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NEWSLETTER Weekly

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SECURITIES AND EXCHANGE BOARD OF INDIA

1. Specialized Investment Funds ('SIF') – Application and Investment Strategy Information Document (ISID) formats.

SEBI has issued a circular outlining the application process and the format for the Investment Strategy Information Document (ISID) for Mutual Funds intending to establish Specialized Investment Funds (SIFs). This follows previous circulars on February 27, 2025, and April 09, 2025, which specified the regulatory framework for SIFs, including eligibility criteria and ISID disclosures. To ensure uniformity and efficient processing, registered Mutual Funds must now submit their applications in the format provided in Annexure I of this circular. Additionally, in accordance with the SIF Circular, the format for the ISID is detailed in Annexure II. This directive, effective immediately, is issued under the powers granted by the SEBI Act, 1992, and the SEBI (Mutual Funds) Regulations 1996, aimed at safeguarding investor interests and promoting securities market development.

For more information, you can access the SEBI circular here:
https://www.sebi.gov.in/legal/circulars/apr-2025/specialized-investment-funds-sif-application-and-investment-strategy-information-document-isid-formats_93442.html

2. Clarification on Regulatory framework for Specialized Investment Funds ('SIF').

SEBI has issued a clarification regarding the regulatory framework for Specialized Investment Funds (SIF) as outlined in its circular dated February 27, 2025. Based on industry queries and input from AMFI, SEBI has decided that the rules concerning the maturity of securities in interval schemes, as specified in the Master Circular for Mutual Funds dated June 27, 2024, will not apply to Interval Investment Strategies under SIFs. Additionally, the minimum investment threshold for SIFs, stated in the earlier circular, has been revised. The aggregate investment by an investor across all SIF investment strategies at the PAN level must now be at least INR 10 lakh. However, this minimum threshold will not apply to mandatory investments made by AMCs for designated employees as per the MF Master Circular. These clarifications take immediate effect from the date of this circular.

For more information, you can access the SEBI circular here:
https://www.sebi.gov.in/legal/circulars/apr-2025/clarification-on-regulatory-framework-for-specialized-investment-funds-sif-_93401.html

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

On April 9, 2025, the Securities and Exchange Board of India (SEBI) issued a circular amending certain provisions of its earlier directives concerning additional disclosure requirements for Foreign Portfolio Investors (FPIs). Previously, FPIs and their investor groups holding more than ₹25,000 crore in equity assets under management (AUM) in Indian markets were required to make specific disclosures. This threshold has now been increased to ₹50,000 crore. The revision also applies to subscribers of Offshore Derivative Instruments (ODIs) as per a separate SEBI circular dated December 17, 2024. As a result, several sub-paragraphs within Part C and Part D of the SEBI Master Circular for FPIs and related entities have been updated. These changes are effective immediately. The circular was issued under SEBI's regulatory authority and is aimed at streamlining compliance based on updated investment thresholds.

For more information, you can access the SEBI circular here:
https://www.sebi.gov.in/legal/circulars/apr-2025/amendment-to-circular-for-mandating-additional-disclosures-by-fpis-that-fulfil-certain-objective-criteria_93399.html

MINISTRY OF FINANCE

1. **The Pradhan Mantri Mudra Yojana (PMMY) celebrated a decade of fostering grassroots entrepreneurship and enhancing financial inclusion on April 8, 2025. Launched in 2015, the scheme aimed to "Fund the Unfunded" by providing collateral-free loans to non-corporate, non-farm micro and small enterprises (MSEs).**

Key Achievements:

- Significant Loan Sanctions and Disbursements: Over 52 crore loans worth over ₹33.65 lakh crore have been sanctioned since the scheme's inception. As of February 2025, over ₹32.40 lakh crore had been disbursed.

- Empowering Women Entrepreneurs: Women constitute a remarkable 68% of the Mudra beneficiaries, highlighting the scheme's pivotal role in advancing women-led enterprises across the country. The average loan amount disbursed to women has also seen a significant increase.

