



NEWSLETTER ^{Weekly}

Volume-CXXXII, Issue-II, Dated: 14th July, 2025

SECURITIES AND EXCHANGE BOARD OF INDIA

1. Master Circular for Infrastructure Investment Trusts (InvITs).

The Securities and Exchange Board of India (SEBI) issued a Master Circular on July 11, 2025, consolidating various previous circulars related to Infrastructure Investment Trusts (InvITs). This initiative aims to provide stakeholders with a single, accessible document encompassing all applicable regulations for InvITs. The Master Circular comes into force immediately, superseding earlier individual circulars, though any actions, registrations, or investigations undertaken under the superseded circulars remain valid. Similarly, pending applications will be treated under the corresponding provisions of this new Master Circular. The document emphasizes that other specific SEBI directions or guidance for InvITs, and any other relevant laws, will continue to apply in addition to this Master Circular. SEBI, exercising its powers under the SEBI Act, 1992, and the SEBI (Infrastructure Investment Trusts) Regulations, 2014, states that this consolidation is intended to protect investor interests and regulate the securities market effectively. Stock exchanges are advised to disseminate this circular on their websites, and regulated entities must continue submitting required reports as outlined in the consolidated guidelines.

For more information, you can access the SEBI master circular here:

<https://www.sebi.gov.in/legal/master-circulars/jul-2025/master-circular-for-infrastructure-investment-trusts-invits-95233.html>

2. Master Circular for Real Estate Investment Trusts (REITs).

The Securities and Exchange Board of India (SEBI) has issued a Master Circular for Real Estate Investment Trusts (REITs), consolidating various guidelines previously released. Effective July 11, 2025, this circular aims to provide all stakeholders, including REITs, stock exchanges, depositories, and other intermediaries, a single, comprehensive reference point for applicable regulations. The circular supersedes previous individual circulars related to REITs, as listed in its Appendix. However, actions, applications, or obligations undertaken or incurred under the superseded circulars prior to this consolidation remain valid and are deemed to be under the new Master Circular's provisions. Any ongoing investigations, legal proceedings, or penalties are also unaffected. This move by SEBI, exercising its powers under the SEBI Act, 1992, and REIT Regulations, 2014, is intended to enhance investor protection and regulate the securities market efficiently by streamlining compliance requirements for all entities involved in REIT operations.

For more information, you can access the SEBI master circular here:

<https://www.sebi.gov.in/legal/master-circulars/jul-2025/master-circular-for-real-estate-investment-trusts-reits-95232.html>

3. Master Circular for listing obligations and disclosure requirements for Non-convertible Securities, Securitized Debt Instruments and/ or Commercial Paper.

The Securities and Exchange Board of India (SEBI) released a Master Circular on July 11, 2025, consolidating previous circulars pertaining to listing obligations and disclosure requirements for issuers of non-convertible securities, securitized debt instruments, and commercial paper. This initiative aims to provide stakeholders with a single, comprehensive reference document. The Master Circular is effective immediately, superseding the circulars listed in its Annex-1. However, actions taken or applications made

under the previous circulars will be considered valid under the corresponding provisions of this new Master Circular. Stock exchanges, issuers, and other stakeholders are instructed to ensure compliance, disseminate the circular's provisions, establish necessary infrastructure for implementation, monitor adherence, make consequential changes to their bye-laws, and raise awareness among stakeholders. This circular is issued under the authority of the SEBI Act, 1992, and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For more information, you can access the SEBI master circular here:

https://www.sebi.gov.in/legal/master-circulars/jul-2025/master-circular-for-listing-obligations-and-disclosure-requirements-for-non-convertible-securities-securitized-debt-instruments-and-or-commercial-paper_95230.html

