



*Let us build financial systems that not only thwart money laundering and terror financing, but also support inclusion, innovation, and growth.*

*-Shri Sanjay Malhotra, Governor, Reserve Bank of India*

### [Implementation of Section 51A of UAPA, 1967: Updates to UNSC's 1267/ 1989 ISIL \(Da'esh\) & Al-Qaida Sanctions List: Amendments in 12 Entries](#)

The RBI refers to Paragraph 51 of its Master Direction on KYC, requiring REs to comply with Section 51A of UAPA, 1967, by preventing accounts linked to UNSC-sanctioned individuals/entities. The Ministry of External Affairs (MEA) has informed about UNSC press release SC/16017 (March 12, 2025), which updates the ISIL (Da'esh) & Al-Qaida Sanctions List, including amendments to 12 entries and the delisting of 3 entities. The list includes individuals subject to asset freezes, travel bans, and arms embargoes under UNSC Resolution 2734 (2024). REs must update their records and take necessary actions to comply with these sanctions.

### [Gold Monetization Scheme \(GMS\), 2015 - Amendment](#)

The Government of India has discontinued the Medium and Long Term Government Deposit (MLTGD) components of the Gold Monetization Scheme (GMS) from March 26, 2025. Therefore, no gold deposits for MLTGD will be accepted after March 25, 2025 at any designated centre or bank branch of scheduled commercial banks (other than RRBs). However, banks may continue to offer Short Term Bank Deposits (STBD) under GMS at their discretion. All MLTGD already collected until March 25, 2025, will continue as per the existing rules.

### [Reserve Bank of India \(Financial Statements - Presentation and Disclosures\) Directions, 2021: Clarifications](#)

The RBI has issued clarifications on the Financial Statements – Presentation and Disclosures Directions, 2021, applicable to all commercial and cooperative banks from FY ending March 31, 2025, onwards. Key clarifications include:

- (1) Lien-marked deposits will continue to be classified under Schedule 3: Deposits with appropriate disclosures.
- (2) Advances backed by Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) and Credit Risk Guarantee Fund Trust for Low Income Housing (CRGFTLIH) and individual schemes under National Credit Guarantee Trustee Company Ltd. (NCGTC), which are backed by explicit Central Government Guarantee should be disclosed under Schedule 9(B)(ii): Advances Covered by Bank/Government Guarantee.
- (3) Disclosures on repo/reverse repo transactions must be presented in both market value and face value terms

### [Treatment of Right-of-Use \(ROU\) Asset for Regulatory Capital Purposes](#)

As references from various NBFCs (in their capacity as lessees) had been received by RBI on the treatment of Right-of-Use (ROU assets) for calculation of regulatory capital/ Owned Fund, RBI has clarified their treatment for regulatory capital purposes under Ind AS 116 – Leases. NBFCs, HFCs, CICs, MGCs, ARCs, and Standalone Primary Dealers are not required to deduct ROU

assets from Owned Fund, CET 1 capital, or Tier 1 capital if the underlying leased asset is tangible. Instead, the ROU asset will be risk-weighted at 100%, consistent with the treatment of owned tangible assets. The revisions have been incorporated into the respective Master Directions.

### [Priority Sector Lending Certificates](#)

The RBI has updated the description of Priority Sector Lending Certificates (PSLC) – SF/MF in its April 7, 2016 circular. Now, PSLC – SF/MF representing all eligible loans to small and marginal farmers, will count towards meeting the following targets:

- Small and Marginal Farmers (SF/MF) sub-target.
- Weaker Sections sub-target.
- Non-Corporate Farmers (NCF) sub-target.
- Agriculture target.
- Overall Priority Sector Lending (PSL) target.

### [Asian Clearing Union \(ACU\) Mechanism - Indo-Maldives trade](#)

Following the Memorandum of Understanding (MoU) signed between RBI and Maldives Monetary Authority in November 2024, India's bilateral trade with Maldives can now be settled in Indian Rupee (INR) and/or Maldivian Rufiyaa (MVR), in addition to the existing ACU mechanism. AD Category-I banks must inform their constituents of this change, which is effective immediately.

### [Shri Tuhin Kanta Pandey takes charge as Chairman, SEBI](#)

Shri Tuhin Kanta Pandey has taken charge as the new Chairman of the Securities and Exchange Board of India (SEBI) in Mumbai.



