



July 2025

The Securities and Exchange Board of India (“**SEBI**”), the Reserve Bank of India (“**RBI**”) and the Ministry of Finance (“**MoF**”) have introduced significant regulatory updates in the banking and finance space in June 2025.

SEBI has introduced revised investor charters for Investment Advisers (“**IAs**”), Research Analysts (“**RAs**”), Infrastructure Investment Trusts (“**InvITs**”) and Real Estate Investment Trusts (“**REITs**”), reinforcing its commitment to investor protection, transparency and financial literacy. These charters aim to clearly set out investor rights and obligations and promote greater accountability among market participants.

A major step forward is the introduction of a detailed framework for Environmental, Social, and Economic (“**ESG**”) debt securities by SEBI. Moving beyond green bonds, the new framework now encompasses social bonds, sustainability bonds and sustainability-linked bonds.

On the payments front, SEBI has mandated a structured Unified Payment Interface (“**UPI**”) address system for SEBI registered intermediaries to help investors verify the legitimacy of payment recipients, an important step toward securing retail participation.

RBI has been equally active, issuing amendments to the Know Your Customer (“**KYC**”) regime, revising qualifying asset norms for Non-Banking Financial Companies (“**NBFCs**”) - Microfinance Institutions (“**MFIs**”), streamlining project finance regulations and consolidating its directions on electronic trading platforms.

RBI has also revised the Priority Sector Lending (“**PSL**”) requirements for Small Finance Banks (“**SFBs**”), reducing the overall PSL target from 75% to 60% of Adjusted Net Bank Credit (“**ANBC**”) or Credit Equivalent of Off-Balance Sheet Exposure (“**CEOBE**”), while continuing to require a 40% allocation to specific PSL sub-sectors.

Other notable changes include a relaxation in advance remittance norms for the import of shipping vessels and a clarification allowing the issuance of bonus shares to non-resident investors in sectors otherwise barred from receiving Foreign Direct Investment (“**FDI**”), provided the ownership does not increase.

SEBI updates

Investor charters for IAs and RAs

SEBI, *vide* notifications dated June 2, 2025, has updated the investor charters for RAs and IAs. The revised charters are designed to enhance financial consumer protection alongside enhanced financial inclusion and financial literacy.

RAs/IAs must bring the investor charter to the notice of their clients through their respective websites and mobile applications (if any), making them available at prominent places in the office, provide a copy of investor charter as a part of client on-boarding process, through e-mails/letters. All RAs/IAs and registered RTAs must continue to disclose on their respective websites and mobile applications (if any), the data on complaints received against them or against

issues dealt by them and redressal thereof, latest by 7th of succeeding month, as per the format prescribed in the circular.

Limited relaxation for entities with listed non-convertible securities from compliance with requirements to provide hard copy of certain documents

SEBI, *vide* circular dated June 5, 2025, had extended the relaxation on applicability of Regulation 58(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**LODR Regulations**”) until September 30, 2025. The said Regulation mandates a listed entity to send a hard copy of the statement containing the salient features of all the documents, as specified in Section 136 of Companies Act, 2013 and rules made thereunder to those holders of non-convertible securities, who have not registered their email address(es) either with the listed entity or with any depository.

The relaxation was initially accorded until September 30, 2024, under the SEBI circular dated October 6, 2024, and the same was notified pursuant to relaxation provided by Ministry of Corporate Affairs (“**MCA**”) *vide* circular¹ dated September 25, 2023. Subsequently, MCA *vide* circular² dated September 19, 2024, has extended the relaxation from sending physical copies of financial statements (including board’s report, auditor’s report or other documents required to be attached therewith) to the shareholders, for the annual general meetings conducted till September 30, 2025 (from September 30, 2024).

Investor charters for InvITs and REITs

SEBI, *vide* circulars dated June 12, 2025, has introduced investor charters for InvITs and REITs, to enhance financial consumer protection alongside enhanced financial inclusion and financial literacy. Some of the key aspects of the investor charters are as follows:

1. the charter for InvITs aims to develop the Indian InvIT Industry and provide investors with transparent, efficient, and reliable investment opportunities in infrastructure assets by ensuring fair and robust regulatory mechanisms and enhance confidence among investors by protecting and promoting the interests of unitholders; and
2. the charter for REITs aims to commit to advancing the growth and development of REITs sector in India, with a focus on the growth of commercial real estate assets including other assets portfolio management. To advocate for both business and investor interests while adhering to regulations. To develop integrity and excellence, and foster industry best practices that are benchmarked to leading global REIT standards.