4. Master Circular for Credit Rating Agencies (CRAs).

Securities and Exchange Board of India (SEBI), through Master Circular No. SEBI/HO/DDHS/DDHS-POD2/P/CIR/2025/101 dated July 11, 2025, has issued a consolidated circular for Credit Rating Agencies (CRAs). The circular compiles all operational and procedural guidelines that were previously issued under the SEBI (Credit Rating Agencies) Regulations, 1999. It aims to provide easier access to applicable regulations in a single document for CRAs, issuers of non-convertible securities, securitized instruments, municipal debt securities, commercial papers, and related stakeholders including stock exchanges and depositories. The Master Circular includes chapter-wise details of various directions and clarifications issued over time. It also supersedes multiple individual circulars listed in the appendix. However, it clarifies that actions taken under the earlier circulars—such as ongoing applications, penalties, rights, or obligations—will remain valid as if the rescinded circulars are still in force for those specific instances. This update has been issued under the powers vested in SEBI by Section 11(1) of the SEBI Act, 1992, read with Regulation 20 of the CRA Regulations, 1999. The objective is to streamline compliance, promote transparency, and maintain consistency in regulatory practices related to credit rating operations. The Master Circular serves as a reference point for all existing norms and will aid in enhancing regulatory efficiency for all market participants involved with credit ratings.

For more information, you can access the SEBI master circular here:

<https://www.sebi.gov.in/legal/master-circulars/jul-2025/master-circular-for-credit-rating-agencies-cras-95221.html>

5. Master Circular for ESG Rating Providers (ERPs).

The Securities and Exchange Board of India (SEBI) has released a Master Circular for ESG Rating Providers (ERPs), effective July 11, 2025. This circular compiles existing guidelines and procedural requirements for ERPs, which are regulated under the SEBI (Credit Rating Agencies) Regulations, 1999, as amended. The consolidation aims to provide a single, comprehensive reference for all stakeholders, including ERPs, listed entities, stock exchanges, and depositories. The Master Circular outlines general obligations, compliance mandates, and the necessary systems and infrastructure ERPs must maintain. While it supersedes previous individual circulars, any actions taken, applications made, or obligations incurred under those prior circulars remain valid. SEBI emphasizes that the Boards of Directors of ERPs are responsible for ensuring adherence to these new provisions. The circular's monitoring will be conducted through the yearly internal audits mandated for ERPs. This measure is intended to protect investor interests and regulate the securities market more effectively.

For more information, you can access the SEBI master circular here:

<https://www.sebi.gov.in/legal/master-circulars/jul-2025/master-circular-for-esg-rating-providers-erps-95219.html>

MINISTRY OF FINANCE

1. No directions given to Banks to close inactive PM Jan Dhan Yojana accounts: Department of Financial Services, M/o Finance.

In connection with reports appearing in media that Department of Financial Services (DFS), M/o Finance has asked Banks to close inactive PM Jan Dhan Yojana accounts, the Department of Financial Services has said that it has not asked Banks to close inactive PM Jan Dhan Yojana accounts. A three-month campaign starting from July 1 has been launched by DFS all over the country to deepen the adoption of Jan Dhan Yojana accounts, Jeevan Jyoti Bima Yojana, Atal Pension Yojana, and other welfare schemes. Banks will also carry out re- KYC of all due accounts during this campaign. DFS constantly monitors the number of inoperative PMJDY accounts and has advised Banks to contact respective account holders to make their accounts operative. The total number of PMJDY accounts have seen a continuous increasing trend and no incidents of mass closure of inactive PMJDY accounts has come to the knowledge of the department.

For more information, you can access the GOI press release here:

<https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=2143112>

2. Union Minister of State for Finance Shri Pankaj Chaudhary inaugurates Trade Facilitation Conference 2025 on theme “Scientific Excellence for Seamless Trade”, in New Delhi.

Union Minister of State for Finance Shri Pankaj Chaudhary inaugurated the Trade Facilitation Conference 2025 on the theme “Scientific Excellence for Seamless Trade”, at the C. Subramaniam Auditorium, Indian Council of Agricultural Research (ICAR), National Agricultural Science Complex (NASC), Pusa Campus, New Delhi. The conference, the first of its kind, is organized by Central Revenues Control Laboratory (CRCL), Central Board of Indirect Taxes and Customs (CBIC). The inaugural session included the release of the documentary “Science at the Border: The Story of Indian Customs Laboratories”, showcasing the historical evolution and pivotal contributions of CRCL and its regional laboratories; the launch of the CRCL Coffee Table Book, a testament to the institution’s legacy and achievements; the unveiling of the CRCL Brochure, outlining CRCL infrastructure and expanded testing capabilities; and a screening of the Standard Operating Procedure video on the sampling of petroleum liquids, emphasizing best practices of drawing representative samples for accuracy in laboratory analysis. Key outcomes of the conference were commitment to reduced testing time, modernization and upgradation of testing infrastructure, integrated laboratory facility training and capacity building, expansion and modernization of laboratory network, research and development (R&D) initiatives, focus on human resource strengthening, formation of a core stakeholders’ group.

