



NEWSLETTER ^{Weekly}

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SECURITIES AND EXCHANGE BOARD OF INDIA

1. Master Circular for Debenture Trustees (DTs).

The Securities and Exchange Board of India (SEBI) has released a Master Circular for Debenture Trustees, which consolidates all existing circulars regarding their regulation into a single document. This compilation is intended to provide easy access for Debenture Trustees and other market participants to all relevant procedural and disclosure requirements. The Master Circular supersedes previous individual circulars, but any actions taken under those rescinded circulars remain valid. The document outlines the procedures for online registration and payment, including digital payment methods. It also details the process for obtaining prior approval for a change in control, clarifying that certain transfers of shares among immediate relatives or through transmission will not be considered a change in control. Furthermore, the circular clarifies the process for the transfer of business between legal entities and the voluntary surrender of a certificate of registration. It concludes by mandating that Debenture Trustees must establish a designated, non-person-centric email address for all regulatory communications with SEBI.

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

<https://www.sebi.gov.in/legal/master-circulars/aug-2025/master-circular-for-debenture-trustees-dts-96073.html>

2. Use of liquid mutual funds and overnight mutual funds for compliance with deposit requirement by Investment Advisers and Research Analysts.

The Securities and Exchange Board of India (SEBI) has issued a circular allowing registered Investment Advisers (IAs) and Research Analysts (RAs) to use units of liquid mutual funds and overnight mutual funds to meet their deposit requirements. This change, which was approved by the SEBI Board in June 2025 and is effective immediately, provides an alternative to the previously mandated bank deposit. The deposits must be marked with a lien in favor of the respective supervisory bodies, the IAASB or RAASB. This decision comes after SEBI received feedback from industry participants and public consultations. IAs and RAs are required to comply with the new deposit requirements by September 30, 2025. This move, which aims to protect investors and regulate the securities market, is a result of amendments to the SEBI (Research Analysts) Regulations, 2025, and SEBI (Investment Advisers) Regulations, 2025. The IAASB/RAASB (BSE Limited) has been directed to establish the necessary systems and procedures to implement this circular.

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

https://www.sebi.gov.in/legal/circulars/aug-2025/use-of-liquid-mutual-funds-and-overnight-mutual-funds-for-compliance-with-deposit-requirement-by-investment-advisers-and-research-analysts_96052.html

3. Transaction charges paid to Mutual Fund Distributors.

The Securities and Exchange Board of India (SEBI) has issued a circular to all Mutual Funds and Asset Management Companies (AMCs) to remove transaction charges previously paid to distributors. Effective immediately, this decision rescinds paragraphs 10.4.1.b and 10.5 of the SEBI Master Circular for Mutual Funds dated June 27, 2024. These paragraphs had allowed AMCs to pay a transaction charge to distributors for a minimum subscription amount of INR 10,000. This change follows public and industry consultations held in May 2023 and June 2025, respectively. The rationale for the removal is based on the feedback received and the recognition that distributors, acting as agents, are entitled to be remunerated by the AMCs. The circular is issued under the powers granted by the SEBI Act, 1992, to protect investors' interests and regulate the securities market.

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

https://www.sebi.gov.in/legal/circulars/aug-2025/transaction-charges-paid-to-mutual-fund-distributors_95950.html

4. Review of Framework for conversion of Private Listed InvIT into Public InvIT.

Securities and Exchange Board of India (SEBI) has issued a circular modifying the framework for converting a private listed Infrastructure Investment Trust (InvIT) into a public InvIT. Based on market suggestions and recommendations from the Hybrid Securities Advisory Committee (HySAC), SEBI has streamlined key requirements. The new rules align the minimum unitholding and lock-in periods for sponsors and their groups with the requirements specified in Regulations 12(3), 12(3A), and 12(5) of the InvIT Regulations. Furthermore, the circular clarifies that the procedure and disclosure requirements for the public offering of units during this conversion process will now be the same as those for a follow-on offer, replacing the previous alignment with initial public offers. These changes, which are effective immediately, aim to provide a clearer regulatory path for InvITs making this transition.

