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SEBI's ESG debt securities framework

In its Board meeting held on 30 September 2024, the Securities and Exchange Board of India (SEBI) approved the proposal to establish specific frameworks for the issuance of social bonds, sustainability bonds, and sustainability-linked bonds. Together with green debt securities, these instruments are collectively referred to as Environment, Social, and Governance (ESG) debt securities.

Following recommendations from the Industry Standards Forum (ISF), SEBI released a detailed framework on 5 June 2025 governing the issuance and listing of ESG debt securities - specifically targeting social, sustainability, and sustainability-linked bonds, while excluding green debt securities. These new requirements are in addition to the existing provisions under the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (SEBI NCS Regulations) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations (LODR Regulations).

The circular covers the following main points:

- **Applicability**

This circular applies to ESG debt securities that are labelled as 'social bonds',

'sustainability bonds', and 'sustainability-linked bonds', which are either listed or proposed to be listed on a recognised stock exchange.

- **Recognised standards**

The utilisation of proceeds from the issuance of ESG debt securities must be in alignment with one or more of the following recognised frameworks or standards:

- International Capital Market Association (ICMA) Principles
- Climate Bonds Standard
- Association of Southeast Asian Nations (ASEAN) Standards
- European Union (EU) Standards
- Frameworks or methodologies prescribed by Indian financial sector regulators.

- **Bond classifications and definitions**

The classification of a debt security as a green debt security, social bond, or sustainability bond should be determined by the issuer based on the primary objectives of the underlying projects.

- Broadly, the classifications are defined as follows:

- **Social bonds:** Proceeds are directed toward projects that address social challenges and aim to deliver positive social outcomes. Examples include initiatives related to affordable housing, healthcare, sanitation, education, employment generation, food security, sustainable food systems, and socioeconomic empowerment.
- **Sustainability bonds:** Funds are utilised to support a combination of eligible green and social projects, reflecting both environmental and social objectives.
- **Sustainability-linked bonds:** Bonds with financial or structural characteristics that are linked to the issuer's achievement of predefined sustainability Key Performance Indicators (KPIs), measured against Sustainability Performance Targets (SPTs).

- **Disclosure and compliance requirements**

The specific disclosure and compliance obligations for ESG debt securities are outlined in the annexures to the circular.

Key requirements include:

- **Initial disclosures:** Issuers must provide comprehensive details on the objectives of the funded projects, the target beneficiary groups, criteria used for project selection, associated risks, and corresponding mitigation strategies.
- **Ongoing disclosures:** Issuers are required to report on the utilisation of funds and the impact of the projects. These disclosures should include both qualitative and, where feasible, quantitative performance indicators, and must be published alongside the issuer's annual report and financial results.
- **Third-party review:** Issuers must appoint an independent reviewer with expertise in ESG debt instruments to validate the issuer's alignment with recognised standards, verify KPIs and SPTs (in the case of sustainability-linked bonds), and assess the quality and credibility of impact reporting.



SEBI's ESG debt securities framework (contd.)

- **Mitigating risk of purpose-washing¹**

To uphold integrity and transparency in ESG debt issuances, issuers are required to:

- Monitor project operations to minimise adverse social or sustainability impacts.
- Avoid misleading labelling that could misrepresent the nature or purpose of the bond.
- Quantify any negative externalities associated with the utilisation of funds raised.
- Refrain from making false claims that imply third-party certification where none exists.
- Disclose instances where funds raised through social or sustainability bonds are used for purposes that do not align with the respective bond classification, ensuring investors are informed.

- **Special provisions for Small and Medium Enterprise (SME) issuers**

Issuers eligible to list specified securities on an SME exchange and intending to issue ESG debt securities must comply with the post-listing obligations outlined in Annexures A and B of the circular. Additionally, they are required to adhere to the provisions specified in Paragraph 2 of Chapter IX (Green Debt Securities) of the SEBI NCS Master Circular, on a bi-annual basis.

The framework is effective from 5 June 2025.

(Source: SEBI Circular no SEBI/HO/DDHS/DDHS-POD-1/P/CIR/2025/84 'Framework for Environment, Social and Governance (ESG) Debt Securities (other than green debt securities)'; dated 05 June 2025)



1. Purpose-washing may be defined as 'making false, misleading, unsubstantiated, or otherwise incomplete claims about the purpose for which bonds are issued.'



Temporary relief from physical dispatch of financial documents

Regulation 58(1)(b) of the LODR Regulations requires listed entities to send physical copies of the statement containing the salient features of all documents specified under Section 136 of the Companies Act, 2013, to holders of non-convertible securities (NCS) who have not registered their email addresses with either the listed entity or any depository.

The Ministry of Corporate Affairs (MCA) had extended the relaxation from the requirement to send physical copies of financial statements, including the Board's report, Auditor's report, and other accompanying documents, for Annual General Meetings (AGMs) held up to 30 September 2025². In alignment with this, SEBI, on 21 April 2025, issued a proposal inviting public comments on extending similar limited relaxations under its regulatory framework.