For more information, you can access the GOI press release here:

<https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=2143112>

3. DRI foils major smuggling bid, seizes ₹35 crore worth of Chinese firecrackers in “Operation Fire Trail”.

In a major crackdown on smuggling of Chinese firecrackers and fireworks into India, the Directorate of Revenue Intelligence (DRI), in an operation codenamed “Operation Fire Trail”, successfully traced, intercepted, and seized huge quantities of Chinese firecrackers/fireworks, valued at approximately Rs. 35 crores, found concealed in seven containers destined for or lying at Nhava Sheva Port, Mundra Port, and Kandla SEZ. These Chinese fireworks, weighing 100 metric tonne were illicitly imported in the name of a KASEZ unit and certain IEC holders, by mis declaring them as goods such as “Mini Decorative Plants,” “Artificial Flowers”, and “Plastic Mats”. Notably, some of these consignments were routed through Kandla SEZ by a KASEZ unit with an intent of diversion into the Domestic Tariff Area (DTA). The key individual, a partner of the SEZ unit, found to be actively involved in the smuggling of Chinese firecrackers/fireworks through misdeclaration and misuse of SEZ provisions, has been arrested. He has been remanded to judicial custody by the Hon’ble Court.

For more information, you can access the GOI press release here:

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2144111>

4. DGGI Bengaluru Unit uncovers six shell companies with fraudulent invoices worth Rs. 266 crores involving Rs. 48 crores fraudulently claimed Input Tax Credit; mastermind arrested.

In a follow up operation connected with investigation of a case initiated in Bengaluru, the officers of Directorate General of GST Intelligence, Bengaluru Zonal Unit, carried out searches in over six premises in Delhi, and uncovered fraudulent invoices worth over Rs 266 crore, involving availment and passing on of fraudulent Input Tax Credit (ITC) of Rs 48 crore from the shell companies. Investigation revealed that four companies, with no business activity, have shown receipt of hundreds of crores worth of goods and services. The investigation indicated that initially, the key mastermind was one of the CA/statutory auditors, who managed the transactions of these companies. Further investigation revealed that the structure of entities and shareholding pattern, along with changes in the same, the CA/statutory auditor was acting as Director in a few of these shell companies at some point of time – clearly establishing the links behind the origin of the six shell companies. During searches at the premises of these companies, original documents, such as invoices and seals, were found in the premises of the mastermind. The key mastermind of the case has been arrested.

For more information, you can access the GOI press release here:

<https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=2143112>

5. DFS Convenes Workshop on implementation of Reservation Policy in Public Financial Institutions, accessibility of services to Divyangjans & redressal of Public Grievances.

The Department of Financial Services, Ministry of Finance, convened a two-day workshop at SBI Academy, Gurugram today on implementation of the Reservation Policy of the Government of India in the Public Sector Banks, Public Sector Insurance Companies, Sectoral Regulators and Public Financial Institutions. It also aimed at improving the accessibility of financial services to Divyangjans and timely and quality redressal of Public Grievances. The workshop aimed to strengthen the ability of officials of public financial institutions to serve the community better and implement various welfare measures uniformly. The workshop also highlighted the Government's commitment to make the financial services accessible to all. Functional experts from various organizations viz. Department of Personnel & Training, & Office of the Chief Commissioner for Persons with Disabilities shared their insights on constitutional provisions of reservation, concepts of vertical & horizontal reservation, preparation of reservation rosters, role & responsibilities of Liaison Officers, provisions of Rights of Persons with Disabilities Act, 2016, Rights of Persons with Disabilities Rules, 2017, Accessibility guidelines and handling of Public Grievances.

For more information, you can access the GOI notification here:

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2144295>

MINISTRY OF CORPORATE AFFAIRS

1. IICA set to host North-East Conclave 2025 in Shillong on July 11–12 to nurture start-up and entrepreneurial ecosystem in the North-east.