- Financial Inclusion of Marginalized Communities: About 50% of the Mudra accounts are held by entrepreneurs belonging to Scheduled Castes (SC), Scheduled Tribes (ST), and Other Backward Classes (OBC), ensuring wider access to formal finance for these groups. Additionally, around 11% of loan holders belong to minority communities.

- Boost to MSME Credit: Lending to Micro, Small, and Medium Enterprises (MSMEs) has surged, driven by the Mudra scheme. MSME lending increased from ₹8.51 lakh crore in FY14 to ₹27.25 lakh crore in FY24 and is projected to cross ₹30 lakh crore in FY25. The share of MSME credit in total bank credit has also risen significantly.

- Shift Towards Larger Enterprises: The share of 'Kishor' loans (₹50,000 to ₹5 lakh) has grown substantially, indicating a progression of micro-enterprises towards small-scale operations. The average loan size has also nearly tripled over the decade, reaching ₹1.02 lakh in FY25, reflecting the growing scale of businesses.

- Creation of New Entrepreneurs: The scheme has supported over 10 crore first-time borrowers, playing a crucial role in seeding new businesses across the nation.

- Improved Credit Culture: By reaching out to individuals with little or no credit history, the scheme has provided valuable data to lenders and policymakers, enabling them to create more tailored financial products for vulnerable groups.

- Regional Impact: The scheme has shown balanced penetration across India, with states like Bihar, Uttar Pradesh, and Odisha recording significant gains. Tamil Nadu, Uttar Pradesh, and Karnataka have recorded the highest disbursals.

Loan Categories:

The PMMY classifies loans into the following categories to cater to different stages of business growth:

- **Shishu**: Loans up to ₹50,000.

- **Kishor**: Loans above ₹50,000 and up to ₹5 lakh.

- **Tarun**: Loans above ₹5 lakh and up to ₹10 lakh.
- **Tarun Plus**: Loans above ₹10 lakh and up to ₹20 lakh (introduced later for successful Tarun borrowers).

Challenges:

While PMMY has achieved significant milestones, some challenges remain:

- **Non-Performing Assets (NPAs)**: There has been a rise in NPAs, particularly in the 'Kishor' category, highlighting the need for better credit assessment and monitoring
- **Financial Illiteracy**: Poor financial awareness among some borrowers can lead to misuse of funds.
- **Funding Gaps**: High demand sometimes exceeds the available funds.

Efforts are being made to address these challenges by:

- Enhancing credit oversight mechanisms through technology and data analytics.
- Linking credit with skilling and market access initiatives.
- Promoting enterprise formalization by integrating with GST and other platforms.
- Strengthening support for higher-value loans to facilitate business expansion.

In conclusion, the Pradhan Mantri Mudra Yojana has played a transformative role in the Indian economy over the past decade by fostering entrepreneurship at the grassroots level, empowering women and marginalized communities, and promoting financial inclusion. As it enters its next phase, continued focus on improving credit quality, expanding outreach to underserved regions, and providing comprehensive support to borrowers will be crucial for sustaining its positive impact.

For more information, you can access the GOI press release here:
https://www.pib.gov.in/PressReleasePage.aspx?PRID=2119781

2. **The Pradhan Mantri Mudra Yojana (PMMY) celebrated a decade of fostering grassroots entrepreneurship and enhancing financial inclusion on April 8, 2025. Launched in 2015, the scheme aimed to "Fund the Unfunded" by providing collateral-free loans to non-corporate, non-farm micro and small enterprises (MSEs).**

Key Highlights of the Fourth Phase of Amalgamation:

- **Number of RRBs Reduced:** 26 RRBs across 10 states and 1 Union Territory will be amalgamated.
- **"One State One RRB" Focus:** This phase largely adheres to the principle of having a single RRB operating within each state.
- **States and UT Involved:** The amalgamation covers RRBs in Andhra Pradesh, Bihar, Gujarat, Jammu & Kashmir, Karnataka, Madhya Pradesh, Maharashtra, Odisha, Rajasthan, Uttar Pradesh, and West Bengal.
- **Reduction in Total RRBs:** Post-amalgamation, the total number of RRBs in India will come down to 28, operating in 26 states and 2 Union Territories.
- **Extensive Branch Network:** These 28 RRBs will have a network of over 22,000 branches covering approximately 700 districts, with about 92% of these branches located in rural and semi-urban areas.