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

https://www.sebi.gov.in/legal/circulars/aug-2025/review-of-framework-for-conversion-of-private-listed-inv-it-into-public-inv-it_95943.html

MINISTRY OF FINANCE

1. Comprehensive reforms taken up to instill credit discipline in PSBs”.

Over the past few years, the Government and RBI have introduced several reforms to improve credit discipline, responsible lending, governance in banks, adoption of technology, and regulation of co-operative banks. Key measures include the Insolvency and Bankruptcy Code (IBC), setting up CRILC for monitoring large loans, and creating the National Asset Reconstruction Company (NARCL) for managing stressed assets. PSB governance has been enhanced through performance-based leadership appointments and the EASE reforms, while bank amalgamations have improved scale and efficiency. Technology adoption in banking has driven financial inclusion and boosted digital payments. Initiatives like JAM (Jan Dhan–Aadhaar–Mobile), UPI, and DBTs have led to a sharp rise in digital transactions—from 2,071 crore in FY18 to 22,831 crores in FY25, and UPI alone rose from 92 crore to 18,587 crore in the same period. To support MSMEs, schemes like the Mutual Credit Guarantee Scheme and ECLGS were launched, improving access to credit. A new digital credit assessment model and enhancements under CGTMSE have further strengthened MSME lending. Co-operative bank regulation was improved through amendments to banking laws in 2020 and 2025, enhancing governance and depositor protection.

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

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2155050>

2. RBI guidelines ensure multilingual customer communication and a quicker grievance redressal by banks.

Reserve Bank of India (RBI) has, from time to time, emphasized that banks must communicate with customers in their preferred language to ensure clarity and convenience. RBI’s Master Circular on Customer Service in Banks states, inter alia, that all customer-facing materials at the branches of Scheduled Commercial Banks must be made available in Hindi, English, and the concerned regional language. Further, RBI vide its letter dated September 30, 2024, reiterated that all communications to customers, should invariably be issued in a trilingual format—Hindi, English, and the regional language. All Banks have a robust board approved grievance redressal mechanism in place to address complaints. Further, the Reserve Bank – Integrated Ombudsman Scheme (RB-IOS), 2021, provides a cost-free platform for redressal of complaints against RBI-regulated entities (REs) in matters relating to deficiency in service, if the grievance is not redressed or reply is not given by the RE within the prescribed timeline. Government through the Centralized Public Grievance Redress and Monitoring System (CPGRAMS) portal, has a feedback call centre since June 2022, to assess citizen satisfaction after grievance disposal. The feedback data gets finally forwarded to the banks concerned for appropriate action. Further, RBI’s toll-free Contact Centre (14448), operational since

November 2021, provides information on the grievance redressal mechanism, assistance in filing complaints, and updates on existing cases. While the Contact Centre (CC) is available 24*7 through the Interactive Voice Response System (IVRS), the facility to connect to the CC personnel is available from Monday to Saturday (except National Holidays) from 8:00 am to 10:00 pm in Hindi, English and ten regional languages. This information was given by the Minister of State in the Ministry of Finance Shri Pankaj Chaudhary in a written reply to a question in Rajya Sabha today.

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

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2155543>

3. Tariff Notification No. 50/2025-Customs (N.T.) in respect of Fixation of Tariff Value for Edible Oils, Brass Scrap, Areca Nut, Gold and Silver.

The Central Board of Indirect Taxes & Customs (CBIC), under powers granted by the Customs Act, 1962, has amended the tariff values of certain imported goods, effective from 15th August 2025. This amendment modifies Tables 1, 2, and 3 of the original notification (No. 36/2001-Customs (N.T.)). Key Changes:

Table-1 (Tariff value in US\$/MT):

Revised tariff values for:

Palm oils and palmolein (Crude, RBD, Others) – Ranging from \$1030 to \$1059/MT

Crude Soyabean Oil – \$1134/MT

Brass Scrap – \$5542/MT

Table-2 (Tariff value for precious metals):

Gold (under specific customs notification benefit) – \$1083 per 10 grams

Silver (under specific customs notification benefit and other forms) – \$1246 per kg

Table-3:

Areca Nuts – \$7463/MT

Effective Date:

The new values are applicable from 15th August 2025.

Reference: This is an amendment to the principal Notification No. 36/2001-Customs (N.T.), last updated via Notification No. 49/2025-Customs (N.T.) on 31st July 2025.