The Indian Institute of Corporate Affairs (IICA), under the Ministry of Corporate Affairs, Government of India, is set to host the IICA North-East Conclave 2025 on 11–12 July 2025 at the prestigious IIM Shillong Campus. The two-day flagship event, themed “From Ideation to Incorporation,” is aimed at nurturing the startup and entrepreneurial ecosystem across the North-Eastern region. The Inaugural Ceremony will be from 09:30 AM onwards. This Conclave is envisioned as a catalyst for innovation, incubation, and enterprise development through strategic policy discussions, institutional partnerships, and access to capital. The event will be inaugurated by Smt. Nirmala Sitharaman, Union Minister of Finance & Corporate Affairs in the august presence of Shri Conrad K. Sangma, Chief Minister of Meghalaya. Smt. Deepti Gaur Mukerjee, Secretary, Ministry of Corporate Affairs; Shri Donald Phillips Wahlang, Chief Secretary, Government of Meghalaya; Shri Gyaneshwar Kumar Singh, Director General & CEO, IICA and other eminent dignitaries will also be present at the event. The inaugural session will also witness participation from senior officials and leaders representing leading institutions such as IIM Shillong, STPI, NSIC VC Fund Ltd., SIDBI, DFS, NABARD, PNB, SBICAPS, BSE, NSE, ICAI, ICSI, ICMAI, and more.

For more information, you can access the GOI press release here:

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2143779>

INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

1. Adani Group close to acquiring Jaiprakash Associates, makes ₹12,000 crores bid.

The Adani group has become the frontrunner to buy the insolvent Jaiprakash Associates with an unconditional bid of at least ₹12,000 crore. The Gautam Adani-led group's purchase of Jaiprakash will be Adani's first \$1 billion-plus acquisition since the US short seller Hindenburg Research's attack in 2023. The group is leading the race to acquire the infrastructure developer, with an immediate cash payout of ₹3,500 crore. The group's offer also includes retaining ₹890 crore within the company after its acquisition and potentially absorbing ₹2,600 crore from the disputed Yamuna Expressway Industrial Development Authority (YEIDA) land. The lenders of Jaiprakash are overseeing the sale and evaluating the bids under the bankruptcy law. The Committee of Creditors (CoC) of Jaiprakash Associates is in its final phase of evaluating the resolution plans of five shortlisted bidders. A meeting was held between the shortlisted bidders and the lenders on July 7, where the latter discussed the structure and funding of the proposed plans.

For more information, you can access the article here:

https://www.business-standard.com/companies/news/adani-group-close-to-acquiring-jaiprakash-associates-makes-12-000-cr-bid-125071100372_1.html

2. ED attaches assets worth ₹588 crore in Amtek Auto bank fraud case; total attachments cross ₹6,200 crore.

The Directorate of Enforcement (ED), Gurugram Zonal Office, has provisionally attached movable and immovable assets worth ₹588.57 crore under the Prevention of Money Laundering Act (PMLA), 2002, in the ongoing bank fraud investigation involving Amtek Auto Limited and its group companies. The attachment, ordered on July 10, covers immovable properties including 28 acres of land at Hundewala, Ratuali and Kansapur in Yamuna Nagar, and 67.5 acres in Kot and Khangesara villages of Panchkula, Haryana, as well as various properties in the Delhi-NCR region. In addition, the ED has attached fixed deposits worth ₹8.70 crore and shares valued at ₹14.6 crore. Assets linked to suspicious transactions involving Realtech Construction, owned by Pankaj Dayal, were also brought under the attachment. These include third-party assets like shares of Pitti Engineering Ltd and demat balances tied to proceeds of crime from the Amtek Group's real estate verticals. This is the third major attachment in the case. Earlier, the ED had provisionally attached assets worth ₹5,115.31 crore on September 5, 2024, and ₹557.49 crore on March 26, 2025. The first attachment was later confirmed by the PMLA Adjudicating Authority. With the latest action, the total attachment under the case now stands at ₹6,261.37 crore.

