NEWSLETTER *Weekly*

Volume-CXLIV, Issue-II, Dated: 13th July, 2026

SECURITITES AND EXCHANGE BOARD OF INDIA

1. **Intraday borrowing facility availed by mutual funds.**

   SEBI has issued a circular permitting mutual funds to avail intraday borrowing facilities to address liquidity mismatches arising from differences in market settlement timings, following amendments to the SEBI (Mutual Funds) Regulations, 2026 notified on July 3, 2026. The circular, which supersedes earlier borrowing guidelines, allows intraday borrowings for unitholder pay-outs, investment pay-ins, MTM obligations, foreign exchange settlements, and repayment of existing borrowings. The borrowing quantum is linked to guaranteed and specified non-guaranteed receivables, with additional borrowing permitted solely for meeting redemption and other unitholder pay-outs under Regulation 42(1). AMCs must ensure repayment by the end of the day, comply with regulatory limits if borrowings become overnight, obtain Board and Trustee approval for an intraday borrowing policy, maintain scheme-wise records of liquidity mismatches and repayment sources, and comply with applicable regulatory provisions. The cost of intraday borrowing and any loss or cost arising from unforeseen events or delayed receivables shall be borne by the AMC. The circular comes into effect from September 1, 2026.

   For more information, you can access the SEBI circular here: https://www.sebi.gov.in/legal/circulars/jul-2026/intraday-borrowing-facility-availed-by-mutual-funds_102762.html

2. **Review of norms for utilization of interest or income from IPF of the Depositories.**

   SEBI has revised the norms governing the utilization of interest or income generated from the Investor Protection Fund (IPF) of depositories by amending the relevant provisions of the Master Circular for Depositories dated December 3, 2024. Earlier, 100% of the interest or income earned from IPF investments was required to be added back to the IPF corpus. Following representations from depositories, discussions in the Secondary Market Advisory Committee (SMAC), public consultation and internal deliberations, SEBI has decided that at least 95% of the annual interest or income from IPF investments must be ploughed back into the IPF corpus. A maximum of 5% may be used during the financial year for expenses relating to dedicated IPF Trust employees, administrative and statutory expenses, including taxes, audit fees and charity commissioner's fees. Any excess expenditure must be borne by the depository, while any unutilized portion of the permitted 5% must also be credited back to the IPF. The revised provisions take effect from September 1, 2026.

   For more information, you can access the SEBI circular here: https://www.sebi.gov.in/legal/circulars/jul-2026/review-of-norms-for-utilization-of-interest-or-income-from-ipf-of-the-depositories_102639.html

MINISTRY OF FINANCE

1. **Government Extends Additional NPS Investment Choices to Employees of Central Autonomous Bodies (CABs).**

   The Government of India has extended two additional investment choices under the National Pension System (NPS) to employees of Central Autonomous Bodies (CABs) covered under NPS. The Department of Expenditure, Ministry of Finance vide its memorandum has extended applicability of the Department of

Financial Services Notification dated 13 November 2025 to employees of Central Autonomous Bodies (CABs) covered under NPS. The Government had earlier introduced the Additional Investment Choices, namely the Aggressive Life Cycle Fund (LC-75) and the Balanced Life Cycle Fund (BLC), for the Central Government employees covered under NPS. These investment options have now also been extended to NPS subscribers employed in CABs. With this extension, eligible employees of Central Autonomous Bodies (CABs) will now have choice to the following additional investment options under NPS: Aggressive Life Cycle Fund (LC-75) now named as LC-75-High: An investment option with equity exposure of up to 75%, designed for subscribers seeking higher growth potential over the long term. Balanced Life Cycle Fund (BLC) now named as Aggressive Life Cycle Fund: An investment option with equity exposure capped at 50%, with a gradual reduction in equity allocation beginning from the age of 45 years, offering a balanced approach between growth and stability.

For more information, you can access the GOI press release here:
https://www.pib.gov.in/PressReleasePage.aspx?PRID=2282101&reg=3&lang=1

2. ECLGS 5.0 Crosses 4.11 Lakh Guarantees with guaranteed amount reaching over ₹1.55 Lakh Crore.

The Emergency Credit Line Guarantee Scheme (ECLGS) 5.0, approved by the Union Cabinet on 5th May 2026, is delivering fast, large-scale liquidity support to businesses affected by the West Asia geopolitical situation. The scheme is designed to provide risk mitigation for lending institutions to provide additional credit to borrowers, thereby helping businesses to tide over cash-flow disruptions and sustain operations. By extending 100% guarantee coverage to additional loans of MSMEs and 90% to other business segments, the scheme has allowed financial institutions to lend more confidently, ensuring liquidity reaches the needy sectors. Strong Early Momentum.