Some of the key rights of investors under the charter for InvITs are as follows:

1. right to receive timely distributions as per the declared schedule made by the InvIT and SEBI mandates at least half-yearly for publicly listed InvITs and at least annually for privately listed InvITs;
2. right to vote on significant matters, including the acquisition of new assets, borrowing, related party transactions, appointment or change of the investment manager, and induction or exit of a sponsor (with an exit option for dissenting voters) and such other matters which requires unitholders consent as per Regulation 22 of SEBI (InvIT) Regulations, 2014;
3. right to access a full valuation report of all InvIT assets at least annually for both publicly and privately listed InvITs;
4. right to receive annual and half-yearly report of the InvIT including financial information, auditors report and valuation report;
5. right to be informed of any disclosures that may materially impact investments in the InvIT; and

¹ General Circular no. 09/2023.

² General Circular No.09/2024.

6. right to participate in meetings and vote on matters affecting the InvIT.

Some of the key rights of investors under the charter for REITs are as follows:

1. right to receive information and details about the REIT including about its investment philosophy, and such other information as may be required under SEBI regulations to enable investors to make an informed decision about investing in a REIT, prior to making any such investment;
2. right to timely receipt of distribution advices/interest/proceeds/refunds and evidencing a transaction as specified in the SEBI (REIT) Regulations, 2014, or to receive such statements on request;
3. right to receive annual report/half yearly report and valuation reports; and
4. right to be informed about such disclosures which may have a material bearing on their investments in REIT.

SEBI Board Meeting

In the board meeting held on June 18, 2025, the SEBI Board (“**Board**”), among other things, approved certain measures for regulation of Debenture Trustee (“**DT**”) activities and ease of doing business measures, summarised below:

1. **Model DTD formats:** The Board has approved inclusion of enabling provisions in the SEBI (Debenture Trustee) Regulations, 1993 (“**DT Regulations**”) and the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 to provide the formats for model Debenture Trust Deeds.
2. **Amendments to LODR Regulations:** The Board has approved insertion of provisions in the DT Regulations, specifying the rights of the DTs and the corresponding obligations on the issuer under the LODR Regulations;
3. The Board has also approved modifications in the manner of utilisation of the Recovery Expense Fund (“**REF**”), citing that the extant regulatory framework specifies only the broader purpose of the REF but does not elaborate on the specific types of expenses for which the REF can be utilised. As a result, DTs face difficulties in obtaining consent and reimbursements.
4. **Activities undertaken by DTs that are not regulated by SEBI:**
 - a) DTs may undertake activities regulated by other Financial Sector Regulators (“**FSRs**”), provided they comply with the regulatory framework of the respective FSR.
 - b) DTs may also undertake activities not regulated by SEBI or any other FSR, provided these are fee-based, non-fund based activities and they pertain to the financial services sector.
 - c) Such activities will be subject to conditions that shall be specified by SEBI.

Notification under SEBI (Certification of Associated Persons in the Securities Markets) Regulations, 2007

SEBI, *vide* notification dated June 25, 2025, has notified the following relating to the certification to be obtained by associated persons under the SEBI (Certification of Associated Persons in the Securities Markets) Regulations, 2007:

1. at least 1 (one) key personnel, amongst the associated persons functioning in the key investment team of the manager of Category I Alternative Investment Fund (“**AIF**”) or Category II AIF or Category I and II AIF, must obtain certification from National Institute of Securities Markets (“**NISM**”) by passing either the NISM Series-XIX-C; and
2. at least 1 (one) key personnel, amongst the associated persons functioning in the key investment team of the manager of Category III AIF, must obtain certification from NISM by passing either the NISM Series-XIX-C.

AIFs, existing as on June 25, 2025, must obtain requisite certification on or before July 31, 2025.

RBI updates

Review of qualifying assets criteria for NBFCs - MFIs

RBI, *vide* circular dated June 6, 2025, has made amendments to the Master Direction – Regulatory Framework for Microfinance Loans, 2022. Previously, NBFC-MFIs were required to ensure that a certain percentage of their total assets qualified as ‘microfinance loans’. With this amendment, paragraph 8.1 has been updated to align the definition of ‘qualifying assets’ with the broader definition of ‘microfinance loans’ provided in para 3 of the Master Direction. This significant policy update is expected to provide greater operational flexibility and promote diversified lending portfolios within the microfinance sector.

Qualifying assets of NBFC-MFIs will constitute a minimum of 60% of the total assets (netted off by intangible assets), on an ongoing basis (*previously NBFC-MFI were required to have minimum 85% of its net assets as ‘qualifying assets’ and 75% of the total assets*). If an NBFC-MFI fails to maintain the qualifying assets for 4 (four) consecutive quarters, it will approach RBI with a remediation plan.

