

LEGAL BRIEFS: BI-WEEKLY LEGAL UPDATES

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Synergia Legal is bringing to you a fortnightly compilation of digestible summaries of key legal developments and case laws impacting the business, commercial and economic landscape in India:

CORPORATE LAWS

1. **The Ministry of Corporate Affairs (MCA) has issued circular on the extension of time for filing e-form DIR-3-KYC and web-form DIR-3-KYC-WEB without fee up to 15.10.2025 (September 29, 2025):**

The Ministry of Corporate Affairs (MCA) has announced an extension of time for filing e-form DIR-3-KYC and web-form DIR-3-KYC-WEB without payment of any fee up to 15th October 2025. This extension provides relief to directors who have not yet completed their KYC compliance for the financial year, allowing them additional time to submit the required information through the designated MCA portal. The measure is intended to facilitate compliance, reduce the burden of penalties for delayed filings, and ensure that the records of directors remain accurate and up to date in the MCA database.

(The general circular no. 04/2025 issued by the MCA is accessible [here](#).)

2. **The MCA has issued the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2025 (October 01, 2025):**

The MCA has issued the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2025, to enhance transparency and streamline compliance under the IEPF framework. The amendments mandate online transfer of unclaimed amounts within thirty days of becoming due, revise certain IEPF forms (including substitution of Forms IEPF-3 and IEPF-7 with IEPF-4 and IEPF-1, respectively), and expand the term “shares” to include all “securities.” They also strengthen claim verification through additional documentation such as indemnity bonds and no-objection certificates. These amendments collectively aim to simplify compliance, ensure accurate reporting, and reinforce investor confidence in the IEPF system.

(The Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2025 issued by the MCA is accessible [here](#).)

SECURITIES LAWS

3. **The Securities and Exchange Board of India (SEBI) issued a press release rolling out “Validated UPI Handles” and “SEBI Check” for secure investor payments (October 01, 2025):**

The SEBI has introduced validated UPI handles and a “SEBI Check” verification feature to enhance the security and reliability of investor payments in the securities market. This initiative aims to protect investors from fraudulent transactions by ensuring that payment credentials used in IPOs and other market activities are verified and traceable. By integrating these tools with regulated intermediaries and payment systems, SEBI seeks to strengthen trust in digital payment mechanisms, promote transparency, and safeguard investor interests in the growing digital investment ecosystem.

(The press release bearing number PR No. 64/2025 issued by the SEBI is accessible [here](#).)

4. **The SEBI issued a circular notifying the Framework on Social Stock Exchange (September 19, 2025):**

The SEBI has issued a revised framework for the Social Stock Exchange (SSE) with the objective of deepening participation, strengthening oversight, and enhancing credibility in social finance. The circular lowers the minimum application size for Zero Coupon Zero Principal (ZCZP) instruments from ₹10,000 to ₹1,000, thereby making such securities more accessible to retail investors and widening the funding base for social enterprises. It also prescribes stricter eligibility requirements for not-for-profit organizations (NPOs) registering on the SSE, including ensuring validity of their registration certificate for at least 12 months and recognition under specific legal forms such as charitable trusts, registered societies, or Section 8 companies. Further, the framework mandates stronger disclosure and compliance obligations, requiring NPOs and social enterprises to furnish annual reports on governance, financials, donor contributions, and programme outcomes, along with independently assessed Annual Impact Reports to demonstrate measurable social impact. Collectively, these measures are designed to improve transparency, instill greater investor confidence, and facilitate inclusive capital mobilization for entities working in the social sector.

(The Framework on Social Stock Exchanges issued by the SEBI is accessible [here](#).)

BANKING/ FINTECH LAWS

5. The Reserve Bank of India (RBI) invites comments on the Draft “Reserve Bank of India (Lending to Related Parties) Directions, 2025” (October 03, 2025):

The RBI has issued a press release inviting public comments on the draft Reserve Bank of India (Lending to Related Parties) Directions, 2025, which aim to establish a comprehensive regulatory framework governing lending transactions between regulated entities and their related parties. The proposed directions seek to enhance transparency, prevent conflicts of interest, and mitigate risks arising from connected lending by prescribing clear definitions, approval procedures, exposure limits, and disclosure requirements. Stakeholders, including banks, non-banking financial companies, and the public, have been invited to submit their feedback within the specified timeline to facilitate the finalization of the directions intended to promote sound governance and safeguard financial stability.

(The press release bearing number 2025-26/1249 issued by the RBI is accessible [here](#).)

6. The RBI issued a notification on Investment in Corporate Debt Securities by Persons Resident Outside India through Special Rupee Vostro Account (October 03, 2025):

The RBI has permitted persons resident outside India maintaining Special Rupee Vostro Accounts (SRVAs) to invest their surplus rupee balances in corporate debt securities issued by Indian entities. This measure extends the investment options previously limited to government securities and aims to deepen the Indian debt market while promoting wider use of the rupee in international transactions. The notification forms part of the RBI's ongoing efforts to facilitate smoother cross-border settlement in rupees, enhance liquidity, and support the broader objective of rupee internationalization under a well-regulated framework.