Since launch, 4,11,497 guarantees have been issued under ECLGS 5.0, with the guaranteed amount reaching to ₹1,55,229 crore — a sign of the scheme's rapid absorption across the lending ecosystem.

MSMEs at the Centre of the Scheme True to its design intent, the scheme has overwhelmingly benefited India's small business sector:

- 98% of all guarantees issued (by number) have benefited MSMEs
- 82% of the total guaranteed amount is also towards MSMEs

For more information, you can access the GOI press release here:
https://www.pib.gov.in/PressReleasePage.aspx?PRID=2281936&reg=3&lang=1

3. Insurance Division, DFS Secures 2nd Rank in Group A Category Grievance Redressal Assessment & Index (GRAI) for May 2026.

The Department of Financial Services (Banking and Insurance Divisions) has been receiving more than 2.50 lakh grievances annually. It has consistently figured among the top 10 Ministries/Departments in the Grievance Redressal Assessment & Index (GRAI) rankings since November 2025. For the month of May 2026, the Insurance Division secured the 2nd position in the Group A category (registering more than or equal to 500 grievances) in the GRAI rankings released by the Department of Administrative Reforms and Public Grievances. The Banking Division stood at the 6th position in the same category. Since 7th January 2024, the Secretary, Department of Financial Services, has been personally reviewing 20 randomly selected grievances, with complainants participating directly alongside the Chairpersons, MDs, CEOs, and senior management of the concerned financial institutions. This initiative aims to improve customer trust and ensure meaningful resolution of grievances. The Department of Financial Services has also conducted workshops on 'Effective Grievance Redressal Framework' with RBI, IRDAI, PFRDA, and all Public Sector Banks. These sessions focused on identifying the root causes of complaints and improving the quality of grievance resolution. They also encouraged institutions to address customer's concerns with professionalism, transparency, and empathy, thereby significantly strengthening public trust and improving service delivery. The Government aims to make governance more transparent, accountable, and citizen-centric.

For more information, you can access the GOI press release here:
https://www.pib.gov.in/PressReleasePage.aspx?PRID=2282804&reg=3&lang=1

4. **FIU-IND case regarding large-scale cyber fraud recognised as runner-up at Best Egmont Case Award (BECA) 2026 during the Egmont Group Plenary in Baku, Azerbaijan.**

The Financial Intelligence Unit–India (FIU-IND) has earned another significant international recognition with its case regarding a large-scale cyber fraud, securing the Runner-up position at the prestigious Best Egmont Case Award (BECA) 2026, presented during the Egmont Group Plenary held in Baku, Azerbaijan, under the dynamic leadership of Shri Amit Mohan Govil, Director, FIU-IND. The Best Egmont Case Award is one of the highest recognitions within the Egmont Group, acknowledging outstanding operational cases that demonstrate excellence in financial intelligence, international cooperation and contribution to combating money laundering and terrorist financing. FIU-IND's case was selected as one of only two finalist cases among submissions from the Egmont Group's 182 member jurisdictions before being adjudged the Runner-up at the Plenary. The case originated from intelligence shared by the Indian Cyber Crime Coordination Centre (I4C) regarding a large-scale cyber fraud. Subsequent financial intelligence analysis by FIU-IND uncovered a sophisticated money laundering network involving cyber fraud proceeds of approximately ₹868 crore, more than 5,000 mule bank accounts, and complex cryptocurrency transactions spanning multiple jurisdictions. The investigation demonstrated the critical role of international cooperation through the Egmont Secure Web (ESW), with FIU-IND exchanging financial intelligence with multiple counterpart Financial Intelligence Units to trace cross-border cryptocurrency transactions and identify the global money laundering trail. This timely intelligence sharing significantly strengthened the investigation and highlighted the importance of international collaboration in addressing transnational financial crime.

For more information, you can access the GOI press release here:
https://www.pib.gov.in/PressReleasePage.aspx?PRID=2283407&reg=3&lang=1

MINISTRY OF CORPORATE AFFAIRS

1. **IICA inaugurates it's Second Batch of Flagship Arbitration Program**

The Indian Institute of Corporate Affairs (IICA) under Ministry of Corporate Affairs, Govt of India recently organised the Inaugural Session of the second batch of the IICA Certified Arbitration Program (ICAP) virtually by the Centre of Excellence in Alternative Dispute Resolution (CEADR). The program is a flagship initiative of IICA aligned to the mandate of creating soft infrastructure for Viksit Bharat@2047 through education, training, research, advocacy and advisory on contemporary issues. The ICAP aims to create a pool of next-generation, globally benchmarked arbitration professionals in India.

