



August 2025

The Securities and Exchange Board of India (“**SEBI**”), the Reserve Bank of India (“**RBI**”) and the Insolvency and Bankruptcy Board of India (“**IBBI**”) have introduced significant regulatory updates in the banking and finance and insolvency space in July 2025.

RBI issued the RBI (Pre-payment Charges on Loans) Directions, 2025 (“**Pre-payment Directions**”) to govern floating rate loans to micro and small enterprises. It has also issued the regulatory guidelines to govern investments by Regulated Entities (“**REs**”) in Alternative Investment Funds (“**AIF**”). IBBI amended the corporate insolvency resolution process regulations to strengthen disclosure requirements and limit the assignment of certain avoidance transactions. SEBI has mandated accessibility compliance for all digital platforms of REs under the Rights of Persons with Disabilities Act, 2016 (“**RPwD Act**”).

SEBI update

Mandatory compliance by REs relating to the RPwD Act

SEBI issued a circular on July 31, 2025, mandating all REs to ensure digital accessibility for persons with disabilities in accordance with the RPwD Act and the Rights of Persons with Disabilities Rules, 2017 (“**RPwD Rules**”). These entities are required to make their digital platforms accessible to persons with disabilities by adhering specifically to certain sections of the RPwD Act such as: (a) Section 40 (*Accessibility*) which mandates accessibility across public infrastructure, including digital platforms, which SEBI extends to securities market interfaces; (b) Section 42 which requires Information and Communication Technology (“**ICT**”) services such as websites and apps to be accessible; and (c) Section 46 which sets a statutory timeline for implementing accessibility. Further, Rule 15(1)(c) of the RPwD Rules prescribes the standards issued by Bureau of Indian Standards (IS 17802) for ICT accessibility.

REs must provide updates on the status of implementation of accessibility provisions on all digital platforms, specifically in accordance to the prescribed milestones. Further, the compliance reporting for this circular must be done on annual basis within 30 (thirty) days from the end of each financial year in the prescribed manner.

IBBI update

Amendment to insolvency resolution process regulations for corporate persons

IBBI, *vide* notification dated July 4, 2025, has notified the IBBI (Insolvency Resolution Process for Corporate Persons) (Fifth Amendment) Regulations, 2025, The amendment focus on enhanced disclosure and transparency in resolution processes.

Some of the key provisions are as follows:

1. in addition to the information memorandum the resolution professional now must submit all the subsequent updates to each member of the committee after the insolvency commencement date;
2. the information memorandum must also contain the details of the corporate debtor in relation to all identified avoidance transactions (such as preferential, undervalued, extortionate, or fraudulent transactions) and related filings; and
3. the assignment of avoidance transactions or fraudulent/wrongful trading in resolution plans is prohibited if: (a) they were not disclosed in the information memorandum; and (b) not communicated to prospective resolution applicants before the final submission deadline. However, this restriction does not apply to resolution plans already submitted to the adjudicating authority before the commencement of these regulations.

JSA updates

RBI notifies framework governing investments by REs in AIFs

RBI, *vide* notification dated July 29, 2025, has passed the AIF Directions. Regulated entities such as commercial banks (including small finance banks, local area banks and regional rural banks), primary (urban) co-operative banks/state co-operative banks/ central co-operative banks all-India financial institutions; and non-banking financial companies (including housing finance companies) will be required to comply with the AIF Directions.

The AIF Directions prescribe the regulatory guidelines governing investments by the aforesaid regulated entities in AIFs and provide for limits on investment in such AIFs and relevant provisioning requirements to be complied by the regulated entities. The AIF Directions come into force from January 1, 2026, or at an earlier date decided by the respective regulated entities pursuant to its internal policies.

For a detailed analysis, please refer to the [JSA Prism of August 12, 2025](#).

National Company Law Appellate Tribunal affirms that assets attached by the Enforcement Directorate are excluded from insolvency proceedings

In an important decision on the interplay between the Insolvency and Bankruptcy Code, 2016 (“IBC”) and the Prevention of Money Laundering Act, 2002 (“PMLA”), the National Company Law Appellate Tribunal, Principal Bench, New Delhi, in **Mr. Anil Kohli, Resolution Professional for Dunar Foods Limited vs. Directorate of Enforcement and Anr.**¹, has held that the assets attached by the Enforcement Directorate which are ‘proceeds of crime’ cannot be claimed as part of the resolution estate under the IBC. Further, it was clarified that the overriding effect of Section 238² of the IBC does not extend to negate valid actions taken under the PMLA, which operates in a distinct legislative domain.

For a detailed analysis, please refer to the [JSA Prism of July 22, 2025](#).

SEBI approves new framework for co-investment opportunities through Category I and Category II AIFs

SEBI, in its board meeting held on June 18, 2025, has approved the introduction of a new co-investment framework under the SEBI (AIF) Regulations, 2012. This permits Category I and Category II AIFs to offer co-investment opportunities through a Co-Investment Scheme, in addition to the existing Portfolio Management Services route. The

¹ Company Appeal (AT) (Ins.) No. 389 of 2018 (decided on July 3, 2025)

² The overriding provision under the IBC: “The provisions of this Code shall have effect, notwithstanding anything inconsistent therewith contained in any other law for the time being in force or any instrument having effect by virtue of any such law.

amendment is aimed at streamlining the co-investment process, easing regulatory burdens, and enhancing operational efficiency.

For a detailed analysis, please refer to the [JSA Prism of July 18, 2025](#).

RBI's 2025 Directions on pre-payment charges: enhancing borrower protection and transparency

On July 2, 2025, RBI has notified the Directions for prohibiting prepayment penalties on floating rate loans availed by individuals for non-business purposes. It also extends relief to micro and small enterprises and individuals borrowing for business needs under certain conditions. The Directions will be applicable to loans sanctioned or renewed on or after January 1, 2026.

RBI also mandates clear disclosure of prepayment charges in loan agreements and key fact statement. This move aims to improve transparency, encourage borrower mobility, and prevent unfair lending practices.

For a detailed analysis, please refer to the [JSA Prism of July 3, 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.

This Newsletter has been prepared by:



Anish Mashruwala
Partner



Karan Mitroo
Partner



Purvi Dabbiru
Partner



Harsh Dugar
Associate



Riddhi Sri
Associate



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
Highly Recommended in 5 Cities



Recognised in World's 100 best
competition practices of 2025



Among Best Overall
Law Firms in India and
14 Ranked Practices

9 winning Deals in
IBLJ Deals of the Year

11 A List Lawyers in
IBLJ A-List - 2025

Asia M&A Ranking 2024 – Tier 1

Employer of Choice 2024

Energy and Resources Law Firm of the
Year 2024

Litigation Law Firm
of the Year 2024

Innovative Technologies Law Firm of
the Year 2023

Banking & Financial Services
Law Firm of the Year 2022

Ranked Among Top 5 Law Firms in
India for ESG Practice

vahurā
2022

Ranked #1
Best Law Firms to Work

Top 10 Best Law Firms for
Women

For more details, please contact km@jsalaw.com

www.jsalaw.com



Ahmedabad | Bengaluru | Chennai | Gurugram | Hyderabad | Mumbai | New Delhi



This Newsletter is not an advertisement or any form of solicitation and should not be construed as such. This Newsletter has been prepared for general information purposes only. Nothing in this Newsletter constitutes professional advice or a legal opinion. You should obtain appropriate professional advice before making any business, legal or other decisions. JSA and the authors of this Newsletter disclaim all and any liability to any person who takes any decision based on this publication.