NEWSLETTER Weekly

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SECURITIES AND EXCHANGE BOARD OF INDIA

1. **Extension towards Adoption and Implementation of Cybersecurity and Cyber Resilience Framework (CSCRF) for SEBI Regulated Entities (REs).**

   SEBI has extended the deadline for regulated entities (REs), excluding Market Infrastructure Institutions (MIIs), KYC Registration Agencies (KRAs), and Qualified Registrars to an Issue and Share Transfer Agents (QRTAs), to adopt and implement the Cybersecurity and Cyber Resilience Framework (CSCRF). The new deadline is June 30, 2025, a three-month extension from the original date. This decision follows multiple requests from REs seeking more time for compliance. SEBI had previously issued the CSCRF in August 2024 and provided clarifications in December 2024. The extension aims to ease compliance for the affected entities. Stock exchanges and depositories are instructed to inform their members and participants about this change. The circular, effective immediately, is issued under SEBI's regulatory authority to protect investor interests and regulate the securities market.

   For more information, you can access the SEBI circular here:
   https://www.sebi.gov.in/legal/circulars/mar-2025/extension-towards-adoption-and-implementation-of-cybersecurity-and-cyber-resilience-framework-cscrf-for-sebi-regulated-entities-res-_93146.html

2. **Amendment to Master Circular for Infrastructure Investment Trusts (InvITs) dated May 15, 2024.**

   The Securities and Exchange Board of India (SEBI) has issued a circular amending the lock-in requirements for preferential issues of Infrastructure Investment Trusts (InvITs). The changes align lock-in provisions with existing regulations, ensuring that sponsor-held units are not subject to additional restrictions beyond their original lock-in period. Additionally, SEBI now permits inter-se transfers of locked-in units among sponsors and their group entities under specified conditions. The circular also introduces a regulatory framework for follow-on offers (FPOs) by publicly offered InvITs. SEBI has outlined procedural requirements, including stock exchange approvals, dematerialized issuance, and adherence to minimum public unitholding norms. Fast-track FPOs have been proposed to enhance fundraising efficiency. These measures are part of SEBI's efforts to promote ease of doing business and provide greater flexibility to InvITs in raising capital. The circular is effective immediately, and stock exchanges have been advised to publish it on their websites.

   For more information, you can access the SEBI circular here:
   https://www.sebi.gov.in/legal/circulars/mar-2025/amendment-to-master-circular-for-infrastructure-investment-trusts-invits-dated-may-15-2024_93145.html

3. **Amendment to Master Circular for Real Estate Investment Trusts (REITs) dated May 15, 2024.**

   SEBI has amended its Master Circular for Real Estate Investment Trusts (REITs), revising lock-in provisions for preferential unit issues and establishing guidelines for follow-on offers. The lock-in period for units allotted to sponsors and sponsor groups is now aligned with initial offer regulations, with 15% locked-in for three years and the remainder for one year. Inter-se transfer of locked-in units within sponsor groups is permitted, provided the lock-in period continues for the transferee. SEBI has also introduced a framework for REIT follow-on offers, mirroring InvIT public issue guidelines. This includes rules for offer document filing, minimum public unitholding, allotment timelines, and restrictions on further unit issuance. The changes, aimed at easing business operations, are based on industry representations and recommendations from the Hybrid Securities Advisory Committee (HySAC).

For more information, you can access the SEBI circular here:
https://www.sebi.gov.in/legal/circulars/mar-2025/amendment-to-master-circular-for-real-estate-investment-trusts-reits-dated-may-15-2024_93143.html

