



NEWSLETTER ^{Weekly}

Volume-CXXXII, Issue-III, Dated: 21st July, 2025

SECURITIES AND EXCHANGE BOARD OF INDIA

1. Master Circular for Portfolio Managers.

The Securities and Exchange Board of India (SEBI) has released an updated Master Circular for Portfolio Managers, dated July 16, 2025. This circular consolidates all relevant guidelines and directions issued to Portfolio Managers up to March 31, 2025, for simplified access and compliance. It supersedes the prior Master Circular from June 07, 2024, incorporating subsequent circulars and ensuring consistent terminology. The new circular also rescinds specific older guidelines, as listed in its Appendix. SEBI clarifies that actions taken under previous circulars, such as registrations or investigations, remain valid under the corresponding provisions of this updated circular. This initiative, under Section 11(1) of the SEBI Act, aims to streamline regulation, protect investor interests, and promote market development. Portfolio Managers are required to adhere to the provisions and submit necessary reports as outlined in this Master Circular, which is accessible on SEBI's website.

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

https://www.sebi.gov.in/legal/master-circulars/jul-2025/master-circular-for-portfolio-managers_95347.html

2. Gazette Notification for renewal of recognition of Multi Commodity Exchange Clearing Corporation Limited (MCXCCL).

The Securities and Exchange Board of India (SEBI) has granted the renewal of recognition to the Multi Commodity Exchange Clearing Corporation Limited (MCXCCL) for a period of three years. The renewed recognition is valid for the term beginning on 31st July 2025 and ending on 30th July 2028. This extension allows MCXCCL to continue its operations as a clearing corporation for commodity derivatives markets during this period. The renewal was granted by SEBI after being satisfied that such recognition is in the interest of the trade and the general public. This underscores SEBI's continued commitment to promoting fair, transparent, and efficient functioning of market infrastructure institutions. The recognition is subject to the condition that the clearing corporation shall comply with all conditions and requirements prescribed by SEBI. These conditions are aimed at: ensuring regulatory compliance; enhancing risk management practices and maintaining the integrity of the clearing and settlement process. The renewal of recognition reinforces the role of MCXCCL as a key clearing corporation in the commodity derivatives segment and highlights SEBI's regulatory oversight in ensuring the smooth functioning of market infrastructure entities.

For more information, you can access the SEBI gazette notification here:

https://www.sebi.gov.in/legal/gazette-notification/jul-2025/gazette-notification-for-renewal-of-recognition-of-multi-commodity-exchange-clearing-corporation-limited-mcxcl-_95317.html

MINISTRY OF FINANCE

1. The said Existing Working Capital Credit Facilities and the Term Loan -BOB shall be together referred as the "said Existing Facilities".

The Government of India (GoI) has announced the sale (issue/ re-issue) of (i) "New Government Security 2030" for a notified amount of ₹15,000 crore (nominal) through yield-based auction using multiple price method and (ii) "7.09% Government Security 2054" for a notified amount of ₹12,000 crore (nominal)

through price-based auction using multiple price method. GoI will have the option to retain additional subscription up to ₹2,000 crore against each security mentioned above. 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 in the Auction of Government Securities. Both competitive and non-competitive bids for the auction should be submitted in electronic format on the Reserve Bank of India Core Banking Solution (E-Kuber system) on July 18, 2025. The non-competitive bids should be submitted between 10:30 a.m. and 11:00 a.m. and the competitive bids should be submitted between 10:30 a.m. and 11:30 a.m. The Securities will be eligible for “When Issued” trading in accordance with the guidelines on ‘When Issued transactions in Central Government Securities’ issued by the Reserve Bank of India vide circular No. RBI/2018-19/25 dated July 24, 2018 as amended from time to time.

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

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2144665>

2. Income Tax Department cracks down on bogus claims of deductions & exemptions.

Investigations uncover organized rackets operated by certain ITR preparers and intermediaries filing returns, claiming fictitious deductions and exemptions. Data analysis reveals misuse of deductions under sections 10(13A), 80GGC, 80E, 80D, 80EE, 80EEB, 80G, 80GGA, and 80DDB. The Income Tax Department initiated a large-scale verification operation across multiple locations targeting individuals and entities facilitating fraudulent claims of deductions and exemptions in Income Tax Returns (ITRs). This action follows a detailed analysis of the misuse of tax benefits under the Income-tax Act, 1961, often in collusion with professional intermediaries. Investigations have uncovered organized rackets operated by certain ITR preparers and intermediaries, who have been filing returns claiming fictitious deductions and exemptions. These fraudulent filings involve the abuse of beneficial provisions, with some even submitting false TDS returns to claim excessive refunds. Analysis reveals misuse of deductions under sections 10(13A), 80GGC, 80E, 80D, 80EE, 80EEB, 80G, 80GGA, and 80DDB. Exemptions have been claimed without valid justification. Employees of MNCs, PSUs, government bodies, academic institutions, and entrepreneurs are among those implicated. Taxpayers are often lured into these fraudulent schemes with promises of inflated refunds in return for a commission. Despite a fully e-enabled tax administration system, ineffective communication remains a significant hurdle in assisting taxpayers. It has been observed that such ITR preparers often create temporary email IDs solely for filing bulk returns, which are later abandoned, resulting in official notices going unread. In line with its guiding principle of ‘Trust Taxpayers First’, the IT Department has emphasized voluntary compliance. Over the past year, the IT Department has carried out extensive outreach efforts, including SMS and email advisories, nudging suspected taxpayers to revise their returns and pay the correct tax. Physical outreach programs, both on and off campus, have also been conducted. The IT Department is now poised to take stern action against continued fraudulent claims, including penalties and prosecution wherever applicable. The ongoing verification exercise across 150 premises is expected to yield crucial evidence, including digital records, that will aid in dismantling the networks behind these schemes and ensure accountability under the law.

