



SECURITIES AND EXCHANGE BOARD OF INDIA

1. Ease of Doing Investment and Ease of Doing Business – Doing away with requirement of issuance of Letter of Confirmation (“LOC”) and to effect direct credit of securities in dematerialisation account of the investor.

The Securities and Exchange Board of India has issued a circular to simplify investor service requests by eliminating the requirement of issuing a Letter of Confirmation (LOC) and enabling direct credit of securities into investors’ demat accounts. Covering services such as duplicate certificates, transmission, transposition, unclaimed suspense accounts and corporate actions, the move aims to reduce processing time, operational risk, and loss or pilferage of documents. Under the new framework, investors must already hold a demat account and submit a duly attested, recent Client Master List along with prescribed forms. Registrars, issuer companies and depositories are required to complete verification and credit securities directly into the demat account within 30 days. Corresponding amendments have been made to multiple paragraphs and annexures of the Master Circular for RTAs. The changes take effect from April 2, 2026, while LOCs issued earlier remain valid for dematerialisation within 120 days, reinforcing efficiency, transparency and ease of doing investment.

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

<https://www.sebi.gov.in/legal/circulars/jan-2026/ease-of-doing-investment-and-ease-of-doing-business-doing-away-with-requirement-of-issuance-of-letter-of-confirmation-loc-and-to-effect-direct-credit-of-securities-in-dematerialisation-account-o-99421.html>

2. Ease of Doing Investment – Special Window for Transfer and Dematerialisation of Physical Securities.

The Securities and Exchange Board of India has issued a circular to open a special, time-bound window to facilitate transfer and dematerialisation of physical securities that were sold or purchased prior to April 1, 2019. The window will remain open for one year from February 5, 2026 to February 4, 2027, and also covers cases where earlier transfer requests were rejected, returned, or not attended due to deficiencies. Eligible transfers must be supported by original certificates and executed transfer deeds dated before April 1, 2019, and the securities will be credited only in demat form with a mandatory one-year lock-in. The framework excludes disputed cases and securities already transferred to the IEPF. Detailed obligations are prescribed for listed companies, RTAs, and depositories, including identity and signature verification, public notice where transferor cooperation is unavailable, and strict timelines for processing. The measure aims to ease investing, secure investor rights, and resolve legacy physical holding issues.

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

https://www.sebi.gov.in/legal/circulars/jan-2026/ease-of-doing-investment-special-window-for-transfer-and-dematerialisation-of-physical-securities_99411.html

3. Master Circular for compliance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 by listed entities.

The Securities and Exchange Board of India has issued an updated Master Circular consolidating all applicable circulars for compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Originally issued on July 11, 2023, and previously updated in November 2024, the Master Circular has now been revised to incorporate all relevant circulars issued up to December 30, 2025, reflecting provisions currently in force. The circular aims to provide a single, comprehensive reference point

for listed entities and other stakeholders to ensure effective compliance with the LODR Regulations. With its issuance, earlier circulars listed in the appendix stand rescinded to the extent they relate to LODR compliance, while safeguarding past actions, rights, liabilities, penalties, and pending proceedings under those circulars. Recognised stock exchanges and depositories are directed to disseminate the circular and establish monitoring systems. Compliance is mandatory for listed entities and specified stakeholders in accordance with applicable provisions.

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

https://www.sebi.gov.in/legal/master-circulars/jan-2026/master-circular-for-compliance-with-the-provisions-of-the-securities-and-exchange-board-of-india-listing-obligations-and-disclosure-requirements-regulations-2015-by-listed-entities_99432.html

MINISTRY OF FINANCE

1. India and the European Union Conclude Free Trade Agreement Negotiations on Financial Services.

India and the European Union have concluded negotiations on Financial Services in the India-EU Free Trade Agreement (FTA), marking a significant milestone in strengthening bilateral economic and strategic cooperation. It is a landmark achievement finalized during the last round of negotiations held on January 06, 2026. India and EU share a robust commitment to strengthening bilateral cooperation in the financial services sector. In 2024, total services trade between India and EU is around \$83 billion. In 2024, India exported \$700 million worth of financial services to EU and imported around \$600 million worth of financial services from EU. Recognizing the significance of this relationship, both nations have worked collaboratively to develop a forward-looking, balanced, and mutually beneficial agreement that will unlock enhanced opportunities for their respective financial services sectors. This FTA will provide the necessary institutional and regulatory framework to accelerate bilateral collaboration, facilitate market access, and catalyze deeper integration of the financial systems of both economies. The India-EU Financial Services Annex marks a notable advancement over standard GATS commitments, evolving to a total of 16 articles. The key achievements of Financial Services Annex include the following:

Electronic Payments and Real-Time Transaction Infrastructure
Financial Technology and Regulatory Innovation
Credit Rating and Non-Discrimination
Increased FDI Investment limits and Bank Branches

EU Financial Services Annex underscores both governments' commitment to deepening economic ties and harnessing mutual opportunities in the rapidly evolving financial services landscape. The agreement is forward-looking, balanced and designed to provide enhanced market access, regulatory clarity, and cooperative frameworks that will benefit financial institutions and service providers from both countries.