In his Inaugural Address, Shri Gyaneshwar Kumar Singh, Director-General & CEO, IICA, shared statistics and studies conducted in arbitration and emphasized that the need of the hour is to standardize the arbitration landscape through institutional arbitration in India. Shri Singh stressed on enforceability of arbitral awards, ensuring fairness of process, code of conduct and creating a diverse pool of arbitration experts with sectoral indepth competencies for a holistic arbitration ecosystem. He placed on record the commitment of IICA in creating a robust ADR ecosystem in India through flagship education courses, customised training programmes, policy research, creating and maintaining a database of ADR professionals and arbitral awards, advocacy to sensitise the stakeholders to the benefits of ADR, particularly arbitration and other relevant initiatives.

For more information, you can access the GOI press release here:
https://www.pib.gov.in/PressReleasePage.aspx?PRID=2282584&reg=3&lang=1

INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

1. **IBBI proposes changes on corporate insolvency framework.**

   The Insolvency and Bankruptcy Board of India (IBBI) has released a discussion paper aiming to strengthen the regulatory framework on the corporate insolvency resolution process (CIRP), liquidation, and insolvency and bankruptcy from personal guarantors to corporate debtors. The move intends to plug gaps, reduce procedural uncertainty and align the regulations with the Insolvency and Bankruptcy Code (Amendment) Act, 2026. The proposed changes involved regulations on registered valuers (RVs), removal of interim moratorium protection, resolution professional's (RP) obligations during withdrawal application pendency and administrative burden on liquidators for modifications in list of stakeholders. It proposes that the appointment of RVs would require prior approval of the committee of creditors (CoC) and that RVs' valuations be submitted in a sealed cover or through a secure electronic mode, by the last date of receiving resolution plans. These changes would speed up the resolution process as currently only the RP appoints RVs and submission of RV reports has no time limit. For the interim moratorium period, it proposes that the applicant shall notify all other involved parties about the non- of the previously existing moratarium related rules, as applicable, within 30 days these proposed changes have been notified. The changes also propose that an RP will continue their responsibilities in a CIRP until the adjudicating authority decides on the withdrawal application and removing the requirement of approaching the adjudicating authority for modifying the list of stakeholders.

   For more information, you can access the article here:
   https://law.asia/ibbi-insolvency-reforms/

2. **NCLAT allows withdrawal of insolvency case against Oswal Overseas after settlement with creditor** **NCLAT allows withdrawal of insolvency case against Oswal Overseas after settlement with creditor.**

   The National Company Law Appellate Tribunal (NCLAT) has allowed the withdrawal of an appeal filed against insolvency proceedings initiated against Oswal Overseas after a settlement with its financial creditor LH Sugar Factories. A joint application was moved before a NCLAT bench of Justice Mohammad Faiz Alam Khan and Naresh Salecha by Oswal Overseas and its financial creditor LH Sugar Factories to inform the appellate tribunal about an amicable settlement of their dispute. They also placed the settlement terms on record before the appellate tribunal.

   Moreover, a demand draft for Rs 2.80 crore has already been handed over to LH Sugar Factories following the settlement between the parties. Counsel appearing for LH Sugar Factories informed the NCLAT that "now the financial debt so far as the Respondent No 1 (LH Sugar Factories) is concerned has been discharged in full and final". Earlier in this matter, the NCLAT on June 8, 2026, restrained the Interim Resolution Professional (IRP) of Oswal Overseas from taking further steps in the matter. Parties submitted that an application under Section 12A of the Insolvency and Bankruptcy Code (IBC) is required to be moved before the National Company Law Tribunal (NCLT) for initiating the withdrawal process. In view of the recent amendments to the Insolvency and Bankruptcy Code, the matter is required to be placed before the Committee of Creditors (CoC), which can be constituted only after the claims are collated. Agreeing to the submission, the NCLAT, in its order, said, "...if any withdrawal application is filed by Respondent no 1, financial creditor, the IRP may proceed further to constitute the CoC, after collating the claims, but will not move further for inviting the EOI till the application filed under Section 12A of the Code is disposed of by NCLT". The NCLAT accordingly also dismissed the appeal filed by Paramjeet Singh, suspended managing director of Oswal Overseas Ltd, challenging the insolvency proceedings initiated against the company.