For more information, you can access the article here:

<https://insolvencytracker.in/2025/07/13/ed-attaches-assets-worth-%e2%82%b9588-crore-in-amtek-auto-bank-fraud-case-total-attachments-cross-%e2%82%b96200-crore/>

3. Canara Bank removes fraud tag on Reliance Communications loan account.

In a major reversal, and a setback to the State Bank of India's efforts to recover dues from Reliance Communications (RCom), state-run Canara Bank has informed the Bombay High Court that it has withdrawn its earlier order classifying the telecom company's loans as fraudulent. Following this disclosure, a bench comprising Justices Revati Mohite Dere and Neela Gokhale on Thursday disposed of the petition filed by Anil Ambani challenging the bank's fraud declaration issued last year, stating that "nothing survives in it now." The court also directed Canara Bank to notify the Reserve Bank of India (RBI) about the withdrawal, according to a PTI report citing the judges. Canara Bank had cited multiple reasons for its fraud classification, including the diversion of funds meant for sanctioned purposes, routing of loans from RCom to Reliance Telecom to settle related party liabilities, and investments in mutual funds and fixed assets that were quickly liquidated to make payments to both related and unrelated parties. The bank also alleged that RCom had misappropriated Rs 1,050 crore it lent in 2017, originally meant for capital expenditure and debt repayment. Responding to SBI's action, RCom informed the exchanges on July 2 that it had received SBI's

letter dated June 23, 2025, and would explore legal measures to protect its interests, arguing that SBI neither provided a proper hearing as required by the Supreme Court nor followed RBI's prescribed norms on fraud classification.

For more information, you can access the article here:

<https://www.livemint.com/industry/banking/canara-bank-withdraws-order-classifying-anil-ambanis-loan-account-fraudulent-informs-bombay-high-court-11752136539179.html>

RESERVE BANK OF INDIA

1. Basel III Capital Regulations – External Credit Assessment Institutions (ECAIs) – CareEdge Global IFSC Limited.

Referring to the Master Circular – Basel III Capital Regulations dated April 01, 2025, as amended from time to time. In terms of para ibid, inter alia, banks are permitted to use the ratings of three international credit rating agencies viz. a) Fitch; b) Moody's; and c) Standard & Poor's for the purpose of risk weighting their claims on different foreign entities for capital adequacy purposes. It has been decided to permit banks to also use the ratings of M/s CareEdge Global IFSC Limited for risk weighting their claims on non-resident corporates originating at International Financial Services Centre (IFSC). The rating-risk weight mapping for the ratings assigned by M/s CareEdge Global IFSC Limited shall be as follows:

Rating Category	AAA	AA	A	BBB	BB & below
Risk weight (%)	20	30	50	100	150

For more information, you can access the RBI notification here:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12880&Mode=0>

2. Lending Against Gold and Silver Collateral - Voluntary Pledge of Gold and Silver as Collateral for Agriculture and MSME Loans.

Referring to our circular FIDD.CO.FSD.BC. No.10/05.05.010/2024-25 dated December 6, 2024 on Credit Flow to Agriculture – Collateral free agricultural loans, and Para 4.1 of the Master Direction FIDD.MSME & NFS.12/06.02.31/2017-18 dated July 24, 2017 on Lending to Micro, Small & Medium Enterprises (MSME) Sector (Updated as on June 11, 2024)1. Reference is also invited to the Reserve Bank of India (Lending Against Gold and Silver Collateral) Directions, 2025, DOR.CRE.REC.26/21.01.023/2025-26, dated June 6, 2025. In this regard, it is clarified that loans against voluntary pledge of Gold and Silver as collateral by borrowers, sanctioned by the banks up to the collateral free limit, as covered under the Circular / Master Direction referred to in para 1 above, will not be construed as a violation of the above-mentioned guidelines as regards such collateral.

For more information, you can access the RBI notification here:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12881&Mode=0>

3. RBI releases Draft Reserve Bank of India (Novation of OTC Derivative Contracts) Directions, 2025 under Section 45 W of the RBI Act, 1934.

The Reserve Bank of India today placed on its website Draft Reserve Bank of India (Novation of OTC Derivative Contracts) Directions, 2025. Comments on the draft Directions are invited from banks, market participants and other interested parties by August 01, 2025. At present, the novation of OTC derivative contracts is governed by RBI circular dated December 09, 2013. The provisions of the circular have been reviewed in the light of changes in the overall regulatory framework governing OTC derivatives since 2013 and the market feedback received as well as with a view to rationalizing the related regulatory requirements.