- **Sponsor Banks:** Major public sector banks continue to sponsor the newly formed RRBs. For instance, Punjab National Bank will sponsor the Bihar Gramin Bank, and Bank of Baroda will sponsor the Uttar Pradesh Gramin Bank and Gujarat Gramin Bank.

- **Effective Date:** The amalgamation will be effective from May 1, 2025

Historical Context of RRB Amalgamation:

The amalgamation of RRBs has been an ongoing process for several years, carried out in multiple phases based on the recommendations of various committees aimed at improving their viability and efficiency.

- **Phase I (FY 2006-FY 2010):** The number of RRBs was reduced from 196 to 82, primarily by merging RRBs sponsored by the same bank within a state.

- **Phase II (FY 2013-FY 2015):** The number of RRBs decreased further from 82 to 56 through the amalgamation of geographically contiguous RRBs within a state, even if they had different sponsor banks.

- **Phase III (FY 2019-FY 2021):** This phase continued the "One State One RRB" principle in smaller states and reduced the number of RRBs in larger states, bringing the total down to 43.

- **Phase IV (2025):** This current phase aims to further consolidate RRBs, bringing the total down to 28 and largely implementing the "One State One RRB" strategy.

Expected Outcomes:

The successful amalgamation of these 26 RRBs is expected to create stronger and more viable rural financial institutions with a wider reach and enhanced ability to serve the rural economy. It is also anticipated to improve their financial performance, technological adoption, and overall contribution to rural development.

For more information, you can access the GOI press release here:
https://www.pib.gov.in/PressReleasePage.aspx?PRID=2120016

3. RBI Monetary Policy Update – April 2025.

On April 9, 2025, the Reserve Bank of India (RBI) announced the decisions of its Monetary Policy Committee (MPC) following its first meeting for the financial year 2025-26, held from April 7 to 9, 2025.

Key Policy Decisions:

- **Repo Rate Reduction:** The MPC unanimously decided to reduce the policy repo rate by 25 basis points to **6.00%** with immediate effect. The repo rate is the interest rate at which the RBI lends money to commercial banks. This is the second consecutive rate cut, following a similar reduction in February 2025.

- **Standing Deposit Facility (SDF) Rate:** Adjusted to **5.75%**. The SDF is the rate at which banks can park excess funds with the RBI without any collateral.

- **Marginal Standing Facility (MSF) Rate and Bank Rate:** Revised to **6.25%**. The MSF is an emergency borrowing window for banks when inter-bank liquidity dries up, and the Bank Rate is the rate at which the RBI is ready to buy or rediscount bills of exchange or other commercial paper eligible for purchase under the RBI Act.

- **Policy Stance:** The MPC shifted its stance from "neutral" to **"accommodative"**. This indicates that the central bank is now more inclined towards supporting economic growth and is open to further rate cuts in the future, provided inflation remains under control.

Rationale for the Decisions:

- **Supporting Economic Growth:** The rate cut is aimed at lowering borrowing costs for businesses and consumers, thereby encouraging lending, investment, and overall economic activity amid global uncertainties, including the potential impact of US tariffs.

- **Easing Inflation:** While acknowledging the declining inflation trend, the RBI aims to keep inflation within its target of 4 per cent (with a flexible band of +/- 2 per cent) while supporting growth. The central bank noted the improved inflation outlook due to lower food prices (expected from a normal monsoon and higher production) and softening crude oil prices.

GDP Growth and Inflation Projections:

- **GDP Growth:** The RBI has projected real GDP growth for FY 2025-26 at **6.5%**, a downward revision of 20 basis points from the 6.7% projected in the February policy, reflecting heightened global volatility. The quarterly projections are:
    - Q1 FY26: 6.5%
    - Q2 FY26: 6.7%
    - Q3 FY26: 6.6%
    - Q4 FY26: 6.3%

- **CPI Inflation:** The projection for CPI inflation for FY 2025-26 is **4.0%**, with the following quarterly estimates:
    - Q1 FY26: 3.6%
    - Q2 FY26: 3.9%
    - Q3 FY26: 3.8%
    - Q4 FY26: 4.4%

Other Key Highlights:

- **Rupee:** The RBI stated that it does not target any specific level for the rupee-dollar exchange rate but intervenes only in case of excessive volatility.