4. **Intraday Monitoring of Position Limits for Index Derivatives.**

The Securities and Exchange Board of India (SEBI) has issued a circular, SEBI/HO/MRD/TPD-1/P/CIR/2025/41, dated March 28, 2025, addressing the intraday monitoring of position limits for index derivatives. The circular outlines a temporary modification to the implementation of intraday monitoring, originally mandated in the SEBI Master Circular dated December 30, 2024. While exchanges are still required to monitor position limits intraday from April 1, 2025, as planned, penalties for breaches will be suspended until further notice. The decision stems from concerns raised by industry associations, including the Association of National Exchanges Members of India (ANMI), the Bombay Brokers' Forum (BBF), and the Confederation of Professional Associations of India (CPAI). These associations cited the lack of readiness in broker and client systems to handle intraday monitoring of existing notional position limits. They also pointed to SEBI's ongoing consultation regarding delta-based or futures-equivalent limits for index derivatives, suggesting that implementing systems based on current parameters could lead to obsolescence. The consultation paper proposes higher intraday limits than end-of-day limits which are not in line with the current position limits. According to the circular, stock exchanges are instructed to implement intraday monitoring by taking at least four position snapshots throughout the trading day, as stipulated in the original master circular. However, SEBI has explicitly stated that no penalties will be levied for intraday breaches of existing position limits, and these breaches will not be considered violations. Exchanges are also required to develop a joint Standard Operating Procedure (SOP) to inform market participants about the modalities of intraday monitoring and to notify clients and trading members of any breaches for risk management purposes. This directive is issued under the authority granted by Section 11(1) and Section 11(2)(a) of the SEBI Act, 1992, and Regulation 51 of the SECC Regulations, 2018, aimed at protecting investor interests and regulating the securities market. The circular emphasizes that this temporary suspension of penalties is intended to allow market participants time to adapt to the upcoming regulatory changes and to ensure a smooth transition. The document is available on the SEBI website for further reference.

For more information, you can access the SEBI circular here:
https://www.sebi.gov.in/legal/circulars/mar-2025/intraday-monitoring-of-position-limits-for-index-derivatives_93123.html

5. **Measures to facilitate ease of doing business with respect to framework for assurance or assessment, ESG disclosures for value chain, and introduction of voluntary disclosure on green credits.**

SEBI has amended its Listing Obligations and Disclosure Requirements (LODR) regulations, modifying ESG disclosure requirements. The changes, based on expert committee recommendations and public consultation, include the introduction of voluntary green credit disclosures within the Business Responsibility and Sustainability Report (BRSR). Listed entities can now choose between "assessment" or "assurance" for BRSR Core and value chain ESG disclosures, with the "assessment" to be conducted as per Industry Standards Forum (ISF) guidelines. The timeline for mandatory BRSR Core assessment/assurance is phased, starting with the top 150 listed entities in FY 2023-24, and expanding to the top 1000 by FY 2026-27. Value chain ESG disclosures are deferred by one year, with voluntary disclosures beginning FY 2025-26, and assessment/assurance in FY 2026-27. The threshold for value chain partners is set at 2% or more of the entity's purchases and sales. These revisions aim to streamline compliance and provide flexibility for listed entities.

For more information, you can access the SEBI circular here:
https://www.sebi.gov.in/legal/circulars/mar-2025/measures-to-facilitate-ease-of-doing-business-with-respect-to-framework-for-assurance-or-assessment-esg-disclosures-for-value-chain-and-introduction-of-voluntary-disclosure-on-green-credits_93102.html

6. **Extension of timelines for submission of offsite inspection data.**

This SEBI circular, issued on March 28, 2025, addresses portfolio manager data submission. It amends the Master Circular dated June 7, 2024, specifically regarding offsite inspection data. In response to industry feedback aimed at easing business operations, SEBI has extended the quarterly data submission deadline from 10 to 15 calendar days following the quarter's end. Additionally, the effective date for required data submission is now April 1, 2023, instead of the previously specified date. Day-wise data is mandated for "Client Folio AUM" and "Client Holding Master" table headings. The modified clauses, 5.4.3 and 5.4.4, are now in effect. This action, taken under relevant SEBI regulations, is intended to protect investor interests and regulate the securities market.

For more information, you can access the SEBI circular here:
https://www.sebi.gov.in/legal/circulars/mar-2025/extension-of-timelines-for-submission-of-offsite-inspection-data_93101.html

7. **Extension of timelines for submission of offsite inspection data.**

The Securities and Exchange Board of India (SEBI) has issued a circular extending the deadline for mutual funds to submit offsite inspection data. Previously, mutual funds were required to submit daily data in a monthly file, formatted quarterly, within 10 calendar days of the quarter's end. Following industry feedback aiming to ease business operations, SEBI has modified Clause 5.27.2 of the Master Circular for Mutual Funds, dated June 27, 2024. The new directive allows mutual funds 15 calendar days from the end of each quarter to submit this data. Registrars to an Issue and Share Transfer Agents (RTAs) are still required to submit the data on an ongoing basis. This change, effective immediately, is issued under SEBI's regulatory authority to protect investor interests and regulate the securities market. The full circular is available on the SEBI website.