## General Notification for Sale and Issue of Government of India Securities (including Treasury Bills and Cash Management Bills)

The Government of India has issued a new General Notification dated March 26, 2025, for the sale and issue of Government of India Securities, including Treasury Bills and Cash Management Bills, through auctions. This new notification replaces the earlier ones issued in March 2018 and forwarded via RBI circulars dated April 9, 2018. The updated notification outlines the latest rules and procedures for the issuance of these government securities and will now be followed for all such auctions going forward.

## Revised norms for Government Guaranteed Security Receipts (SRs)

RBI has revised the norms for valuing Government Guaranteed Security Receipts (SRs) under the Master Direction on Transfer of Loan Exposures (MD-TLE), 2021 which prescribes, inter alia, prudential treatment for transfer of loans by the eligible transferors to Asset Reconstruction Companies (ARCs). These changes apply immediately to all existing and future government-guaranteed SRs. Key changes:

- If a loan is sold to an ARC for more than its net book value, banks can reverse the excess provision to their Profit & Loss account, if the sale consideration comprises of only cash and government-guaranteed SRs.
- The non-cash SRs must be deducted from CET 1 capital and cannot be used for dividend payments.
- Such SRs must be valued based on NAV declared by ARCs using recovery ratings. Any unrealized gains from fair valuation must also be deducted from CET 1 and not used for payment of dividends.
- Any SRs outstanding after the final settlement of the government guarantee or the expiry of the guarantee period, whichever is earlier, shall be valued at one rupee (₹1).
- If SRs are converted into other instruments as part of resolution, they will be governed by the June 7, 2019 resolution framework.

## Faster Rights Issue with a flexibility of allotment to specific investor(s)

SEBI has introduced a new framework for the Rights Issue process through amendments to the SEBI (ICDR) Regulations, 2018. Under this framework, Rights Issues must be completed within 23 working days from the date of Board approval.

## Framework on Social Stock Exchange (SSE)

SEBI has revised the minimum application size for investing in Zero Coupon Zero Principal Instruments (ZCZP) on the Social Stock Exchange (SSE) from ₹10,000 to ₹1,000.

## Harnessing DigiLocker as a Digital Public Infrastructure for reducing Unclaimed Assets in the Indian Securities Market

From April 1, 2025, AMCs, RTAs, and depositories must register with DigiLocker as issuers, enabling investors to fetch their mutual fund (MF) and demat statements. Investors can also specify nominees in DigiLocker, who will be notified in case of the investor's demise and can access the deceased's financial documents. KRAs will electronically share investor demise details with DigiLocker.

## Penalty corner

Imposed a monetary penalty of ₹1.00 lakh on **Vanchinad Finance Pvt. Ltd.** for violating dividend payout norms under NBFC regulations. The company had declared dividend in excess of the prescribed dividend payout ratio.

Imposed a monetary penalty of ₹10 lakh on **Rang De P2P Financial Services** for disbursing loans to borrowers without specific approval from individual lenders, violating P2P lending norms.

Imposed a monetary penalty of ₹16.60 lakh on **Visionary Financepeer Private Limited** for multiple violations of P2P lending norms, including disbursing loans without lender approval, lack of proper agreements, non-disclosure of borrower details, absence of pricing policy, inadequate service provider contracts, and taking partial credit risk.

Imposed a monetary penalty of ₹10.00 lakh on **Bridge Fintech Solutions Pvt. Ltd.** (Finzy) for violating P2P lending norms by disbursing loans without lender approval, taking partial credit risk, having inadequate service provider agreements, and failing to review fair practices and grievance mechanisms.

Imposed a monetary penalty of ₹40 lakh on **Fairassets Technologies India Pvt. Ltd.** (Faircent) for P2P lending violations, including disbursing loans without lender approval, not disclosing borrower risk profiles, taking partial credit risk, and improper fund transfer practices.

Imposed a monetary penalty of ₹2 lakh on **Experian Credit Information Company** for not timely notifying credit institutions of discrepancies and failing to update/correct credit data or inform borrowers within the 30-day period, violating CIC Act and Rules.

Imposed a monetary penalty of ₹3.10 lakh on **JM Financial Products Ltd.** for failing to disclose a material related party transaction in its Annual Report, breaching NBFC Master Directions.