- **UPI Transaction Limits:** The RBI has permitted the National Payments Corporation of India (NPCI) to upwardly revise transaction limits for Person-to-Merchant (P2M) payments via UPI based on evolving user needs.

- **Forex Reserves:** India's foreign exchange reserves stood at a healthy USD 676.3 billion as of April 4, 2025, providing an import cover of nearly 11 months.

Overall, the RBI's April 2025 policy update reflects a cautious approach aimed at supporting economic growth amidst global uncertainties while keeping a close watch on inflation. The shift to an accommodative stance suggests the possibility of further rate cuts if inflation remains within the target range.

For more information, you can access the GOI press release here:
https://www.pib.gov.in/PressReleasePage.aspx?PRID=2120509

4. **The Reserve Bank of India (RBI) has announced an auction for the sale (re-issue) of three Government of India securities.**

Securities for Re-issue:

- 6.79% Government Security 2031 (GS 2031)
- 6.98% Government of India Sovereign Green Bond 2054 (GOI SGrB 2054)
- 7.09% Government Security 2074 (GS 2074)

Notified Amount:

The notified amount for the sale will be announced by the Government of India. The RBI also retains the option to accept additional subscriptions up to ₹2,000 crore for each security.

Auction Details:

- **Conducted by:** The auction will be conducted by the Reserve Bank of India, Mumbai Office, Fort, Mumbai.
- **Date of Auction:** Thursday, April 17, 2025.
- **Method of Auction:** Price-based auction using a multiple price method.
- **Bidding Process:** Both competitive and non-competitive bids must be submitted electronically through the Reserve Bank of India Core Banking Solution (E-Kuber system) on April 17, 2025.
  - **Non-Competitive Bids:** Should be submitted between 10:30 a.m. and 11:00 a.m.
  - **Competitive Bids:** Should be submitted between 10:30 a.m. and 11:30 a.m.
- **Allotment to Non-Competitive Bidders:** Up to 5% of the notified amount of the sale of the securities will be allotted to eligible individuals and institutions as per the Scheme for Non-Competitive Bidding Facility [1] in the Auction of Government Securities.

In summary, the RBI will conduct an auction on April 17, 2025, for the re-issue of three Government of India securities with varying maturity dates and coupon rates. Both competitive and non-competitive bids can be submitted electronically through the E-Kuber system.

For more information, you can access the GOI press release here:
https://www.pib.gov.in/PressReleasePage.aspx?PRID=2121087

5. **Union Minister of State for Finance Shri Pankaj Chaudhary has taken a significant step in the restitution process for victims of the Rose Valley Ponzi scam.**

Shri Pankaj Chaudhary handed over a Demand Draft of Rs. 515.31 crore to Justice D.K. Seth (Retd.), Chairman of the Asset Disposal Committee (ADC). These funds are intended for the restitution of properties to legitimate investors who were defrauded in the Rose Valley Ponzi scam.

It is estimated that this amount will be used to restitute money to approximately 7.5 lakh victims.

The Enforcement Directorate (ED) played a crucial role in tracking and attaching these funds, which were traced through 2,987 bank accounts. The Rose Valley Group is accused of defrauding investors by promising high returns on investments. The Asset Disposal Committee was formed under the direction of the Calcutta high court.

This action is part of a larger effort to return funds to the many victims of this Ponzi scheme. The ED has also attached other movable and immovable assets, which are in the process of liquidation for further restitution. The Government has made clear that they are committed to returning the money that was taken from the people.

This is a large step in the process of returning money to those who were victims of the Rose Valley Ponzi scheme. It is a demonstration of the government commitment to returning money that was illegally taken from citizens.