For more information, you can access the SEBI circular here:
https://www.sebi.gov.in/legal/circulars/mar-2025/extension-of-timelines-for-submission-of-offsite-inspection-data_93100.html

MINISTRY OF FINANCE

1. **Auction for Sale (re-issue) of (i) '6.64% GS 2027' and (ii) '6.79% GS 2034'.**

The Government of India (GoI) is re-issuing two government securities:

i. **6.64% Government Security 2027** for ₹6,000 crore; and

ii. **6.79% Government Security 2034** for ₹30,000 crore.

The auction will be conducted by the Reserve Bank of India (RBI) on April 04, 2025, using a price-based auction with a multiple price method. GoI may retain an additional ₹2,000 crore for each security. Up to 5% of the notified amount will be allotted to eligible individuals and institutions under the non-competitive bidding facility. Bids must be submitted electronically through RBI's E-Kuber system:

i. Non-competitive bids: 10:30 a.m. to 11:00 a.m.; and

ii. Competitive bids: 10:30 a.m. to 11:30 a.m.

The results will be announced on April 04, 2025, and payment by successful bidders is due on April 07, 2025. The securities will also be eligible for 'When Issued' trading.

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

2. **Government of India and Government of Japan sign loan agreements worth JPY 191.736 billion for six projects under Japan's Official Development Assistance to India.**

   Six loan agreements were signed between the Government of India and the Japan International Cooperation Agency (JICA) for various projects:

   i. **Tamil Nadu Investment Promotion Program (Phase 3) -** ₹36.114 billion: Aims to attract investments, create quality jobs, and promote advanced manufacturing skills in Tamil Nadu.

   ii. **Project for Capacity Enhancement for Effective Forest Management -** ₹8.280 billion: Focuses on improving forest management and biodiversity conservation through research, training, and institutional strengthening.

   iii. **Chennai Seawater Desalination Plant Project (II) -** ₹52.556 billion: Provides a reliable water supply by constructing a seawater desalination plant in the Chennai Metropolitan Area.

   iv. **Delhi Mass Rapid Transport System Project (Phase 4 Additional Corridors) -** ₹79.726 billion: Expands Delhi's metro system to reduce traffic congestion, mitigate pollution, and promote regional economic development.

   v. **Assam State Aquaculture Promotion and Livelihood Improvement Project -** ₹3.580 billion: Enhances aquaculture production and improves rural livelihoods in Assam.

   vi. **Punjab Biodiversity and Natural Resources Conservation Project -** ₹11.480 billion: Promotes biodiversity conservation, climate change mitigation, and livelihood improvement in Punjab.

   These projects strengthen the longstanding bilateral development cooperation between India and Japan, enhancing their strategic partnership.

   For more information, you can access the GOI press release here:
   https://pib.gov.in/PressReleasePage.aspx?PRID=2116250

3. **National Academy of Customs, Indirect Taxes, and Narcotics (NACIN) and Indian Maritime University (IMU) sign MoU for strategic knowledge partnership.**

   A Memorandum of Understanding (MoU) was signed between the National Academy of Customs, Indirect Taxes, and Narcotics (NACIN) and the Indian Maritime University (IMU) in Chennai to enhance maritime enforcement and operational capabilities of CBIC officers. The collaboration aims to improve training at the Marine Customs Training Centre, bridging knowledge gaps in maritime practices and incorporating both domestic and international perspectives. The MoU outlines the development of a comprehensive training program, leveraging IMU's academic expertise and NACIN's enforcement experience. It provides CBIC officers with specialized training in advanced maritime technologies, aligned with global best practices. IMU benefits by extending its academic reach into maritime enforcement and engaging in collaborative research on emerging technologies. The partnership also opens opportunities for international participants and personnel from other departments. NACIN's Marine Customs Training Centre, equipped with state-of-the-art simulators and facilities for ship maneuvering, firefighting, and search and rescue operations, plays a pivotal role in enhancing CBIC's maritime enforcement capabilities. This collaboration further strengthens India's commitment to safeguarding its maritime interests and creating a robust training ecosystem. IMU is a leading institution for maritime education and research, contributing significantly to India's maritime sector development.

