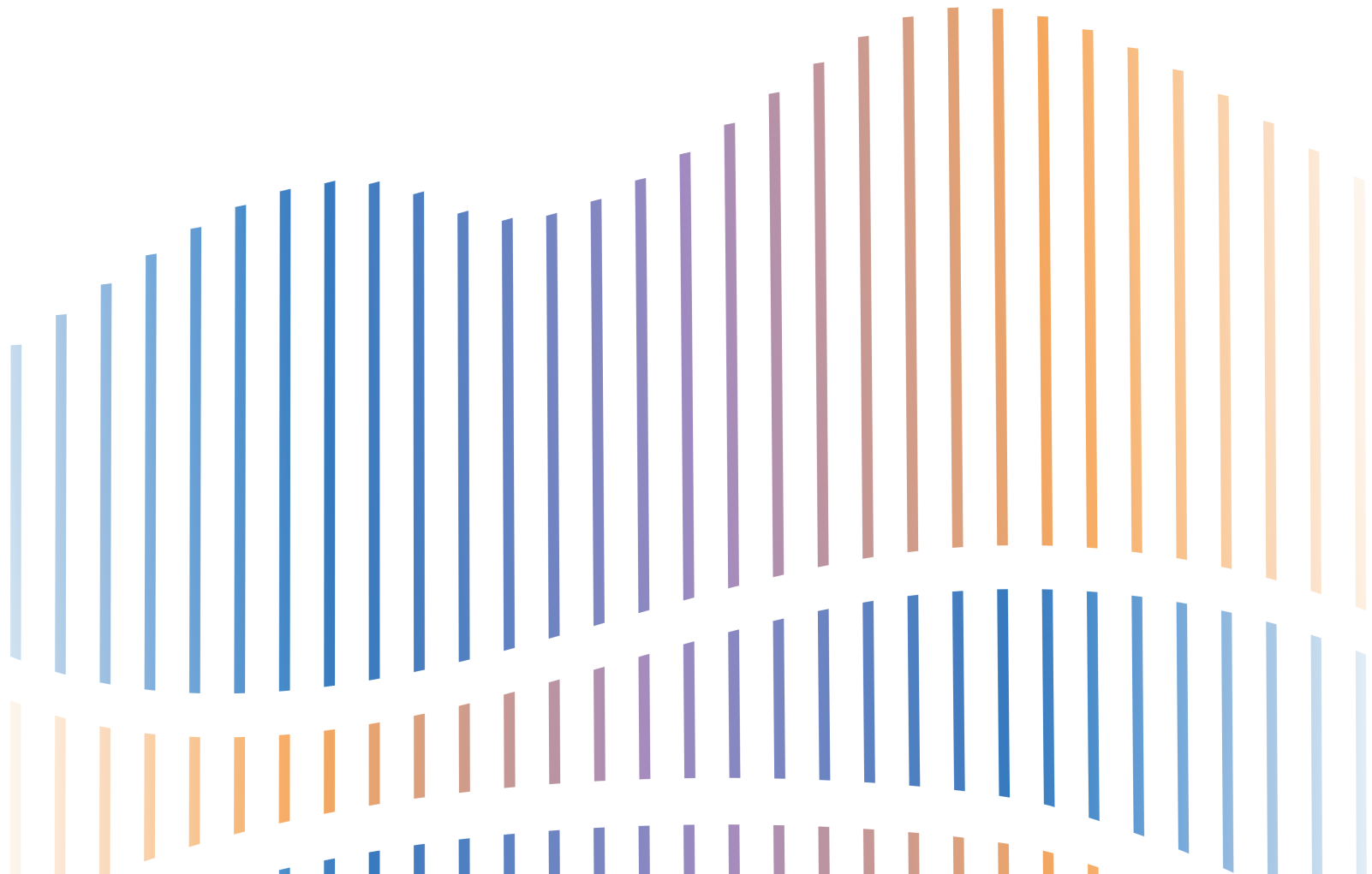


Banking and Finance Newsletter

REGFIN INSIGHT

JULY 2025



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CHAPTER I: RBI UPDATES

I. RBI issues Reserve Bank of India (Pre-payment Charges on Loans) Directions, 2025

The Reserve Bank of India (“**RBI**”), vide its notification dated July 02, 2025 (“**Pre-payment Charges Notification**”), has issued a comprehensive framework governing the levy of pre-payment charges on loans sanctioned to individuals and Micro and Small Enterprises (“**MSEs**”) on or after January 01, 2026. The framework is applicable to commercial banks (excluding payments banks), co-operative banks, all-India financial institutions, and non-banking financial companies (collectively referred to as “**Regulated Entities**” or “**REs**”).