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

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2144602>

3. Nationwide Financial Inclusion Saturation Campaign sees a Significant Progress.

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=2144990>

4. DRI seizes over 4 kg of cocaine worth Rs. 40 crore from passenger at Kempe Gowda International Airport, Bengaluru; one arrested.

Acting on specific intelligence, officers of Directorate of Revenue Intelligence (DRI) Bengaluru Zonal Unit intercepted an Indian male passenger, who arrived from Doha at Bengaluru International Airport in the early hours of 18.07.2025. On careful examination of his baggage, it was observed that the pax was carrying two superhero comics/ magazines which were unusually heavy. The officers carefully recovered white powder concealed in coverside of magazines. The powder tested positive for cocaine. The recovered cocaine weighing 4,006 grams (over 4 kg) and having an international market value of around Rs. 40 crore was seized under the provisions of the NDPS Act. The passenger was subsequently arrested under the provisions of the NDPS Act, 1985 and was remanded to judicial custody on 18.07.2025.

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

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2146001>

5. DPE Secretary inaugurates workshop on adoption of Industry 4.0 in CPSEs, sectoral applications of emerging technologies and strategies for digital transformation, in New Delhi.

In a strategic step towards fostering innovation and smart manufacturing, the Department of Public Enterprises (DPE), Ministry of Finance, Government of India, organized a Workshop on Industry 4.0 in New Delhi, yesterday. The day-long workshop brought together experts, policymakers, and leadership of Central Public Sector Enterprises (CPSEs) to discuss strategies for adoption and scaling up of Industry 4.0 technologies across sectors like Energy, Power, Construction, Infrastructure, Telecom & Services. The workshop was inaugurated by Shri K. Moses Chalai, Secretary, Department of Public Enterprises, briefly touched upon General Purpose Technologies (GPT) who emphasized the importance of embracing the Fourth Industrial Revolution (4IR) as a national mission. In his address, he underscored the need for a “Whole-of-CPSEs” (WoC) approach — on the lines of the “Whole-of-Government” framework. As part of expert presentations at the workshop, Mr. A. Anand, deployment expert shared rich experience in applications and field deployment of Digital Designing, Reverse Engineering, and 3D Printing across industry verticals, drawing from India's first 5G Labs and 3D Printing Centers of Excellence; Dr. Prabhjot Singh Sugga, Associate Professor at SPA, highlighted the transformative potential of Digital Twin platforms in infrastructure, plant management, and disaster resilience; and Ms. Vidushi Chaturvedi, an AI expert, spoke on leveraging Artificial Intelligence and Machine Learning for predictive analytics, resource optimization, and intelligent decision-making. The DPE reiterated its commitment to support CPSEs in leveraging Industry 4.0 for operational excellence and sustainable development. The workshop marks a significant step toward realizing this vision through collective efforts and strategic implementation across the CPSE ecosystem. This round of workshops will be organized in different regions of the country with CPSEs located in these regions. It is expected to be completed within August 2025.

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

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2145995>

INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

1. Guarantee by Conduct: Rethinking Financial Creditor Status under IBC through the lens of China Development Bank Judgment.

In the recent dictum of the Supreme Court in China Development Bank vs. Doha Bank QPSC, the quintessential question before the Court stood as - Whether lenders like China Development Bank, Export Import Bank of China, and others could be recognized as "Financial Creditors" under the IBC in the insolvency resolution of Reliance Infratel Ltd (RITL), a group company of the Reliance Communications (RCom) group? The Supreme Court's ruling marks a significant development in the interpretation of the IBC's provisions concerning financial creditors. By recognizing a third-party guarantee embedded in a security deed as a basis for financial debt, the Court broadened the scope of who may participate in insolvency proceedings as financial creditors. This has far-reaching implications for both domestic and international lenders. For the banking sector, this ruling strengthens creditor rights, particularly in group financing structures where cross-collateralization and third-party obligations are commonplace. It gives assurance to syndicated lenders that their security structures, crafted to pool assets across related entities, will be honored in insolvency processes. On the flip side, the ruling could open a floodgate of claims where security arrangements contain broadly worded cross-liability clauses. It becomes essential for corporate debtors and their legal advisors to be cautious while drafting such documents, lest they inadvertently create financial obligations under the IBC.