   For more information, you can access the GOI press release here:
   https://pib.gov.in/PressReleasePage.aspx?PRID=2115969

4. **Government's borrowing plan for the first half of FY 2025-26.**

The Government of India, in consultation with the Reserve Bank of India, has outlined its borrowing plan for the first half (H1) of FY 2025-26. Out of the total gross market borrowing of ₹14.82 lakh crore for the year, ₹8.00 lakh crore (54%) will be raised in H1 through the issuance of dated securities, including ₹10,000 crore in Sovereign Green Bonds (SGrBs). The borrowing will be spread across 26 weekly auctions, with securities maturing in 3, 5, 7, 10, 15, 30, 40, and 50 years. The breakdown of maturities is: 3-year (5.3%), 5-year (11.3%), 7-year (8.2%), 10-year (26.2%), 15-year (14.0%), 30-year (10.5%), 40-year (14.0%), and 50-year (10.5%). The government will also use switching/buyback of securities to manage redemptions. It retains the option to raise an additional ₹2,000 crore through greenshoe options. In Q1 of FY 2025-26, ₹19,000 crore will be raised through Treasury Bills, with different maturities. The Ways and Means Advances (WMA) limit for H1 has been set at ₹1.50 lakh crore to manage temporary account mismatches.

For more information, you can access the GOI press release here:
https://pib.gov.in/PressReleasePage.aspx?PRID=2115881

5. **RBI Conducts 8th State Level Coordination Committee Meeting in Sikkim.**

The 8th State Level Coordination Committee (SLCC) meeting was held by the Reserve Bank of India (RBI) in Gangtok on March 26, 2025, chaired by Shri Ravindra Telang, Chief Secretary of Sikkim. The meeting focused on the implementation of the BUDS Rules under the Banning of Unregulated Deposit Schemes (BUDS) Act, 2019, and discussed financial frauds, including those reported on Helpline 1930. RBI officials highlighted digital frauds and initiatives to combat them, while stakeholders shared intelligence on unregulated entities. RBI and SEBI also discussed investor awareness programs and mechanisms to protect financial rights. The Chief Secretary acknowledged RBI's efforts in promoting financial literacy in the region.

For more information, you can access the GOI press release here:
https://pib.gov.in/PressReleasePage.aspx?PRID=2115852

6. **Medium Term and Long Term Government Deposit (MLTGD) components of Gold Monetisation Scheme (GMS) discontinued w.e.f. 26th March, 2025, based on performance of GMS and evolving market conditions.**

The Gold Monetisation Scheme (GMS) was announced on 15th September, 2015 with the objective to reduce country's reliance on the import of gold in the long run and mobilise gold held by households and institutions in the country to facilitate its use for productive purposes.
The GMS comprised of 3 components:

i. Short Term Bank Deposit (1-3 years);

ii. Medium Term Government Deposit (5-7 years); and

iii. Long-Term Government Deposit (12 - 15 years).

Based on the examination of the performance of the Gold Monetisation Scheme (GMS) and evolving market conditions, it has been decided to discontinue the Medium Term and Long-Term Government Deposit (MLTGD) components of the GMS w.e.f. March 26, 2025. Accordingly, any gold deposits tendered at the designated Collection and Purity Testing Centre (CPTC) or GMS Mobilisation, Collection & Testing Agent (GMCTA) or the designated bank branches under the said components of GMS shall not be accepted with effect from March 26, 2025. However, the existing deposits under MLTGD shall continue till redemption as per extant guidelines of GMS issued vide Reserve Bank Master Direction No. DBR.IBD.No.45/23.67.003/2015-16 dated October 22, 2015 (as updated). Further, the Short-Term Bank Deposits (STBD) offered by the banks under GMS shall continue at the discretion of the individual banks based on the commercial viability as assessed by them. The detailed guidelines of Reserve Bank in this regard shall follow.

For more information, you can access the GOI press release here:
https://pib.gov.in/PressReleasePage.aspx?PRID=2115009

7. **RRBs achieve a record ₹7,571 crore profit in FY 2023-24; key financial indicators like CRAR, deposits, NPAs CD Ratio show steady improvement.**

The government is reviewing the financial performance of Regional Rural Banks (RRBs), focusing on financial parameters, technology upgrades, and loan diversification towards Agri-allied, MSME, and retail sectors. RRBs posted a record net profit of ₹7,571 crore in FY 2023-24 and showed improvements in key metrics like CRAR, deposits, advances, NPA, and CD ratio. The government also reviewed RRBs' progress in financial inclusion through schemes like PM Jan Dhan Yojana and PM Jeevan Jyoti Bima Yojana.

