NEWSLETTER Weekly

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SECURITITES AND EXCHANGE BOARD OF INDIA

1. **Master Circular for Alternative Investment Funds (AIFs).**

The Securities and Exchange Board of India (SEBI), through its Master Circular dated June 3, 2026, has consolidated all circulars issued under the SEBI (Alternative Investment Funds) Regulations, 2012 up to May 31, 2026 into a single comprehensive regulatory framework for Alternative Investment Funds (AIFs). The circular supersedes the earlier Master Circular dated May 7, 2024 and rescinds the circulars listed in Annexure 21 to the extent they relate to AIFs, while preserving actions already taken, pending applications, accrued rights, obligations, liabilities, penalties, investigations, and legal proceedings under the previous circulars. It further mandates that the Compliance Test Report prepared by AIF managers must cover compliance with all chapters of the Master Circular. Spread across 24 chapters, the circular consolidates provisions relating to registration, fundraising, investments, governance, reporting, disclosure requirements, overseas investments, investor protection, valuation norms, winding-up procedures, and compliance obligations, thereby providing a unified and streamlined regulatory framework for the AIF industry.

For more information, you can access the SEBI circular here:
https://www.sebi.gov.in/legal/master-circulars/jun-2026/master-circular-for-alternative-investment-funds-aifs-_101817.html

MINISTRY OF FINANCE

1. **Bharat Maritime Insurance Pool Workshop Held in Mumbai.**

A workshop on the recently launched Bharat Maritime Insurance Pool (BMIP) was organised today at the auditorium of the Shipping Corporation of India in Mumbai. The event was held in collaboration with the Directorate General of Shipping and the General Insurance Council. The workshop brought together key stakeholders from the maritime sector, including shipowners, cargo owners and shipping lines, to discuss maritime insurance solutions and the future development of the sector. The workshop was inaugurated by Dr. Debashish Prusty (Additional Secretary), DFS with remarks from various senior representatives from the shipping and general insurance industry, viz. Mr Shyam Jaganathan, Director General of Shipping, Director (Shipping Corporation of India), GI Council, GIC Re and Ms Girija Subramanian, CMD, NIACL among others. Shri Prusty welcomed the participants and appreciated the efforts made by GI Council, DG Shipping and GIC Re in bringing all the stakeholders together to understand the current covers available through BMI pool and to deliberate upon the requirements and expectations of the industry on P & I cover and P & I Club in India. It was also highlighted that there has been a 27-48% reduction in premium charged for policies of Hull war and Cargo war risk covers respectively under BMI pool. He suggested to explore the future roadmap in three steps: achieving sovereignty in maritime trade through development of a P&I product domestically, scaling up of BMI pool covers to selective ocean-going vessels in collaboration with MoPSW and exploring potential integration with International Group P&I Clubs (IG) Clubs through mutual club formation, compatible with international regulations and standards.

For more information, you can access the GOI press release here:
https://www.pib.gov.in/PressReleasePage.aspx?PRID=2269424&reg=48&lang=1

2. **In a major reform, Government announces measures to deepen G-Sec market and facilitate greater Foreign Portfolio Investment (FPI) in equity segment.**

   In line with the Government's commitment to strengthen India's position as a leading global investment destination and to deepen the capital market, the Ministry of Finance has taken a series of measures aimed at enhancing the ease of investment for individual Persons Resident Outside India (PROIs) and Foreign Portfolio Investors (FPIs), and to attract stable long-term foreign capital flows. Building on the recent initiatives to enhance ease of doing business in capital markets, the Government has undertaken further reforms to make foreign investment in equities and G-Secs more accessible, efficient, and globally competitive. Liberalisation of investment by individual Persons Resident Outside India under the Foreign Exchange Management (Non- Debt Instrument) Rules, 2019. The Union Minister for Finance and Corporate Affairs announced in the Union Budget FY2026-27 that individual Persons Resident Outside India (PROI) will be permitted to invest in equity instruments of listed Indian companies through the Portfolio Investment Scheme which was hitherto available only to NRIs/OCIs; and the investment limit will be increased for an individual PROI under this scheme from 5% to 10% in any company, with an overall investment limit for all individual PROIs to 24%, from the current 10%. To implement the same, Department of Economic Affairs (DEA) is notifying the Foreign Exchange Management (Non-Debt Instruments) (Third Amendment) Rules, 2026. This notification will facilitate a more proactive mobilisation of foreign portfolio capital by leveraging the existing onboarding systems already in place for NRI/OCI investors. Simplified onboarding and reduced compliance requirements would further enhance ease of doing business, while attracting a broader base of relatively stable individual foreign investors. This will also support greater and more stable foreign inflows into Indian equity markets.

