



NEWSLETTER ^{Weekly}

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SECURITIES AND EXCHANGE BOARD OF INDIA

1. Review of Framework to address the ‘technical glitches’ in Stock Brokers’ Electronic Trading Systems.

The Securities and Exchange Board of India has announced a revised framework to address technical glitches in stock brokers’ electronic trading systems as part of its Ease of Compliance initiative. Following public consultation and stakeholder feedback, SEBI streamlined the applicability of the framework by limiting it to stock brokers with more than 10,000 registered clients, thereby exempting nearly 60% of brokers with smaller operations and lower technology dependence. The revised framework also excludes glitches that occur outside a broker’s trading architecture, do not directly affect trading functionality, or have negligible impact, granting immunity for issues beyond brokers’ control. Reporting requirements have been simplified by extending the reporting timeline, factoring in trading holidays, and shifting to a single Common Reporting Platform. Technology compliance norms have been rationalised based on broker size, and the disincentive structure has been recalibrated considering the nature and frequency of glitches, making compliance more proportionate and cost-effective.

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

https://www.sebi.gov.in/legal/circulars/jan-2026/review-of-framework-to-address-the-technical-glitches-in-stock-brokers-electronic-trading-systems_99006.html

2. Simplification of requirements for grant of accreditation to investors.

The Securities and Exchange Board of India has issued a circular dated January 9, 2026, simplifying the accreditation framework for investors in Alternative Investment Funds (AIFs). The revised norms allow AIF managers, pending receipt of an accreditation certificate, to execute contribution agreements and initiate operational processes based on their assessment of investor eligibility, subject to safeguards. Investor commitments made during this interim period cannot be counted towards the scheme’s corpus, and funds can be accepted only after accreditation is formally granted. SEBI has also eased net-worth documentation requirements by removing the mandatory submission of a detailed net-worth break-up annexed to the certificate. Chartered accountants may now optionally specify the actual net worth, provided they certify that the prescribed threshold is met. The circular further requires trustees, sponsors, or managers to ensure compliance with these provisions in the Compliance Test Report. The changes take immediate effect and aim to streamline processes while preserving prudential safeguards.

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

https://www.sebi.gov.in/legal/circulars/jan-2026/simplification-of-requirements-for-grant-of-accreditation-to-investors_99005.html

3. Compliance Reporting Formats for Specialized Investment Funds (SIFs).

SEBI has issued a circular dated January 8, 2026, prescribing standardized compliance reporting formats for Specialized Investment Funds (SIFs) to ensure uniformity and clarity in regulatory reporting. The circular provides that all reporting requirements applicable to mutual funds under the SEBI (Mutual Funds) Regulations, 1996, the MF Master Circular dated June 27, 2024, and related guidelines shall also apply to

SIFs. It mandates modifications to two key reports: the Compliance Test Report (CTR) and the Half-Yearly Trustee Report (HYTR). The CTR format is amended to include an additional Part IV covering detailed compliance checks specific to SIF regulations, investment restrictions, disclosures, risk bands, and operational norms. Similarly, the HYTR format is expanded by inserting Clause 72A, requiring trustees to certify compliance with governance, risk management, fees, disclosures, and investor protection requirements for SIFs. The circular comes into force immediately and is issued under SEBI's statutory powers to protect investors and regulate the securities market.

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

<https://www.sebi.gov.in/legal/circulars/jan-2026/compliance-reporting-formats-for-specialized-investment-funds-sifs-98987.html>

4. Extension of timeline for implementation of additional incentives structure for distributors for onboarding new individual investors from B-30 cities and women investors.