For more information, you can access the GOI press release here:
https://pib.gov.in/PressReleasePage.aspx?PRID=2114942

8. **Government Strengthens financial assistance for Loan Schemes for Entrepreneurs, Farmers, Small Businesses and startups.**

The government offers various credit schemes for small traders, farmers, and startups, including:

i. **Pradhan Mantri Mudra Yojana (PMMY)**: Provides collateral-free loans for income-generating activities across three categories (Shishu, Kishore, and Tarun) with amounts ranging from ₹50,000 to ₹10 lakh.

ii. **Stand Up India (SUPI)**: Facilitates loans between ₹10 lakh and ₹1 crore for SC/ST and women entrepreneurs to set up greenfield enterprises.

iii. **Kisan Credit Card (KCC)**: Offers affordable credit to farmers for agricultural activities, with an interest rate as low as 4% after subvention and incentives. The loan limit is being increased from ₹3 lakh to ₹5 lakh.

Additionally, the **Jan Samarth portal** simplifies the loan application process through digital platforms, reducing paperwork. The Union Budget 2025-26 also announced a new scheme for first-time women, SC, and ST entrepreneurs, offering loans up to ₹2 crore.

For more information, you can access the GOI press release here:
https://pib.gov.in/PressReleasePage.aspx?PRID=2114938

MINISTRY OF CORPORATE AFFAIRS

1. **NFRA and IIT Kanpur jointly organize a Hackathon on Large Language Models (LLM) and Generative AI.**

The National Financial Reporting Authority (NFRA) and IIT Kanpur jointly organized a Hackathon on March 28-29, 2025, to encourage students to use Large Language Models (LLM) and Generative AI (GenAI) to transform financial data into clear, engaging stories. The goal was to make complex financial statements more readable and accessible for informed decision-making. Teams from various engineering colleges participated, with solutions focusing on simplifying financial statements and providing deeper insights. Winning teams from VIT Vellore, MNNIT Allahabad, IIT Lucknow, and Rajiv Gandhi University of Knowledge Technologies were recognized. Many winners also decided to contribute their innovations to the open-source community for further development. The event highlighted the potential of GenAI in revolutionizing financial statement analysis and fostered collaboration between academia, students, and regulators. NFRA looks forward to more such opportunities to engage with the student community.

For more information, you can access the GOI press release here:
https://pib.gov.in/PressReleasePage.aspx?PRID=2116830

2. **Corporate Affairs Ministry hosts the 3rd 'Candidate Open House' for the PM Internship Scheme.**

On March 27, 2025, the Ministry of Corporate Affairs (MCA) hosted another successful Candidate Open House for the PM Internship Scheme (PMIS). Over 684 live attendees participated, with more than 1,765 questions submitted online regarding selection criteria, eligibility, and sector-specific opportunities. Industry expert Mr. Don Lewis from Mahindra & Mahindra shared insights on internships and career growth. Additionally, current PMIS interns, including Ankit Kumar, shared their personal stories, highlighting how internships can overcome barriers of language and location. The session also featured guidance from MCA officials and technical experts on using the PMIS portal effectively. These weekly sessions provide candidates with real-time answers, expert advice, and the opportunity to explore internship opportunities.

For more information, you can access the GOI press release here:
https://pib.gov.in/PressReleasePage.aspx?PRID=2116079

3. **Government has Launched Multiple Digital Initiatives for Transparency and Efficiency, Reducing compliance burden in corporate filings.**

It looks like the Ministry of Corporate Affairs (MCA) has introduced a series of significant digital initiatives aimed at improving transparency, efficiency, and service delivery through the MCA21 V3 system. These initiatives seem designed to address compliance challenges and enhance user experience while protecting sensitive data. Key updates and initiatives mentioned include:

i. **Field-level validations and auto-prefill functionalities**: These features in the online forms reduce the chances of fraudulent filings by ensuring that the data entered adheres to the required standards and is filled automatically wherever applicable.

ii. **Multifactor authentication**: This provides an added layer of security by verifying the identity of users accessing the system, which prevents unauthorized access.

iii. **Masking private information**: Sensitive data is kept confidential and is not exposed publicly, thereby ensuring data privacy.

iv. **Digital Initiatives**:

- **Centre for Processing Accelerated Corporate Exit (CPACE)**: A dedicated center for faster processing of voluntary company or LLP closures.

- **Centralized Processing Centre (CPC)**: This helps streamline the verification process for Non-STP (Straight Through Processing) forms by consolidating operations at a central location.