   For more information, you can access the GOI press release here:
   https://www.pib.gov.in/PressReleasePage.aspx?PRID=2269169&reg=48&lang=1

3. **NPCI International and ACLEDA Bank Launch Cross-Border UPI Payments in Cambodia via KHQR, Cambodia's National QR Code.**

   NPCI International Payments Limited (NIPL), the international arm of the National Payments Corporation of India (NPCI), has officially partnered with ACLEDA Bank Plc. to launch Unified Payments Interface (UPI) acceptance in Cambodia. The breakthrough collaboration went live following a formal ceremony in Phnom Penh, attended by H.E. Dr. Chea Serey, Governor of the National Bank of Cambodia (NBC), alongside high-level representatives from the Reserve Bank of India (RBI). The event marked the completion of Phase 1 in establishing a cross-border QR payment linkage between the two nations through Bakong's KHQR, Cambodia's national QR code.

   The first phase enables millions of Indian travellers to make seamless QR payments at over 4.5 million Cambodian merchants, with a two-way corridor to follow. While the first phase prioritizes incoming Indian travellers, the partnership is explicitly designed to scale. In the subsequent phase, the corridor will become fully bi-directional. Cambodian citizens visiting India will soon be able to use their domestic banking and digital payment applications to scan millions of UPI QR codes throughout India, completing a highly advanced, two-way interoperable financial network through Bakong's KHQR.

   For more information, you can access the GOI press release here:
   https://www.pib.gov.in/PressReleasePage.aspx?PRID=2268591&reg=48&lang=1

MINISTRY OF CORPORATE AFFAIRS

1. **IEPFA and SEBI to Organise 'Niveshak Shivir' in Bhopal on 5th June.**

   The Investor Education and Protection Fund Authority (IEPFA), under the Ministry of Corporate Affairs, Govt of India, and Securities and Exchange Board of India (SEBI), is organizing a day long 'Niveshak Shivir' in Bhopal on 5th June 2026, from 10:00 AM to 4:00 PM. The 'Shivir' will act as a one-stop facilitation platform to assist investors in resolving issues related to unclaimed dividends and shares, while also enabling direct access to investor services and on-ground grievance redressal mechanisms. Through the Niveshak Shivir, IEPFA aims to provide:

- Direct facilitation for the recovery of unclaimed dividends and shares held for six to seven years.
- On-the-spot KYC updation and nomination-related services.
- Immediate assistance and resolution of pending IEPFA claim-related issues.

The Niveshak Shivir model promotes a direct, intermediary-free engagement between investors, companies, and Registrars and Transfer Agents (RTAs). Dedicated service kiosks will be established at the venue to ensure prompt grievance redressal. Stakeholder companies with substantial unclaimed dividend accounts will participate actively to engage with investors and address their concerns efficiently. The Bhopal Shivir forms part of IEPFA's nationwide investor outreach and awareness programme, aimed at strengthening financial literacy, enhancing transparency, and simplifying the process of reclaiming unclaimed investments. The event will be held at Vrindavan Garden, Hoshangabad Road (NH-12), Aryan Wings Colony, Shri Rameshwaram, Bagmugaliya, Misrod, Bhopal. The initiative reiterates IEPFA's commitment to building a secure, accessible, and investor-centric financial ecosystem across the country. IEPFA is dedicated to promoting investor education, awareness, and protection through sustained financial literacy initiatives and collaborative outreach programmes nationwide.