This event signifies a considerable effort by the government to provide justice and financial relief to the victims of this large-scale financial fraud.

For more information, you can access the GOI press release here:
https://www.pib.gov.in/PressReleasePage.aspx?PRID=2121170

MINISTRY OF CORPORATE AFFAIRS

1. IEPFA and IPPB Join Forces for Phase 2 of "Niveshak Didi" to Enhance Rural Women's Financial Literacy.

The Investor Education and Protection Fund Authority (IEPFA), under the Ministry of Corporate Affairs, and India Post Payments Bank (IPPB) have signed a Memorandum of Agreement (MoA) to launch the second phase of their collaborative initiative, "Niveshak Didi." This phase aims to further amplify financial literacy among women in rural areas across India. "Niveshak Didi" trains women postal workers and community leaders to act as financial educators within their local regions.

Key Highlights of Phase 2 of "Niveshak Didi":

- Focus on Rural Women: The primary target remains empowering rural women with essential financial knowledge and skills.

- Leveraging IPPB's Network: The initiative will capitalize on IPPB's extensive network and last-mile connectivity through its 200,000 postal staff and 1.36 lakh access points, predominantly in rural regions. This widespread reach will enable effective dissemination of financial literacy content to women in remote areas.

- Digital Financial Literacy: A significant emphasis will be placed on promoting digital financial literacy, encouraging women to adopt and utilize digital payment methods and other online financial tools safely and effectively.

- Interactive Learning Modules: Phase 2 will likely involve the development and deployment of engaging and interactive learning modules tailored to the specific needs and understanding levels of rural women. These modules may include audio-visual aids, local language content, and real-life examples.

- "Niveshak Didi" - The Mascot: The popular mascot, "Niveshak Didi," a relatable and trusted figure, will continue to be the face of the initiative, helping to break down complex financial concepts in an accessible manner.

- Train-the-Trainer Model: The initiative is expected to utilize a "train-the-trainer" approach, where selected postal department staff will be trained as financial literacy champions who can then conduct workshops and awareness sessions within their communities.

- IEC Materials: Development and distribution of Information, Education, and Communication (IEC) materials in local languages, covering topics such as savings, investments, government schemes, digital transactions, and protection against fraudulent activities, will be a key component.

- Financial Inclusion Goals: This collaboration directly supports the broader national goals of enhancing financial inclusion and empowering women economically by equipping them with the knowledge to make informed financial decisions.

The first phase of "Niveshak Didi" witnessed significant success in reaching a substantial number of rural women and imparting basic financial literacy skills. The positive feedback and the demonstrated need for continued education have paved the way for the launch of this expanded second phase.

The partnership between IEPFA and IPPB for Phase 2 of "Niveshak Didi" is a significant step towards bridging the financial literacy gap among rural women in India. By leveraging IPPB's unparalleled reach and IEPFA's expertise in investor education, this initiative has the potential to empower millions of women with the knowledge and confidence to participate more actively in the formal financial system, secure their financial futures, and contribute to the economic growth of the nation. The focus on digital literacy is particularly crucial in today's rapidly evolving financial landscape.

For more information, you can access the GOI press release here:
https://www.pib.gov.in/PressReleasePage.aspx?PRID=2120195

2. **MCA invites public comments on proposed amendment in the Rules to widen the scope of fast-track mergers under Companies Act, 2013.**

Section 233 of the Companies Act 2013 provides for merger or amalgamation of certain companies (Fast Track Merger) through approval of Central Government [Delegated to Regional Directors]. Pursuant to Para 101 of the Budget Speech (2025-2026), it has been decided to widen the scope of such mergers. For this purpose, a draft notification (along with an Explanatory note) proposing amendment in the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 has been placed on the website of the M/o Corporate Affairs

For more information, you can access the GOI press release here:
https://pib.gov.in/PressReleasePage.aspx?PRID=2119247