In response to stakeholder feedback and in alignment with the MCA, SEBI has, through its circular dated 5 June 2025, granted the following relaxations with immediate effect:

1. Entities with listed NCS that have complied with the conditions outlined in MCA Circular

No. 09/2024 and have not dispatched physical copies of the documents specified under Section 136 of the Companies Act, 2013 to NCS holders without registered email addresses, will not be penalised **for non-compliance with Regulation 58(1)(b) of the LODR Regulations for the period from 1 October 2024 to 5 June 2025.**

2. A similar relaxation will also be given from **6 June 2025 to 30 September 2025**, provided that issuers of listed NCS include a web link to the financial documents specified under Section 136 of the Companies Act, 2013 in their advertisements published in accordance with Regulation 52(8) of the LODR Regulations.

(Source: SEBI Circular SEBI/HO/DDHS/DDHS-PoD-1/P/CIR/2025/83 on 'Limited relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015'; dated 05 June 2025)

2. General Circular no. 09/2023 dated 25 September 2023 and General Circular no.09/2024 dated 19 September 2024.

3. The term 'Regulated Entity' refers to SEBI registered/ recognised intermediaries (for example stockbrokers, sub brokers, share transfer agents, mutual funds, KYC Registration Agencies, by SEBI – QRTAs, etc.) and Market Infrastructure Institutions (Stock Exchanges, Depositories and Clearing Corporations) regulated. Entities within SEBI's purview, refer to Securities Contracts (Regulation) Act 1956, SEBI Act 1992, and Depositories Act 1996.

SEBI's Cybersecurity and Cyber Resilience Framework (CSCRF)

On 20 August 2024, SEBI introduced the Cybersecurity and Cyber Resilience Framework (CSCRF) for SEBI-regulated entities (REs)³, aimed at addressing evolving cyber threats, aligning with industry best practices, enhancing audit efficiency, and ensuring regulatory compliance.

To provide greater clarity on key concepts under the CSCRF and the framework for cloud adoption by REs, SEBI has now released a set of Frequently Asked Questions (FAQs). These FAQs serve as interpretative guidance and are intended to be read in conjunction with the relevant SEBI regulations and circulars. The FAQs are organised into 17 thematic areas, covering topics such as cyber audits and timelines, threat intelligence, incident response and recovery, among others.

Subsequently, on 30 June 2025, in response to multiple requests from regulated entities, SEBI extended the compliance deadline for CSCRF by two months, with the new deadline set as 31 August 2025. This extension is for all REs except Market Infrastructure Institutions (MIIs), KYC Registration Agencies (KRAs) and

Qualified Registrars to an Issue and Share Transfer Agents (QRTAs).

(Source: SEBI FAQs on Cybersecurity and Cyber Resilience Framework (CSCRF) for SEBI REs and Framework for Adoption of Cloud Services by SEBI REs; dated 11 June 2025 and SEBI Circular SEBI/HO/ ITD-1/ITD_CSC_EXT/P/CIR/2025/96 'Extension towards Adoption and Implementation of Cybersecurity and Cyber Resilience Framework (CSCRF) for SEBI Regulated Entities (REs)', dated 30 June 2025)





SEBI issues the Revised RPT Industry Standards

Regulation 23 of the LODR Regulations require Related Party Transactions (RPTs) to be approved by the Audit Committee (AC) and if material, by the shareholders, as well. Additionally, Part A and Part B of Section III-B of SEBI Master Circular dated 11 November 2024 (Master Circular) specified the information to be placed before the AC and shareholders, respectively, for consideration of RPTs. However, no standard format for presenting RPTs to the AC or shareholders was prescribed. Considering these requirements, SEBI on 14 February 2025 issued a circular⁴, wherein it has provided that, the ISF⁵ to introduce standards for 'minimum information to be provided for review of the audit committee and shareholders for approval of RPTs' (RPT Standards) which will enable listed entities

comply with requirements of LODR Regulations and SEBI Master circular. The RPT Standards provided the format to be used by listed entities to provide minimum information to the AC and shareholders. This circular was originally effective from 1 April 2025 and was subsequently deferred to 1 July 2025, based on stakeholders' feedback regarding implementation challenges.

In response to stakeholder feedback and calls for simplification, the ISF, in collaboration with SEBI, released the Revised RPT Standards on 26 June 2025. These Revised RPT Standards aim to streamline RPT disclosures, enhance transparency, and reduce the compliance burden for listed entities.

The Revised RPT Standards are effective from

1 September 2025, superseding all prior SEBI circulars on the subject. Listed entities will be required to adopt these standards to ensure compliance with the disclosure requirements outlined in Part A and Part B of Section III-B of the SEBI Master Circular, read in conjunction with Regulations 23(2)⁶, 23(3)⁷, and 23(4)⁸ of the LODR Regulations.