For more information, you can access the GOI press release here:
https://www.pib.gov.in/PressReleasePage.aspx?PRID=2268257&reg=48&lang=1

2. **IICA to Host Convocation ceremony of 6th Batch of PGIP Insolvency professionals on 13th June at the Pradhanmantri Sangrahalaya Auditorium; MoS Sh. Harsh Malhotra to grace the occasion**

The Indian Institute of Corporate Affairs (IICA), under Ministry of Corporate Affairs, Govt of India, in association with the Association of Insolvency Professional Entities (AIPE), will organise the Convocation Ceremony of the 6th Batch of the Post Graduate Insolvency Programme (PGIP), followed by a National Conference titled "Redefining India's Restructuring Ecosystem: A Decade of Learning – Directions for the Future" on 13th June 2026 at the Pradhanmantri Sangrahalaya Auditorium, New Delhi. The Convocation Ceremony of the 6th Batch of the Post Graduate Insolvency Programme (PGIP), IICA's flagship academic initiative, will be graced by Shri Harsh Malhotra, Hon'ble Minister of State for Corporate Affairs, as the Chief Guest. Justice Ashok Bhushan, Chairperson, National Company Law Appellate Tribunal (NCLAT), will deliver the Convocation Address, while Justice Anupinder Singh Grewal, President, National Company Law Tribunal (NCLT), will attend as Guest of Honour. Smt. Deepti Gaur Mukerjee, IAS, Secretary, Ministry of Corporate Affairs, and Shri Gyaneshwar Kumar Singh, Director General & CEO, IICA, will also address the gathering. The Post Graduate Insolvency Programme was launched with the vision of creating a new generation of highly skilled insolvency professionals equipped to address the evolving needs of India's financial and corporate sectors. Over the years, the programme has emerged as a unique capacity-building initiative, contributing significantly to the development of professional expertise within the insolvency ecosystem. The occasion marks an important milestone in India's insolvency and restructuring landscape as the country completes ten years of the Insolvency and Bankruptcy Code, 2016 (IBC). The events will bring together policymakers, regulators, judicial authorities, insolvency professionals, financial institutions, industry leaders, researchers, academicians and students to celebrate the growth of India's insolvency profession and deliberate on the future direction of the restructuring ecosystem.

For more information, you can access the GOI press release here:
https://www.pib.gov.in/PressReleasePage.aspx?PRID=2268257&reg=48&lang=1

INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

1. **5 ways IBC transformed India's corporate rescue system over the past decade.**

Ten years ago, India's insolvency landscape was defined by stalled projects, endless litigation, weak recoveries and mounting bad loans. Companies remained trapped in legal limbo for years, banks struggled to recover dues, and distressed assets steadily lost value as cases moved through multiple forums. The

Insolvency and Bankruptcy Code (IBC), enacted in 2016, was designed to change that. Conceived as a time-bound, creditor-driven framework for resolving financial distress, the law replaced a fragmented system with a single mechanism focused on business revival, value maximisation and faster resolution. A decade later, the IBC has emerged as one of India's most consequential economic reforms. According to government data, 1,419 cases had yielded resolution plans by March 2026, facilitating realisation of more than Rs 4 lakh crore for creditors. The recoveries amounted to 95% of fair value and 167% of liquidation value. Government data shows that more than 30,000 cases involving nearly Rs 14 lakh crore were resolved at the pre-admission stage through settlements and withdrawals, reflecting the deterrent effect of the law on borrowers. The most significant change post IBC is shifting of control into the hands of banks," Mukesh Chand, Senior Counsel at Economic Laws Practice, told TOI.