1. Restrictions for loans advanced at floating interest rates

The following restrictions shall apply to loans granted by REs:

- (i) REs shall not levy pre-payment charges on any loan extended to individuals, with or without co-obligants, where the loan is availed for purposes other than business;
- (ii) All commercial banks (excluding small finance banks, regional rural banks, and local area banks), tier 4 primary (urban) co-operative banks, non-banking financial companies – upper layer and all India financial institutions shall not levy pre-payment charges on any loan granted for business purposes to individuals and MSEs, with or without co-obligant(s); and
- (iii) All small finance banks, regional rural banks, tier 3 primary (urban) co-operative banks, state co-operative banks, central co-operative banks, and non-banking financial companies – middle layer shall not levy pre-payment charges on any loan, with a sanctioned amount of up to INR 50,00,000 (Indian Rupees Fifty Lakh only), granted for business purposes to individuals and MSEs, with or without co-obligant(s).

The above-mentioned restrictions shall be regardless of the source of pre-payment funds, either full or partial pre-payments and no lock-in period.

2. Other Restrictions

- (i) Term Loans: REs may levy pre-payment charges on term loans, provided such charges are calculated solely on the amounts being prepaid.
- (ii) Cash Credit/Overdraft Facilities:
 - Pre-payment charges in respect of cash credit or overdraft facilities may be levied only on amounts up to the sanctioned limit of such facilities;
 - Where the borrower intimates the RE, within the period stipulated under the facility agreement, of their intention not to renew the cash credit or overdraft facility, the RE shall not levy any pre-payment charges.

- (iii) Prepayment at the instance of the RE: Where any prepayment is initiated at the instance of the RE, the RE shall not levy any pre-payment charges.

3. Other Provisions

- (i) All pre-payment charges, other than those expressly prohibited under these directions, may be levied only in accordance with the approved policy of the REs.
- (ii) REs shall be required to explicitly disclose the applicable pre-payment charges for each facility in the Key Fact Statement (where applicable), the sanction letter, and the loan agreement pertaining to such facility. REs shall not levy any pre-payment charges that have not been so disclosed.

The Pre-payment Charges Notification can be accessed [here](#).

II. RBI amends the Basel III Capital Regulations – External Credit Assessment Institutions (“ECAIs”) – CareEdge Global IFSC Limited

RBI *vide* notification dated July 10, 2025 (“**Basel III Notification**”) has amended the Master Circular on Basel III Capital Regulations (“**Basel III Regulation**”), permitting banks to use the ratings of three international credit rating agencies viz. Fitch, Moody's and Standard & Poor's.

Pursuant to paragraph 6 of the Basel III Regulations, banks are permitted to utilize credit ratings assigned by internationally recognized credit rating agencies for the purpose of risk-weighting their exposures to foreign entities in the calculation of capital adequacy, and the following three agencies have further been recognized:

- Fitch;
- Moody's; and
- Standard & Poor's.

Furthermore, banks are hereby permitted to utilize credit ratings assigned by M/s CareEdge Global IFSC Limited for the purpose of risk-weighting claims on non-resident corporates originating from the International Financial Services Centre. The mapping of such ratings to the corresponding risk weights shall be as follows:

Rating Category	AAA	AA	A	BBB	BB & below
Risk weight (%)	20	30	50	100	150

The Basel III Notification can be accessed [here](#).

III. RBI clarified on Lending Against Gold and Silver Collateral - Voluntary Pledge of Gold and Silver as Collateral for Agriculture and MSME Loans

RBI *vide* notification dated July 11, 2025 had clarified that loans against voluntary pledge of Gold and Silver as collateral by borrowers, sanctioned by the banks upto the collateral free limit, as covered under the [circular FIDD.CO.FSD.BC.No.10/05.05.010/2024-25 dated December 6, 2024](#) on Credit Flow to Agriculture – Collateral free agricultural loans and paragraph 4.1 of the [Master Direction FIDD.MSME & NFS.12/06.02.31/2017-18 dated July 24, 2017](#) on Lending to Micro, Small & Medium

Enterprises (MSME) Sector, shall not be construed as a violation of the [Reserve Bank of India \(Lending Against Gold and Silver Collateral\) Directions, 2025, DOR.CRE.REC.26/21.01.023/2025-26, dated June 6, 2025.](#)

The circular can be accessed [here](#).

IV. **RBI issues Draft Directions on Digital Banking Channels Authorisation to seek comments from the public**

RBI *vide* a press release dated July 21, 2025, released the Draft Master Direction on Digital Banking Channels Authorisations (“**Draft RBI Digital Banking Channels Directions**”), for public comments, which will take effect upon final issuance.

Please see below some of the key highlights of the Draft RBI Digital Banking Channels Directions:

1. **Applicability**

These directions apply to all banks operating in India, including commercial and cooperative banks.