Key features of the Revised RPT Standards are:

A. Applicability

Applicable to:

1. All RPTs placed before Audit Committees under Regulations 23(2) & 23(3)
2. Material RPTs defined under Regulations

23(1) & 23(1A)⁹ which require approval from both the AC and shareholders.

Not applicable to:

1. Exempted transactions under Regulation 23(5)¹⁰
2. Quarterly reviews of RPTs by the AC in relation to each omnibus approval given (as required by Regulation 23(3)(d)).
3. Transactions with a related party (individually or cumulatively during a financial year) that do not exceed INR1 crore, including those approved via ratification.



4. Circular no. SEBI/HO/CFD/CFD- PoD - 2/P/CIR/2025/18 dated 14 February 2025
5. The Industry Standards Forum (ISF) comprising of representatives from three industry associations, viz. Associated Chambers of Commerce and Industry of India (ASSOCHAM), Confederation of Indian Industry (CII) and Federation of Indian Chambers of Commerce & Industry (FICCI).
6. 23(2): All RPTs and subsequent material modifications shall require prior approval of the Audit Committee of the listed entity
7. 23(3): An audit committee may grant omnibus approval for related party transactions proposed to be entered into by the listed entity or its subsidiary. It would need to fulfil certain conditions.
8. 23(4): All material RPTs and subsequent material modifications as defined by the Audit Committee under Regulation 23(2) shall require prior approval of the shareholders through resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.
9. As per Regulation 23(1) and 23(1A), an RPT would be considered to be material,
 - based on the materiality policy formulated by the listed entity including clear threshold limits which are duly approved by the Board of Directors.
 - individually or taken together with previous transactions during a financial year, which exceed the lower of INR1,000 crore or 10 per cent of annual consolidated turnover; or
 - individually or taken together with previous transactions during a financial year exceed 5 per cent of annual consolidated turnover for brand usage/royalty payments.
10. The following transactions are not subject to shareholders' approval under the specified sub-regulations:
 - Public sector transactions: Transactions entered into between a public sector company on one hand and the Central Government or any State Government or any combination thereof on the other hand.
 - Holding-subsidary transactions: Transactions between a holding company and its wholly owned subsidiary, provided their accounts are consolidated and presented to shareholders for approval.
 - Subsidiary-subsidary transactions: Transactions between two wholly owned subsidiaries of a listed holding company, with consolidated accounts placed before shareholders for approval.
 - Statutory payments: Payments of statutory dues, fees, or charges made to or received from the Central or State Government.



SEBI issues the Revised RPT Industry Standards (contd.)

B. Updated compliance and disclosure framework

The Revised RPT Standards outline a structured three-step approach for listed entities to obtain necessary approvals from the AC and shareholders:

- Identify related parties in accordance with the LODR Regulations.
- Determine which RPTs are exempt from approval requirements. Further, assess whether the RPT qualifies as material under Regulations 23(1) and 23(1A).
- Disclose minimum required information using a standardised three-part format:
 - Part A:** Common disclosures applicable to all RPTs.
 - Part B:** Additional disclosures specific to the nature of the RPT in addition to part A above.
 - Part C:** Additional details for material RPTs, building on the disclosures in Part B.

Key changes in comparison to erstwhile RPT Standards have been summarised in the table below:

Features of minimum information	RPT Standards	Revised RPT Standards
AC comments along side management comments	Required	Discretionary
Certification on proposed RPTs being in the interest of listed entity to be signed by	Chief Executive officer (CEO)/Chief Financial Officer (CFO)/Key Managerial Personnel (KMP) of the listed entity and all promoter directors	CEO/Managing director (MD)/Whole time director (WTD)/Manager and CFO
Copy of valuation/expert reports considered by Audit Committee	Copy to be provided shareholders	A web-link and QR code to access reports is to be provided
Redaction of commercially sensitive information from minimum information to be provided to shareholders - approval required	By AC alone	By AC and Board of Directors
Justification to shareholders for non-invitation of bids for specific transactions	Required	Removed
Confirmation by audit committee on promoter not benefiting from RPT at expense of shareholder	Required	Removed
Board recommendation to the shareholders for approval of material RPT or significant modification to RPT	Not required	Required

The Revised RPT Standards build on the earlier version by introducing a more structured and tiered disclosure of information format, easing certain requirements for non-material transactions, and removing prescriptive elements such as mandatory peer benchmarking and bid processes. These refinements offer practical relief to companies, especially in terms of reduced documentation for lower-risk transactions, while still maintaining transparency and governance.