Imposed a monetary penalty of ₹36.30 lakh on **IDBI Bank Limited** for FEMA violations due to lack of due diligence in processing inward remittances from a Foreign Currency Account of a constituent, resulting in contravention of Section 10(4) of FEMA, 1999.

Imposed a monetary penalty of ₹36.28 lakhs on **Citibank N.A.** for not complying with directions related to reporting of transactions under the Liberalized Remittance Scheme (LRS), issued under FEMA, 1999.

Imposed a monetary penalty of ₹68.20 lakh on **Punjab & Sind Bank** for non-reporting of certain large exposures to Central Repository of Information on Large Credits (CRILC) and allowing Basic Savings Bank Deposit Account (BSBDA) holders to open savings accounts, violating RBI directions.

Imposed a monetary penalty of ₹75.00 lakh on **HDFC Bank Limited** for failing to categorise customers by risk and for issuing multiple customer IDs instead of a Unique Customer Identification Code, breaching KYC norms.

Imposed a monetary penalty of ₹1.00 lakh on **Mikhael Capitalize Pvt. Ltd.**, for changing shareholding above 26% without prior approval of RBI and for delay in intimation of an independent director's appointment, violating NBFC directions.

## Disclosure of holding of specified securities in dematerialized form

SEBI has revised the shareholding pattern disclosure format under Regulation 31 (LODR), effective from Q1 FY25 (June 30, 2025). Key changes include:

- Mandatory disclosure of NDUs, encumbrances, and pledged shares.
  - ESOPs to be reported under outstanding convertible securities.
  - New column for fully diluted shareholding (incl. ESOPs, warrants, convertibles).
  - Footnote to identify promoters with zero shareholding.
- These updates aim to enhance transparency in shareholding disclosures.

## Facilitating ease of doing business relating to the framework on "Alignment of interest of the Designated Employees of the Asset Management Company (AMC) with the interest of the unitholders"

SEBI has relaxed the "skin in the game" rules for AMC employees, effective April 1, 2025. AMCs can now choose between two investment options based on employee CTC, with flexibility around ESOP inclusion. Employees in investment roles will have higher investment requirements. Lock-in norms have been eased, with immediate release on superannuation and a one-year lock-in for early exit. Up to 75% of mandated investments in liquid funds can be made in higher-risk schemes. Post lock-in redemptions are allowed, subject to insider trading rules. Misconduct cases will be reviewed by AMC committees, and quarterly disclosures of employee investments by scheme are now mandatory.

## Industry Standards on "Minimum information to be provided for review of the audit committee and shareholders for approval of a related party transaction"

SEBI has extended the applicability of the circular on Industry Standards for "Minimum information to be provided for review of the audit committee and shareholders for approval of related party transactions" from April 1, 2025, to July 1, 2025. The Industry Standards Forum (ISF), comprising representatives from ASSOCHAM, CII, and FICCI, will simplify the standards based on stakeholder feedback and release them in a time-bound manner.

## Intraday Monitoring of Position Limits for Index Derivatives

From April 1, 2025, stock exchanges must monitor intraday position limits for equity index derivatives, as per SEBI's Master Circular. This includes taking at least 4 random position snapshots during the trading day. However, due to concerns raised by industry bodies (like ANMI, BBF, CPAI) about system readiness and upcoming changes in SEBI's February 2025 consultation paper, no penalties will be imposed for intraday breaches of existing limits for now. These breaches will not be treated as violations. Exchanges will create a joint Standard Operating Procedure (SOP) to inform brokers and clients about how this monitoring will work and will alert them about intraday breaches for their own risk tracking.

Imposed a monetary penalty of ₹4.10 lakh on **UCA Finvest Private Limited** for violating CoR conditions by accepting public funds and engaging in customer interface while sanctioning loans.

Imposed a monetary penalty of ₹52.70 lakh on **Phoenix ARC Private Limited** for settling borrower dues above ₹1 crore without prior Board approval, violating RBI directions.

Imposed a monetary penalty of ₹3.20 lakh on **Mahindra Rural Housing Finance Limited** for failing to conduct reviews of risk categorization of its customers at least once in six months and for appointing a director without prior RBI approval, causing significant change in management of more than 30% of its Directors

Imposed a monetary penalty of ₹0.5 lakh, on **Habitat Micro Build India Housing Finance Company Private Ltd.**, for failing to obtain prior approval before a management change involving over 30% of its directors (excluding independents).