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

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2219812®=3&lang=1>

2. Reserve Bank of India (RBI) signs a Memorandum of Understanding with the European Securities and Markets Authority (ESMA).

With the approval of the Union Cabinet, Reserve Bank of India (RBI) signed a Memorandum of Understanding with the European Securities and Markets Authority (ESMA) during the Visit of President of the European Council and President of the European Commission to India on 27.01.2026. The primary objective of the MoU is to enable formal recognition of the Clearing Corporation of India Ltd. (CCIL) and other RBI-regulated Central Counterparties by ESMA. The MoU is a statement of intent of RBI and ESMA, with respect to the covered Central Counterparties (CCPs), and cooperation in regulatory and supervisory practices to the extent permitted by applicable laws and regulations. RBI and ESMA will consult, cooperate and exchange information with each other with regard to the covered Central Counterparties (CCPs) and monitoring of the compliance by the covered CCPs with the recognition conditions. In fulfilment of its responsibilities and objectives, ESMA will rely as appropriate upon the regulatory framework and supervision of the RBI, recognising that the RBI remains accountable in India for the resilience of the

Covered CCPs under its supervision. The MoU does not create any legally binding obligations, confer any rights or supersede any domestic laws. The MoU is effective from the date of signing by the Authorities and will remain operative for an unlimited period of time. From the above measures, a total of approx. 46,322 employees, 23,570 pensioners and 23,260 family pensioners will benefit. This measure will provide meaningful relief to the employees of PSGICs and NABARD, and to pensioners/family pensioners of RBI and NABARD, by enabling them to better absorb the cost of living while maintaining a dignified standard of living and social status post-retirement. The Government remains committed to strengthening institutions that play a pivotal role in the country's inclusive and sustainable economic growth.

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

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2219809®=3&lang=1>

3. Rural Inflation on a Declining Trend Further Reducing Rural Stress.

The Economic Survey 2025-26 tabled in the Parliament today by the Union Minister of Finance and Corporate affairs, Smt. Nirmala Sitharaman has observed that unlike previous years (2023 and 2024), rural inflation declined and remained lower than the urban inflation, further reducing rural stress. Throughout much of 2023 and 2024, rural inflation remained above urban inflation. During 2025-26, the state-level incidence of inflation followed the national trend, with an across-the-board reduction in inflation, except in Kerala and Lakshadweep, where retail inflation breached the upper tolerance band of 6 per cent. In rest of the states, average inflation remained within the 2-6 per cent tolerance band of the Reserve Bank of India, or below that. (2014 – Dec 2025). While national factors remain central in shaping inflation outcomes, State-level inflation dynamics display heterogeneity over time. An examination of inflation and wage rates at the state-level over a decade indicates that the states with an average wage rate above the national wage tend to experience a relatively higher inflation. Survey notes that “our further analysis demonstrated that the state-level inflation rates show a significant positive association with wage rates, state-level GDP growth rates and COVID impact. However, the share of industrial output showed negative association with the state-level inflation, reflecting the benign effect of supply-side efficiencies in manufacturing sector in dampening price pressures”. It further adds that GST imposition was found to be price neutral for state-level inflation differential.

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

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2220003®=3&lang=1>

4. Union Minister for Finance and Corporate Affairs to engage with youth from across India after the Union Budget 2026-27.

After the presentation of the Union Budget 2026-27, Union Minister for Finance and Corporate Affairs Smt. Nirmala Sitharaman will interact with around 30 college students from different regions of the country. As part of this initiative, the college students will also get to witness live presentation of the Union Budget from the Lok Sabha Gallery, offering them a chance to view one of the most significant Parliamentary proceedings of the year. The students come from a variety of academic disciplines, including commerce, economics, medical education, and vocational courses from various States across India. The students will also visit the Ministry of Finance housed at Kartavya Bhawan-1 and interact with various senior officials to gain an understanding of the functioning of the Ministry, policy formulation processes, and the role of institutions in nation-building. Later in the evening, Smt. Sitharaman will interact with the students and engage in a free-wheeling discussion on the key priorities of the Budget, its vision for India's future, and its implications for the youth. Students will also share their ideas, perspectives, and aspirations, and offer their views concerning the youth and the nation during the interaction. This initiative aims to provide exposure to promote greater awareness among students about finance, economics, governance, and democratic processes, while encouraging informed, constructive participation of youth in India's financial and Parliamentary procedures. During the course of Budget preparation, various inputs have been sought from the citizens, including youth, through various platforms, which will reflect in the upcoming Union Budget 2026-27.