2. **Prudential Requirements**

- (i) **Policies and Procedures**: Banks must adopt comprehensive policies for all digital banking channels, addressing all regulatory requirements, particularly those related to operational and liquidity risk. Senior management will retain overall responsibility for managing these risks.
- (ii) **Eligibility criteria for providing view only banking facility**: Banks with Core Banking Solutions (CBS) and Internet Protocol Version 6 (IPv6)-enabled public IT infrastructure are permitted to offer view-only digital banking services across internet, mobile, and other channels. Further, banks launching new view-only digital services must submit a Gap Assessment and Internal Controls Adequacy (GAICA) report to their RBI Regional Office within 30 (thirty) days of launch. These will be subject to regulatory scrutiny.
- (iii) **Eligibility criteria for providing transactional banking facility**- Banks intending to launch transactional digital banking facilities must obtain prior approval from the RBI. Subject to the fulfilment of the prudential eligibility criteria as enumerated in paragraph 7.1 of the Draft RBI Digital Banking Channels Directions, the application is to be submitted through the **PRAVAAH portal** to the respective Regional Office of the RBI, along with a board resolution and requisite supporting documents.

3. **Guidelines on Technological Issues in Digital Banking**

The Draft RBI Digital Banking Channels Directions have extended the applicability of several existing regulatory frameworks to additional banks. These include frameworks related to IT outsourcing, cybersecurity, fraud risk management, and digital payment security, etc.

4. **General Guidelines**

- (i) All banks, regardless of type of facility, shall comply with the directions contained in Chapter IV of Draft RBI Digital Banking Channels Directions on a continuous basis for their digital banking services.
- (ii) Banks are required to ensure ongoing adherence to legal and regulatory frameworks including the Information Technology Act, Digital Personal Data Protection Act, FEMA, and RBI's instructions on KYC, AML, and customer service.
- (iii) All digital banking services must be provided only with the explicit and documented consent of customers. Customers must be informed of both financial and non-financial transactions through SMS or email alerts.
- (iv) To enhance accessibility, banks should offer multiple registration channels, reducing the need for physical branch visits.
- (v) The terms and conditions must be provided in clear and simple language, outlining charges, redress mechanisms, and customer liabilities. Importantly, availing digital banking must remain optional and not be tied to other facilities such as debit cards.
- (vi) Banks must put in place appropriate risk mitigation measures in accordance with their policies like transaction limit (per transaction, daily, weekly, monthly), transaction velocity limit, fraud checks, etc. depending on their risk perception.
- (vii) Digital banking platforms should not promote third-party or group entity products unless specifically permitted by the RBI.

The Draft RBI Digital Banking Channels can be accessed [here](#).

V. RBI issues Directions on Investment in AIF

The RBI on July 29, 2025, released the Reserve Bank of India (Investment in AIF) Directions, 2025 ("**RBI Investment in AIF Directions**"), consolidating and replacing earlier guidelines issued on December 19, 2023 and March 27, 2024. These directions will come into effect from January 1, 2026, or an earlier date as determined by RE as per its internal policy.

Some of the key highlights of the RBI Investment in AIF Directions are as follows:

1. Applicability

These directions shall apply to investments by the following REs in units of AIF Schemes:

- (i) Commercial Banks (including Small Finance Banks, Local Area Banks, and Regional Rural Banks);
- (ii) Primary (Urban) Co-operative Banks/ State Co-operative Banks/ Central Co operative Banks;
- (iii) All-India Financial Institutions; and
- (iv) NBFCs (including Housing Finance Companies).

2. General Requirement

A RE's investment policy shall have suitable provisions governing its investments in an AIF Scheme, ensuring compliance with all applicable laws and regulations.

3. Limits on Investments and Provisioning

- (i) No RE shall individually contribute more than 10% (ten percent) of an AIF scheme's corpus. Further, collective investment by all REs shall not be more than 20% (twenty percent) of the scheme's corpus.
- (ii) If an RE contributes more than 5% (five percent) in an AIF scheme that has downstream investment (excluding equity instruments) in a debtor company of that RE, then 100% (one hundred percent) provisioning will be required against the RE's proportionate investment in such exposure, subject to a maximum of the direct loan and/or investment exposure of the RE to the debtor company.
- (iii) Notwithstanding as stated in paragraph 3(ii), if RE's contribution is in the form of subordinated units, then it shall deduct the entire investment from its capital funds - proportionately from Tier-1 and Tier-2 capital (wherever applicable).

The RBI Investment in AIF Directions can be accessed [here](#).