RBI (Lending Against Gold and Silver Collateral) Directions, 2025

RBI, *vide* circular dated June 6, 2025, has notified the revised directions for Lending Against Gold and Silver Collateral with an objective to (a) put in place a harmonised regulatory framework for such loans applicable across various Regulated Entities (“**REs**”); (b) address the concerns observed relating to some of the lending practices being followed and provide necessary clarity on certain aspects; and (c) strengthen the conduct-related aspects.

These directions will be applicable to all loans offered by the following regulated entities for the purpose of consumption or income generation (including farm credit) where eligible gold or silver collateral is accepted as a collateral security:

- a) commercial banks (including small finance banks, local area banks and regional rural banks, but excluding payments banks);
- b) primary (urban) co-operative banks and rural co-operative banks, i.e., state co-operative banks and central co-operative banks; and
- c) all non-banking financial companies, including housing finance companies.

Revised instructions on inoperative accounts/unclaimed deposits in banks

RBI, *vide* circular dated June 12, 2025, has amended the instructions dated January 1, 2024 regarding inoperative accounts and unclaimed deposits in banks. Earlier, banks were required to transfer the credit balance in deposit accounts that have remained inoperative or unclaimed for 10 (ten) years or more to the Depositor Education and Awareness Fund. and Business Correspondents (“**BCs**”) had to facilitate updation of KYC. Pursuant to the amendment, a bank is now required to offer KYC updation services at all branches, including non-home branches, including the utilisation of the Video-Customer Identification Process. Further, the services of an authorised BCs of the bank may be utilised for activation of inoperative accounts as prescribed in paragraph 38(a)(ia) of the Master Direction - Know Your Customer (KYC) Direction, 2016 (“**KYC Directions**”).

RBI (Know Your Customer (KYC)) (Amendment) Directions, 2025

RBI, *vide* circular dated June 12, 2025, has issued the RBI (Know Your Customer (KYC)) (Amendment) Directions, 2025, modifying the KYC Directions to enhance consumer protection and service. The amendment aims to simplify compliance for low-risk customers and strengthen monitoring mechanisms, enhancing both user-convenience and regulatory oversight. Some of the key amendments are as follows:

1. a clause has been added to para 38 of the KYC Directions, requiring that for individual customers categorised as low risk, the RE must allow all transactions and ensure that the KYC is updated within 1 (one) year from the date it becomes due or by June 30, 2026, whichever is later. The RE must also regularly monitor the accounts of such customers. This requirement applies even if the KYC update was already due before this amendment came into effect;
2. banks may obtain self-declarations from low-risk customers, if there is no change in KYC details or only a change in address, through authorised BCs. These declarations and supporting documents must be captured electronically by the BC after biometric e-KYC authentication. Until this is enabled, physical submission is permitted. Banks must update the KYC records and inform the customer once the update is complete, as per Paragraph 38(c) of the KYC Directions. The bank remains ultimately responsible for ensuring periodic KYC updation; and
3. REs must intimate their customers in advance to update their respective KYC information. Prior to the due date to update KYC, REs must give at least 3 (three) advance intimations, including at least 1 (one) intimation in writing, to their customers. Even after the due date, REs must give at least 3 (three) reminders, including at least 1 (one) reminder in writing, to such customers if they have still not complied. These communications must clearly outline instructions, escalation mechanisms, and potential consequences. REs must comply with this requirement by January 1, 2026.

Master Direction – RBI (Electronic Trading Platforms) Directions, 2025

RBI, *vide* circular dated June 16, 2025, has issued the Master Direction – RBI (Electronic Trading Platforms (“ETPs”)) Directions, 2025 (“**ETP Directions**”), to consolidate, update and strengthen the regulatory framework for ETPs. The ETP Directions supersede the ETPs (Reserve Bank) Directions, 2018 dated October 5, 2018. Some of the key provisions of the ETP Directions are as follows:

1. it applies to all RBI-regulated ETP operators handling eligible instruments such as securities, money-market assets, forex, and derivatives, excluding platforms run by banks or standalone primary dealers acting as sole quotes/providers;
2. any entity seeking to operate an ETP must be a company incorporated in India and must obtain prior authorisation from RBI. The applicant must have a minimum net worth of INR 5,00,00,000 (Indian Rupees five crore) and demonstrate adequate operational capabilities, including experienced personnel and robust technology infrastructure;
3. the ETP Directions outline operational, governance, and compliance standards, including fair access and transparent fee policies, real-time transaction records maintenance, business continuity and cybersecurity plans, and systems for monitoring algorithmic trading and preventing market abuse; and
4. ETPs are required to submit periodic reports to RBI, including quarterly filings on trade volumes, outages, use of algorithms, and compliance with prescribed norms. Operators must retain relevant records for a minimum period of 10 (ten) years and are obligated to notify RBI of any material incident or disruption affecting the platform’s functioning.