3. **Fourth Candidate Open House hosted by the Ministry of Corporate Affairs.**

Interns of the Prime Minister Internship Scheme share their holistic development journey. The Ministry of Corporate Affairs (MCA) recently hosted the fourth online Candidate Open House for the Prime Minister Internship Scheme (PMIS), providing a platform for aspiring interns to engage directly with industry experts and current interns. This interactive session aimed to address queries and offer insights into the PMIS, facilitating a better understanding of the program's opportunities and expectations. During the session, interns shared their experiences, highlighting the professional growth and development they achieved through the PMIS. The open house also served as a forum for candidates to seek clarifications on various aspects of the scheme, including eligibility criteria, application procedures, and potential career pathways. Building on the success of previous sessions, the MCA continues to host these open houses to ensure transparency and support for applicants. These initiatives reflect the government's commitment to empowering youth by providing them with valuable industry exposure and skill development opportunities through the PMIS. In the previous edition of the Open House (March 27, 2024), interns from the Mahindra group shared their experiences while Mr. Don Lewis, Head of Skill Development & Education at Mahindra's

Farm Division shared his views on how an internship can provide a strong foundation for professional growth. In this Open House, Anil Bahuguna, Chief of Skill Development at ONGC India, elaborated upon how internships in ONGC are helping youth learn core skills, soft skills and contributing towards overall personality development. Furthermore, Mr. Bahuguna also explained ONGC's intern selection process and potential pathways to full time employment in companies engaged in hydrocarbon exploration & development business. ONGC on its part is planning to encourage its service providers to utilize services of suitable ONGC trained interns post their internship. For this, ONGC will soon modify contractual terms with its service providers. MCA officials reiterated that the selection process has commenced for some of the internship opportunities and so the candidates should be alert on the portal and regularly check the status of their applications. The application phase for Round 2 of the pilot phase of the Prime Minister Internship Scheme is currently underway and April 15, 2025, is the last date for eligible youth to apply.

For more information, you can access the GOI press release here:
https://pib.gov.in/PressReleasePage.aspx?PRID=2119249

MINISTRY OF LAW AND JUSTICE

1. The Waqf (Amendment), 2025.

The President has promulgated an Act on the 05th April 2025, The Waqf (Amendment)Act 2025. An Act further to amend the Waqf Act, 1995 vide notification dated 05.04.2025.

For more information, you can access the GOI notification here:
https://egazette.gov.in/WriteReadData/2025/262316.pdf

RESERVE BANK OF INDIA

1. Liquidity Adjustment Facility - Change in rates.

As announced in the Monetary Policy Statement dated April 09, 2025, it has been decided by the Monetary Policy Committee (MPC) to reduce the policy repo rate under the Liquidity Adjustment Facility (LAF) by 25 basis points from 6.25 per cent to 6.00 per cent with immediate effect. Consequently, the standing deposit facility (SDF) rate and marginal standing facility (MSF) rate stand adjusted to 5.75 per cent and 6.25 per cent respectively, with immediate effect. All other terms and conditions of the extant LAF Scheme will remain unchanged.

For more information, you can access the RBI notification here:
https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12831&Mode=0

2. Penal Interest on shortfall in CRR and SLR requirements-Change in Bank Rate.

Referring to Chapter VIII of Master Direction - Reserve Bank of India [Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR)] Directions – 2021 as well as our circular DoR.RET.REC.57/12.01.001/2024-25 dated February 07, 2025 on the captioned subject. As announced in the Monetary Policy Statement 2025-26 dated April 09, 2025, the Bank Rate is revised downwards by 25 basis points from 6.50 per cent to 6.25 per cent with immediate effect. Accordingly, all penal interest rates on shortfall in CRR and SLR requirements, which are specifically linked to the Bank Rate, also stand revised

For more information, you can access the RBI notification here:
https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12832&Mode=0

3. Standing Liquidity Facility for Primary Dealers.

As announced in bi-monthly Monetary Policy Resolution, the Monetary Policy Committee (MPC) has decided to reduce the policy repo rate under the Liquidity Adjustment Facility (LAF) by 25 basis points from

6.25 per cent to 6.00 per cent, with immediate effect. Accordingly, the Standing Liquidity Facility provided to Primary Dealers (PDs) (collateralized liquidity support) from the Reserve Bank would be available at the revised repo rate of 6.00 per cent, with immediate effect.