CHAPTER II: SEBI UPDATES

I. The Securities and Exchange Board of India (“SEBI”) consolidates the various circulars issued on listing obligations and disclosure requirements (“LODR”) for non-convertible securities, securitized debt instruments and/or commercial paper into a master circular dated July 11, 2025 (“Master Circular”)

SEBI *vide* Master Circular bearing reference number SEBI/HO/DDHS/DDHS-PoD-1/P/-CIR/2025/0000000103 has consolidated various circulars issued from time to time on LODR for non-convertible securities, securitized debt instruments and/or commercial paper till June 30, 2025 including the circular dated June 05, 2025 on limited relaxation from compliance with certain provisions of the SEBI LODR Regulations, 2015 and issued the Master Circular to enable the stakeholders to have access to all the applicable circulars/ directions at 1 (one) place.

This Master Circular shall come into force from the date of its issuance. With the issuance of this Master Circular, the following circulars issued by SEBI shall stand superseded¹:

Sr. No.	Date	Reference Number of Circular	Name of Circular
1.	May 21, 2024	SEBI/HO/DDHS/DDHS/PoD1/P/CIR/2024/48	Master circular for listing obligations and disclosure requirements for Non-convertible Securities, Securitized Debt Instruments and/ or Commercial Paper.
2.	June 05, 2025	SEBI/HO/DDHS/DDHS/PoD1/P/CIR/2025/83	Limited relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Master Circular can be accessed [here](#).

II. SEBI consolidates the various circulars/directions issued on credit rating agencies (“CRAs”) into a master circular dated July 11, 2025 (“Master Circular for CRAs”)

SEBI *vide* Master Circular for CRAs, bearing reference number SEBI/HO/DDHS/DDHS-POD2/P/-CIR/2025/101 has consolidated various circulars specified hereinafter, on CRAs and issued the Master Circular for CRAs to enable the industry and other users to access all the applicable circulars/ directions with respect to CRAs at 1 (one) place.

With the issuance of the Master Circular for CRAs, the following circulars/directions issued by SEBI shall stand superseded:

¹Except circulars which were issued to ‘all listed entities’, which shall continue to apply to entities that have listed specified securities

Sr. No.	Date	Reference Number of Circular	Name of Circular
1.	May 16, 2024	SEBI/HO/DDHS/DDHS/POD-3/P/CIR/2024/47	Master Circular for Credit Rating Agencies.
2.	July 04, 2024	SEBI/HO/DDHS/DDHS-PoD-3/P/CIR/2024/97	Measures for Ease of Doing Business for CRAs – Timelines and Disclosures.
3.	July 19, 2024	SEBI/HO/DDHS/DDHS-POD3/P/CIR/2024/102	Enabling CRAs to undertake rating activities under IFSCA.
4.	November 18 , 2024	SEBI/HO/DDHS/DDHS-PoD-3/P/CIR/2024/160	Amendment to Para 15 of Master Circular for CRAs dated May 16, 2024.
5.	January 07, 2025	SEBI/HO/DDHS/DDHS-PoD-3/P/CIR/2025/002	Measures for Ease of Doing Business for CRAs –Timelines.
6.	May 14, 2025	SEBI/HO/DDHS/DDHS-PoD-2/P/CIR/2025/68	Composition of the Internal Audit team for CRAs.
7.	May 15, 2025	SEBI/HO/DDHS/DDHS-PoD-2/P/CIR/2025/70	Rating of Municipal Bonds on the Expected Loss (EL) based Rating Scale.

The Master Circular for CRA's can be accessed [here](#).

III. **SEBI consolidates the various circulars/directions issued on ESG Rating Providers (“ERPs”) into a master circular dated July 11, 2025 (“Master Circular for ERPs”)**

SEBI *vide* Master Circular for ERPs bearing reference number SEBI/HO/DDHS/DDHS-POD-2/P/-CIR/2025/100 has consolidated various circulars specified hereinafter, on ERPs and issued the Master Circular for ERPs to enable the industry and other users to access all the applicable circulars/ directions with respect to ERPs at 1 (one) place.

The ERPs are required to comply with the conditions laid down in the Master Circular for ERPs and the board of directors of the ERPs shall be responsible for ensuring compliance with the provisions stated thereunder. The ERPs shall have the necessary systems and infrastructure in place for implementation of the provisions detailed in the Master Circular for ERPs.

With the issuance of the Master Circular for ERPs, the following circulars/directions issued by SEBI shall stand superseded:

Sr. No.	Date	Reference Number of Circular	Name of Circular
1.	May 16, 2024	SEBI/HO/DDHS/POD3/P/CIR/2024/45	Master Circular for ESG Rating Providers.
2.	July 19, 2024	SEBI/HO/DDHS/DDHS-POD-3/P/CIR/2024/103	Enabling ERPs to undertake ESG rating activities under IFSCA.

3.	January 17, 2025	SEBI/HO/DDHS/DDHS-PoD-3/P/CIR/2025/007	Timeline for Review of ESG Rating pursuant to occurrence of 'Material Events'.
4.	April 29, 2025	SEBI/HO/DDHS/DDHS-PoD-2/P/CIR/2025/59	Clarificatory and Procedural changes to aid and strengthen ERPs.