For more information, you can access the article here:
https://timesofindia.indiatimes.com/business/india-business/5-ways-ibc-transformed-indias-corporate-rescue-system-over-the-past-decade/articleshow/131550100.cms

2. **Financial Creditor Cannot Allege Fraud In One Forum And Enforce Same Transactions As Debt in Another: NCLT Guwahati.**

The National Company Law Tribunal (NCLT) at Guwahati has held that insolvency proceedings cannot be admitted mechanically where serious disputes concerning the genuineness and enforceability of the underlying debt are already pending consideration before another forum. A bench of Judicial Member Rammurti Kushawaha and Technical Member Yogendra Kumar Singh observed, "Where the creditor itself alleges in separate proceedings that the transaction is fraudulent and constitutes wrongful trading, this Tribunal cannot mechanically proceed on the assumption that a clear and undisputed 'financial debt' exists. The issue is not merely about computation of dues but concerns the very substratum and legitimacy of the transaction itself." The ruling came while the Tribunal was considering an insolvency petition filed by SREI Equipment Finance Limited (SEFL) against Kitply Industries Limited over an alleged default of ₹333.58 crore arising from loan facilities extended by SEFL and SREI Infrastructure Finance Limited (SIFL). According to SEFL, the facilities matured on January 28, 2024 and remained unpaid. The financial creditor relied on the loan agreements and security documents executed by Kitply to establish the existence of debt and default. Kitply opposed the petition, contending that the transactions were linked to implementation of its resolution plan approved in 2018 and that the funds were routed back to SIFL. The company also relied on proceedings pending before the NCLT's Kolkata Bench, where the Administrator of SEFL and SIFL has sought a declaration that the same transactions constituted fraudulent and wrongful trading. Kitply further pointed to arbitral proceedings arising from orders of the Calcutta High Court, where disputes concerning the nature and validity of the transactions are under consideration.

For more information, you can access the article here:
https://www.livelawbiz.com/nclt/financial-creditor-cannot-allege-fraud-in-one-forum-and-enforce-same-transactions-as-debt-in-another-nclt-guwahati-536715

RESERVE BANK OF INDIA

1. **Submission of statement/return on Centralized Information Management System (CIMS).**

Circular No.69 dated May 12, 2016, in terms of which AD Category – I banks were required to submit a consolidated list of all the BOs/LOs/ POs opened and closed by them during a month, by the fifth of the succeeding month, to the General Manager, Reserve Bank of India, Foreign Exchange Department, Central Office Cell, Sansad Marg, New Delhi. It has now been decided that with effect from June 30, 2026, the above-mentioned statement shall be submitted on the Centralized Information Management System (CIMS) portal. The statement has been assigned return code - 'R343' on CIMS portal. Accordingly, all AD Category – I banks shall upload the above-mentioned statement on CIMS portal (URL: https://sankalan.rbi.org.in) from the month ending June 2026. In case no data is to be furnished, AD Category – I banks shall upload a 'NIL' report. Attention of Authorised Dealer Category – I (AD Category – I) banks is further invited to the A.P. (DIR Series) Circular No.67 dated May 05, 2016, in terms of which AD Category – I banks were required to furnish on a monthly basis, a statement on the number of applicants and total amount remitted from the Non-Resident (Ordinary) Rupee (NRO) Account in the requisite format to General Manager-in-

Charge, Foreign Exchange Department, Reserve Bank of India, Foreign Investments Division (NRFAD), Central Office Cell, Parliament Street, New Delhi. Submission of the above-mentioned statement has been shifted to CIMS portal with return code - 'R006'. Accordingly, all AD Category – I banks shall upload the above-mentioned statement on CIMS portal (URL: https://sankalan.rbi.org.in). The Master Direction on 'Reporting under Foreign Exchange Management Act, 1999' is being updated to reflect the changes. The directions contained in this circular have been issued under section 10(4) and 11(2) of the Foreign Exchange Management Act (FEMA), 1999 (42 of 1999) and are without prejudice to permissions / approvals, 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=13465&Mode=0

2. Foreign Exchange Management (Cross Border Merger) (Amendment) Regulations, 2026.

In exercise of the powers conferred by section 47 of the Foreign Exchange Management Act, 1999 (42 of 1999), the Reserve Bank makes the following amendment in the Foreign Exchange Management (Cross Border Merger) Regulations, 2018 (Notification No. FEMA.389/2018-RB dated March 20, 2018) (hereinafter referred to as 'the Principal Regulations'), namely:-

1. Short title and commencement:

    (1) These regulations may be called the Foreign Exchange Management (Cross Border Merger) (Amendment) Regulations, 2026.