For more information, you can access the RBI notification here:
https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12833&Mode=0

4. **Statement on Developmental and Regulatory Policies.**

The Reserve Bank of India (RBI) has announced several developmental and regulatory policy measures. These include a draft framework for securitisation of stressed assets to improve risk distribution, an expanded co-lending framework for regulated entities (REs), harmonised guidelines for lending against gold jewellery, and revised norms for non-fund-based facilities to support infrastructure financing. In payment systems, the RBI has proposed allowing NPCI to revise UPI transaction limits for specific use cases while maintaining the ₹1 lakh cap for P2P transactions. Additionally, the Regulatory Sandbox will transition to a 'Theme Neutral' and 'On Tap' model to foster continuous fintech innovation. Draft guidelines on these measures will be issued for public comments.

For more information, you can access the RBI press release here:
https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=60178

5. **Governor's Statement: April 9, 2025.**

The Reserve Bank of India (RBI) held its first Monetary Policy Committee (MPC) meeting for the financial year 2025-26 amidst global economic uncertainties, including trade frictions and inflationary pressures. Celebrating its 90-year legacy, the RBI emphasized its role in fostering monetary stability and economic growth. The MPC unanimously decided to reduce the policy repo rate by 25 basis points to 6.00% and shifted its stance from neutral to accommodative to support growth amid benign inflation projections. Real GDP growth for 2025-26 is projected at 6.5%, driven by robust agricultural prospects, manufacturing revival, and resilient services, despite global trade disruptions. Inflation is expected to remain aligned with the 4% target, aided by softening food and crude oil prices. India's external sector remains resilient with strong foreign exchange reserves and sustainable current account deficit levels. Liquidity conditions have improved significantly, and the financial system remains stable with sound banking and NBFC parameters. The RBI reiterated its commitment to proactive liquidity management and financial stability amidst evolving global challenges.

For more information, you can access the RBI press release here:
https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=60177

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

The Reserve Bank of India has imposed a monetary penalty of ₹3,20,000/- (Rupees Three Lakhs Twenty 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 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 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=60192

7. **RBI launches Quarterly Order Books, Inventories and Capacity Utilisation Survey: January - March 2025 (Round 69).**

   The Reserve Bank of India has launched the 69th round of its Order Books, Inventories and Capacity Utilisation Survey (OBICUS). The survey is for the reference period January – March 2025 (Q4:2024-25). The Reserve Bank has been conducting the Order Books, Inventories and Capacity Utilisation Survey (OBICUS) of the manufacturing sector on a quarterly basis since 2008. The information collected in the survey includes quantitative data on new orders received during the reference quarter, backlog of orders at the beginning of the quarter, pending orders at the end of the quarter, total inventories with a breakup between finished goods (FG), work-in-progress (WiP) and raw material (RM) inventories at the end of the quarter, item-wise production in terms of quantity and value during the quarter vis-à-vis the installed capacity from the targeted group and the reasons for changes in production / installed capacity during the quarter. The level of capacity utilisation (CU) is estimated from these responses. The survey provides valuable input for monetary policy formulation. The survey findings are released on the website of the Bank regularly. During this quarter, selected manufacturing companies will be approached by the Bank. Other manufacturing companies may also participate in the survey by downloading the survey questionnaire from the Reserve Bank's website https://www.rbi.org.in. The survey questionnaire is placed under the head 'Forms' (available at the bottom of the home page) and sub-head 'Survey'. The duly authenticated filled-in survey schedule may be e-mailed as per contact details provided in the survey schedule.