The Master Circular for ERPs can be [here](#).

IV. SEBI consolidates the various circulars/directions issued on Real Estate Investment Trusts ("REITs") into a master circular dated July 11, 2025 ("Master Circular for REITs")

SEBI *vide* Master Circular for REITs bearing reference number SEBI/HO/DDHS-PoD-2/P/CIR/2025/99 has consolidated various circulars issued from time to time on REITs till July 11, 2025, and issued the Master Circular for REITs to enable stakeholders to have access to all the applicable circulars/directions at 1 (one) place.

This Master Circular for REITs shall come into force from the date of its issuance. With the issuance of this Master Circular on REITs, the following circulars issued by SEBI shall stand superseded.

Sr. No.	Date	Reference Number of Circular	Name of Circular
1.	May 15, 2024	SEBI/HO/DDHS-PoD-2/P/CIR/2024/43	Master Circular for Real Estate Investment Trusts (REITs).
2.	August 06, 2024	SEBI/HO/DDHS/DDHS-PoD-2/P/CIR/2024/108	Amendment to Master Circular for Real Estate Investment Trusts (REITs) dated May 15, 2024 - Board nomination rights to unitholders of REITs.
3.	August 22, 2024	SEBI/HO/DDHS-PoD-2/P/CIR/2024/115	Amendment to Master Circular for Real Estate Investment Trusts (REITs) dated May 15, 2024 - Review of statement of investor complaints and timeline for disclosure of statement of deviation(s).
4.	November 13, 2024	SEBI/HO/DDHS-PoD-2/P/CIR/2024/158	Relaxation from certain provisions for units allotted to an employee benefit trust for the purpose of a unit based employee benefit scheme, Alignment of timelines for making distribution by REITs and Format of Quarterly Report and Compliance Certificate - Real Estate Investment Trusts (REITs).

5.	March 28, 2025	SEBI/HO/DDHS/DDHS-PoD-2/P/CIR/2025/43	Amendment to Master Circular for Real Estate Investment Trusts (REITs) dated May 15, 2024.
6.	May 07, 2025	SEBI/HO/DDHS/DDHS-PoD-2/P/CIR/2025/64	Review of (a) disclosure of financial information in the offer document, and (b) continuous disclosures and compliances by Real Estate Investment Trusts (REITs).
7.	July 12, 2025	SEBI/HO/DDHS/DDHS-PoD-2/P/CIR/2025/88	Investor Charter Real Estate Investment Trusts (REITs).

The Master Circular for REITs can be accessed [here](#).

V. SEBI consolidates the various circulars/directions issued on Infrastructure Investment Trusts (“InvITs”) into a master circular dated July 11, 2025 (“Master Circular for InvITs”)

SEBI *vide* Master Circular for InvITs bearing reference number SEBI/HO/DDHS-PoD-2/P/CIR/2025/102 has consolidated various circulars issued from time to time on InvITs till July 11, 2025 and issued the Master Circular for InvITs to enable the stakeholders to have access to all the applicable circulars/directions at 1 (one) place.

This Master Circular for InvITs shall come into force from the date of its issuance. With the issuance of this Master Circular for InvITs, the following circulars issued by SEBI shall stand superseded:

Sr. No.	Date	Reference Number of Circular	Name of Circular
1.	May 15, 2024	SEBI/HO/DDHS-PoD-2/P/CIR/2024/44	Master Circular for Real Estate Investment Trusts (InvITs).
2.	August 06, 2024	SEBI/HO/DDHS/DDHS-PoD-2/P/CIR/2024/109	Amendment to Master Circular for Infrastructure Investment Trusts (InvITs) dated May 15, 2024 - Board nomination rights to unitholders of InvITs.
3.	August 22, 2024	SEBI/HO/DDHS-PoD 2/P/CIR/2024/114	Amendment to Master Circular for Infrastructure Investment Trusts (InvITs) dated May 15, 2024 - Review of statement of investor complaints and timeline for disclosure of statement of deviation(s).
4.	November 13, 2024	SEBI/HO/DDHS PoD 2/P/CIR/2024/159	Relaxation from certain provisions for units allotted to an employee benefit trust for the purpose of a unit based employee benefit scheme, Alignment

			of timelines for making distribution by InvITs and Format of Quarterly Report and Compliance Certificate - Infrastructure Investment Trusts (InvITs).
5.	March 28, 2025	SEBI/HO/DDHS/DDHS-PoD-2/P/CIR/2025/44	Amendment to Master Circular for Infrastructure Investment Trusts (InvITs) dated May 15, 2024.
6.	May 07, 2025	SEBI/HO/DDHS/DDHS-PoD-2/P/CIR/2025/63	Review of (a) disclosure of financial information in the offer document, and (b) continuous disclosures and compliances by Infrastructure Investment Trusts (InvITs).
7.	July 12, 2025	SEBI/HO/DDHS/DDHS-PoD-2/P/CIR/2025/89	Investor Charter Infrastructure Investment Trusts (InvITs).