(Source: SEBI Circular SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/93 and ISF document on 'Industry Standards on 'Minimum information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions' dated 26 June 2025)





SEBI Board meeting

To promote investor inclusion and simplify the Initial Public Offer (IPO) process, SEBI approved a series of regulatory amendments during its June 2025 Board meeting. Key updates include the following:

1. Amendments to ICDR and SBEB Regulations for Ease of Doing Business:

• Expanded OFS Eligibility

Under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (ICDR Regulations) and SEBI (Share Based Employee Benefits) Regulations, 2021 (SBEB Regulations), equity shares offered through an Offer for Sale (OFS) in an IPO were previously required to have a minimum holding period of one year, unless they were acquired under an approved scheme¹¹. However, this exemption did not extend to shares arising from the conversion of fully paid-up Compulsorily Convertible Securities (CCS) received under such schemes. SEBI has now extended the OFS exemption to include equity shares resulting from the conversion of CCS under approved schemes. This change allows investors holding such converted shares to

participate in the OFS without waiting for a one-year holding period. This exemption is also expected to notably benefit companies pursuing reverse flipping i.e. relocation their incorporation from foreign jurisdiction to India.

• Minimum Promoter Contribution (MPC) flexibility

Under the ICDR Regulations, companies going public are required to ensure a MPC - a specified percentage of post-issue capital contributed by promoters. Previously, only promoters were allowed to contribute equity shares arising from the conversion of fully paid-up CCS toward this requirement. SEBI has now expanded the eligibility to allow certain relevant entities, apart from promoters, to contribute CCS-converted equity shares toward MPC. These entities include:

- Alternative Investment Funds (AIFs)
- Foreign Venture Capital Investors (FVCIs)
- Scheduled commercial banks
- Public financial institutions
- Insurance companies registered with Insurance Regulatory and

Development Authority of India (IRDAI)

- Non-individual public shareholders holding ≥ 5 per cent of post-issue capital
- Promoter group members

• ESOP relief for founders

Under the SBEB Regulations, promoters were prohibited from holding or being granted share-based benefits, such as Employee Stock Option Plans (ESOPs) during IPOs. If a founder held ESOPs at the time of filing the Draft Red Herring Prospectus (DRHP), they were required to liquidate or surrender those benefits before the IPO. This rule was intended to maintain transparency and avoid conflicts of interest but had unintended consequences for startup founders. SEBI has now allowed founders to hold and exercise these benefits provided they were granted at least one year before filing the DRHP.

2. Amendment to ICDR Regulations to mandate dematerialisation of existing securities of select shareholders

SEBI has now approved the proposal to mandate dematerialisation of securities held

by specific categories of shareholders prior to filing the DRHP. Previously, only promoters were required to hold their shares in dematerialised form before an IPO. Post amendment, the following shareholder categories are also required to dematerialise their holdings before the DRHP filing:

- Promoter group
- Selling shareholders
- Key Managerial Personnel (KMPs)
- Senior management
- Qualified Institutional Buyers (QIBs)
- Directors
- Employees
- Shareholders with special rights
- Entities regulated by financial sector regulators
- Any other category as specified by SEBI

This amendment is aimed at enhancing transparency, reducing fraud and legal disputes, enabling faster transfers, and fostering a stronger compliance culture across the listing ecosystem.

11. Equity shares offered for sale were acquired pursuant to any scheme approved by a High Court or approved by tribunal or Central Government under the Sections 230 to 234 of Companies Act, 2013, as applicable, in lieu of business and invested capital which had been in existence for a period of more than one year prior to approval of such schemes.



SEBI Board meeting (contd.)

3. Simplification of placement document for QIP

SEBI has amended the ICDR Regulations, basis a consultation paper issued in May 2025 to simplify and streamline the placement document requirements for Qualified Institutional Placements (QIPs) by listed entities. This builds on earlier reforms made to the Rights Issue process.

Key changes include:

- Issue-specific risk disclosures only: Issuers are now required to disclose only those risk factors that are materially relevant to the public issue and its specific objectives, removing the requirement to include general or non-specific risks.
- Summary financials: Issuers can provide a summary of their financial position instead of full financial statements.
- Concise business and industry overview: A brief summary replaces detailed descriptions.

These changes are based on the premise that most key information about listed entities is already publicly accessible, allowing SEBI to eliminate duplication in QIP placement documents.

4. Special measures for voluntary delisting of certain PSUs

SEBI has amended the Delisting of Equity Shares Regulations, 2021 to introduce a special delisting framework for Public Sector Undertakings (PSUs) - excluding banks, NBFCs, and insurance companies where the Government of

India and/or other PSUs hold 90 per cent or more of the total issued shares. Key relaxations given include:

- The requirement for two-thirds approval from public shareholders for delisting is waived for eligible PSUs.
- Delisting will be done at a fixed price, set at a minimum 15 per cent premium over a newly defined floor price. The detailed method to calculate the new floor price has been provided.
- Post delisting safeguards have been provided for investors.