- **MCA Portal Mobile App**: It allows users to access services seamlessly on mobile devices.

- **Chatbot**: A unified communication tool for query resolution via chat or call.

- **E-Adjudication system**: A fully online platform for the adjudication process, ensuring better efficiency and transparency.

- **Feedback and Grievance Reporting**: Stakeholders can raise tickets to report issues or provide feedback, ensuring that challenges are addressed.

v. **Increased Corporate Filings**: The number of filings processed through the MCA21 system has steadily increased, reflecting the system's growing adoption. From 67,02,788 filings in 2020-21 to 80,77,210 in 2023-24, with projections reaching 84,30,731 by February 2025.

These digital initiatives not only enhance the overall efficiency of the corporate registration and filing process but also significantly reduce the compliance burden on stakeholders. It's clear that the Ministry is working to make corporate affairs more accessible, secure, and user-friendly.

For more information, you can access the GOI press release here:
https://pib.gov.in/PressReleasePage.aspx?PRID=2114940

MINISTRY OF LAW AND JUSTICE

1. The Oilfields (Regulation and Development) Amendment Act, 2025.

The President has promulgated an Act on the 28th March 2025, The Oilfields (Regulation and Development) Amendment Act 2025. An Act further to amend the Oilfields (Regulation and Development) Act 1948 vide notification dated 28.03.2025.

For more information, you can access the GOI notification here:
https://egazette.gov.in/WriteReadData/2025/262080.pdf

RESERVE BANK OF INDIA

1. Master Direction – Reserve Bank of India (Prudential Norms on Capital Adequacy for Regional Rural Banks) Directions, 2025.

The Reserve Bank of India has, from time to time, issued several guidelines / instructions / directives on Prudential Norms on Capital Adequacy for Regional Rural Banks (RRBs). To enable RRBs to have current instructions at one place, a Master Direction incorporating all the existing guidelines / instructions / directives on the subject has been prepared for reference. This Direction also incorporates suitable modifications to and rationalization in existing guidelines. This Direction has been issued by RBI in exercise of its powers conferred under Section 35A of the Banking Regulation Act 1949, and of all the powers enabling it in this behalf.

For more information, you can access the RBI notification here:
https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12800&Mode=0

2. Gold Monetization Scheme (GMS), 2015 - Amendment.

Government of India, vide its press release ID 2115009 dated March 25, 2025 regarding Gold Monetization Scheme (GMS) has decided to discontinue the Medium Term and Long Term Government Deposit (MLTGD) components of GMS with effect from March 26, 2025. Accordingly, any gold deposits tendered at the designated Collection and Purity Testing Centre (CPTC) or GMS Mobilisation, Collection & Testing Agent (GMCTA) or the designated bank branches towards MLTGD component of GMS shall not be accepted after March 25, 2025. The designated banks, at their discretion, may offer Short Term Bank Deposits (STBD) under GMS. The MLTGD mobilized till March 25, 2025 shall continue till redemption as per the extant guidelines. Accordingly, in exercise of the powers conferred on the Reserve Bank of India under Section 35A of the Banking Regulation Act, 1949, the Master Direction No.DBR.IBD.No.45/23.67.003/2015-16 dated October 22, 2015 on Gold Monetization Scheme, 2015 is being amended. The amended provisions of the Master Direction are enclosed in the Annex to this circular. Frequently Asked Questions relating to the provisions contained in the Master Direction are also being updated. The amended provisions contained in this circular shall come into effect from March 26, 2025. The Master Direction is hereby updated to reflect the changes effected by the amendments to the Scheme. This circular is applicable to all Scheduled Commercial Banks (other than Regional Rural Banks).

For more information, you can access the RBI notification here:
https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12801&Mode=0

3. **General Notification for Sale and Issue of Government of India Securities (including Treasury Bills and Cash Management Bills).**

Referring to our circulars IDMD.2592/08.01.01/2017-18 dated April 09, 2018, forwarding therewith a copy of the General Notification F.No.4(2)-W&M/2018 dated March 27, 2018 issued by the Government of India for sale of Government of India Securities, and IDMD.2593/08.01.01/2017-18 dated April 09, 2018, forwarding therewith a copy of the General Notification F.No.4(2)-W&M/2018 dated March 27, 2018 issued by the Government of India for sale of Government of India Treasury Bills/Cash Management Bills by auction. Government of India have now issued the General Notification F.No.4(2)-B(W&M)/2018 dated March 26, 2025, for sale and issue of Government of India Securities (including Treasury Bills and Cash Management Bills) in supersession of the above-mentioned General Notifications, a copy of which is enclosed.