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

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2220979®=3&lang=1>

MINISTRY OF CORPORATE AFFAIRS

1. IBC transformed insolvency landscape, but challenges remain: DFS secretary.

The Insolvency and Bankruptcy Code (IBC) has been a game-changer and has transformed the insolvency landscape by fostering transparency, accountability and efficiency in corporate dispute resolution and laying the foundation of a more resilient and robust economy, Financial Services Secretary M Nagaraju said on Wednesday. The seventh amendment -- IBC Amendment Bill 2025, as recommended by the select committee, seeks to address some of these key challenges relating to delays in resolution and liquidation and low recovery rates, he said. "The bill also proposes, inter alia, introduction of provisions on group insolvency process, cross-border insolvency and the creditor-initiated insolvency processes to strengthen and expand the framework of IBC," he said. By incorporating these reforms, the amendment bill is expected to enhance the timelines and effectiveness of insolvency proceedings, improve greater confidence and align India's resolving regime more closely with the global best practices, thereby fostering greater stability and resilience in the financial system, he said. To facilitate an expeditious resolution process under IBC and to ensure proper implementation of IBC, six amendments have been carried out in the IBC since its inception in 2016. In addition to supplementing the efforts of the Ministry of Corporate Affairs and Insolvency and Bankruptcy Board of India (IBBI) in carrying out amendments in IBC, the Department of Financial Services (DFS) has also been undertaking several measures to expedite insolvency processes, Nagaraju said. He also cited measures such as the periodic review of large accounts of public sector banks facing delays at various stages of the insolvency process and active collaboration with IBBI to cut down on delays and issuance of general advisories to banks on handling such cases. Also, public sector banks earned a net profit of Rs 1.41 lakh crore in FY24, which further increased to Rs 1.78 lakh crore in FY25. The fear of losing control of the firm on initiation of a Corporate Insolvency Resolution Process (CIRP) is nudging debtors to settle their dues with the creditors as soon as possible, he said. This may also be observed from the fact that up to March 2025, 30,310 applications for initiation of CRPs having an underlying default of Rs 13.78 lakh crore were resolved even before their admission in the NCLT, he added.

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

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2219844®=3&lang=1>

INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

1. IBBI and INSOL India Host 3rd International Conclave 2026 in New Delhi on a Decade of IBC and Future Reforms.

The Insolvency and Bankruptcy Board of India (IBBI) in association with INSOL India organized the 3rd International Conclave. The event brought together distinguished experts, policymakers, legal luminaries, and practitioners from across jurisdictions to reflect on the transformative decade of the IBC and deliberate on the way forward for insolvency resolution in India. Justice (Retd.) Ramalingam Sudhakar, President, National Company Law Tribunal graced the occasion as Chief Guest. In his address, he traced the remarkable journey of the Insolvency and Bankruptcy Code and underscored its transformative impact on India's resolution landscape. He highlighted the improved performance of the NCLT in the implementation of the Code and emphasized that the establishment of a dedicated adjudicatory framework for insolvency has been a key design feature contributing to the Code's success vis-à-vis the pre-IBC regime. He noted that the IBC has played a significant role in promoting credit discipline by acting as an effective deterrent to default. Acknowledging the collaborative efforts of all stakeholders, he observed that the Indian insolvency framework could serve as a reference model for emerging economies globally. Mr. M. Nagaraju, Secretary, Department of Financial Services, Ministry of Finance in his special address emphasized the significant contribution of the IBC in improving the health of the banking sector, including reduction in NPAs and improvement in profits. He highlighted the behavioural changes brought about by the Code in the debtor-creditor ecosystem and the importance of continued collaboration among stakeholders. He also noted that certain challenges require continued attention. He observed that the proposed amendments to the framework would significantly contribute towards addressing these issues. He further highlighted the various initiatives undertaken by the Department of Financial Services to strengthen the effective implementation of the Code. Ms. Pooja Mahajan, President, INSOL India in her welcome address highlighted INSOL India's role in strengthening the insolvency ecosystem and outlined the organization's recent initiatives aimed at promoting