5. Amendments to SSE framework

SEBI has approved several amendments to the regulatory framework governing the Social Stock Exchange (SSE) to improve accessibility and ease of doing business for social enterprises, including both Not-for-Profit Organisations (NPOs) and For-Profit Social Enterprises (FPEs). Key amendments include:

- Expanded definition of NPOs: to widen the pool of investors, legal entities such as trusts, charitable societies, and Section 25 companies are now included under the definition of NPOs.
- Introduction of Social Impact Assessment Organisations (SIAOs): This term replaces the term 'social impact assessment firm' with a profession-agnostic designation. SIAOs must be empanelled with Institute of Chartered

Accountants of India (ICAI), Institute of Company Secretaries of India (ICSI), or Institute of Cost Accountants of India (ICMAI) and have at least two full-time assessors with more than 3 years of experience.

- Fundraising timeline: Social enterprises must raise funds via SSE within two years of registration, and if not, their registration will lapse.
- Expanded eligible activities: The eligible fundraising activities are aligned with Schedule VII of the Companies Act, 2013 on CSR activities, broadening the scope of impact sectors.
- Relaxed eligibility for NPOs: The requirement to have a fixed percentage of activities in eligible areas now applies only to for-profit social enterprises, easing compliance for NPOs.
- Disclosure and reporting requirements
- Annual disclosures are now bifurcated into financial and non-financial matters, with separate timelines for each. Further, NPOs may self-report annual impact even if they haven't raised funds through SSE.

(Source: SEBI Board Meeting PR No. 33/2025, dated 18 June 2025)



Review of qualifying asset criteria for NBFC-MFIs

The Reserve Bank of India (RBI), through its notification dated 6 June 2025, has revised the qualifying asset criteria for Non-Banking Financial Companies - Microfinance Institutions (NBFC-MFIs). The minimum threshold for qualifying assets has been reduced from 75 per cent to 60 per cent of total assets (excluding intangible assets), to be maintained on an ongoing basis.

The definition of qualifying assets has now been aligned with the definition of microfinance loans¹² as outlined in Paragraph 3 of the Master Direction - Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022.

In case an NBFC-MFI fails to meet the 60 per cent threshold for four consecutive quarters, it is required to submit a remediation plan to the RBI for further consideration.

This revised framework is effective from 6 June 2025.

(Source: RBI Notification RBI/2025-26/44 DoR.FIN.REC.25/03.10.038/2025-26 on 'Review of qualifying assets criteria; dated 6 June 2025)

RBI issued Project Finance Directions, 2025

The RBI has issued the Project Finance¹³ Directions, 2025 (the Directions), establishing a unified regulatory framework for all regulated entities (REs) engaged in project financing across both infrastructure and non-infrastructure sectors. These directions will come into effect from 1 October 2025 and aim to strengthen prudential oversight, ensure timely resolution of financial stress, and streamline sanction and disbursement practices. Key highlights of the Directions are:

A. Applicability: The Directions apply to the following regulated entities (REs):

- Commercial banks, including small finance banks, but excluding payments banks, local area banks, and regional rural banks.
- All Non-Banking Financial Companies (NBFCs), including Housing Finance Companies.
- Primary (urban) cooperative banks.
- All India Financial Institutions (AIFIs)

Projects with financial closure before the effective date will not come under the purview of these directions unless there's a credit event or material loan restructuring after the effective date.

B. Project lifecycle classification:

Under the Directions, projects are classified into three distinct phases, each with aligned prudential norms:

- Design phase: Covers the initial development and planning stages of the project.
- Construction phase: Begins post-financial closure and continues until the day before the actual Date of Commencement of Commercial Operations (DCCO).
- Operational phase: Starts from the DCCO and continues until the full repayment of the project finance exposure.

C. Sanction and disbursement norms

Sanctioning of project finance requires clear documentation of both financial closure and the DCCO. The loan agreement must include a project-specific disbursement schedule, and a realistically structured repayment plan post-DCCO. The total repayment period, including any moratorium, must not exceed 85 per cent of the project's economic life. Further, exposure thresholds for lenders are defined based on the overall project size and disbursement of funds is conditional upon minimum land acquisition and achievement of defined project milestones.

12. As per the Master Direction 2022, a microfinance loan is defined as a collateral-free loan given to a household having annual household income up to ₹3,00,000. For this purpose, the household shall mean an individual family unit, i.e., husband, wife and their unmarried children.

13. Project Finance— refers to the method of funding a project in which the revenues to be generated by the funded project serve as the primary security for the loan, and also as a source of repayment. Project finance may take the form of financing the construction of a new capital installation (greenfield) or financing an improvement/enhancement in the existing installation (brownfield).

RBI issued Project Finance Directions, 2025 (cont..)