For more information, you can access the RBI notification here:
https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12802&Mode=0

4. **Special Clearing Operations on March 31, 2025.**

A reference is invited to the circular issued by Department of Government and Bank Accounts (DGBA) vide CO.DGBA.GBD.No.S1003/42-01-029/2024-2025 dated March 17, 2025 addressed to all the agency banks on Annual Closing of Government Accounts –Transactions of Central/State Governments – Special Measures for the Current Financial Year (2024-25). Normal clearing timings under Cheque Truncation System (CTS) as applicable to any working “Monday” shall be followed on March 31, 2025. Further, to facilitate accounting of all the Government transactions for the current financial year (2024-25) by March 31, 2025, it has been decided to conduct Special Clearing under CTS exclusively for Government Cheques on March 31, 2025. It is mandatory for all banks to participate in the special clearing operations on March 31, 2025. All the member banks of CTS are also required to keep their inward clearing processing infrastructure open during the Special Clearing hours and maintain sufficient balance in their clearing settlement account to meet settlement obligations arising out of the Special Clearing. Member banks are advised to adhere to the instructions contained in this circular as well as instructions issued by the President of the National Grid Clearing House. Member banks may also be guided by the circular NPCI/2016-17/CTS/Circular No.32 dated October 3, 2016 issued by NPCI regarding clearing type for instruments to be presented in Special Clearing sessions.

For more information, you can access the RBI notification here:
https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12803&Mode=0

5. **Revised norms for Government Guaranteed Security Receipts (SRs).**

The Master Direction on Transfer of Loan Exposures, 2021 dated September 24, 2021 (“MD-TLE”), prescribes, inter alia, prudential treatment for transfer of loans by the eligible transferors to Asset Reconstruction Companies (ARCs). Specifically, reversal of excess provision and the valuation norms for the investors of SRs are detailed in paragraphs 76, 77 and 77A of MD-TLE. Currently, these provisions apply to all the SRs including those with sovereign guarantee. With a view to adopting a differentiated approach in respect of SRs guaranteed by the Government of India, the prudential treatment relating to valuation of such SRs shall be as under.

i. If a loan is transferred to an ARC for a value higher than the net book value (NBV), the excess provision can be reversed to the Profit and Loss Account in the year of transfer if the sale consideration comprises only of cash and SRs guaranteed by the Government of India. However, the non-cash component in the form of SRs shall be deducted from CET 1 capital, and no dividends shall be paid out of this component.

ii. Such SRs shall be valued periodically by reckoning the Net Asset Value (NAV) declared by the ARC based on the recovery ratings received for such instruments. However, any unrealized gains recognized in the Profit and Loss Account on account of fair valuation of such investments shall be deducted from CET 1 capital, and no dividends shall be paid out of such unrealized gains.

iii. Any SRs outstanding after the final settlement of the government guarantee or the expiry of the guarantee period, whichever is earlier, shall be valued at one rupee (₹1).

iv. In the event of the SRs being converted to any other form of instruments as part of resolution, then the valuation and provisioning thereof, for such instruments shall be governed by the provisions as laid down under paragraph 19 of the Annex 1 to the Prudential Framework for Resolution of Stressed Assets dated June 7, 2019

The provisions of this circular shall be applicable with immediate effect and be valid for all the existing and subsequent investments involving SRs guaranteed by the Government of India, during the validity of said guarantee by the Government on the concerned SRs.

For more information, you can access the RBI press release here:
https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12804&Mode=0

6. RBI imposes monetary penalty on HDFC Bank Limited.

The Reserve Bank of India (RBI) has, by an order dated March 24, 2025, imposed a monetary penalty of ₹75.00 lakh (Rupees Seventy-Five Lakh only) on HDFC Bank Limited (the bank) for non-compliance with certain directions issued by RBI on 'Know Your Customer (KYC)'. This penalty has been imposed in exercise of powers conferred on RBI under the provisions of Section 47A(1)(c) read with Section 46(4)(i) of the Banking Regulation Act, 1949. The Statutory Inspection for Supervisory Evaluation (ISE 2023) of the bank was conducted by RBI with reference to its financial position as on March 31, 2023. Based on supervisory findings of non-compliance with RBI directions and related correspondence in that regard, a notice was issued to the bank advising it to show cause as to why penalty should not be imposed on it for its failure to comply with the said directions. After considering the bank's reply to the notice and additional submissions made by it, RBI found, inter alia, that the following charges against the bank were sustained, warranting imposition of monetary penalty:

i. The bank did not categorise certain customers into low, medium or high-risk category based on its assessment and risk perception; and

ii. The bank allotted multiple customer identification code to certain customers instead of a Unique Customer ldentification Code (UCIC) for each customer.