For more information, you can access the article here:

<https://www.barandbench.com/view-point/guarantee-by-conduct-rethinking-financial-creditor-status-under-ibc-through-the-lens-of-china-development-bank-judgment>

2. Oberoi Realty-backed consortium picked by lenders for insolvency resolution of Mumbai's Hotel Horizon.

A consortium composed of listed real estate major Oberoi Realty, Shree Naman Developers and JM Financial Properties and Holdings has been selected by a committee of creditors as the successful resolution applicant for Mumbai-based Hotel Horizon's corporate insolvency resolution process (CIRP). Oberoi Realty informed exchanges that the consortium has received a letter of intent from the creditors on July 14. Under the resolution plan, the consortium will pay various creditors a total of Rs 919 crore, although the amount may rise. The consortium will be required to pay to the creditors within 45 days of approval of the resolution plan by the National Company Law Tribunal (NCLT). Hotel Horizon Private Ltd possesses a 7,500 square meters (around 1.9 acre) land parcel in the upmarket Juhu neighborhood in Mumbai's western suburb, and the hotel has been non-operational, according to official documents part of the resolution process. A land parcel of this size may be lucrative for developers in the area, with residential real estate prices trading above Rs 70,000 per square feet in newer constructions, according to local brokers.

For more information, you can access the article here:

<https://www.moneycontrol.com/news/business/real-estate/oberoi-realty-backed-consortium-picked-by-lenders-for-insolvency-resolution-of-mumbais-hotel-horizon-13280153.html>

RESERVE BANK OF INDIA

1. Inclusion of "NSDL Payments Bank Limited" in the Second Schedule of the Reserve Bank of India Act, 1934.

It is advised that "NSDL Payments Bank Limited" has been included in the Second Schedule of the Reserve Bank of India Act, 1934 vide Notification DoR.LIC.No.S2196/16.13.215/2025-26 dated June 19, 2025 and published in the Gazette of India (Part III - Section 4) dated July 10, 2025.

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

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12882&Mode=0>

2. Premature redemption under Sovereign Gold Bond (SGB) Scheme - Redemption Price for premature redemption of SGB 2019-20 Series II due on July 16, 2025.

In terms of GOI notification F. No. 4(7)-B(W&M)/2019 dated May 30, 2019 (SGB 2019-20 Series II - Issue date July 16, 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 on July 16, 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 16, 2025, shall be ₹9,791/- (Rupees Nine Thousand Seven Hundred and Ninety-one only) per unit of SGB based on the simple average of closing gold price for the three business days i.e., July 11, July 14 and July 15, 2025.

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

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=60835

3. Launching of 46th Round of Quarterly Services and Infrastructure Outlook Survey (SIOS) Q2:2025-26.

The Reserve Bank has launched the 46th round of the quarterly Services and Infrastructure Outlook Survey (SIOS) for the reference period July-September 2025. The survey assesses the business situation for the current quarter (Q2:2025-26) from selected companies in the services and infrastructure sectors in India and their expectations for the ensuing quarter (Q3:2025-26) based on qualitative responses on a set of indicators pertaining to demand conditions, financial conditions, employment conditions and the price situation. The outlook on key parameters for the two subsequent quarters (Q4:2025-26 and Q1:2026-27) are also covered. The survey findings are released in summary form on the website of the Bank regularly, where identity of the respondents is not revealed. M/s Genesis Management & Market Research Pvt. Ltd. has been authorized to conduct the survey for July-September 2025 quarter on behalf of the Reserve Bank. While the agency will approach selected companies, other companies in the services and infrastructure sectors are also encouraged to participate in the survey by downloading the survey questionnaire from the Bank's website, under the sub-head 'Survey'. The duly authenticated filled-in survey questionnaire may be e-mailed as per contact details given therein.

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

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=60831

4. Premature redemption under Sovereign Gold Bond (SGB) Scheme - Redemption Price for premature redemption of SGB 2019-20 Series-VIII due on July 21, 2025.

In terms of GOI notification F.No. 4(7) - B(W&M)/2019 dated September 30, 2019 (SGB 2019-20 Series-VIII - Issue date January 21, 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 next due date of premature redemption of the above tranche shall be on July 21, 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 21, 2025, shall be ₹9,773/- (Rupees Nine Thousand Seven Hundred and Seventy-Three only) per unit of SGB based on the simple average of closing gold price for the three business days i.e., July 16, July 17, and July 18, 2025.

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

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=60859

You may send your suggestions at niyati@asalegal.in

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