D. Monitoring and resolution framework

Lenders are required to continuously monitor project performance and proactively address any signs of financial stress. Indicators of stress termed as ‘credit events’ trigger a mandatory review and collective resolution process under RBI’s Prudential Framework¹⁴. A lender shall undertake a prima facie review of the borrower’s account to be initiated within 30 days of a credit event (the review period). Furthermore, extensions to DCCO, along with corresponding adjustments to the repayment schedule (for an equal or shorter duration), are permitted without affecting the asset’s classification, provided they fall within the following limits:

	Infrastructure projects	Non-infrastructure projects
Permitted deferment of DCCO from the original DCCO	Upto 3 years	Upto 2 years

E. Provisioning norms:

For project finance exposures, a lender shall maintain a general provision at the following rates for the funded outstanding on a portfolio basis. Further, to reinforce financial discipline in projects with deferred DCCO, the RBI has introduced incremental provisioning norms: 0.375 per cent, per quarter of deferment for infrastructure project loans. 0.5625 per cent, per quarter of deferment for non-infrastructure project loans, including CRE and CRE-RH. These are over and above the applicable standard asset provisioning requirements.

	Construction phase	Operational phase – after commencement of repayment of interest and Principal
Commercial Real Estate (CRE)	1.25 per cent	1.00 per cent
Commercial Real Estate – Residential Housing (CRE-RH)	1.00 per cent	0.75 per cent
All others	1.00 per cent	0.40 per cent

F. Transparency and compliance:

RE’s must maintain comprehensive databases and ensure timely disclosures in prescribed formats. Any non-compliance with these requirements will attract penal consequences. These Directions mark a significant advancement in promoting credit discipline and enhancing stakeholder confidence in India’s project finance ecosystem, especially vital for long-gestation infrastructure investments.

(Source: RBI/2025-26/59 DOR.STR.REC.34/21.04.048/2025-26, ‘Reserve Bank of India (Project Finance) Directions, 2025’ dated 19 June 2025)



14. While the Prudential Framework is otherwise not applicable to certain categories of lenders to which the Directions are addressed, all the norms applicable to implementation of a resolution plan, and specific implementation conditions, as laid out in the Prudential Framework shall be applicable to all lenders for any resolution plan implemented under this facility.



Revised Guidelines for DEA Fund Scheme, 2014

The RBI has issued revised operational guidelines (the Guidelines) for the Depositor Education and Awareness (DEA) Fund Scheme, 2014 (the Scheme), aimed at consolidating and streamlining instructions issued since the Scheme's inception. These Guidelines will be effective from 1 October 2025 and apply to commercial banks, regional rural banks, small finance banks, payment banks and cooperative banks. The key updates are:

1. e-Kuber registration

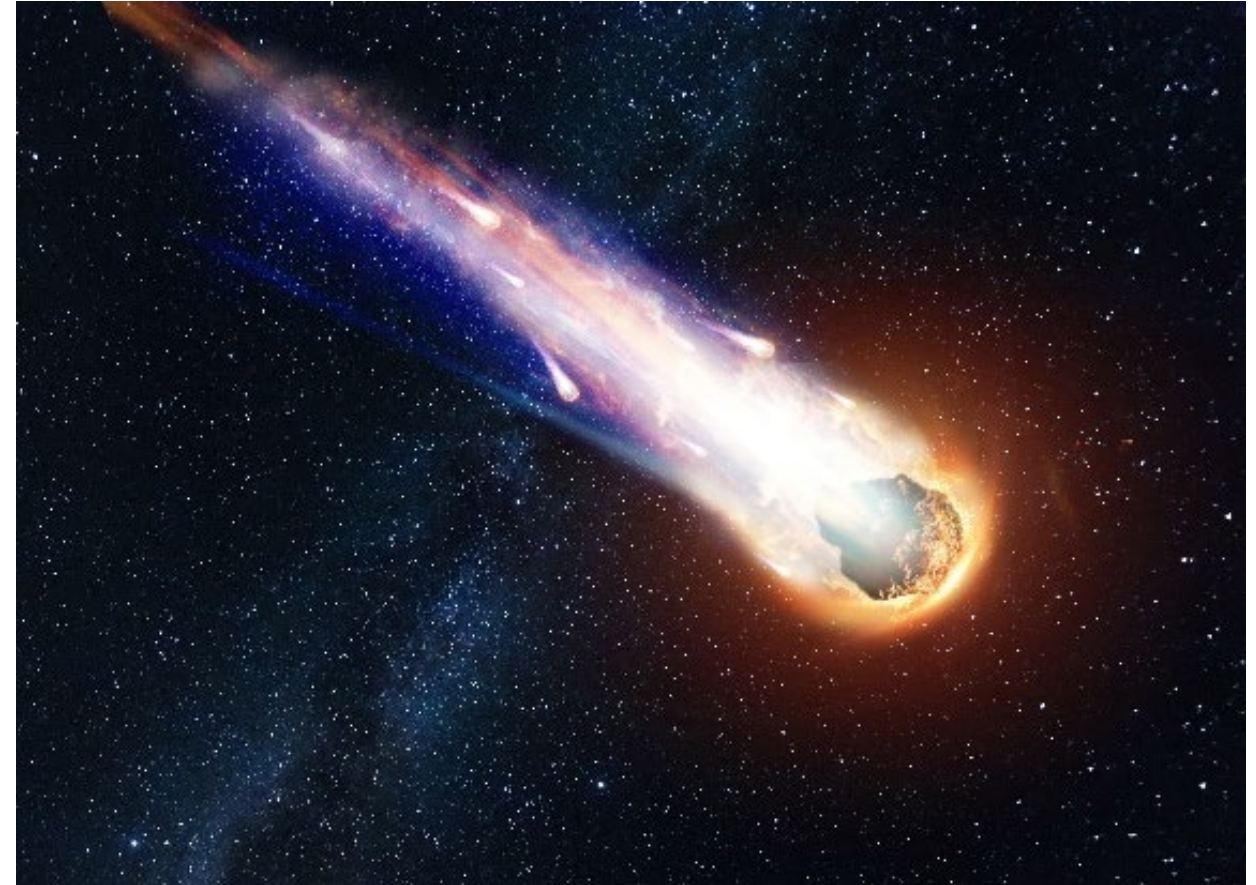
The Guidelines outline the procedures for registering on the e-Kuber platform, transferring unclaimed deposits on a monthly basis, submitting refund claims, and adhering to the prescribed formats and timelines for returns and certificates. Banks are required to appoint authorised signatories, maintain customer-specific records, and file monthly, half-yearly, and annual returns, duly certified by internal and concurrent auditors. The RBI has also introduced rectification forms to resolve discrepancies in deposit transfers or claims. Furthermore, banks are required to disclose DEA fund-related liabilities in their financial statements and ensure that contact details for correspondence are kept up to date.