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

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2156521>

4. S&P upgrades India to BBB with a Stable Outlook, highlighting Economic Resilience and Sustained Fiscal Consolidation.

The Ministry of Finance welcomes the decision by Standard & Poor's (S&P) Global Ratings to upgrade India's long-term sovereign credit rating to 'BBB' from 'BBB-' and its short-term rating to 'A-2' from 'A-3', with a Stable Outlook. The rating upgrade is a significant affirmation of India's economic trajectory and prudent fiscal management. This marks the country's first sovereign upgrade by S&P in 18 years, the previous one being in 2007 when India was elevated to investment grade at BBB-. In May 2024, the agency revised its outlook on India from 'Stable' to 'Positive'.

As per S&P's India sovereign rating review published today, the upgrade reflects a combination of key factors, including India's buoyant and dynamic economic growth, the government's sustained commitment to fiscal consolidation, improved quality of public spending, particularly on capex and infrastructure, and strong corporate, financial, and external balance sheets. Credible inflation management and increasing policy predictability have also played a central role. S&P in its report details the key strengths of the Indian economy, which have enabled India to stand out as one of the fastest-growing major economies globally, with real GDP growth averaging 8.8 per cent from FY22 to FY24, the highest in the Asia-Pacific region. Monetary policy reforms, particularly the adoption of an inflation-targeting regime, have anchored inflation expectations more effectively, the agency stated. S&P has also recognized that despite global headwinds and price shocks, India has demonstrated resilience by maintaining overall price stability. Monetary

improvements, combined with the ongoing development of deep domestic capital markets, have created a more stable and supportive environment for the overall economic scenario. The report further observes that India's external and financial positions remain strong and the democratic institutions continue to ensure policy continuity and long-term economic stability.

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

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2156501>

5. Prime Minister Shri Narendra Modi, on the occasion of 79th Independence Day, highlights how Goods and Services Tax (GST) is a significant reform which has benefited the nation.

The Central Government has proposed next-generation GST reforms focused on three key pillars — structural reforms, rate rationalisation, and ease of living — to support the common man, farmers, middle class, and MSMEs.

Key proposals include:

- Correcting inverted duty structures to boost domestic value addition.
- Simplifying tax slabs, aiming for just two main rates.
- Reducing taxes on essential and aspirational goods.
- Improving ease of doing business with tech-driven registration, pre-filled returns, and faster refunds.

These proposals have been sent to the Group of Ministers (GoM) for review. The Government aims to build consensus with states for early implementation, reinforcing its commitment to a simpler, transparent, and inclusive GST system.

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

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2156708>

MINISTRY OF CORPORATE AFFAIRS

1. IEPFA Convenes a Meeting with Nodal Officers from Companies across India to advance investor protection and improve compliance mechanisms.

The Investor Education and Protection Fund Authority (IEPFA), under the Ministry of Corporate Affairs, held a meeting at New Delhi today with Nodal Officers from companies across India to advance investor protection and improve compliance mechanisms. The meeting was chaired by Mrs. Anita Shah Akella, CEO of IEPFA and Joint Secretary, Ministry of Corporate Affairs. The session saw participation of 530 officers, including 25 attending in person at IEPFA's New Delhi headquarters and 505 joining virtually. The meeting outlined IEPFA's upcoming Integrated Portal, which will help in faster and more efficient claim settlements. The Nodal Officers were also briefed about the new IEPF-5 form to be filed by claimants, as well as the e-Verification Report (EVR) to be filed by Nodal Officers, both set to be notified shortly. A renewed focus was placed on the recently re-notified Form IEPF-1A, calling on companies yet to comply with the 2019 directive to submit the required information by 30th August 2025. It was highlighted that timely submission of this form will not only ensure faster processing of investor claims but also help reduce disparities in approved claim amounts. Often, although companies certify a certain amount, incomplete or unclear sets of records are submitted to the Authority, resulting in the approval of lower amounts. Accurate and complete data via Form IEPF-1A will enable the Authority to match and verify claims more precisely. The ongoing "Saksham Niveshak" campaign (July 28 – November 6, 2025) was another key highlight. The 100-day drive encourages companies to proactively locate claimants, update KYC and nomination details, and disburse pending dividends before transfer to IEPF. Companies were urged to explore innovative outreach methods, including digital campaigns, AI-enabled claimant tracing, webinars, and hiring competitive third parties (if required) to maximise the campaign's success.