Securities and Exchange Board of India issued a circular dated January 7, 2026, extending the timeline for implementing the additional incentive structure for mutual fund distributors aimed at onboarding new investors. Earlier, SEBI had prescribed a framework, through a circular dated November 27, 2025, to incentivize distributors for mobilizing investments from two specific categories: new individual investors from B-30 cities and new women individual investors from both T-30 and B-30 cities, with the framework scheduled to take effect from February 1, 2026. Following feedback from industry participants highlighting operational challenges in establishing the required systems and processes, SEBI decided to defer the implementation. Consequently, the revised effective date has been extended to March 1, 2026. The regulator clarified that all other provisions of the earlier circular remain unchanged. The extension has been granted in exercise of statutory powers to protect investor interests and support the orderly development of the mutual fund industry.

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

<https://www.sebi.gov.in/legal/circulars/jan-2026/extension-of-timeline-for-implementation-of-additional-incentives-structure-for-distributors-for-onboarding-new-individual-investors-from-b-30-cities-and-women-investors-98962.html>

5. Securities and Exchange Board of India (Stock Brokers) Regulations, 2026.

The Securities and Exchange Board of India notified the SEBI (Stock Brokers) Regulations, 2026 on 7 January 2026, overhauling the regulatory framework governing stock brokers and clearing members and repealing the 1992 regulations. The regulations consolidate rules on registration, eligibility, net worth, deposits, fees, and operational permissions across market segments, while clarifying when separate registrations are not required. They impose comprehensive general and enhanced obligations, including client fund and securities protection, robust risk management, cybersecurity resilience, grievance redressal, record-keeping for eight years, and strict codes of conduct. A dedicated chapter introduces institutional mechanisms to prevent, detect, and report fraud or market abuse, including surveillance systems, mule-account detection, whistle-blower protections, and periodic reporting. SEBI's inspection, investigation, and enforcement powers are strengthened, alongside graded actions for defaults. The framework also enables regulatory sandbox relaxations to foster innovation, specifies underwriting permissions and limits, and sets detailed fee, net-worth, and deposit requirements, ensuring stronger governance, investor protection, and market integrity.

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

<https://www.sebi.gov.in/legal/regulations/jan-2026/securities-and-exchange-board-of-india-stock-brokers-regulations-2026-98974.html>

MINISTRY OF FINANCE

1. DRI busts major trans-border gold smuggling syndicate; seizes gold worth over ₹40 crore and cash worth ₹2.9 crore

In a major crackdown on trans-border smuggling, Directorate of Revenue Intelligence (DRI) conducted searches at Delhi and Agartala and busted a well-organised international gold smuggling syndicate, operating from Dubai and Bangladesh. The action led to the seizure of more than 29 kg foreign-origin gold and cash worth approximately ₹2.90 crore. Based on specific intelligence, on 6th January 2026, a key syndicate member was apprehended from a domestic logistics warehouse, while taking delivery of two consignments originating from Agartala, Tripura. Examination of the consignments led to the recovery of 15 kg of foreign-origin gold, bearing international refinery markings, valued at approximately ₹20.73 crore. Thus, a total of 29.2 kg gold, valued at approx. ₹40 crore, and cash amount of ₹2.9 crore have been seized under the provisions of Customs Act. Further, four members of the syndicate have been arrested. By intercepting illicit gold flows, DRI continues to safeguard India's economic and fiscal stability, and ensure a fair and transparent trading environment.

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

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2212165®=3&lang=1>

2. Union Minister for Finance and Corporate Affairs Smt. Nirmala Sitharaman chairs the Pre-Budget Consultation Meeting with States and UTs (with legislature), New Delhi, today.

Union Minister for Finance and Corporate Affairs Smt. Nirmala Sitharaman chaired the pre-budget consultations with States and Union Territories (with Legislature) in New Delhi, today. The participants gave several valuable suggestions to the Union Finance Minister for consideration in the Union Budget for FY 2026-27. Specifically, many participants highlighted that the Scheme for Special Assistance to States for Capital Investment (SASCI) be continued with higher allocations as it helps in fast-tracking asset creation and supports capital investments in the States and UTs with Legislature. It is worth mentioning that since 2020-21, the Union Government has released more than Rs 4.25 lakh crore as 50-year interest free loans to the States under SASCI. The Union Finance Minister thanked all the dignitaries and assured that the suggestions given by them would be duly examined and suitably considered while formulating the Budget 2026-27.