The Master Circular for InvITs can be accessed [here](#).

CHAPTER III: IFSCA UPDATES

I. IFSCA issues the framework for Transition Bonds

Transition Finance has emerged as a vital tool to enable hard-to-abate sectors to secure funding for their brown-to-green transformation. To advance this, the IFSCA constituted an expert committee on Climate Finance to recommend policy measures, following which a Consultation Paper on the proposed “Framework for Transition Bonds” was issued for public feedback. Considering global developments, stakeholder inputs, and the specific needs of developing economies like India, the IFSCA now recognises “**Transition Bonds**” as ESG-labelled debt securities and issues the following framework for Transition Bonds (“**Transition Bonds Framework**”).

Please see below some of the key highlights of the Transition Bonds Framework:

1. Eligible Activities

Transition Bonds shall be issued and listed on IFSC-recognised exchanges only if proceeds received thereunder shall be utilized to finance or refinance projects, assets, or activities classified as “transition” under recognised taxonomies or technology roadmaps, including those of ASEAN countries, Australia, Climate Bonds, EU, Singapore, IEA, Japan’s METI, the Government of India, or any other taxonomy approved by IFSCA.

2. Transition Plan

- (i) The issuer shall prepare and maintain a credible transition plan at the entity level, setting out clearly defined and time-bound emission reduction milestones aligned with the Paris Agreement goal of limiting global temperature rise to well below 2°C and pursuing efforts to limit it to 1.5°C.
- (ii) The transition plan shall include a comprehensive, sector-specific decarbonisation strategy detailing technology deployment, operational changes, investment programmes, and indicative timelines for the phase-out of high-emission assets, where feasible.
- (iii) The transition plan shall prescribe quantified, science-based and time-bound targets for the reduction of scope 1 and scope 2 greenhouse gas emissions, together with interim milestones, and, where practicable, shall also address scope 3 emissions.
- (iv) The transition plan shall provide for board-level oversight, with clear allocation of responsibilities for climate-related decision-making, and integration of climate-related risks into the entity’s enterprise risk management framework.
- (v) The transition plan shall demonstrate active engagement with suppliers, customers, employees, and other value chain stakeholders, and may include capacity-building initiatives to support its effective implementation.
- (vi) The issuer shall commit to public disclosure of its transition strategy, targets, progress, and methodologies for measuring emissions and assessing climate risks, together with a framework for monitoring, verification, and accountability.

3. **Appointment of Independent External Reviewer(s)**

- (i) The issuer shall appoint one or more independent external reviewers to confirm that the proposed issuance of a Transition Bond is in alignment with the Transition Bonds Framework.
- (ii) The appointment of such independent external reviewers shall be made in accordance with the conditions prescribed under regulation 76(3) of the IFSCA (Listing) Regulations, 2024 ("**Listing Regulations**").
- (iii) The independent external review may be conducted in the form of a second party opinion, verification, or certification. For this purpose, a credit rating agency or an ESG rating provider registered with IFSCA, or with a regulator in India or a foreign jurisdiction, shall be eligible to act as an independent external reviewer.
- (iv) The issuer shall ensure that the details of the independent external review are adequately disclosed and made easily accessible to investors.

4. **Disclosures and Reporting Requirements for Transition Bonds**

- (i) The issuer shall make the initial and additional disclosures in the offer document or information memorandum, as applicable, in accordance with regulations 70, 77(1) and 78(1) of the Listing Regulations.
- (ii) In addition, the issuer shall disclose the following reporting and disclosures to the recognised stock exchange(s), at least on an annual basis, until the redemption proceeds of the Transition Bond are paid to the investors:
 - Transition Plan and Governance
 - Business Model Materiality:
 - Climate Transition Strategy to be 'Science-Based:
 - Implementation Transparency

5. **Guidance on the disclosure requirements**

In reference to the disclosure requirements, issuers may refer to International Capital Market Association's ('**ICMA**') 'Climate Transition Finance Handbook', as updated from time to time, for further guidance. Issuers are further encouraged to undertake verification of annual disclosures to enhance credibility and transparency

The Transition Bonds Framework can be accessed [here](#).