For more information, you can access the RBI press release here:

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=60798

4. Financial Action Task Force (FATF) High risk and other monitored jurisdictions – June 12-13, 2025.

The Financial Action Task Force (FATF) vide public document ‘High-Risk Jurisdictions subject to a Call for Action’ - 13 June 2025, has called on its members and other jurisdictions to refer to the statement on Democratic People’s Republic of Korea (DPRK) and Iran adopted in February 2020 which remains in effect. Further, Myanmar was added to the list of High-Risk Jurisdictions subject to a Call for Action in the October 2022 FATF plenary and FATF has called on its members and other jurisdictions to apply enhanced due diligence measures proportionate to the risk arising from Myanmar. When applying enhanced due diligence measures, countries have been advised to ensure that flows of funds for humanitarian assistance, legitimate NPO activity and remittances are not disrupted. The status of Myanmar in the list of countries subject to a call for action, remains unchanged. FATF had earlier identified the following jurisdictions as having strategic deficiencies in their regimes to counter money laundering, terrorist financing, and proliferation financing and had placed the jurisdictions under Increased Monitoring, which had developed action plan with the FATF to deal with them. These jurisdictions were: Algeria, Angola, Bulgaria, Burkina Faso, Cameroon, Côte d'Ivoire, Croatia, Democratic Republic of the Congo, Haiti, Kenya, Lao People's Democratic Republic (Lao PDR), Lebanon, Mali, Monaco, Mozambique, Namibia, Nepal, Nigeria, South Africa, South Sudan, Syria, Tanzania, Venezuela, Vietnam and Yemen. As per the June 13, 2025 FATF public statement, Bolivia and the Virgin Islands (UK) have been added to the list of Jurisdictions under Increased Monitoring while Croatia, Mali and Tanzania have been removed from this list based on review by the FATF. FATF plenary releases documents titled “High-Risk jurisdictions subject to a Call for Action” and “Jurisdictions under Increased Monitoring” with respect to jurisdictions that have strategic AML/CFT deficiencies as part of the ongoing efforts to identify and work with jurisdictions with strategic Anti-Money Laundering (AML)/Combating of Financing of Terrorism (CFT) deficiencies. This advice does not preclude the regulated entities from legitimate trade and business transactions with these countries and jurisdictions mentioned there. The detailed information is available in the updated public statements and document released by FATF on June 13, 2025. The statements and document can be accessed at the following URL:

1. <https://www.fatf-gafi.org/en/publications/Fatfgeneral/outcomes-FATF-MONEYVAL-plenary-june-2025.html>
2. <https://www.fatf-gafi.org/en/publications/High-risk-and-other-monitored-jurisdictions/increased-monitoring-june-2025.html>
3. <https://www.fatf-gafi.org/en/publications/High-risk-and-other-monitored-jurisdictions/Call-for-action-june-2025.html>

The Financial Action Task Force (FATF) is an inter-governmental body established in 1989 by the Ministers of its Member jurisdictions. The objectives of the FATF are to set standards and promote effective implementation of legal, regulatory and operational measures for combating money laundering, terrorist financing and other related threats to the integrity of the international financial system. The FATF monitors the progress of its members in implementing necessary measures, reviews money laundering and terrorist financing techniques and counter-measures, and promotes the adoption and implementation of appropriate measures globally. The FATF's decision making body, the FATF Plenary, meets three times a year and updates these statements, which may be noted.

For more information, you can access the RBI press release here:
https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=60802

5. RBI imposes monetary penalty on Shriram Finance Limited.

The Reserve Bank of India (RBI) has, by an order dated July 08, 2025, imposed a monetary penalty of ₹2.70 lakh (Rupees Two Lakh Seventy Thousand only) on Shriram Finance Limited (the company) for non-compliance with certain provisions of the “Reserve Bank of India (Digital Lending) Directions, 2025” issued by RBI. This penalty has been imposed in exercise of powers conferred on RBI under clause (b) of sub-section (1) of Section 58G read with clause (aa) of sub-section (5) of Section 58B of the Reserve Bank of

India Act, 1934. The statutory inspection of the company was conducted by RBI with reference to its financial position as on March 31, 2024. Based on supervisory findings of non-compliance with RBI directions and related correspondence in that regard, a notice was issued to the company 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 company's reply to the notice, additional submissions made by it and oral submissions made during the personal hearing, RBI found, inter alia, that the following charge against the company was sustained, warranting imposition of monetary penalty: The company routed the loan repayments through the account of a third-party, instead of the borrowers directly crediting the loan repayments to the company's account. 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 company with its customers. Further, imposition of this monetary penalty is without prejudice to any other action that may be initiated by RBI against the company.