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

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2155140>

2. C-PACE Revolutionises Voluntary Closure of Companies and LLPs.

The Investor Education and Protection Fund Authority (IEPFA) is in the final phase of testing its Integrated Portal, a unified digital platform designed to streamline claim processes and enhance accessibility for both investors and companies. The Ministry of Corporate Affairs (MCA) established C-PACE (Centre for Processing Accelerated Corporate Exit) via notification dated 17th March 2023, operational from 01.05.2023, to centralize and expedite voluntary strike-off applications for companies and LLPs. As of 31.07.2025, over 38,658 companies and 8,368 LLPs have been successfully struck off, reducing processing time from over 2 years to less than 2 months.

MCA has undertaken multiple initiatives to enhance Ease of Doing Business and Ease of Compliance, including:

MCA21 V3 Portal Enhancements:

79 forms now on STP/Conditional STP.
Central Processing Centre (CPC) for 12 non-STP forms.
E-Adjudication Module operational since Sept 2024.
Web-based form filing and optimized form structures.
Linked forms and mobile app launched for better accessibility.

Regulatory Reforms:

Decriminalization of 63 offences to reduce litigation.
Over 54 forms converted to STP.
Simplified incorporation via SPICe+ and FiLLiP.
Revised definition of Small Companies and introduction of Small LLPs.
Zero fee for company incorporation up to ₹15 lakh capital and shifting registered office.
Fast-track mergers for startups and small companies extended.
VC-based AGMs/EGMs allowed.
New rules issued in 2024 for listing Indian companies at GIFT IFSC.

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

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2155051>

3. Government has Implemented Series of Reforms to Simplify Corporate Compliance, Reduce Costs and Promote Ease of Doing Business for MSMEs and Startups.

The Government of India has been taking several steps towards simplifying corporate compliance burdens and reducing costs for all companies including Micro, Small, and Medium Enterprises and Startups.

The important measures taken in this regard in 2024-25 are as under:

- i. Direct listing of securities by Indian public companies in permissible foreign jurisdictions has been allowed. This would boost "Brand India", increase attractiveness to growing technology sector, stimulate efficiency & growth, provide alternative source of capital and broaden investor base. The Companies (Listing of equity shares in permissible jurisdictions) Rules, 2024 were notified on 24.01.2024.
- ii. The Ministry has carried out an amendment in the Companies (Appointment and Qualification of Directors) Rules, 2014 on 16.07.2024 (effective from 01.08.2024) to address the suggestions of stakeholders for allowing additional opportunities to update their personal mobile number/email address in the KYC database.
- iii. An amendment was made to the Companies (Adjudication of Penalties) Rules, 2014 on 05.08.2024 (effective from 16.09.2024) to transition to a faceless adjudication mechanism to eliminate physical hearings for corporate default cases. This process has made it easier for Directors and key Managerial Persons to attend the adjudication proceedings by introducing adjudication through online VC.

The Government of India has undertaken a number of steps to ensure the quick registration of companies and their approvals in India. These initiatives are as under:

- i. A single integrated new web form called SPICe+ along with AGILE PRO-S has been deployed. This form provides eleven services related to ‘starting a business’ namely (i) Name Reservation, (ii) Incorporation, (iii) Permanent Account Number (PAN), (iv) Tax Deduction Account Number (TAN), (v) Director Identification Number (DIN), (vi) Employees’ Provident Fund Organisation (EPFO) Registration, (vii) Employees’ State Insurance Corporation (ESIC) Registration, (viii) Goods and Services Tax (GST) number, (ix) Bank Account Number, (x) Profession Tax Registration (Mumbai, Kolkata and Karnataka), (xi) Delhi Shops and Establishment Registration.
- ii. Zero fee is now charged for incorporation of all companies with authorized capital up to Rs. 15 lakh or with up to 20 members where no share capital is applicable.

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

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2155546>

4. **Ministry of Corporate Affairs to Host PMIS Interns as Special Guests for 79th Independence Day Celebrations.**

On the occasion of India’s 79th Independence Day, the Ministry of Corporate Affairs is hosting over 100 interns from across the country as special guests to witness the national celebrations in New Delhi. These interns, part of the Prime Minister Internship Scheme (PMIS), will participate in a three-day immersion program from August 14–16 which will provide them an enriching and a holistic experience. As part of the festivities, the Ministry will host a Special interaction of PMIS interns with Shri Harsh Malhotra, Minister of State for Corporate Affairs, and Smt. Deepti Gaur Mukerjee, Secretary, Ministry of Corporate Affairs on August 14. These interns- young changemakers, are currently interning with top Indian companies across different sectors. This event marks a milestone in the pilot phase of PMIS, which was launched in October 2024 and has already engaged over 350 leading companies nationwide and seen participation of youth from 36 States and UTs. A key highlight of the evening will be the launch of the **Digital Compendium**, a curated collection of **79 inspiring stories** from interns across India, showcasing their journeys of growth, learning, and impact. PMIS is designed to enhance the employability of India’s youth by bridging the gap between academic learning and workplace readiness. It also aims to spark entrepreneurial thinking by offering firsthand exposure to how businesses operate, innovate, and grow.

