

JUNE 2025

NEWSLETTER

REGULATORY

- RBI
- SEBI
- MCA



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1. Foreign Exchange Management (Foreign Currency Accounts by a Person Resident in India) (Sixth Amendment) Regulations, 2025

Notification No. FEMA 10 (R)(6)/2025-RB

Dated: April 29, 2025

Published on: June 6, 2025

Vide this notification, RBI has amended the Foreign Exchange Management (Foreign Currency Accounts by a Person Resident in India) (Sixth Amendment) Regulations, 2015 (“Principal Regulations”).

Amendment is made in Schedule II of the Principal Regulations. The amendment extends the qualification period of trade record from 2 years to 3 years for individuals applying for a Diamond Dollar Account¹.

(¹A Diamond Dollar Account (DDA) is a specialized US Dollar denominated current account that Indian firms dealing in the diamond and precious metal jewellery trade can open and maintain with authorized dealer banks. These accounts are regulated by the Reserve Bank of India (RBI) and are designed to facilitate international transactions related to the purchase and sale of rough and polished diamonds, colored gemstones, and related jewellery.)

[Notification](#)**2. Reserve Bank of India (Know Your Customer (KYC)) (Amendment) Directions, 2025**

Notification No. RBI/2025-26/51, DOR.AML.REC.30/14.01.001/2025-26

Dated: June 12, 2025

Vide this notification, RBI has amended the Reserve Bank of India (Know Your Customer (KYC)) Directions, 2016 (hereinafter referred to as Master Direction).

Following are the key amendments in the Master Circular:

- 1. Extended Timeline for Low-Risk Customers:** Regulated Entities (“REs”) shall now be required to continue allowing transactions for individual customers classified as low-risk, even if their KYC updation has been overdue. These customers must be allowed to complete their KYC updation up to 1 (one) year from the due date or by June 30, 2026, whichever is later.
- 2. Role of Business Correspondents (“BCs”):** Banks have been permitted to utilize authorized Business Correspondents for facilitating KYC updation, particularly where there is no change in KYC information or only an address update. Customers can submit a self-declaration and supporting documents through BCs. This can be done electronically through biometric-based e-KYC authentication or, until such systems are fully operational, in physical form. The BC shall be required to verify the documents, forward them to the relevant bank branch, and provide customers with an acknowledgment. The bank must then update the customer’s records and confirm the same. Importantly, while BCs can facilitate the process, the ultimate responsibility for KYC compliance and periodic updation remains with the bank.
- 3. Advance and Reminder Notifications for KYC Updation:** To ensure timely compliance, REs are now obligated to proactively notify customers regarding upcoming KYC updation deadlines. This includes:
 - **Advance Notice:** A minimum of three communications before the due date, with at least one by physical letter.
 - **Post-Due Reminders:** If the customer does not comply, at least three further reminders must be sent, again including at least one by letter.

These communications must be spaced appropriately and contain clear instructions for updating KYC, an escalation mechanism for support, and an explanation of consequences for non-compliance. All such communications must be logged in the RE’s system for audit purposes. The implementation of this notification system must be completed by January 1, 2026.

[Notification](#)

4. Framework for Environment, Social and Governance (ESG) Debt Securities (other than green debt securities)

Circular No. SEBI/HO/DDHS/DDHS-POD-1/P/CIR/2025/84

Dated 5th June, 2025

Vide this notification, SEBI has issued a comprehensive framework for the issuance and listing of Environment, Social and Governance (ESG) Debt Securities other than Green Debt Securities. The framework includes guidelines for social bonds, sustainability bonds, sustainability-linked bonds, and follows the regulatory mandate under Regulation 12A of the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021.

Following are the Key Highlights of the Circular:

- The framework is applicable to ESG-labelled debt securities such as Social Bonds, Sustainability Bonds, and Sustainability-Linked Bonds proposed to be listed or already listed on a recognized stock exchange.

Definition & Scope:

- ESG Debt Securities encompass green, social, sustainability, and sustainability-linked bonds, issued in accordance with international standards adapted to Indian requirements.
- Social projects must aim to address specific social issues and may include affordable housing, employment generation, food security, and socio-economic advancement, among others.

Eligible Standards for Labelling as social bonds' or 'sustainability bonds' or 'sustainability-linked bonds:

- Debt securities must align with one or more of the following frameworks:
 - a. International Capital Market Association (ICMA) Principles / Guidelines
 - b. Climate Bonds Standard
 - c. ASEAN Standards
 - d. European Union Standards
 - e. Any framework or methodology specified by any financial sector regulator in India.