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

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2213339®=3&lang=1>

MINISTRY OF CORPORATE AFFAIRS

1. IBBI Chairperson Shri Ravi Mittal launches IICA PGIP program Website.

Chairperson of the Insolvency and Bankruptcy Board of India (IBBI), Shri Ravi Mittal launched the Indian Institute of Corporate Affairs (IICA) PGIP program, presiding over as chief guest at an event on the campus on Monday. Addressing the students, the IBBI Chairperson assured them of strengthened institutional support and announced that efforts would be made to ensure one-year internship opportunities at IBBI for a few selected PGIP students. He further stated that students interested in research activities may apply for an upcoming IBBI research programme, and upon selection, they would have the opportunity to be on the rolls of IBBI. The website is a dedicated digital platform designed to connect PGIP alumni with current students. It will enable continuous interaction, knowledge sharing, problem-solving, and enhanced industry exposure for students through alumni engagement. During an interactive session the students expressed appreciation for IICA's support, citing opportunities to participate in conclaves, seminars, and meaningful interactions with industry experts, significantly enriching their academic and professional journey.

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

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2211772®=3&lang=1>

2. Investor Education and Protection Fund Authority (IEPFA) Organised “Niveshak Shivir” in Bengaluru.

The Investor Education and Protection Fund Authority (IEPFA), under the Ministry of Corporate Affairs, Government of India, in collaboration with the Securities and Exchange Board of India (SEBI) and Market Infrastructure Institutions (MIIs), successfully organised a “Niveshak Shivir” in Bengaluru on 3rd January 2026 last week. The one-day camp witnessed enthusiastic participation from investors across Karnataka, offering them a single-window solution for grievance redressal, claim facilitation, and investor service assistance. The event was graced by senior officers from IEPFA, SEBI, MIIs, and Registrars and Transfer Agents (RTAs). Additionally, IEPFA also launched an insightful explainer booklet titled “A Complete Guide to IEPFA Claims and Investor Services”, aimed at enhancing investor awareness and facilitating seamless claim resolution. Over 900 investors and claimants from Bengaluru and nearby regions actively participated in the camp, which aimed to bring investor services closer to citizens through direct facilitation and on-the-spot support. The Niveshak Shivir enabled direct facilitation of unclaimed dividends and shares pending for over six to seven years, provided on-the-spot KYC and nomination updates, and addressed pending IEPFA claim issues. Dedicated kiosks were set up by stakeholder companies and RTAs, enabling investors to interact directly with officials and eliminate intermediaries from the process.

The Bengaluru Niveshak Shivir is part of IEPFA’s nationwide outreach series, focusing on cities with significant volumes of unclaimed investments. These investor facilitation camps underscore IEPFA’s unwavering commitment to enhancing investor awareness, safeguarding financial interests, and building trust and transparency in India’s financial ecosystem. The Investor Education and Protection Fund Authority (IEPFA), under the Ministry of Corporate Affairs, Government of India, is dedicated to promoting investor awareness and protection through sustained outreach, education, and strategic collaborations.