CHAPTER IV: MCA UPDATES

I. The Investor Education and Protection Fund Authority (“IEPFA”) has issued a public notice for mandatory filing of Form IEPF-1A

The IEPFA, under the Ministry of Corporate Affairs, has issued a public notice dated July 31, 2025 directing companies to ensure mandatory compliance with Rule 5(4A) of the IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016. Companies must file Form IEPF-1A along with the prescribed excel template for earlier transfers made to the IEPF or Central Government

This requirement applies where:

- (i) Any amount referred to in clauses (a) to (d) of sub-section (2) of Section 205C of the Companies Act, 1956 has been transferred to the IEPF or Central Government without submitting the required statement in any format other than in excel template.
- (ii) The companies filed Form IEPF-1 under clauses (a) to (n) of sub-section (2) of Section 125 of the Companies Act, 2013 in any format other than the mandated excel template after the notification dated 20 August 2019.

With the transition of IEPFA to MCA21 V3, Companies must now complete the filing of Form IEPF-1A with the correct excel template within 30 (thirty) days of this notice (i.e., by 30 August 2025). The IEPFA will share the list of relevant SRNs and templates with each company's Nodal Officer via registered email. Failure to comply with timelines shall attract regulatory action under the provisions of Companies Act, 2013.

The above public notice can be accessed [here](#).

CHAPTER V: E-GAZETTE UPDATES

I. The Department of Parliamentary Affairs and Legislation Secretariat, Karnataka, amends the Registration Act, 1908

The Registration (Karnataka Amendment) Act, 2025 (Karnataka Act No. 42 of 2025) ("**Karnataka Amendment**"), notified on 28 July 2025, introduces significant reforms to the registration of property-related instruments in the State of Karnataka. The Karnataka Amendment amends the Registration Act, 1908 ("**Act**") as applicable to the State of Karnataka and received President's assent on 28 July 2025. The Karnataka Amendment shall come into effect on a date to be specified by the Government of Karnataka ("**Karnataka Government**") through a notification in the Official Gazette. Until such date, the previous provisions of the Act will continue to remain in effect.

Please see below the key changes introduced under the Karnataka Amendment:

1. Section 17 - Mandatory Registration of Power of Attorney:

- (i) Section 17(1) of the Act has been amended to insert a new clause (f), making it mandatory to register a power of attorney that authorizes the transfer of immovable property, with or without consideration.
- (ii) Clause (vii) of Section 17(2) of the Act, which previously exempted grants of immovable property by the Karnataka Government from compulsory registration, has been omitted. Henceforth, even instruments evidencing Karnataka Government allotments or transfers of land must be registered, ensuring uniformity and public accessibility of records.

2. Section 33 – Stricter proof requirements for Power of Attorney:

- (i) Section 33(4) of the Act has been amended to change the wording from "may be proved" with "shall be proved" making it obligatory to prove the execution of a power of attorney.
- (ii) A new proviso has also been added requiring the production of proof that the person executing the power of attorney is alive, in a form and manner to be prescribed by the registration authorities.

3. Section 89 – Digital Filing of Instruments executed by Public Officers:

- (i) A new sub- section (5) has been added to Section 89 of the Act, mandating that instruments executed by government officers or notified public functionaries must now be sent electronically to the registering officer within whose jurisdiction, the whole or any part of the immovable property comprised in the instruments is situated.
- (ii) The registering officer is required to electronically file the instrument in the appropriate book number and ensure its electronic preservation.

The Karnataka Amendment can be accessed [here](#).

II. Karnataka Government Introduces Draft Rules for Digital E-Stamping

The Karnataka Government, through a notification dated July 14, 2025, has published the draft Karnataka Stamp (Digital e-Stamp) Rules, 2025 (“**Draft Digital e-Stamp Rules**”). The Draft Digital e-Stamp Rules aim to establish a framework for the issuance and use of digital e-stamps, moving towards a more streamlined and secure process for paying stamp duty. The Draft Digital e-Stamp Rules will come into effect on a date to be notified by the Karnataka Government in the Official Gazette.

Please see below the key highlights of the Draft Digital e-Stamp Rules:

1. The Digital E-Stamp System:

- (i) **Digital e-Stamp Application:** All digital e-stamps will be issued through a dedicated software application developed and notified by the Karnataka Government, being the Digital e-Stamp Application.
- (ii) **Registration:** Any individual or agency wanting to obtain a digital e-stamp must first register themselves on the Digital e-Stamp Application.
- (iii) **Digital e-Stamp Repository:** A Digital e-Stamp Repository will be maintained by the Karnataka Government to permanently store all generated e-stamps. The e-stamp stored in the Digital e-Stamp Repository shall be considered as the original stamp.

2. Procedure for Obtaining a Digital E-Stamp:

- (i) **Provide Details:** The stamp duty payer must provide the necessary details as required by the Digital e-Stamp Application to calculate the correct stamp duty amount.
- (ii) **Enter Instrument Content:** The entire contents of the instrument for which the e-stamp is being obtained must be entered into the Digital e-Stamp Application.
- (iii) **Payment:** The calculated stamp duty must be paid using the payment methods available within the Digital e-Stamp Application.
- (iv) **Generation:** Upon successful payment, the Digital e-Stamp Application will generate a digital e-stamp with a unique number and make it electronically available to the stamp duty payer.