2. Statutory auditor certification

Banks are required obtain an annual certificate from their statutory auditors detailing item-wise outstanding amounts due as of year-end. This certificate is required to be submitted to the RBI within one month of audit completion, but not later than 20 September of the subsequent financial year.

These revisions are designed to improve operational efficiency, ensure accurate fund management, and better protect depositor interests.

(Source: RBI notification RBI/2025-26/62, DoR.SOG (DEA Fund) No.37/30.01.002/2025-26, 'The Depositor Education and Awareness (DEA) Fund Scheme, 2014 – Revised Operational Guidelines'); dated 25 June 2025)





SEBI updates



RBI updates



MCA updates



Other updates

MCA issued amendments to Companies Act, 2013 Rules

1. Companies (Restriction on Number of Layers) Amendment Rules, 2025

The MCA notified the Companies (Restriction on Number of Layers) Amendment Rules, 2025 on 27 June 2025, with the rules set to take effect from 14 July 2025. The existing Form CRL-1 is replaced with a new format for reporting the number of layers of subsidiaries. The revised version requires detailed disclosures about each subsidiary's identity and ownership. Unlike the earlier form, which only asked for the number of layers and entities per layer, the new version requires comprehensive information for every subsidiary in the corporate structure.

2. Companies (Incorporation) Amendment Rules, 2025

Notified by the MCA and effective 14 July 2025, these amendments update the 2014 incorporation rules to promote digital compliance and transparency. The amendment introduces a revised version of Form INC-22A (ACTIVE) under Rule 25A of the Companies (Incorporation) Rules, 2014. This form is used for active company tagging identities and verification. This form enhances the accuracy of company records and mandates physical verification of the registered

office. Filing must now be done directly on the MCA V3 portal, and failure to comply may result in an 'ACTIVE–Non-Compliant' status, restricting the filing of other key forms.

3. Companies (Filing of Documents and Forms in Extensible Business Reporting Language) Amendment Rules, 2025

The MCA introduced a new compliance requirement under Rule 3 of the XBRL Rules through the Companies (Filing of Documents and Forms in Extensible Business Reporting Language) Amendment Rules, 2025, effective 14 July 2025. A newly inserted sub-rule (1A) mandates that companies filing financial statements in XBRL format must also upload a PDF copy of the signed and authenticated financials, including the Board's Report, Auditor's Report, and other documents as specified under Section 134 of the Companies Act, 2013 along with eForm AOC-4 XBRL. The format of the eForm AOC-4 XBRL has been revised to accommodate these changes.

(Source: MCA Notification G.S.R. 427(E) and G.S.R. 426(E) dated 27 June 2025; and MCA notification G.S.R. 371(E) dated 6 June 2025)

MCA's proposal to extend the exemption under Section 186 of the Companies Act, 2013

Under Section 186(11)(a) of the Companies Act, 2013, NBFCs registered with the RBI and engaged in lending or providing guarantees/security in the ordinary course of business are exempt from most provisions of Section 186, except sub-section (1)¹⁵.

Following a request from the International Financial Services Centres Authority (IFSCA), and in consultation with the Department of Economic Affairs, RBI, and IFSCA, the Ministry of Corporate Affairs (MCA) has proposed an amendment to Rule 11(2) of the Companies (Meetings of Board and its Powers) Rules to extend this exemption to finance companies registered with IFSCA.