Review of PSL norms for SFBs

RBI, *vide* circular dated June 16, 2025, has revised the PSL norms for SFBs, effective from the financial year 2025-26, aimed to enhance lending flexibility while retaining focus on core priority sectors. Previously, SFBs were allocating 75% of the ANBC or CEOBE to priority sectors. This included a mandatory 40% to specific PSL sub-sectors and a flexible 35% to sub-sectors where the bank had a competitive advantage.

Pursuant to the revision, the additional component (35%) of PSL will be reduced to 20%, thereby making the overall PSL target as 60% of ANBC or CEOBE, whichever is higher. The SFB must continue to allocate 40% of its ANBC or

CEOBE, whichever is higher, to different sub-sectors under PSL as per the extant PSL prescriptions, while the balance 20% will be allocated to any 1 (one) or more sub-sectors under the PSL where the bank has competitive advantage.

JSA updates

Framework for ESG debt securities (other than green debt securities)

SEBI, *vide* circular dated June 5, 2025 has set out a regulatory framework to be complied with by issuers of ESG debt securities (except green debt securities) i.e., social bonds, sustainability bonds and sustainability-linked bonds, with effect from its date of issuance i.e., June 5, 2025. These ESG debt securities (except green debt securities) facilitate funding for projects involving affordable basic infrastructure, affordable housing, job creation, and similar social initiatives, alongside those focused on environmental sustainability.

For a detailed analysis, please refer to the [JSA Prism of July 1, 2025](#).

Issuance of bonus shares to non-resident investors by companies engaged in sectors prohibited from receiving FDI

On June 11, 2025, the MoF has introduced amendments to Rule 7 of the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 ("**Amendment Notification**"). The Amendment Notification allows resident companies (operating in sectors prohibited for FDI or undertaking activities prohibited from receiving FDI as elaborated below) to issue bonus shares to existing non-resident shareholders with the condition that such non-resident shareholders' shareholding does not increase pursuant to such issuance. The Amendment Notification came into effect from June 11, 2025. The Amendment Notification is also retrospective in nature and applies to bonus issuance undertaken during the subsistence of the erstwhile Foreign Exchange Management (Transfer or issue of Security by a Person Resident outside India) Regulations, 2000 or the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017.

For a detailed analysis, please refer to the [JSA Prism of July 1, 2025](#).

Mandated safeguards for investor payments via unified payment interface

On June 11, 2025, SEBI issued a circular³ introducing a secured UPI mechanism, specifically for investor-facing intermediaries to receive/collect funds from their investors ("**SEBI Circular**"). The SEBI Circular seeks to create a more structured framework towards increasing investor confidence in such systems.

SEBI's proactive efforts in introducing real-time verification tools and secure UPI payment mechanisms are aimed at reducing impersonation and increasing payment transparency. Given that existing systems of National Payment Corporation of India and banks are already in place to issue UPI handles, this provides an economical solution for an otherwise large issue. Further, the transition process is relatively straightforward for intermediaries, as it is routed through SEBI intermediary portal) and the new UPI handles will be linked to existing bank account of such intermediaries. As such, the framework under the SEBI Circular highlights SEBI's commitment to provide a safe payment ecosystem for investors while promoting ease of investor participation in the securities market.

For a detailed analysis, please refer to the [JSA Prism of June 23, 2025](#).

RBI relaxes norms pertaining to advance remittance for import of shipping vessels

With a view towards enhancing ease of doing business and keeping in view the sector-specific constraints, RBI, *vide* its notification dated June 13, 2025, has announced a relaxation for the Indian shipping sector, with a view to facilitate

³ Reference no. SEBI/HO/DEPA-II/DEPA-II_SRG/P/CIR/2025/86.

and promote maritime trade and capital investments. This relaxation is aimed at easing operational difficulties in high-value imports in the shipping sector, while maintaining the regulatory discipline.

For a detailed analysis, please refer to the [JSA Prism of June 19, 2025](#)

RBI notifies new directions for project finance

In order to establish a unified and principle-based regulatory framework for project finance across all regulated entities (including urban co-operative banks and non-banking financial companies), RBI has issued the RBI (Project Finance) Directions, 2025 ("**Directions**") on June 19, 2025.

The Directions aim to streamline the financing, monitoring, and resolution of stress in infrastructure and non-infrastructure projects, including commercial and residential real estate.