Imposed a monetary penalty of ₹50,000/- on **Purvaja Fincap Pvt. Ltd.**, for prematurely redeeming Subordinated Debts without obtaining prior approval from RBI, violating the Scale Based Regulation Directions, 2023.

Imposed a monetary penalty of ₹5.00 lakh on **Savery Transport Finance Ltd.**, for violating Scale Based Regulation Directions, 2023. The company failed to define the method of interest rate application in loan agreements, charged rates higher than those communicated to the borrower, and did not update interest rates and risk gradation approach on its website.

## Extension towards Adoption and Implementation of Cybersecurity and Cyber Resilience Framework (CSCRF) for SEBI Regulated Entities (REs)

SEBI has extended the deadline for implementing the Cybersecurity and Cyber Resilience Framework (CSCRF) by three months, now until June 30, 2025, for all regulated entities (REs) except Market Infrastructure Institutions (MIIs), KYC Registration Agencies (KRAs), and Qualified Registrars to an Issue and Share Transfer Agents (QRTAs).

## Amendment to Master Circular for Real Estate Investment Trusts (REITs) dated May 15, 2024 & Amendment to Master Circular for Infrastructure Investment Trusts (InvITs) dated May 15, 2024

SEBI has amended the Master Circulars for REITs and InvITs (dated May 15, 2024) to ease lock-in norms and introduce a framework for follow-on offers. For preferential issues, the lock-in for sponsors has been reduced—15% of units will now be locked in for three years, and the rest for one year. Inter-se transfers within sponsor groups are allowed, with the lock-in continuing for the transferee. Transfers during sponsor changes or conversion to self-sponsored structures are also permitted, subject to minimum unit holding. SEBI has also introduced a formal framework for follow-on offers by REITs and InvITs, requiring stock exchange approval, demat issuance, 25% minimum public holding post-issue, defined timelines, and disclosure norms. A fast-track FFO route has been enabled for eligible InvITs. Restrictions on further unit issuance during the offer period and interest obligations for listing delays have also been included.

## [Securities and Exchange Board of India \(Issue of Capital and Disclosure Requirements\) \(Amendment\) Regulations, 2025](#)

The Securities and Exchange Board of India (SEBI) introduced the Issue of Capital and Disclosure Requirements (Amendment) Regulations, 2025. These amendments update the existing regulations to improve transparency and efficiency in capital raising and disclosure by companies. Key changes include revised norms for initial public offerings (IPOs), rights issues, and preferential allotments, aiming to streamline processes and ensure better compliance. The amendments also enhance disclosure requirements, ensuring that investors receive more comprehensive and timely information. These changes are part of SEBI's ongoing efforts to strengthen the regulatory framework governing capital markets in India.

## [Securities and Exchange Board of India \(Listing Obligations and Disclosure Requirements\) \(Amendment\) Regulations, 2025](#)

The Securities and Exchange Board of India (SEBI) has introduced amendments to the Listing Obligations and Disclosure Requirements (LODR) Regulations, 2025. These amendments aim to enhance transparency and accountability among listed entities. Key changes include stricter disclosure norms for related-party transactions, mandating timely and detailed reporting to ensure stakeholders are well-informed. Additionally, the amendments require listed companies to provide comprehensive disclosures on their financial health, governance practices, and any material events that could impact investors' interests. These measures are designed to bolster investor confidence and promote fair practices in the securities market.

## [Consultation Paper on certain Amendments to SEBI \(ICDR\) Regulations, 2018, \("ICDR Regulations"\) and SEBI \(SBEB & SE\) Regulations, 2021, \("SBEB Regulations"\)](#)

SEBI proposes amendments to the SEBI (ICDR) Regulations, 2018, and SEBI (SBEB & SE) Regulations, 2021, to streamline public issue processes. Key proposals include:

- Amend Regulation 8 of ICDR to include equity shares arising from the conversion of fully paid-up compulsorily convertible securities under an approved scheme, exempting them from the one-year holding period requirement.
  - Introduce an explanation under Regulation 9(6) of SBEB, allowing founders who are reclassified as promoters at the time of Draft Red Herring Prospectus (DRHP) filing to continue holding and exercising ESOPs granted before their reclassification, provided they were granted at least one year before the IPO decision.
- SEBI invites public comments by April 10, 2025, via the provided link or email.