The period for providing comments on the draft proposal ended on 17 July 2025.

(Source: Ministry of Corporate Affairs CL-I Section, Notice No. 1/32/2013-CLV(Part); dated 26 June 2025 and MCA notification (draft) G.S.R. (E). date_June_2025)



15. This is as per the current framework of Section 186(11)(a) of the Companies Act, 2013, read with Rule 11(2) of the Companies (Meetings of Board and its Powers) Rules, 2014



Request for comments on post-implementation review of IFRS 16 – Leases

1. The Accounting Standards Board (ASB) of the ICAI invited public comments on the post-implementation review (PIR) of IFRS 16 – Leases, launched by the International Accounting Standards Board (IASB). As part of its stakeholder engagement process, the IASB conducts PIRs to evaluate whether newly implemented standards are functioning as intended for users, preparers, auditors, and regulators.
2. Indian Accounting Standards (Ind AS) are aligned with IFRS Standards issued by the IASB. To facilitate Indian stakeholders' participation, ICAI had made the Request for Information available on its website. The period for comments ended on 31 August 2025.

(Source: Accounting Standards Board, The Institute of Chartered Accountants of India, 'Request for Information on Post-implementation Review of IFRS 16 Leases by IASB' dated 30 June 2025)



Plastic waste management (second amendment) rules, 2025

Effective from 3 June 2025, the Ministry of Environment, Forest and Climate Change (MoEFCC) introduced Plastic waste management (second amendment) rules, 2025 to strengthen the implementation of Extended Producer Responsibility (EPR) and promote the use of recycled plastic in packaging. The key provisions include:

1. Mandatory use of recycled plastic content:

Producers, importers, and brand owners must incorporate recycled plastic in packaging based on the category:

- **Category I:** 30 per cent in FY 2025-26, increasing to 60 per cent by FY 2028-29
- **Category II:** 10 per cent in FY 2025-26, increasing to 20 per cent by FY 2027-28
- **Category III:** 5 per cent in FY 2025-26, increasing to 10 per cent by FY 2027-28

2. Exemptions:

The Central Pollution Control Board (CPCB) may grant exemptions on a case-by-case basis for statutory constraints (e.g., conflicting legal provisions) or technical limitations affecting product usability.

3. Food-contact packaging:

In cases where recycled content targets cannot be met despite best efforts, entities may carry forward shortfalls from FY 2025-26 for up to three years, starting FY 2026-27, over and above the target mandated for these years.

4. Reuse obligations for rigid plastic packaging (Category I):

Brand owners must meet minimum reuse targets for rigid plastic packaging as specified in the amendment.

5. Credit mechanism for importers:

Imported recycled plastic will not count toward compliance. In such situation, importers falling short must purchase compliance certificates from other entities with surplus recycled content usage. CPCB will establish a centralised online portal for certificate exchange and reporting.

6. Reporting and compliance:

All obligated entities must submit compliance data through the CPCB's centralised portal.

(Source: Ministry of environment, forest and climate change, notification no G.S.R 365(E); dated 3 June 2025)



IFRS Foundation issues guidance on climate-related transition disclosures

On 23 June 2025, the IFRS Foundation published a guidance document titled “Disclosing information about an entity’s climate-related transition, including information about transition plans, in accordance with IFRS S2.” to assist entities in providing robust disclosures about their climate-related transition strategies, encompassing both mitigation and adaptation efforts. This guidance builds upon the foundational work of the Transition Plan Taskforce (TPT), which the Foundation assumed responsibility for in 2024.

The primary objectives of the guidance are to:

- Help entities applying IFRS S2 deliver high-quality and relevant climate-related disclosures.
- Address both climate mitigation efforts (such as reducing greenhouse gas emissions) and adaptation strategies (such as enhancing resilience to physical climate risks).
- Minimise fragmented disclosures, thereby reducing compliance costs and improving comparability for stakeholders.

Key aspects of the guidance include:

- It builds upon the work of the Transition Plan Taskforce (TPT) and is designed for global applicability.

- It defines climate-related transition as a strategic process aligned with an entity’s overall objectives and resource allocation, aimed at responding to climate-related risks and opportunities.
- It provides detailed recommendations on what entities should disclose under IFRS S2 when pursuing lower-carbon or climate-resilient business models.
- It allows jurisdictions to introduce additional local disclosure requirements, provided that the sustainability-related financial disclosures under IFRS S2 remain clearly identifiable and are not obscured by supplementary information.
- Importantly, the guidance does not modify the existing requirements of IFRS S2.

(Source: [ifrs.org>>news and events>> IFRS Foundation publishes guidance on disclosures about transition plans; dated 23 June 2025](https://www.ifrs.org/news-and-events/2025/06/ifrs-foundation-publishes-guidance-on-disclosures-about-transition-plans/))





Website: bsr-co.in

Feedback/queries can be sent to in-fmcontact-us@bsraffiliates.com

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