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

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2156195>

5. **NFRA and IICA Jointly Launch the Second Four-month Course for Audit Committee Members and Independent directors.**

The National Financial Reporting Authority (NFRA) and Indian Institute of Corporate Affairs (IICA) jointly launched the second four-month course for audit committee members/independent directors on 12 August 2025 at New Delhi. In a significant step towards knowledge and capacity building in the area of corporate governance, the National Financial Reporting Authority (NFRA) and the Indian Institute of Corporate Affairs (IICA) had signed a Memorandum of Understanding (MoU) in October 2024. This course has been the second in series launched as part of this MOU. Under this MOU, the first course on “The Directors’ certification program for Audit Committee Members” was held between January 2025 to May 2025 and was attended by 79 participants. In view of good response and positive feedback about the program, the 2nd course has been organized under the leadership of Shri Gyaneshwar Kumar Singh, Director General & CEO, IICA in a virtual ceremony. Shri Nitin Gupta stated that this joint initiative reflects a shared commitment for protecting public interest; and ensuring that companies operate with transparency, accountability, and long-term sustainability. He pointed out that the independence of independent directors brings with it a responsibility to question without fear, to seek clarity without hesitation, and to act with integrity even in challenging circumstances. This Certification Program has been thoughtfully designed to address the needs

of independent directors i.e., specialized knowledge and practical skills, particularly in areas such as financial statement interpretation; risk management; and understanding capital markets, corporate governance, and regulatory compliance.

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

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2156045>

INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

1. Pooling of Debt by multiple Operational Creditors is prohibited u/s 9 of IBC: NCLT New Delhi.

The National Company Law Tribunal (NCLT), New Delhi Bench of Shri Manni Sankariah Shanmuga Sundaram (Judicial Member) and Shri Atul Chaturvedi (Technical Member) has held that a petition under Section 9 of the IBC cannot be admitted based on the pooling of debt by multiple operational creditors, as such pooling is prohibited under the IBC. While a composite application under Section 7 of the IBC is permitted, no provision concerning the pooling of debt exists under Section 9 of the IBC. The Applicant submitted that the outstanding amount is an admitted operational debt. The CD has not disputed the nature of the debt, and only seeks to question its quantification. The OC, having stepped into the shoes of the Seller pursuant to the “Transfer of Rights Agreement” (“TOR”), is fully entitled to initiate proceedings under Section 9 of the Code. It was further argued that this, according to the Respondent, reveals a deliberate act of misrepresentation and concealment by the Applicants, undertaken with the objective of forcing a financially viable company into insolvency proceedings. It was further contended that Adaptio continued to issue illegal GST invoices even after cancellation of its GST registration, thereby engaging in an act intended to defraud both the Respondent and the tax authorities. The Tribunal at the outset observed that while IBC does not prohibit the operational creditors from filing a joint application, each creditor must individually meet the threshold limit of 1 crore under section 4 of the IBC. In the present case, no single creditor has claimed a default amount that crosses the threshold limit. This application has been filed based on the computation of the debt of multiple creditors which raises concerns about the maintainability of the present application. Accordingly, the present petition was dismissed.

For more information, you can access the article here:

<https://www.livelaw.in/ibc-cases/pooling-of-debt-by-multiple-operational-creditors-is-prohibited-us-9-of-the-ibc-nclt-new-delhi-301089>

2. Set- Off of Pre-CIRP Tax dues is not permitted against post-CIRP tax refund in absence of pre-existing contractual provision: NCLT Mumbai.