Disclosure & Compliance Requirements:

- Initial and continuous post-listing disclosures are detailed under Annexure A and Annexure B of the circular.
- Issuers are required to disclose utilization of proceeds, social objectives, project impact metrics, and alignment with chosen standards.
- Issuers must maintain systems to monitor project eligibility and ensure strict utilization of proceeds only for the disclosed purpose.

Third-Party Certification:

- Issuers must appoint independent third-party reviewers/certifiers for validation of ESG labels, tracking use of proceeds, and impact assessments.
- Reviewers must be independent, conflict-free, and possess ESG expertise.
- ESG rating providers registered with SEBI are also eligible to act as certifiers.

Sustainability-Linked Bonds Specifics:

- These bonds must have predefined Key Performance Indicators (KPIs) and Sustainability Performance Targets (SPTs).
- Financial or structural characteristics of the bonds must be linked to the achievement of SPTs.
- Detailed disclosures are required on KPI methodology, target timelines, fallback mechanisms, and external risks.

Avoidance of Purpose-Washing:

- SEBI emphasizes robust monitoring, accurate classification, and transparent communication to avoid misuse of ESG labels (termed "purpose-washing").
- Early redemption may be required in cases where funds are misused or misrepresented.

Applicability to SME Issuers:

- Issuers eligible to list on SME exchange and opting to issue ESG debt securities must comply with biannual disclosure requirements.

5. Limited relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Circular No. SEBI/HO/DDHS/DDHS-PoD-1/P/CIR/2025/83
Dated 5th June, 2025

SEBI vide this circular has provided limited relaxation from compliance with **Regulation 58(1)(b)** of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR Regulations”), pertaining to the physical dispatch of financial statements and related documents to holders of non-convertible securities who have not registered their email addresses.

This relaxation follows the extension provided by the **Ministry of Corporate Affairs (MCA)** vide General Circular No. 09/2024 dated September 19, 2024, and representations received from stakeholders.

Background:

- Regulation 58(1)(b) of SEBI LODR requires listed entities to dispatch hard copies of financial statements (as required under Section 136 of the Companies Act, 2013) to holders of non-convertible securities without registered email addresses.
- This requirement was earlier relaxed until September 30, 2024, vide SEBI circular dated October 06, 2023, in line with MCA Circular No. 09/2023.

Relaxations:

- For the period from October 01, 2024 to June 05, 2025:**
Entities which have complied with MCA General Circular No. 09/2024 and have **not sent physical copies** of the financial documents to security holders without registered email addresses **shall not be penalized** under Regulation 58(1)(b).
- For the period from June 06, 2025 to September 30, 2025:**
Similar relaxation as above is granted, **provided** that the advertisement under Regulation 52(8) includes a **web-link** to the statement containing salient features of financial documents as per Section 136 of the Companies Act, 2013 to enable the holder of non-convertible securities to have access to the said the statement.

6. Extension of timeline of additional liquidation period for VCFs migrating to SEBI (Alternative Investment Funds) Regulations, 2012

Circular No.: SEBI/HO/AFD/SEC-3/P/CIR2025/85
Dated 6th June, 2025

SEBI vide Circular No. SEBI/HO/AFD/AFD-POD-1/P/CIR/2024/111 dated August 19, 2024, provided a migration framework for VCFs and permitted additional time for unwound schemes to complete liquidation. VCFs with schemes whose liquidation period (under Regulation 24(2) of the VCF Regulations, 1996) had expired, were allowed to migrate to AIF Regulations, with an additional liquidation period till July 19, 2025.

Vide this circular, SEBI has decided to extend the additional liquidation period from July 19 2025 to July 19, 2026.

It is reiterated that the last date to apply for migration to AIF Regulations continues to be July 19, 2025.

7. Master Circular for Stock Brokers

Circular No. SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/90
Dated 17th June, 2025

SEBI has, from time to time, been issuing various circulars/directions to Stock Brokers. In order to enable the users to have access to all applicable circulars/directions pertaining to Stock Brokers at one place, SEBI had issued a Master Circular on August 09, 2024 in respect of Stock Brokers.

Subsequently, various guidelines/directions were issued to Stock Brokers by way of circulars/advisories. In view of the same, the Master Circular of August 2024 has been updated to include all relevant circulars that were issued till June 10, 2025. The directions/instructions contained in the circulars listed out at Sr. nos.119-130 in the Appendix to this Master Circular, to the extent they relate to the Stock Brokers, shall stand rescinded.