best practices and fostering international collaboration in insolvency resolution. The Conclave featured five enriching panel discussions. The first Panel Discussion was on the theme "10 Years of the Insolvency and Bankruptcy Code, 2016". The second Panel Discussion focused on "Asset Tracing, Enforcement & Recovery". The panel discussed contemporary challenges and best practices in asset tracing and recovery across jurisdictions. The third Panel Discussion was on "Out-of-Court Workouts & Pre-Pack Solutions". The panel deliberated on the efficacy of out-of-court restructuring mechanisms and pre-packaged insolvency frameworks in facilitating timely resolution under IBC. The fourth Panel Discussion focused on "Financing Distressed Acquisitions & Special Situations". The panel discussed the evolving landscape of distressed asset financing and the role of alternative investment funds in the resolution ecosystem, with special reference to the housing sector. The fifth Panel Discussion was on "UNCITRAL Model Law & Cross-Border Insolvency". The panel deliberated on the significance of adopting the UNCITRAL Model Law for cross-border insolvency and India's readiness for implementation. A large number of stakeholders of the IBC ecosystem, including insolvency professionals, legal practitioners, consulting firms, financial creditors, resolution applicants, service providers, regulators, academia, and government officers participated in the Conclave.

For more information, you can access the article here:

https://www.business-standard.com/finance/news/dfs-secretary-ibc-a-game-changer-transformed-insolvency-landscape-126012801090_1.html

RESERVE BANK OF INDIA

1. Lending and Deposit Rates of Scheduled Commercial Banks – January 2026.

Data on lending and deposit rates of scheduled commercial banks (SCBs) (excluding regional rural banks and small finance banks) received during the month of January 2026.

Highlights:

Lending Rates:

- The weighted average lending rate (WALR) on fresh rupee loans of SCBs stood at 8.28 per cent in December 2025 (8.71 per cent in November 2025).
- The WALR on outstanding rupee loans of SCBs declined to 9.06 per cent in December 2025 from 9.21 per cent in November 2025.
- 1-Year median Marginal Cost of Funds based Lending Rate (MCLR) of SCBs moderated to 8.40 per cent in January 2026 from 8.45 per cent in December 2025.

Deposit Rates:

- The weighted average domestic term deposit rate (WADTDR) on fresh rupee term deposits of SCBs stood at 5.67 per cent in December 2025 (5.59 per cent in November 2025).
- The WADTDR on outstanding rupee term deposits of SCBs declined to 6.68 per cent in December 2025 from 6.73 per cent in November 2025.

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

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=62139

2. RBI imposes monetary penalty on Northern Arc Capital Limited.

The Reserve Bank of India (RBI) has, by an order dated January 29, 2026, imposed a monetary penalty of ₹2.70 lakh (Rupees Two Lakh Seventy Thousand only) on Northern Arc Capital Limited (the company) for non-compliance with certain provisions of the 'Reserve Bank of India [Know Your Customer (KYC)] Directions' issued by RBI. This penalty has been imposed in exercise of powers conferred on RBI under Section 58G(1)(b) read with Section 58B(5)(aa) 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 the 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 failure to comply with the said direction. 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 failed to put in place any IT system / software for effective identification and reporting of suspicious transactions. 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=62141

3. Sectoral Deployment of Bank Credit – December 2025.

Data on sectoral deployment of bank credit for the month of December 2025, collected from 41 select scheduled commercial banks (SCBs) which together account for about 95 per cent of the total non-food credit by all SCBs. On a year-on-year (y-o-y) basis, non-food bank credit² grew by 14.4 per cent as on the fortnight ended December 31, 2025, compared to 11.1 per cent during the corresponding fortnight of the previous year (i.e., December 27, 2024).

Highlights of the sectoral deployment of bank credit as on the fortnight ended December 31, 2025, are given below:

- Credit to agriculture and allied activities registered a y-o-y growth of 12.1 per cent (12.5 per cent in the corresponding fortnight of the previous year).
- Credit to industry recorded a y-o-y growth of 13.3 per cent, compared with 7.5 per cent in the corresponding fortnight of last year. While credit to 'Micro and Small' showed sharp acceleration in growth, 'Medium' industries continued to exhibit robust expansion. Credit to large industries also picked up. Among major industries, outstanding credit to 'infrastructure', 'all engineering', 'basic metal and metal products', 'chemical and chemical products', 'textiles' and 'petroleum, coal products and nuclear fuels' registered resilient y-o-y growth.
- Credit to services sector registered a growth rate of 15.3 per cent y-o-y (11.5 per cent in the corresponding fortnight of the previous year), supported by higher growth in segments such as 'non-banking financial companies' (NBFCs), 'trade' and 'commercial real estate'.
- Credit to personal loans segment recorded a y-o-y growth of 14.4 per cent, as compared with 12.0 per cent a year ago. While segments such as 'vehicle loans' and 'loans against gold jewellery' sustained robust credit growth, 'housing' witnessed steady growth while 'credit card outstanding' growth decreased.

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

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=62135

You may send your suggestions at niyati@asalegal.in

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