This action is based on 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. Further, imposition of monetary penalty is without prejudice to any other action that may be initiated by RBI against the bank.

For more information, you can access the RBI press release here:
https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=60066

7. RBI imposes monetary penalty on Punjab & Sind Bank.

The Reserve Bank of India (RBI) has, by an order dated March 24, 2025, imposed a monetary penalty of ₹68.20 lakh (Rupees Sixty Eight Lakh Twenty Thousand only) on Punjab & Sind Bank (the bank) for non-compliance with certain directions issued by RBI on 'Creation of a Central Repository of Large Common Exposures – Across Banks' read with 'Central Repository of lnformation on Large Credits (CRlLC) – Revision in Reporting' and 'Financial Inclusion - Access to Banking Services – Basic Savings Bank Deposit Account (BSBDA)'. This penalty has been imposed in exercise of powers conferred on RBI under the provisions of Section 47A(1)(c) read with Sections 46(4)(i) and 51(1) of the Banking Regulation Act, 1949. The Statutory Inspection for Supervisory Evaluation (ISE 2023) of the bank was conducted by RBI with reference to its financial position as on March 31, 2023. Based on supervisory findings of non-compliance with RBI directions and related correspondence in that regard, a notice was issued to the bank advising it to show cause as to why penalty should not be imposed on it for its failure to comply with the said directions.

After considering the bank's reply to the notice, additional submissions made by it and oral submissions made during the personal hearing, RBI found that the following charges against the bank were sustained, warranting imposition of monetary penalty:

i. The bank did not report certain borrowers with non-fund based exposure of ₹5 crore and above to CRILC; and

ii. The bank allowed certain BSBDA holders to open Savings Bank Deposit Accounts.

The action is based on 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. Further, imposition of monetary penalty is without prejudice to any other action that may be initiated by RBI against the bank.

For more information, you can access the RBI press release here:
https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=60067

8. Sectoral Deployment of Bank Credit – February 2025.

Data on sectoral deployment of bank credit for the month of February 2025 collected from 41 select scheduled commercial banks, accounting for about 95 per cent of the total non-food credit deployed by all scheduled commercial banks, are set out in Statements I and II. On a year-on-year (y-o-y) basis, non-food bank credit as on the fortnight ended February 21, 2025 grew at 12.0 per cent as compared to 16.6 per cent for the corresponding fortnight of the previous year (February 23, 2024).

Highlights of the sectoral deployment of bank credit are given below:

i. Credit to agriculture and allied activities registered a growth of 11.4 per cent (y-o-y) as on the fortnight ended February 21, 2025 (20.0 per cent for the corresponding fortnight of the previous year).

ii. Credit to industry recorded a growth of 7.3 per cent (y-o-y) as on the fortnight ended February 21, 2025, compared with 8.4 per cent for the corresponding fortnight of the previous year. Among major industries, outstanding credit to 'petroleum, coal products and nuclear fuels', 'all engineering', 'construction', and 'paper & paper products' recorded an accelerated y-o-y growth.

iii. Credit to services sector recorded a growth of 13.0 per cent (y-o-y) as on the fortnight ended February 21, 2025 (21.4 per cent for the corresponding fortnight of the previous year), with a decelerated growth in credit to 'non-banking financial companies' (NBFCs). However, credit growth (y-o-y) to 'computer software' accelerated. Credit growth remained robust in 'professional services' and 'trade' segments.

iv. Credit to personal loans segment registered a growth of 14.0 per cent (y-o-y) as on the fortnight ended February 21, 2025, as compared with 18.0 per cent a year ago, largely due to decline in growth rate in 'other personal loans', 'credit card outstanding' and 'vehicle loans' segments.

For more information, you can access the RBI press release here:
https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=60072

You may send your suggestions at niyati@asalegal.in

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