Notwithstanding such rescission,

- a. anything done or any action taken or purported to have been done or taken under the rescinded circulars shall be deemed to have been done or taken under the corresponding provisions of this Master Circular.
- b. any application made to SEBI under the rescinded circulars, prior to such rescission, and pending before it shall be deemed to have been made under the corresponding provisions of this Master Circular.
- c. the previous operation of the rescinded circulars or anything duly done or suffered thereunder shall remain unaffected as if the rescinded circulars have never been rescinded.

[Circular](#)

8. Master Circular for Registrars to an Issue and Share Transfer Agents

Circular No. SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/91
Dated 23rd June, 2025

SEBI has, from time to time, been issuing various circulars/directions to Registrars to an Issue and Share Transfer Agents (RTA). In order to enable the users to have access to all the applicable circulars/directions pertaining to RTA at one place, SEBI had issued a Master Circular for RTA on May 07, 2024.

Subsequently, SEBI had issued new circulars/directions pertaining to RTA. In view of the same, the above Master Circular of May 2024 has been updated. The directions/ instructions contained in the circulars listed out in the Appendix to this Master Circular, to the extent they relate to the RTAs, shall stand rescinded.

Notwithstanding such rescission,

- a. anything done or any action taken or purported to have been done or taken under the rescinded circulars shall be deemed to have been done or taken under the corresponding provisions of this Master Circular.
- b. any application made to SEBI under the rescinded circulars, prior to such rescission, and pending before it shall be deemed to have been made under the corresponding provisions of this Master Circular.
- c. the previous operation of the rescinded circulars or anything duly done or suffered thereunder shall remain unaffected as if the rescinded circulars have never been rescinded.

[Circular](#)

9. Timelines for rebalancing of portfolios of mutual fund schemes in cases of all passive breaches

Circular No. SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/92
Dated 26th June, 2025

SEBI vide paragraph 2.9 of the “Master Circular for Mutual Funds” (“the Master Circular”) had provided the timelines for rebalancing of portfolios of mutual fund schemes in the event of deviation from mandated asset allocation mentioned in the Scheme Information Document (SID) due to passive breaches (occurrence of instances not arising out of omission and commission of AMCs).

The SEBI (Mutual Funds) Regulations, 1996 (“the MF Regulations”) and circulars issued thereunder prescribe various prudential limits inter alia including issuer limits, group limits and sector limits etc. While active breaches of those limits are treated as clear violations of concerned SEBI MF Regulations/circulars issued thereunder and suitable actions are taken, passive breaches of these limits do occur due to various reasons such as corporate action, substantial rise/ fall in the price of an underlying scrip, maturity of any underlying security, large redemptions, etc., which may not be out of omission and commission of AMCs.

In view of the above and based on the recommendation of Mutual Funds Advisory Committee (MFAC), it is clarified that:

The provisions prescribed under paragraph 2.9 of the Master Circular shall be applicable for all types of passive breaches

for the actively managed mutual fund schemes.

[Circular](#)

10. Industry Standards on “Minimum information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions”

Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/93

Dated 26th June, 2025

Effective Date: September 1, 2025

SEBI vide Circular dated February 14, 2025 (“the Circular”) required listed entities to follow the Industry Standards on “Minimum information to be provided for review of the audit committee and shareholders for approval of a related party transaction” (“Industry Standards”) with effect from April 1, 2025 which was further extended to July 1, 2025 vide circular dated March 21, 2025.

After considering the feedback received from various stakeholders, the Industry Standards Forum (ISF) in consultation with the SEBI, came out with the revised Industry Standards on “Minimum information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions (“RPT Industry Standards”).

Accordingly, Section III-B of the Master Circular shall stand modified as under from the effective date of this circular.

Paragraph 4 under Part A of Section III-B shall stand substituted by the following paragraph:

“The listed entity shall provide the audit committee with the information as specified in the Industry Standards on “Minimum information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions”, while placing any proposal for review and approval of an RPT.”

Paragraph 6 under Part B of Section III-B shall stand substituted by the following paragraph:

“The notice being sent to the shareholders seeking approval for any RPT shall, in addition to the requirements under the Companies Act, 2013, include the information as part of the explanatory statement as specified in the Industry Standards on “Minimum information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions.”

[Circular](#)

MCA

1. Companies (Accounts) Second Amendment Rules, 2025

Notification No. G.S.R. 357(E)
Dated 30th May 2025

Effective Date: July 14, 2025

Vide this notification, MCA has amended the Companies (Accounts) Rules, 2014.

