIS is creating a generation of confident, skilled, and industry-ready youth. As the scheme scales and enters the second round, it is set to redefine India's human capital potential, driving innovation, fostering entrepreneurship, and ensuring inclusive economic growth. Through PMIS, India envisions its youth not just as participants, but as architects of the nation's progress, empowered to lead, excel, and shape a future of global leadership and prosperity.

For more information, you can access the GOI press release here:
https://pib.gov.in/PressReleasePage.aspx?PRID=2113760

3. **Indian Institute of Corporate Affairs (IICA) launches Samarthya: National Competition on Corporate Rescue Strategies 2025 at Manesar.**

The Programme offers a dynamic platform for students to devise innovative turnaround strategies for businesses facing financial distress- Samarthya 2025 Focuses on Real-World Corporate Rescue Strategies and Expert Engagement.

Event Highlights:

- Practical Learning: Participants engaged in analyzing financial statements and crafting corporate rescue strategies, presenting their solutions to a panel of esteemed judges.
- Real-World Scenarios: The competition emphasized practical learning, allowing participants to navigate real-world financial distress scenarios.

"Samarthya 2025" aligns with IICA's mission to promote responsible business practices and corporate governance in India, focusing on modern areas such as Environment-Social-Governance (ESG), Corporate Social Responsibility (CSR), and Business and Human Rights (BHR).

This initiative reflects IICA's commitment to fostering a responsible business ecosystem in India

For more information, you can access the GOI press release here:
https://pib.gov.in/PressReleasePage.aspx?PRID=2114121

RESERVE BANK OF INDIA

1. **Reserve Bank of India (Financial Statements - Presentation and Disclosures) Directions, 2021: Clarifications.**

The Reserve Bank has received queries and suggestions from banks and Indian Banks' Association (IBA) on certain aspects of disclosures in the notes to accounts to the financial statements as well as on the notes and instructions for compilation of balance sheet specified in the Annex II Part A of the Reserve Bank of India (Financial Statements - Presentation and Disclosures) Directions, 2021. The queries and suggestions received, and the clarifications thereof are enclosed in the Annex. These instructions are applicable to all commercial and cooperative banks for preparation of financial statements for the financial year ending March 31, 2025 and onwards. The Reserve Bank of India (Financial Statements-Presentation and Disclosures) Directions, 2021 shall be updated suitably to reflect these changes.

For more information, you can access the RBI notification here:
https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12793&Mode=0

2. **Amortisation of additional pension liability - Implementation of Pension Scheme in Regional Rural Banks with effect from November 1, 1993 - Prudential Regulatory Treatment.**

In terms of NABARD circular NB.DoS.Pol.HO/2533/J-1/2019-20 dated December 12, 2019, Regional Rural Banks (RRBs) were earlier permitted to amortise their pension liability on account of RRB (Employee) Pension Scheme 2018 over a period of five years, beginning with financial year ending March 31, 2019. RRBs are now required to implement the pension scheme with effect from November 1, 1993. However, in view of the difficulties expressed in absorbing the increased liability in a single year, it has been decided that RRBs may take the following course of action in the matter:

a. The liability on account of applicability of pension scheme shall be fully recognised as per the applicable accounting standards.

b. The expenditure, on account of revision in the pension, may, if not fully charged to the Profit and Loss Account during the financial year 2024-25, be amortised over a period not exceeding five years beginning with the financial year ending March 31, 2025, subject to a minimum of 20 per cent of the total pension liability involved being expensed every year.

c. Appropriate disclosure of the accounting policy followed in this regard shall be made in the 'Notes to Accounts' to the financial statements. Banks shall also disclose the amount of unamortised expenditure and the consequential net profit if the unamortised expenditure had been fully recognised in the Profit & Loss Account.

d. Pension related unamortised expenditure would not be reduced from Tier 1 Capital of the RRBs.

For more information, you can access the RBI notification here:
https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12794&Mode=0

3. Treatment of Right-of-Use (ROU) Asset for Regulatory Capital Purposes.

In terms of Indian Accounting Standard (Ind AS) 116 - Leases, most leases will be reflected on a lessee's balance sheet as an obligation to make lease payments (a liability) and a related ROU asset (an asset). We have received references from various NBFCs (in their capacity as lessees) on the treatment of ROU assets for calculation of regulatory capital/ Owned Fund. In this regard, it is clarified that regulated entities shall not be required to deduct an ROU asset (created in terms of Ind AS 116-Leases) from Owned Fund/ CET 1 capital/ Tier 1 capital (as the case may be), provided the underlying asset being taken on lease is a tangible asset. The ROU asset shall be risk-weighted at 100 per cent, consistent with the risk weight applied historically to the owned tangible assets. The above revisions/changes have been incorporated in the respective Master Directions. This circular is applicable, with immediate effect, to all NBFCs (including HFCs) and Asset Reconstruction Companies implementing Companies (Indian Accounting Standards) Rules, 2015.

For more information, you can access the RBI notification here:
https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12795&Mode=0

4. Reserve Bank of India and Bank of Mauritius Sign Memorandum of Understanding to Promote Use of Local Currencies for Bilateral Transactions.