    (2) They shall come into force with effect from the date of their publication in the Official Gazette.

2. Amendment to regulation 2:

    In the Principal Regulations, in regulation 2, –

    (i) the clause (vii) shall be omitted;

    (ii) after the clause (ii), the following clause shall be inserted, namely –

    "(iia) 'Competent Authority' means any authority empowered under the Companies Act, 2013 or any subordinate legislation made thereunder to approve a scheme of merger or amalgamation;".

3. Amendment to regulations 4, 5, 7 and 9:

    In the Principal Regulations, in regulations 4, 5, 7 and 9 for the word "NCLT", wherever it occurs, the words "Competent Authority" shall be substituted.

For more information, you can access the RBI notification here:
https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=13466&Mode=0

3. Foreign Exchange Management (Export of Goods and Services) (First Amendment) Regulations, 2026.

In exercise of the powers conferred by Section 7, Section 8 and sub-section (2) of section 47 of the Foreign Exchange Management Act, 1999 (42 of 1999), the Reserve Bank of India makes the following amendments to the Foreign Exchange Management (Export of Goods & Services) Regulations, 2015 [Notification No. FEMA 23(R)/2015-RB dated January 12, 2016] (hereinafter referred to as 'the Principal Regulations'), namely:

1. Short Title and Commencement:-

    (i) These regulations may be called the Foreign Exchange Management (Export of Goods and Services) (First Amendment) Regulations, 2026

(ii) They shall come into force from the date of their publication in the Official Gazette.

2. Amendment to Regulation 9:

   In the principal regulations, in regulation 9 –

   (i) in sub-regulation (1) for the words ‘fifteen months’, the words ‘nine months’ shall be substituted.

   (ii) in sub-regulation (2), in clause (a) for the words ‘fifteen months’, the words ‘nine months’ shall be substituted.

For more information, you can access the RBI notification here:
https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=13467&Mode=0

4. Launch of Payment Systems’ Connectivity Between India and Cambodia for QR-Code Based Cross-Border Merchant Payments.

Reserve Bank of India (RBI) has been actively pursuing interlinking of Unified Payments Interface (UPI) with fast payment systems of other jurisdictions to promote cross-border payments. These initiatives are aligned with the G20 Roadmap for enhancing cross-border payments, with a focus on cheaper, efficient, more transparent, and more accessible payments. As part of this initiative, the connectivity of payment systems between India and Cambodia for acceptance of UPI at QR-Code enabled merchants in Cambodia has been launched on June 02, 2026 at Phnom Penh, Cambodia. This marks the go-live of the first phase of collaboration between NPCI International Payments Limited (NIPL) and Acleda Bank Plc., under the aegis of RBI and National Bank of Cambodia, to enable interoperability of QR-code based Person to Merchant (P2M) transactions between the two countries. With this connectivity, Indian travellers visiting Cambodia can now make QR code-based payments to over 4.5 million merchants enabled with KHQR (national QR standard of Cambodia) using their UPI applications. This will enable real time physical merchant payments in Cambodia by Indian travellers in a transparent and secure manner. This will reduce dependency on cash and also act as an alternative to payments using cards. The facility to enable Cambodian travellers to make UPI QR-enabled merchant payments in India shall be undertaken subsequently in the second phase.

For more information, you can access the RBI press release here:
https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=62857

5. Monetary Policy Statement, 2026-27 Resolution of the Monetary Policy Committee June 3 to 5, 2026.

The Reserve Bank of India’s Monetary Policy Committee (61st meeting, June 3–5, 2026) unanimously kept the repo rate at 5.25% (SDF 5.00%; MSF/Bank Rate 5.50%) and retained a neutral stance after assessing heightened external risks from the prolonged West Asia conflict, volatile energy and commodity prices, and supply-chain disruptions. While India’s domestic activity has remained broadly resilient—supported by private consumption, robust services exports, sustained credit flows, and government capex—rising input and fuel costs and a likely deficient southwest monsoon pose upside risks to inflation; CPI for 2026–27 is projected at 5.1% and real GDP at 6.6%. The MPC said it will remain data-dependent, monitor second-round inflation effects and evolving risks, and will publish minutes on June 19, 2026; the next meeting is scheduled for August 3–5, 2026.