Following is the gist of important amendments:

1. Companies must now disclose sexual harassment complaint data in the Board's Report as under:
 - (a) number of complaints of sexual harassment received in the year;
 - (b) number of complaints disposed off during the year; and
 - (c) number of cases pending for more than ninety days.
2. A declaration of compliance with the Maternity Benefit Act, 1961 is now mandatory in the Board's Report.
3. Filing of e-Forms AOC-1 (key financial information related to the company's subsidiaries, associate companies, and joint ventures) and AOC-2 (details of related party transactions) is now compulsory through digital mode only.
4. Form AOC-4 must include PDF attachments of the extracts of Board's Report, Auditor's Reports (standalone and consolidated), and signed financials (including Board's report, auditors' report and other documents).

Form no. AOC-1, AOC-2, AOC-4, AOC-4 CFS, AOC-4-NBFC (Ind AS), AOC-4 CFS NBFC (Ind AS) and CSR-2, are accordingly substituted with the following new versions on MCA V3.

[Notification](#)

2. Companies (Management and Administration) Amendment Rules, 2025

Notification No. G.S.R. 358(E)
Dated 30th May 2025

Effective Date: July 14, 2025

Vide this notification, MCA has amended the Companies (Management and Administration) Rules, 2014.

As per the amendment, Form No. MGT-7, MGT-7A and MGT-15 are substituted with new e-forms. Following is the gist of additional information introduced in these e-forms:

Forms	Amendment
Form MGT-7 <i>Annual Return (other than OPCs and Small Companies)</i>	<ol style="list-style-type: none">a. Additional Information required under the heading Registration and Other details:<ol style="list-style-type: none">1. Type of Annual Filing, whether Original or Revised2. SRN of MGT-7 filed earlier for the same financial year.3. Name of the Company as on filing date and as on the financial year end date.4. Registered office address as on filing date and as on the financial year end date.5. Latitude & Longitude details as on filing date and as on the financial year end date.6. Photograph of the registered office of the Company showing external building and name prominently visible.7. Name of Registrar and Transfer Agent.8. In case extension of AGM granted, SRN of GNL-1 application form filed for extension and the extended due date of AGM after grant of extension required along with the reason for not holding AGM within

	<p>due date.</p> <p>b. Additional information required under the heading Share holding Pattern:</p> <p>9. Breakup of total number of shareholders in the category of: - Individual (Male), Individual (Female), Individual (Transgender), Other than Individual.</p> <p>10. Details of Foreign institutional investors (FIIs) holding shares of the Company along with Name, address, date of incorporation, country of incorporation, number of shares held & % of share held.</p> <p>c. MGT-8 has been incorporated in the form itself hence no separate certificate of MGT-8 required, instead DSC of the PCS certifying the Form MGT-8 needs to be affixed in the Form MGT-7</p>
Form MGT-7A <i>Abridged Annual Return for OPCs and Small Companies</i>	Same changes as mentioned above in MGT-7, however MGT-8 and certificate from PCS is not required in MGT-7A.
Form MGT-15 <i>Form for filing Report on Annual General Meeting</i>	<ol style="list-style-type: none"> 1. Companies must now explicitly state the financial year to which the AGM relates 2. The form now mandates that the declaration within MGT-15 be digitally signed using a Digital Signature Certificate (DSC) 3. The digitally signed declaration must be authenticated by the Chairman or an authorized signatory of the company. 4. Company Secretary is also required to digitally sign the form.

[Notification](#)

3. Companies (Audit and Auditors) Amendment Rules, 2025

Notification No. G.S.R. 359(E)
Dated 30th May 2025

Effective Date: July 14, 2025

Vide this notification, MCA has amended the Companies (Audit and Auditors) Rules, 2014.

Following is the gist of important amendments:

- E-forms ADT-1, ADT-2 and ADT-3 are replaced with new versions
- E-Form ADT-4 is introduced for reporting of fraud by auditor to Central Government

Forms	Amendment
Form ADT-1 <i>Notice to the Registrar by company for appointment of auditor</i>	<p>a. Additional Information required under the heading Appointment and Auditor Details:</p> <ol style="list-style-type: none"> 1. Membership Number of Auditor signing the balance sheet of the company. 2. Name of Auditor 3. Income tax permanent account number of auditor. 4. Address of Auditor. 5. Has the auditor or auditor's firm or its member previously conducted audit or five or more years as specified in Rule 6 6. Whether the recommendation of the Audit Committee constituted u/s 177 of the Companies Act, 2013 has been considered by the Board of Directors before the appointment. 7. Specify the SRN of INC-28 filed with ROC for Notice of order of the Tribunal for appointment of Auditor.
Form ADT-2 <i>Application for removal of auditor(s) from his/their office before expiry of term</i>	<p>New attachment added in the e Form ADT-2:</p> <ul style="list-style-type: none"> • Proof of service to the defending/ responding auditor.
Form ADT-3 <i>Notice of resignation by the auditor</i>	No changes in the form, only shifting of the form from MCA V2 to V3 portal.
Form ADT-4	New Form added in MCA V3 Portal.