The National Company Law Tribunal (NCLT), Mumbai Bench of Sh. Prabhat Kumar (Technical Member) and Sh. Sushil Mahadeorao Kochey (Judicial Member) has held that pre-CIRP tax dues cannot be adjusted against post-CIRP tax refunds determined during the CIRP, in the absence of any pre-existing contractual set-off provision. The present application has been filed by the Resolution Professional under section 60(5) of the Insolvency and Bankruptcy Code, 2016 (IBC) seeking declaration that adjustment of pre CIRP tax dues against post Corporate Insolvency Resolution Process (CIRP) tax refunds is illegal and against the IBC. The Tribunal noted that the Supreme Court in Bharti Airtel Ltd. held that the statutory set off under Order VIII Rule VI and the insolvency set off under Regulation 29 of the Liquidations Regulations do not apply during the CIRP except where the contractual set off exists before the commencement of the CIRP. It further held that pre-existing contractual set offs are not affected by the CIRP. However, their recoveries are barred due to moratorium. It held that in the present case, the Income Tax Department has set off income tax dues accrued before CIRP against the post CIRP tax refunds determined during the CIRP. The exception carved out with respect to contractual set off does not apply in the present case as there was no pre-existing contractual set off therefore adjustment done was impermissible under the IBC.

For more information, you can access the article here:

<https://www.livelaw.in/ibc-cases/set-off-of-pre-cirp-tax-dues-is-not-permitted-against-post-cirp-tax-refunds-in-absence-of-pre-existing-contractual-set-off-nclt-mumbai-301070>

RESERVE BANK OF INDIA

1. Investment in Government Securities by Persons Resident Outside India through Special Rupee Vostro account.

Attention of Authorized Dealer Category-I (AD Category-I) banks is invited to Schedule 1 to the Foreign Exchange Management (Debt Instruments) Regulations, 2019 notified, vide Notification No. FEMA. 396/2019-RB dated October 17, 2019, and the Foreign Exchange Management (Deposit) Regulations, 2016 notified, vide Notification No. FEMA. 5(R)/2016-RB dated April 01, 2016 as amended from time to time and the relevant Directions issued thereunder. A reference is also invited to the Master Direction - Reserve Bank of India (Non-resident Investment in Debt Instruments) Directions, 2025 dated January 07, 2025 (hereinafter "Master Direction"). Persons resident outside India that maintain a Special Rupee Vostro Account (SRVA) for international trade settlement in Indian Rupees in terms of A.P. (DIR Series) Circular No. 10 dated July 11, 2022 may invest their rupee surplus balance in the aforesaid account in Central Government Securities (including Treasury Bills). Necessary operational instructions in this regard have been incorporated in the Master Direction; and the updated Master Direction is issued herewith. These directions shall come into immediate effect. AD Category – I banks may bring the contents of this circular to the notice of their constituents and customers concerned. The Directions contained in this circular have been issued under sections 10(4) and 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and are without prejudice to permissions/approval, if any, required under any other law.

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

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12890&Mode=0>

2. Introduction of Continuous Clearing and Settlement on Realisation in Cheque Truncation System.

Please refer to the Statement on Developmental and Regulatory Policies dated August 8, 2024, announcing the transition of Cheque Truncation System (CTS) from the current approach of batch processing to continuous clearing with settlement on realization. It has been decided to transition CTS to continuous clearing and settlement on realization in two phases. Phase 1 shall be implemented on October 4, 2025 and Phase 2 on January 3, 2026. The modalities for the same are given in Annex. All banks are advised to make their customers adequately aware of the changes in the cheque clearing process. Banks are also advised to be in readiness to participate in continuous clearing in CTS on the above dates. This directive is issued under Section 10 (2) read with Section 18 of Payment and Settlement Systems Act, 2007 (Act 51 of 2007).

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

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12891&Mode=0>

3. Compliance with Hon'ble Supreme Court Order dated April 30, 2025 in the matter of Pragma Prasun and Ors. vs Union of India (W.P.(C) 289 of 2024) and Amar Jain vs Union of India & Ors. (W.P.(C) 49 of 2025).

Attention of regulated entities is drawn to the Order of the Hon'ble Supreme Court dated April 30, 2025 in the matter of Pragma Prasun and Ors. vs. Union of India (W.P.(C) 289 of 2024) and Amar Jain vs. Union of India & Ors. (W.P.(C) 49 of 2025). All regulated entities shall undertake appropriate measures to ensure compliance with the above Supreme Court Order, as applicable.