## [Consultation paper on review of provisions pertaining to Electronic Book Provider \(EBP\) Platform and Request For Quote \(RFQ\) Platform](#)

SEBI has issued a consultation paper on proposed changes to the Electronic Book Provider (EBP) and Request For Quote (RFQ) platforms. The aim is to enhance the efficiency and transparency of these platforms.

## [Advisory to SEBI Registered Intermediaries- Uploading advertisements on Social Media Platforms \(SMPs\)](#)

To stop such frauds and make advertising more transparent, SEBI has decided that intermediaries who want to post ads on platforms like Google or Meta must register on those platforms using the same email ID and mobile number they have given in SEBI's SI Portal. The platforms will then verify the advertiser's identity. Only after this verification, the intermediaries will be allowed to post ads. SEBI has asked all registered intermediaries to update their contact details on the SI Portal by April 30, 2025 if they wish to advertise on social media.

## [SEBI Board Meeting](#)

SEBI Board Meeting - At its 209th meeting, SEBI made the following decisions:

1. FPI Disclosure Threshold Raised: The equity AUM limit for additional FPI disclosures was increased from ₹25,000 crore to ₹50,000 crore. Existing rules for group exposure and PMLA compliance remain unchanged.
2. AIF Investment Rules Relaxed: Category II AIFs can now treat investments in listed debt securities rated 'A' or below as equivalent to unlisted ones to meet minimum investment rules.
3. MII Governance Changes:
  - SEBI approval continues to be required for appointing Public Interest Directors (PIDs); shareholder approval not needed.
  - Cooling-off periods for KMPs/PIDs moving between MIIs will now be set by MII boards, not SEBI.
  - Appointment of key roles (CO, CRIO, CTO, CISO) in MIIs will now need full board approval.
4. Advance Fee by IAs and RAs: They can now collect up to 1 year of advance fees (up from 6/3 months) from individuals and HUFs, with fee rules not applying to non-individual or institutional clients.
5. Deferment of Earlier Proposals: SEBI has deferred the implementation of earlier approved amendments for Merchant Bankers, Custodians, and Debenture Trustees.
6. New High-Level Committee: A committee will review conflict of interest and disclosure rules for SEBI officials and board members and submit suggestions in 3 months.

## [Consultation paper on facilitation to SEBI registered Stock Brokers to undertake securities market related activities in Gujarat International Finance Tech-city - International Financial Services Centre \(GIFT-IFSC\) under a Separate Business Unit \(SBU\)](#)

SEBI has proposed a simplified framework to help registered stock brokers operate in Gujarat International Finance Tec-City (GIFT-IFSC). Instead of setting up separate subsidiaries or JVs with SEBI approval, brokers may be allowed to operate through a Separate Business Unit (SBU) under the same entity—no NOC required. The SBU must maintain arm's-length operations, with separate staff, infrastructure, and books. SEBI is inviting public comments on the draft circular until April 11, 2025.

## [Consultation Paper on the Final Settlement Day \(Expiry Day\) for Equity Derivatives](#)

SEBI aims to standardize the expiry days of equity derivatives to reduce confusion and risk. Exchanges must pick either Tuesday or Thursday as a fixed expiry day. Key points:

- Only one weekly benchmark index option expiry allowed per exchange on the chosen day.
- All other contracts must be monthly and expire on the last Tuesday or Thursday.
- Exchanges need SEBI approval to change expiry days.
- Public feedback is open until April 17, 2025.

### [Consultation Paper on Draft Circular on "Rating of Municipal Bonds on the Expected Loss \(EL\) based Rating Scale"](#)

SEBI has released a consultation paper seeking public feedback on a draft circular about how municipal bonds should be rated using an Expected Loss (EL) based rating scale. The aim is to improve how risks in municipal bonds are measured and shared with investors.

### **Space to watch out for!**

SEBI constitutes High Level Committee on Conflict of Interest, Disclosures and related matters in respect of its Members and Officials (SEBI Press Release dated April 9,2025).The HLC is expected to provide its recommendations within three months

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