Key provisions of the Directions include the below:

1. standardised norms for extending the Date of Commencement of Commercial Operations (DCCO);
2. well-defined purview of the term 'Project Finance';
3. differentiated provisioning requirements during construction and operational phases;
4. imposing minimum exposure limits on lenders to a project;
5. clearances to be obtained and minimum land to be acquired as a condition precedent to financial closure; and
6. project milestone linked disbursement and repayment schedule to be included in loan documents.

The Directions mandate enhanced project monitoring, transparent disclosures, and consistent classification practices, thereby promoting financial discipline, early stress recognition, and responsible lending in the project finance ecosystem

For a detailed analysis, please refer to the [JSA Prism of June 24, 2025](#)

Recent amendments to Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016: Streamlining processes and enhancing outcomes

The Insolvency and Bankruptcy Board of India ("**IBBI**") has introduced key amendments to the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 to streamline processes, enhance transparency, and align with global best practices. The amendments provide for simplification of the form filing for the corporate insolvency resolution process and allow interim finance providers to attend Committee of Creditors ("**CoC**") meetings as observers. Resolution professionals can now invite concurrent plans for resolution of whole as well as for segment wise resolution of corporate debtor. The amendments further clarify position in relation to pro rata payments to dissenting financial creditors and in priority to assenting financial creditors, in cases where the resolution plan provides for staggered payments. It also mandates full disclosure of all resolution plans to the CoC, irrespective of their compliance status.

For a detailed analysis, please refer to the [JSA Prism of June 5, 2025](#).

Supreme Court re-affirms the principle of limited judicial interference by the Adjudicating Authority in approved resolution plan

In a landmark ruling, the Hon'ble Supreme Court of India ("**Supreme Court**") in ***Piramal Capital and Housing Finance Limited vs. 63 Moons Technologies Limited and Ors.***⁴, has re-affirmed the limited scope of judicial interference by Adjudicating Authority ("**NCLT**") and Appellate Authority ("**NCLAT**") in reviewing an approved resolution plan. The Supreme Court held that the decision as to the resolution plan should be left to the judgment of the CoC, thereby underlining the supremacy of 'commercial wisdom' of the CoC. The Supreme Court referred to the scheme of the Insolvency and Bankruptcy Code, 2016 ("**IBC**") to conclude that legislature has confined the role of NCLT and NCLAT in matters of challenge to a resolution plan to the extent provided under Section 31 and Section 61 of the IBC respectively.

The Supreme Court while adjudicating an appeal arising out of a challenge to the approved resolution plan, emphasised that once the resolution plan was approved by the CoC and further approved by the NCLT, NCLAT could not have tinkered with the approved resolution plan by modifying its isolated clauses which was an outcome of a commercial bargain struck between the successful resolution applicant and the CoC. Thus, NCLAT cannot transgress its jurisdiction beyond the specific grounds envisaged under Section 61 of the IBC.

For a detailed analysis, please refer to the [JSA Prism of June 4, 2025](#).

Finance Practice

JSA has a widely recognised market leading banking & finance practice in India. Our practice is partner led and is committed to providing quality professional service combining domain knowledge with a constructive, consistent, comprehensive and commercial approach to issues. Clients trust our banking lawyers to take a practical and business-oriented approach to achieving their objectives. Our lawyers have a clear understanding of the expectations and requirements of both sides to a financing transaction and provide tailored advice to each client's needs. The practice is especially praised for its accessibility and responsiveness and its ability to work well with international firms and clients. We represent a variety of clients including domestic and global banks, non-banking finance companies, institutional lenders, multi-lateral, developmental finance and export credit institutions, asset managers, funds, arrangers and corporate borrowers in different sectors on a wide range of financing transactions.

Our full spectrum of services includes advising clients on corporate debt transactions (including term and working capital debt), acquisition finance, structured finance, project finance, asset finance, real estate finance, trade finance, securitisation, debt capital markets and restructuring and insolvency assignments.

Our practice has been consistently ranked in the top-tier for several years, and several of our partners are regarded highly, by international publications such as Chambers and Partners, IFLR, Asia Law, Legal 500, Asia Legal Business, IBLJ and Leaders League.

⁴ Civil Appeal Nos. 1632 – 1634 of 2022 (decided on April 1, 2025)

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18 Practices and
41 Ranked Lawyers



7 Ranked Practices,
21 Ranked Lawyers



14 Practices and
12 Ranked Lawyers



12 Practices and 50 Ranked
Lawyers



20 Practices and
22 Ranked Lawyers



8 Practices and
10 Ranked Lawyers
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of the Year 2024

Innovative Technologies Law Firm of
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