The Reserve Bank of India (RBI) and the Bank of Mauritius (BOM) signed a Memorandum of Understanding (MoU) for establishing a framework to promote the use of local currencies, viz., the Indian Rupee (INR) and the Mauritian Rupee (MUR) for cross-border transactions. The MoU was signed by the Governor, Reserve Bank of India, Shri Sanjay Malhotra and the Governor, Bank of Mauritius, Dr. Rama Krishna Sithanen G.C.S.K. The MoU documents were exchanged in Port Louis, Mauritius in the presence of the Honourable Prime Minister of India, Shri Narendra Modi and the Honourable Prime Minister of Mauritius, Dr. Navinchandra Ramgoolam, on Wednesday, March 12, 2025. The MoU aims to promote the use of INR and MUR in bilateral trade. The MoU covers all current account transactions and permissible capital account transactions as agreed upon by both the countries. This framework would enable exporters and importers to invoice and pay in their respective domestic currencies, which in turn, would enable the development of a market in the INR-MUR pair. Use of local currencies would optimise costs and settlement time for transactions. This collaboration marks a key milestone in strengthening bilateral cooperation between RBI and BOM. Use of local currencies in bilateral transactions will eventually contribute to promoting trade between India and Mauritius as well as deepen financial integration and strengthen the historical, cultural, and economic relations between India and Mauritius.

For more information, you can access the RBI press release here:
https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=60002

5. RBI imposes monetary penalty on Authorised Dealer Bank – Citibank N.A.

The Reserve Bank of India has imposed a monetary penalty of ₹36,28,000/- (Rupees Thirty-Six Lakhs Twenty-Eight Thousand only) on Citibank N.A. in exercise of powers vested in the Reserve Bank under the provisions of Section 11(3) of FEMA, 1999, for contravention of the directions issued by the Reserve Bank of India related to reporting of transactions undertaken under the Liberalized Remittance Scheme. The Reserve Bank of India had issued a Show Cause Notice to the bank, in response to which the bank had submitted a written reply and had also made oral submissions during a personal hearing thereon. After considering the facts of the case and the bank's reply in the matter, the Reserve Bank of India has come to the conclusion that the contraventions were substantiated and warranted imposition of penalty, under the

FEMA, 1999. This action is based on the deficiencies in regulatory compliance and is not intended to pronounce upon the validity of any transaction or agreement entered into by the bank with its customers.

For more information, you can access the RBI press release here:
https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=60037

6. **RBI imposes monetary penalty on Authorised Dealer Bank – IDBI Bank Limited.**

The Reserve Bank of India has imposed a monetary penalty of ₹36,30,000/- (Rupees Thirty-Six Lakhs Thirty Thousand only) on IDBI Bank Limited in exercise of powers vested in the Reserve Bank under the provisions of Section 11(3) of FEMA, 1999, for not undertaking due diligence while processing the inward remittances from a Foreign Currency Account opened by a constituent, resulting in contravention of Section 10 (4) of FEMA, 1999. The Reserve Bank of India had issued a Show Cause Notice to the bank, in response to which the bank submitted a written reply and also made oral submissions thereon. After considering the facts of the case and the bank's reply in the matter, the Reserve Bank of India came to the conclusion that the violations were substantiated and warranted imposition of penalty. This action is based on the deficiencies in regulatory compliance and is not intended to pronounce upon the validity of any transaction or agreement entered into by the bank with its customers.

For more information, you can access the RBI press release here:
https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=60038

7. **RBI Bulletin – March 2025**

The Reserve Bank of India released its March 2025 Bulletin, featuring four speeches, five articles, and current statistics. Key articles include: *State of the Economy*, which highlights India's resilience amidst global trade tensions and declining CPI inflation; *Spatial Distribution of Monsoon and Agricultural Production*, analysing rainfall's impact on crop yields; *Changing Dynamics of India's Remittances*, noting a shift in remittance sources to advanced economies and increased digital transactions; *Decoupling Economic Growth from Emissions*, showcasing India's progress in reducing emissions intensity with renewable energy; and *Market Access and IMF Arrangements*, examining global reliance on IMF loans and the role of alternative funding sources. The views expressed are those of the authors, not the RBI.

For more information, you can access the RBI press release here:
https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=60016

You may send your suggestions at niyati@asalegal.in

Disclaimer:

DELHI	MUMBAI	BENGALURU	AHMEDABAD
3, Birbal Road, Ground & First Floor, Jangpura Extension, New Delhi 110014. Phone: +91-11-43108998, 45661440, 43552440, +91-11-24327050-52, 9311052521	404-405, 4th Floor, Magnum Opus, Near Grand Hyatt, Behind Mudra Group, Santacruz (East), Mumbai – 400 055. Phone: +91-22-62368654, 26661979	1007, A-Wing, 10th Floor, Mittal Tower, M.G. Road, Bengaluru – 560001. Phone: +91-80-48536504	Office No.10, Business Centre, 5th Floor, Kalapurnam Complex, Near Municipal Market, C.G. Road, Navrangpura, Ahmedabad-380009. Phone: +91-079-66660888, +91-9173660088

Website : www.asalegal.in