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

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12892&Mode=0>

4. Reserve Bank of India (Know Your Customer (KYC)) (2nd Amendment) Directions, 2025.

Reserve Bank had issued Reserve Bank of India (Know Your Customer (KYC)) Directions, 2016 (hereinafter referred to as Master Direction) in compliance of the provisions of the PML Act, 2002 and the Rules made thereunder. There is a need to further amend the same based on a review of the extant instructions. Accordingly, in exercise of the powers conferred by sections 35A of the Banking Regulation

Act, 1949, read with section 56 of the Act ibid, sections 45JA, 45K and 45L of the Reserve Bank of India Act, 1934, section 10(2) read with section 18 of Payment and Settlement Systems Act, 2007, section 11(1) of the Foreign Exchange Management Act, 1999, Rule 9(14) of Prevention of Money-Laundering (Maintenance of Records) Rules, 2005 and all other laws enabling the Reserve Bank in this regard, the Reserve Bank being satisfied that it is necessary and expedient in the public interest to do so, hereby issues the Amendment Directions hereinafter specified. These Directions shall be called the Reserve Bank of India (Know Your Customer (KYC)) (2nd Amendment) Directions, 2025. These directions shall come into force with immediate effect.

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

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12893&Mode=0>

5. Premature redemption under Sovereign Gold Bond (SGB) Scheme - Redemption Price for premature redemption of SGB 2018-19 Series-VI due on August 12, 2025.

In terms of GOI notification F. No. 4(22)-B(W&M)/2018 dated October 08, 2018 (SGB 2018-19 Series-VI-Issue date February 12, 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 tranches shall be on August 12, 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 August 12, 2025, shall be ₹10,053/- (Rupees Ten Thousand Fifty-three only) per unit of SGB based on the simple average of closing gold price for the three business days i.e., August 07, August 08, and August 11, 2025.

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

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=61000

6. Premature redemption under Sovereign Gold Bond (SGB) Scheme - Redemption Price for premature redemption of SGB 2019-20 Series-III due on August 14, 2025.

In terms of GOI notification F. No. 4(7)-B(W&M)/2019 dated May 30, 2019 (SGB 2019-20 Series-III-Issue date August 14, 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 August 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 August 14, 2025, shall be ₹9,991/- (Rupees Nine Thousand Nine Hundred Ninety-One only) per unit of SGB based on the simple average of closing gold price for the three business days i.e., August 11, August 12, and August 13, 2025.

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

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=61017

7. Report of the Committee to develop a Framework for Responsible and Ethical Enablement of Artificial Intelligence (FREE-AI) in the Financial Sector.

In pursuance to the announcement made in the Statement on Developmental and Regulatory Policies released along with the Monetary Policy Statement dated December 06, 2024, the Reserve Bank of India had set up the committee to develop a Framework for Responsible and Ethical Enablement of Artificial Intelligence (FREE-AI) in the Financial Sector on December 26, 2024. The Committee, after extensive deliberations with diverse stakeholders, has since submitted its report and the same is being placed on the RBI website. The report sets out a framework to guide the use of AI in the financial sector, aiming to harness its potential while safeguarding against associated risks. The Committee has developed 7 Sutras to serve as the foundational

principles for AI adoption. Guided by the 7 Sutras, the Committee has recommended a forward-looking approach, containing 26 actionable recommendations under six strategic pillars. The report envisions a financial ecosystem where encouraging innovation is in harmony, and not at odds, with mitigation of risk.

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

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=61018

8. Guarantee regulations under Foreign Exchange Management Act (FEMA), 1999 – Draft for feedback.

Reserve Bank of India has been reviewing and rationalizing the regulations issued under FEMA, 1999 with an intent to promote ease of doing business. On a review, it has been decided to rationalize regulations pertaining to guarantees issued under FEMA, 1999. Salient features of proposed regulations are as under:

- a. The regulations are principle based and in general guarantees involving cross border transactions will be under automatic route provided that underlying transaction, and the transactions resulting from invocation of guarantee are not in contravention of FEMA, 1999;
- b. The universe of guarantees enabled under automatic route is being expanded, and therefore a comprehensive reporting of all guarantees, issued and invoked, is proposed to be introduced.

The draft regulations under FEMA are available for public response. Comments/feedback on the draft regulations may be submitted through the respective link under the ‘Connect 2 Regulate’ Section available on the RBI’s website or may be forwarded via email by September 04, 2025, with the subject line “Feedback on draft guarantee regulations under FEMA, 1999”.

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

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=61032

You may send your suggestions at niyati@asalegal.in

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