<i>Report to the Central Government</i>		
Notification		
4. Companies (Registration Offices and Fees) Amendment Rules, 2025		
		Notification No. G.S.R. 360(E) Dated 30 th May 2025
<i>Effective Date: July 14th, 2025</i>		
Vide this notification, MCA has amended the Companies (Registration Offices and Fees) Rules, 2014.		
E-Form GNL-1 pertaining to filing an application with Registrar of Companies, has been substituted with a new form on the MCA V3 Portal .		
Notification		
5. Companies (Cost Records and Audit) Amendment Rules, 2025		
		Notification No. G.S.R. 361(E) Dated 30 th May 2025
<i>Effective Date: July 14th, 2025</i>		
Vide this notification, MCA has amended the Companies (Cost Records and Audit) Rules, 2014.		
E-Form CRA-2 pertaining to intimating the appointment of a cost auditor by the company to the Central Government and E-Form CRA-4 pertaining to filing the Cost Audit Report with the Central Government have been substituted with new forms on the MCA V3 Portal .		
Notification		
6. Companies (Filing of Documents and Forms in Extensible Business Reporting Language) Amendment Rules, 2025		
		Notification No. G.S.R. 371(E) Dated 30 th May 2025
<i>Effective Date: July 14th, 2025</i>		
Vide this notification, MCA has amended the Companies (Filing of Documents and Forms in Extensible Business Reporting Language) Rules, 2015.		
As per the amendment, Companies which have filed their financial statements in XBRL shall also attach a copy of signed financial statements duly authenticated as specified in section 134 of the Act (including Board's report, auditors' report and other documents) in PDF format in e Form AOC-4 XBRL.		
Notification		
7. Relaxation of additional fees for filing of 13 e-forms during the period of transition from MCA21 V2 to V3		
		General Circular No. 01/2025 Dated 16 th June 2025
In view of the transition of the MCA21 portal from Version 2 (V2) to Version 3 (V3) and to facilitate a smooth roll out of Annual filing and related e-forms in MCA-21 V3, MCA has scheduled a system migration phase during which the following e-Forms will be temporarily unavailable for filing from 18.06.2025 and 13.07.2025 (both dates inclusive):		
S. No.	Form ID	Description
1.	AOC-4	Form for filing financial statement and other documents with the Registrar
2.	AOC-4 NBFC	For NBFCs filing financial statements

3.	AOC-4 CFS	Consolidated financial statements
4.	AOC-4 NBFC CFS	Consolidated financial statements for NBFCs
5.	AOC-4 XBRL	Financial statement in XBRL format
6.	MGT-7 / MGT-7A	Annual Return
7.	MGT-15	Report on Annual General Meeting
8.	GNL-1	Application for extension of AGM
9.	LEAP-1	Submission of Prospectus with the Registrar
10.	ADT-1	Appointment of Auditor
11.	ADT-3	Resignation by Auditor
12.	CRA-2	Appointment of Cost Auditor
13.	CRA-4	Cost Audit Report

Vide this circular, MCA has decided that, in cases where the due date (i.e., the last date for filing without additional fees) or resubmission date falls between 18.06.2025 and 31.07.2025 (both dates inclusive), filing of the said e-Forms shall be allowed without levying any additional fees up to 15.08.2025.

[Circular](#)

8. Separate Filing of e-form CSR-2 post the period of transition from MCA21 V2 to V3

General Circular No. 02/2025
Dated 16th June 2025

Vide this circular, MCA has allowed filing of e-form CSR- 2 as an independent Form with V2 SRN of Form AOC-4/ AOC-4(XBRL)/ AOC-4 (NBFC) from **14th July 2025** to **15th August 2025**.

This is being done with the view that the MCA V2 system will be decommissioned with effect from **18.06.2025** due to a scheduled system migration from MCA-21 V2 to V3.

[Circular](#)

Disclaimer:

This is not a complete listing of all circulars/notifications issued during the month.
Instead, it is only a listing of some of the circulars/notifications that we considered important.



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