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

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2211713®=3&lang=1>

INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

1. Suspended Director Who Is A Prospective Resolution Applicant Not Entitled To Valuation Reports: NCLT Mumbai.

The National Company Law Tribunal (NCLT) at Mumbai has dismissed a challenge by a suspended director seeking disclosure of valuation reports and other Corporate Insolvency Resolution Process (CIRP) documents. The court held that valuation reports are confidential and cannot be shared with persons who are themselves potential or competing resolution applicants. “Valuation reports are confidential documents, and disclosure to persons who are themselves potential resolution applicants would undermine the sanctity of the process and is contrary to settled legal principles.”, the tribunal observed. The application arose from the CIRP initiated against Megi Agro Chem Limited in August 2022 on a petition filed by Pridhvi Asset Reconstruction and Securitisation Company Ltd, the sole member of the Committee of Creditors (CoC). Kadam alleged that the resolution professional failed to share valuation reports, the resolution plan, and minutes of CoC meetings with suspended directors, which undermined transparency and violating the insolvency law. Rejecting the arguments relating to valuation reports, the tribunal held that such reports are confidential and meant exclusively for the commercial decision making of the CoC. It observed that disclosure of valuation reports to persons who are themselves prospective or competing resolution applicants would compromise the sanctity and integrity of the resolution process. The tribunal noted that the applicant and persons connected with the erstwhile management had either submitted or sought to submit resolution plans during the insolvency. In such circumstances, furnishing valuation reports or sensitive commercial information would give an unfair advantage and defeat the objective of value maximisation under the Code. Finding no violation of provisions of the Code, the NCLT dismissed the application. It said the applicant had failed to establish any ground warranting interference with the approved plan.

For more information, you can access the article here:

<https://www.livelaw.in/ibc-cases/valuation-reports-are-confidential-disclosure-to-suspended-directors-acting-as-potential-resolution-applicants-impermissible-nclt-mumbai-518275>

2. Corporate ministry seeks Cabinet approval for 50 more NCLT courts.

The Corporate Affairs Ministry has sought the Cabinet's approval for a proposal to have 50 more courts of the National Company Law Tribunal (NCLT) and two more for the appellate tribunal (NCLAT) for its approval. It shared the information with the Select Committee on the Insolvency and Bankruptcy Code Amendment Bill, 2025. The Ministry told the Parliamentary committee it will draft regulations under the 'Adjudicating Authority Rules for the IBC process' to ensure that timelines are met. This would be done after "after carefully calibrating the infrastructure, functional and administrative requirements of Adjudicating Authorities," it said. The committee said in its report: "in order for the Adjudicating Authorities to adhere to the established timelines in letter and spirit, the relevant provisions would need buttressing with supporting regulation." Various stakeholders told the committee that there is a need for expanding judicial capacity or restructuring the adjudicatory process by increasing the number of benches and also enhancing financial allocation for improvement of infrastructure. The total sanctioned strength of members, including president, in the NCLT is 63. As of March 31, 2025, only three positions were vacant at NCLT benches. Under the IBC framework, an application initiating corporate insolvency resolution must be admitted within 14 days. However, adjudicating authorities take over a year on average in admitting applications. A Supreme Court judgement had said that a shortage of members has led to tribunals only sitting for a few days of the week or a few hours in a day. The court added that even in tribunals where there is no vacancy, the absence of requisite infrastructure has forced the benches to share courtrooms or halls. The proposed amendment in the IBC Bill for mandatory admission of an insolvency application filed by a financial creditor if a default is established and procedural requirements are met has tried to address this issue. The select committee however, has suggested that the government should establish a clear statutory timeline for the NCLAT to dispose of an appeal within three months from the date of its receipt.

For more information, you can access the article here:

https://www.business-standard.com/industry/news/mca-seeks-to-add-50-nclt-courts-and-two-nclat-benches-panel-report-125121800739_1.html

RESERVE BANK OF INDIA

1. Reserve Bank of India (Small Finance Banks - Prudential Norms on Capital Adequacy) Amendment Directions, 2026.

Reserve Bank of India (Small Finance Banks - Prudential Norms on Capital Adequacy) Directions, 2025 (hereinafter referred to as 'the Directions'). On a review, and in exercise of the powers conferred by the section 35A of the Banking Regulation Act, 1949 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 so to do, hereby issues the Amendment Directions hereinafter specified. The Amendment Directions modifies the Directions as under: (1) Para 39 shall be substituted by the following: "39. The claims on non-resident corporates shall be risk weighted as under as per the ratings assigned by international rating agencies. Further, with regard to claims on all non-resident corporates originating at International Financial Services Centre (IFSC) for which ratings are assigned by M/s CareEdge Global IFSC Limited.