   For more information, you can access the article here:
   https://economictimes.indiatimes.com/news/company/corporate-trends/nclat-allows-withdrawal-of-insolvency-case-against-oswal-overseas-after-settlement-with-creditor/articleshow/132341238.cms?from=mdr

RESERVE BANK OF INDIA

1. **Sectoral Deployment of Credit by NBFC – May 2026.**

   Data on sectoral deployment of credit by non-banking financial companies (NBFCs) for the month of May 2026, collected from major NBFCs and housing finance companies (HFCs). On a year-on-year (y-o-y) basis, NBFCs' credit registered a growth of 14.2 per cent in May 2026 as compared to 11.4 per cent a year ago. Highlights of the sectoral deployment of credit by NBFCs for the month ended May 31, 2026 are given below:

   - Credit growth in agriculture and allied activities recorded a robust growth of 17.9 per cent (y-o-y) in May 2026 against 5.0 per cent a year ago.
   - Credit to industry grew by 7.3 per cent (y-o-y) in May 2026 as compared with 10.0 per cent in May 2025. Moderation in growth in industry was primarily driven by subdued growth in infrastructure, a major constituent of the segment.
   - Credit growth in services sector moderated to 16.7 per cent (y-o-y) in May 2026 against 23.9 per cent a year ago. Among major contributors, growth (y-o-y) in credit to 'Commercial Real Estate' marked buoyant expansion.
   - Retail loans contributed the most in overall credit growth by NBFCs with 19.5 per cent (y-o-y) growth in May 2026 over 14.9 per cent a year ago. Within retail loan, 'housing loan', 'vehicle loan' and 'loans against gold jewellery' displayed a robust growth in May 2026.

   For more information, you can access the RBI press release here:
   https://www.rbi.org.in/scripts/BS_PressReleaseDisplay.aspx?prid=63099

2. **Launching of 50th Round of Quarterly Services and Infrastructure Outlook Survey (SIOS) Q2:2026-27.**

   The Reserve Bank has launched the 50th round of the quarterly Services and Infrastructure Outlook Survey (SIOS) for the reference period July-September 2026. The survey assesses the business situation for the current quarter (Q2:2026-27) from selected companies in the services and infrastructure sectors in India and their expectations for the ensuing quarter (Q3:2026-27) based on qualitative responses on a set of indicators pertaining to demand conditions, financial conditions, employment conditions and the price situation. The outlook on key parameters for the two subsequent quarters (Q4:2026-27 and Q1:2027-28) are also covered. The survey findings are released in summary form on the website of the Bank regularly, where identity of the respondents is not revealed. M/s Genesis Management & Market Research Pvt. Ltd. has been authorised to conduct the survey for July-September 2026 quarter on behalf of the Reserve Bank. While the agency will approach selected companies, other companies in the services and infrastructure sectors are also encouraged to participate in the survey by downloading the survey questionnaire from the Bank's website, under the sub-head 'Survey'. The duly authenticated filled-in survey questionnaire may be e-mailed as per contact details given therein.

   For more information, you can access the RBI press release here:
   https://www.rbi.org.in/scripts/BS_PressReleaseDisplay.aspx?prid=63101

3. **Launching of 115th Round of Quarterly Industrial Outlook Survey (IOS) - Q2:2026-27.**

   The Reserve Bank has launched the 115th round of the quarterly Industrial Outlook Survey (IOS) of the Indian manufacturing sector for the reference period July - September 2026. The survey assesses business sentiments for the current quarter (Q2:2026-27) and expectations for the ensuing quarter (Q3:2026-27), based on qualitative responses on a set of indicators pertaining to demand conditions, financial conditions, employment conditions and the price situation. The outlook on key parameters for the two subsequent quarters (Q4:2026-27 and Q1:2027-28) are also covered. The survey findings are released in summary form on the website of the Bank regularly, where identity of the respondents is not revealed. M/s Genesis Management & Market Research Pvt. Ltd. has been authorised to conduct the survey for July - September 2026 on behalf of the Reserve Bank. While the agency will approach selected companies, other manufacturing companies are also encouraged to participate in the survey by downloading the survey questionnaire from the Bank's website, under the sub-head 'Survey'. The duly authenticated filled-in survey questionnaire may be e-mailed as per contact details given therein.

For more information, you can access the RBI press release here:
https://www.rbi.org.in/scripts/BS_PressReleaseDisplay.aspx?prid=63100

You may send your suggestions at niyati@asalegal.in