3. Key Features and Provisions:

- (i) **Digital Execution:** The Digital e-Stamp Application will facilitate the digital execution of instruments using an Aadhaar-based e-sign or a Digital Signature Certificate.
- (ii) **Verification:** A mechanism will be available within the Digital e-Stamp Application to verify any digital e-stamp against the original stored in the Digital e-Stamp Repository.

(iii) **Utilization:**

- For instruments that are not compulsorily registrable, the e-stamp is considered executed and utilized the moment it is issued to the stamp duty payer.
- For compulsorily registrable instruments, the e-stamp is considered utilized the moment the instrument is registered.

(iv) **Refunds:** The process for refunding any digital e-stamp duty will be governed by the existing provisions of the Karnataka Stamp Act, 1957.

The Draft Digital e-Stamp Rules can be accessed [here](#).

III. **Maharashtra Government Grants Final Payment Extension for Stamp Duty Amnesty Scheme, 2023**

The Government of Maharashtra (“**Maharashtra Government**”), through its Revenue and Forest Department, has issued a Government Resolution (GR) dated July 21, 2025 (“**Resolution**”), to provide a final extension for the payment of stamp duty and penalty under the Maharashtra Stamp Duty Amnesty Scheme, 2023 (“**the Scheme**”). This extension is specifically aimed at applicants who had successfully filed their applications within the prescribed deadlines but were unable to deposit the necessary amounts due to technical difficulties. This one-month window is designated as a “Special Matter” to bring these pending cases to a conclusion.

Please see below the key highlights of the Resolution:

1. **Background of the Maharashtra Stamp Duty Amnesty Scheme, 2023:**

- (i) **Original Objective:** The Scheme was introduced on December 7, 2023, to provide a reduction and/or remission of stamp duty and penalties on instruments executed between January 1, 1980, and December 31, 2020, which were inadequately stamped.
- (ii) **Implementation Phases:** The Scheme was implemented in 2 (two) phases and received multiple extensions due to a strong public response, with the final deadline for submitting applications ending on September 30, 2024.
- (iii) **Scheme Outcome:** The Maharashtra Government received 81,809 (eighty one thousand eight hundred nine) applications under the Scheme. Out of these, payment was completed for 41,085 (forty one thousand eighty five) cases, leading to a revenue collection of INR 509,61,88,264 (Indian Rupees Five Hundred Nine Crore Sixty One Lakhs Eighty Eight Thousand Two Hundred Sixty Four only). However, 13,566 (thirteen thousand five hundred sixty six) applicants who had filed their applications in time were unable to complete the payment.

2. **The Final Payment Extension:**

- (i) **Rationale:** To provide relief to citizens who had shown intent by applying but were prevented from completing the process due to technical issues, and to secure the pending revenue for the state.

- (ii) **Special Provision:** The extension is granted as a 'Special Matter' to ensure the benefits of the Scheme reaches all eligible applicants and to maximize participation.
- (iii) **Extended Payment Window:** A final, 1 (one) month period is provided for the payment of the deficient stamp duty and penalty amount through challan. This window is effective from July 21, 2025, to August 20, 2025.

3. Key Features and Conditions of the Extension:

- (i) **Eligibility:** This extension is exclusively available to applicants who have already submitted their applications under the Scheme within the previously stipulated deadlines. No new applications will be accepted during this period.
- (ii) **Purpose:** The window is strictly for the purpose of depositing the stamp duty and penalty amount via challan.

The Resolution can be accessed [here](#).

CHAPTER VI: IBBI UPDATES

I. The Insolvency and Bankruptcy Board of India (“IBBI”) has notified the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Fifth Amendment) Regulations, 2025

IBBI has *vide* notification dated July 04, 2025 (“**IBBI Notification**”) introduced the following amendments to the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (“**IRP Regulations**”):

1. Enhanced disclosures in the information memorandum (“IM”):

The resolution professional (“**RP**”) shall mandatorily include in the IM, details of all identified avoidance transactions or fraudulent or wrongful trading of the corporate debtor. Further, the RP is required to keep the IM updated and provide the same to the committee of creditors periodically.

2. Treatment of disclosed transactions in the resolution plan:

- (i) The resolution plan shall not provide for assignment of any avoidance transactions or fraudulent or wrongful trading unless it was: (i) disclosed in the information memorandum; and (ii) intimated to all prospective resolution applicants under sub-regulation (3A) of regulation 35A of the IRP Regulations, before the last date for submission of resolution plans.
- (ii) These amendments aim to facilitate informed decision-making by the committee of creditors as well as the resolution applicants, leading to better price discovery and maximization of value for the assets of the corporate debtor.

The IBBI Notification can be accessed [here](#).



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