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

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=13266&Mode=0>

2. Reserve Bank of India (Small Finance Banks - Prudential Norms on Capital Adequacy) Amendment Directions, 2026.

Reserve Bank of India (Small Finance Banks - Prudential Norms on Capital Adequacy) Directions, 2025 (hereinafter referred to as 'the Directions'). On a review, and in exercise of the powers conferred by the section 35A of the Banking Regulation Act, 1949 and all other laws enabling the Reserve Bank in this

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

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=13266&Mode=0>

3. Reserve Bank of India (All India Financial Institutions (AIFIs) - Prudential Norms on Capital Adequacy) Amendment Directions, 2026.

Reserve Bank of India (All India Financial Institutions (AIFIs) - Prudential Norms on Capital Adequacy) Directions, 2025 (hereinafter referred to as ‘the Directions’). On a review, and in exercise of the powers conferred by the section 45L of the Reserve Bank of India Act, 1934 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 so to do, hereby issues the Amendment Directions hereinafter specified. The Amendment Directions modifies the Directions as under: (1) Para 44 shall be substituted by the following: “44. The claims on non-resident corporates shall be risk weighted as under as per the ratings assigned by international rating agencies. Further, with regard to claims on all non-resident corporates originating at International Financial Services Centre (IFSC) for which ratings are assigned by M/s CareEdge Global IFSC Limited.

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

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=13267&Mode=0>

4. Ways and Means Advances for State Governments/ UTs.

The limits for financial accommodation extended by the Reserve Bank of India to the State Governments / Union Territories (UTs) through Special Drawing Facility (SDF), Ways and Means Advances (WMA), and Overdraft (OD) facilities were last reviewed and announced on June 28, 2024. Consequent on Reserve Bank entering into an agreement with the Government of National Capital Territory of Delhi (GNCTD) on January 05, 2026, the general banking business of GNCTD shall be carried out by the Reserve Bank with effect from January 09, 2026. The WMA limit for GNCTD have been fixed at ₹890 crore, effective from January 09, 2026. Accordingly, the revised aggregate WMA limit for State Governments / UTs will be ₹61,008 crore as against the existing limit of ₹60,118 crore.

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

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=62011

5. RBI launches Quarterly Order Books, Inventories and Capacity Utilisation Survey: October - December 2025 (Round 72).

The Reserve Bank of India has launched the 72nd round of its Order Books, Inventories and Capacity Utilisation Survey (OBICUS). The survey is for the reference period October – December 2025 (Q3:2025-26).

The Reserve Bank has been conducting the Order Books, Inventories and Capacity Utilisation Survey (OBICUS) of the manufacturing sector on a quarterly basis since 2008. The information collected in the survey includes quantitative data on new orders received during the reference quarter, backlog of orders at the beginning of the quarter, pending orders at the end of the quarter, total inventories with a breakup between finished goods (FG), work-in-progress (WiP) and raw material (RM) inventories at the end of the quarter, item-wise production in terms of quantity and value during the quarter vis-à-vis the installed capacity from the targeted group and the reasons for changes in production / installed capacity during the quarter. The level of capacity utilisation (CU) is estimated from these responses. The survey provides

valuable input for monetary policy formulation. The survey findings are released on the website of the Bank regularly. During this quarter, selected manufacturing companies will be approached by the Bank. Other manufacturing companies may also participate in the survey by downloading the survey questionnaire from the Reserve Bank's website <https://www.rbi.org.in>. The survey questionnaire is placed under the head 'Forms' (available under the 'More Links' at the bottom of the home page) and sub-head 'Survey'. The duly authenticated filled-in survey schedule may be e-mailed as per contact details provided in the survey schedule. Company level data are treated as confidential and never disclosed.

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

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=61991

You may send your suggestions at niyati@asalegal.in

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