(The notification no. RBI/2025-26/90 issued by the RBI is accessible [here](#).)

7. The RBI issued the Draft External Commercial Borrowing Framework under the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018 (October 03, 2025):

The Reserve Bank of India issued a press release announcing the release for public consultation of a Draft External Commercial Borrowing (ECB) Framework under the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018. The proposed amendments aim to rationalize the existing ECB regime by shifting from rigid, prescriptive norms toward a more principle-based, credit-strength-linked framework. Key features include: linking borrowing limits to a borrower's net worth (allowing for an ECB amount up to the higher of USD 1 billion or 300 % of net worth); removing most cost caps so that interest rates and related charges are market-determined (with only short-tenor borrowings subject to trade-credit-style ceilings); simplifying end-use restrictions and maturity norms (notably standardizing minimum average maturity at three years, with limited exceptions for manufacturing); expanding the pool of eligible borrowers and recognized lenders; and

streamlining reporting and compliance obligations. The RBI invited feedback on the draft regulations until October 24, 2025, before finalizing them.

(The press release bearing number 2025-26/1235 issued by the RBI is accessible [here](#).)

8. The RBI issued the Draft Foreign Exchange Management (Establishment in India of a brand or office) Regulations, 2025 (October 03, 2025):

The Reserve Bank of India released for public comments the Draft Foreign Exchange Management (Establishment in India of a Branch or Office) Regulations, 2025, aimed at consolidating and rationalizing the framework governing the establishment of branch, liaison, or project offices in India by entities incorporated outside India. The draft regulations seek to simplify the approval process, provide greater clarity on eligibility, permissible activities, and compliance requirements, and align the framework with evolving business and regulatory practices. They also propose a principle-based approach, replacing fragmented provisions under earlier notifications with a unified structure. Comments and suggestions from stakeholders were invited by October 24, 2025, before the finalization of the regulations.

(The press release bearing number 2025-26/1232 issued by the RBI is accessible [here](#).)

9. The RBI issued a press release inviting comments on the draft Master Direction – Reserve Bank of India (Internal Ombudsman for Regulated Entities) Directions, 2025 (October 07, 2025):

The Reserve Bank of India invited public comments on the Draft Master Direction – Reserve Bank of India (Internal Ombudsman for Regulated Entities) Directions, 2025, which seek to consolidate and update the existing framework governing Internal Ombudsman (IO) mechanisms across regulated entities such as banks, NBFCs, and payment system operators. The draft directions aim to enhance the independence, accountability, and effectiveness of the IO system in addressing customer grievances that are partially or wholly rejected by the regulated entities. They introduce uniform standards for appointment, tenure, eligibility, and functioning of the IO, alongside stronger reporting, oversight, and escalation requirements. The initiative is part of the RBI's ongoing efforts to strengthen customer protection and grievance redress mechanisms within the financial sector. Stakeholders were invited to submit comments and suggestions by October 28, 2025.

(The press release bearing number 2025-26/1257 issued by the RBI is accessible [here](#).)

10. The RBI issued a press release issuing Draft Directions pursuant to Public Announcement (October 07, 2025):

The Reserve Bank of India invited public comments on proposed regulatory measures to strengthen prudential norms, governance standards, and risk management across regulated

entities. The draft directions encompass amendments aligned with the policy statements made earlier, covering aspects such as liquidity management, exposure norms, and supervisory reporting. They aim to ensure greater transparency, operational resilience, and consistency in regulatory compliance across the financial system. The RBI sought feedback from stakeholders on the draft directions by October 28, 2025, before finalizing and issuing the revised regulatory framework.

(The press release bearing number 2025-26/1261 issued by the RBI is accessible [here](#).)

11. The RBI issued a press release inviting public comments on the draft Reserve Bank – Ombudsman Scheme, 2025 (October 07, 2025):

The Reserve Bank of India invited public comments on the Draft Reserve Bank – Ombudsman Scheme, 2025, which seeks to update and consolidate the framework for redressal of customer grievances against regulated entities. The draft scheme aims to enhance accessibility, efficiency, and uniformity in the complaint-handling process by integrating all existing ombudsman schemes under a single, streamlined structure. It proposes strengthened provisions for accountability of regulated entities, expanded coverage of financial services and products, and simplified procedures for lodging and resolving complaints. The initiative forms part of the RBI's ongoing efforts to fortify consumer protection mechanisms in the financial sector. Comments and suggestions from stakeholders were invited by October 28, 2025, prior to the finalization of the scheme.

(The press release bearing number 2025-26/1258 issued by the RBI is accessible [here](#).)

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