For more information, you can access the RBI press release here:

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=60817

6. RBI imposes monetary penalty on Authorised Dealer Bank – HDFC Bank Ltd.

The Reserve Bank of India has imposed a monetary penalty of ₹4.88 lakh (Rupees Four Lakh, Eighty-Eight Thousand only) on HDFC Bank Ltd. in exercise of powers vested in the Reserve Bank under the provisions of Section 11(3) of FEMA, 1999, for contravention of Paragraph 9.3.6 of 'Master Direction – Foreign Investment in India' dated January 04, 2018, while granting a term loan to its client. 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 thereon. After considering the facts of the case and the response given by HDFC Bank Ltd. in the matter, the Reserve Bank of India came to the conclusion that the contraventions were established 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=60819

7. Premature redemption under Sovereign Gold Bond (SGB) Scheme - Redemption Price for premature redemption of SGB 2020-21 Series-IV due on July 14, 2025.

In terms of GOI notification F. No.4(4)-B(W&M)/2020 dated April 13, 2020 (SGB 2020-21 Series-IV-Issue date July 14, 2020) 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 due date of premature redemption of the above tranche shall be on July 14, 2025. Further, the redemption price of SGB shall be based on 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 July 14, 2025, shall be ₹9688/- (Rupees Nine Thousand Six Hundred and Eighty-Eight only) per unit of SGB based on the simple average of closing gold price for the three business days i.e., July 09, July 10 and July 11, 2025.

For more information, you can access the RBI press release here:

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=60820

8. Directions related to Closure of Shipping Bills in the Export Data Processing and Monitoring System (EDPMS) – Draft for Feedback.

Reserve Bank of India introduced the EDPMS to monitor the realization of funds against exports in February, 2014. In due course, the flow of shipping bills from the Customs Authority has been automated through ICEGATE and from January, 2022, data from ECCS (Express Cargo Clearance System) also started flowing into EDPMS. Further, postal exports bill data also started flowing into EDPMS from January, 2025.

Over the years, there has been significant increase in the number of export transactions that flow into the EDPMS, wherein each shipping bill is reconciled against payment received. With the objective of easing compliance, especially for exporters of small value goods, it has been decided to simplify the process of reconciliation in EDPMS. Accordingly, draft Directions have been prepared to address the issues related to regulatory compliance involving reconciliation of small-value exports in the EDPMS. Comments/ feedback on the draft Directions may be submitted through the link under the 'Connect 2 Regulate' Section available on the Reserve Bank's website or may alternatively be forwarded via email by July 31, 2025, with the subject line "Feedback on draft directions on closure of shipping bills in EDPMS".

For more information, you can access the RBI press release here:

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=60821

You may send your suggestions at niyati@asalegal.in

Disclaimer:

The content in this mail is offered only as updates in Financial, Capital Market, Corporate etc. sectors. This mail should not be used as a substitute for obtaining legal advice from an attorney licensed or authorized to practice in your jurisdiction. Nothing in this mail is intended to create an attorney-client relationship and nothing posted constitutes legal advice.

DELHI

3, Birbal Road, Ground & First Floor,
Jangpura Extension, New Delhi 110014.
Phone: +91-11-43108998, 45661440,
43552440, +91-11-24327050-52,
9311052521

MUMBAI

404-405, 4th Floor, Magnum Opus,
Near Grand Hyatt,
Behind Mudra Group,
Santaacruz (East),
Mumbai – 400 055.
Phone: +91-22-62368654, 26661979

BENGALURU

1007, A-Wing, 10th Floor,
Mittal Tower, M.G. Road,
Bengaluru – 560001.
Phone: +91-80-48536504

AHMEDABAD

Office No.10, Business Centre,
5th Floor, Kalapurnam Complex,
Near Municipal Market,
C.G. Road, Navrangpura,
Ahmedabad-380009.
Phone: +91-079-66660888,
+91-9173660088