For more information, you can access the RBI press release here:
https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=62863

6. Reserve Bank of India imposes monetary penalty on Canara Bank.

The Reserve Bank of India (RBI) has, by an order dated June 5, 2026, imposed a monetary penalty of ₹41.80 lakh (Rupees Forty one lakh eighty thousand only) on Canara Bank (the bank) for non-compliance with certain provisions of directions issued by RBI on ‘Know Your Customer (KYC)’ and ‘Unclaimed Deposits /

Inoperative Accounts in banks'. This penalty has been imposed in exercise of powers conferred on RBI under the provisions of section 47A(1)(c) read with sections 46(4)(i) and 51(1) of the Banking Regulation Act, 1949. The Statutory Inspection for Supervisory Evaluation (ISE 2025) of the bank was conducted by RBI with reference to its financial position as on March 31, 2025. Based on the supervisory findings of non-compliance with the provisions of RBI directions, a notice was issued to the bank advising it to show cause as to why penalty should not be imposed on it for its failure to comply with the said provisions of RBI directions. After considering the bank's reply to the notice, additional submission made by it and oral submissions made during the personal hearing, RBI found that the following charges against the bank were sustained, warranting imposition of monetary penalty:

i. the bank did not upload KYC records of certain customers onto Central KYC Records Registry (CKYCR) within the prescribed timeline.

ii. the bank classified certain accounts as inoperative, despite the last customer induced transaction being less than one year old in such accounts.

The 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 bank with its customers. Further, imposition of monetary penalty is without prejudice to any other action that may be initiated by RBI against the bank.

For more information, you can access the RBI press release here:
https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=62876

7. **Premature redemption under Sovereign Gold Bond (SGB) Scheme - Redemption Price for premature redemption of SGB 2021-22 Series-III due on June 08, 2026.**

In terms of GOI notification F.No.4(5)-B(W&M)/2021 dated May 12, 2021 (SGB 2021-22 Series-III - Issue date June 08, 2021) on Sovereign Gold Bond Scheme, premature redemption of Gold Bond may be permitted after fifth year from the date of issue of such Gold Bond on the date on which interest is payable. Accordingly, the due date of premature redemption of the above tranche shall be on June 08, 2026. Further, the redemption price of SGB shall be based on simple average of closing price of gold 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 June 08, 2026, shall be ₹15,512/- (Rupees Fifteen Thousand Five Hundred and Twelve only) per unit of SGB based on the simple average of closing price of gold for the three business days i.e., June 03, June 04, and June 05, 2026.

For more information, you can access the RBI press release here:
https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=62879

8. **Premature redemption under Sovereign Gold Bond (SGB) Scheme - Redemption Price for premature redemption of SGB 2021-22 Series-III due on June 08, 2026.**

In terms of GOI notification F.No.4(5)-B(W&M)/2021 dated May 12, 2021 (SGB 2021-22 Series-III - Issue date June 08, 2021) on Sovereign Gold Bond Scheme, premature redemption of Gold Bond may be permitted after fifth year from the date of issue of such Gold Bond on the date on which interest is payable. Accordingly, the due date of premature redemption of the above tranche shall be on June 08, 2026. Further, the redemption price of SGB shall be based on simple average of closing price of gold 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 June 08, 2026, shall be ₹15,512/- (Rupees Fifteen Thousand Five Hundred and Twelve only) per unit of SGB based on the simple average of closing price of gold for the three business days i.e., June 03, June 04, and June 05, 2026.

For more information, you can access the RBI press release here:
https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=62879

You may send your suggestions at niyati@asalegal.in

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