   For more information, you can access the RBI press release here:
   https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=60199

8. **Premature redemption under Sovereign Gold Bond (SGB) Scheme - Redemption Price for premature redemption due on April 15, 2025 (Series V of SGB 2019-20).**

   In terms of GOI Notification F.No.4 (7) – B (W&M)/2019 dated September 30, 2019 (SGB 2019-20 Series V-Issue date October 15, 2019) on Sovereign Gold Bond Scheme, premature redemption of Gold Bond may be permitted after fifth year from the date of issue of such Gold Bond on the date on which interest is payable. Accordingly, the next due date of premature redemption of the above tranche shall be April 15, 2025. Further, the redemption price of SGB shall be based on the simple average of closing gold price of 999 purity of previous three business days from the date of redemption, as published by the India Bullion and Jewellers Association Ltd (IBJA). Accordingly, the redemption price for premature redemption due on April 15, 2025, shall be ₹9069/- (Rupees Nine Thousand and Sixty-Nine only) per unit of SGB based on the simple average of closing gold price for the three business days i.e., April 08, April 09, and April 11, 2025.

   For more information, you can access the RBI press release here:
   https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=60210

UPDATION/ MOODIFICATION OF STAMP DUTY AND REGISTRATION CHARGES

1. The Gujarat government has implemented several significant amendments to the Gujarat Stamp Act, 1958, with these changes coming into effect on **April 10, 2025**. The primary objectives of these amendments through Gujarat Stamp (Amendment) Act, 2025 are to reduce the financial burden on citizens and industries, simplify administrative processes, and enhance convenience.
   Here's a summary of the key amendments:

   - **Ancestral Property Rights for Deceased Daughter's Heirs:** Heirs of a deceased daughter can now rectify deficiencies in documents related to their rights in ancestral property by paying a nominal stamp duty of **₹200**. Previously, a stamp duty of 4.9% of the property value was applicable. This aims to resolve interpretational issues and reduce related litigations.

- **Cap on Stamp Duty for Loans:**
    - For loans **up to ₹1 crore**, the maximum stamp duty payable on mortgage deeds is capped at **₹5,000**, significantly reduced from the earlier rate of 0.25% or a maximum of ₹25,000.
    - For mortgage or hypothecation documents for loans **exceeding ₹10 crore**, the maximum stamp duty has been increased from ₹8,00,000 to **₹15,00,000**.
    - For loans obtained from **multiple banks (consortium)**, the maximum payable stamp duty is capped at **₹75,00,000** (excluding surcharge).
- **Fixed Duty for Additional Guarantees:** A fixed stamp duty of **₹5,000** will now be applicable in cases of additional collateral provided for a loan.
- **Lease Agreements for Less Than One Year:** The stamp duty for residential lease agreements of less than one year is now fixed at **₹500**, and for commercial leases of the same duration, it is **₹1,000**. Previously, it was 1% of the average annual rent on a ₹300 stamp paper without proper duty calculation.

Measures Against Stamp Duty Evasion:

- **Voluntary Payment of Shortfall:** If an applicant voluntarily comes forward to pay the deficit in stamp duty, the outstanding amount will be recovered with a penalty of **2% per month**, with a maximum penalty of up to **four times** the deficient amount.
- **Detection of Evasion by Authorities:** If stamp duty evasion is detected by the authorities, a penalty of **3% per month** will be levied on the unpaid amount, with a maximum penalty of up to **six times** the due amount.

Other Important Amendments:

- **Responsibility of Banks/Financial Institutions:** In mortgage cases where banks or financial institutions do not issue documents and stamp duty remains unpaid, the responsibility for paying the duty will lie with the respective bank or institution.
- **Recovery on Copies of Documents:** If the original document is unavailable and insufficient stamp duty was paid, the duty can now be recovered on a certified copy or photocopy of the document.
- **Extension of Payment Timeframe:** The timeframe for stamp duty payment on orders has been extended from 30 days to 60 days, and for registered documents, similarly extended.
- **Clarification on Document Copies:** A copy, photocopy, or extract of the original instrument can be treated as the original for stamp duty purposes in case the original is unavailable.

These amendments, brought under the Gujarat Stamp (Amendment) Act 2025, aim to modernize the stamp duty framework in Gujarat, making it more citizen-friendly, reducing litigation, and improving revenue collection efficiency.

For more information, you can access the GOI notification here:
https://egazette.gujarat.gov.in/ViewPdf.aspx?docid=20250404123421162 4.pdf&cdbid=cb0d0771b19224a2520241c5416b0988

You may send your suggestions at niyati@asalegal.in

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