



SECURITIES AND EXCHANGE BOARD OF INDIA

1. Master Circular on Surveillance of Securities Market.

Securities and Exchange Board of India (SEBI) issued an updated Master Circular on Surveillance of Securities Market on May 15, 2026, consolidating and revising earlier surveillance-related circulars to provide stakeholders with a single reference framework. The circular applies to stock exchanges, depositories, listed companies, intermediaries, and fiduciaries governed under the SEBI (Prohibition of Insider Trading) Regulations, 2015. It incorporates key updates relating to financial disincentives for surveillance lapses at Market Infrastructure Institutions, subscription to non-convertible securities during trading window closure periods, and extension of automated trading window closure mechanisms to immediate relatives of designated persons during financial result declarations. SEBI clarified that all earlier circulars listed in the appendix stand rescinded to the extent they relate to securities market surveillance, while preserving actions, liabilities, proceedings, penalties, and applications initiated under previous circulars. The Master Circular was issued under Section 11(1) of the SEBI Act, 1992.

For more information, you can access the SEBI circular here:

https://www.sebi.gov.in/legal/master-circulars/may-2026/master-circular-on-surveillance-of-securities-market_101473.html

2. Permitted use of fresh borrowings for InvITs where Net Borrowings exceeds forty-nine percent of the value of InvIT assets.

The Securities and Exchange Board of India (“SEBI”) has issued a circular clarifying the permitted use of fresh borrowings by Infrastructure Investment Trusts (InvITs) when net borrowings exceed 49% of the value of InvIT assets. The clarification follows the amendment to Regulation 20(3)(b)(ii) of the SEBI (Infrastructure Investment Trusts) Regulations, 2014 on April 17, 2026. SEBI has specified that such borrowings may be used for capital expenditure aimed at enhancing asset performance or increasing capacity, major maintenance expenses for road projects, and refinancing of debt subject to conditions. For road projects, major maintenance must be non-routine and aligned with concession agreement obligations. Refinancing is permitted only where the original debt was used for eligible purposes and only the principal amount can be refinanced, excluding accumulated interest, charges, or fees. The circular takes immediate effect and has been issued under SEBI’s statutory powers.

For more information, you can access the SEBI circular here:

https://www.sebi.gov.in/legal/circulars/may-2026/permitted-use-of-fresh-borrowings-for-invits-where-net-borrowings-exceeds-forty-nine-percent-of-the-value-of-inv-it-assets_101465.html

3. Status of SPVs post conclusion or termination of Concession Agreement.

SEBI issued a circular dated May 15, 2026 clarifying the status of Special Purpose Vehicles (SPVs) held by Infrastructure Investment Trusts (InvITs) after the conclusion or termination of concession agreements. Following the amendment to Regulation 2(1)(zy)(ii) of the InvIT Regulations on April 17, 2026, an SPV will continue to retain its SPV status even after the concession agreement ends, subject to specified conditions. The circular requires the Investment Manager to either exit the SPV through sale, liquidation, winding-up or merger, or acquire a new infrastructure project in the SPV within one year from completion or termination of

the concession agreement, conclusion of pending litigations or tax assessments, or completion of the defect liability period, whichever is later. Time taken for statutory approvals will be excluded from the one-year period. SEBI has also mandated detailed disclosures at both InvIT and SPV levels regarding investments, liabilities, contingent liabilities, debt repayment, pending claims, exit strategy and related obligations until the InvIT exits the SPV or acquires a new project.

For more information, you can access the SEBI circular here:

https://www.sebi.gov.in/legal/circulars/may-2026/status-of-spvs-post-conclusion-or-termination-of-concession-agreement_101467.html

MINISTRY OF FINANCE

1. Government of India and IFAD launch new eight-year strategy with Country Strategic Opportunities Programme (COSOP) from 2026 to 2033 to strengthen rural economy.

The Government of India, in partnership with the International Fund for Agricultural Development (IFAD), today launched a new eight-year Country Strategic Opportunities Programme (COSOP) for the period 2026–2033, aimed at enhancing rural incomes, strengthening resilience, and scaling sustainable livelihood opportunities across the country. The announcement was made at the IFAD–India Partnership for Rural Prosperity event held at Bharat Mandapam, New Delhi, with participation from senior government officials, IFAD leadership, development partners, private sector representatives, and practitioners. The COSOP 2026–2033 is aligned with the Government of India’s Viksit Bharat@2047 vision and focuses on two strategic priorities:

- i. enhancing the social, economic, and climate resilience of rural communities; and
- ii. strengthening knowledge systems to scale proven development models across India and other countries of the Global South.

Addressing the gathering, Smt. Anuradha Thakur, Secretary, Department of Economic Affairs, Ministry of Finance, said that “India-IFAD partnership is distinguished by not only its longevity, but its strategic alignment. IFAD’s programs in India have remained closely integrated with national priorities – supporting agricultural transformation, livelihood diversification, women’s empowerment, and institutional strengthening.” In his address, Mr. Donal Brown, Associate Vice-President at IFAD, emphasized the strength of the partnership. “What we are building together is not a collection of projects—it is a system that connects institutions, finance, infrastructure and markets, and that delivers results for rural people long after any single investment ends. That is what makes this partnership uniquely valuable, and uniquely replicable,” he said.

For more information, you can access the GOI press release here:

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2260427®=3&lang=1>

2. DFS Launches 'Bharat Maritime Insurance Pool' of USD 1.5 billion, with a sovereign guarantee of USD 1.4 billion/₹12,980 crores to facilitate continuous maritime insurance coverages, in the background of current Middle East tensions.

The Department of Financial Services, Ministry of Finance held an event chaired by Secretary, DFS to launch the domestic insurance pool, namely 'Bharat Maritime Insurance Pool' (BMIP) of USD 1.5 billion today, with a sovereign guarantee of USD 1.4 billion/₹12,980 crores to facilitate continuous maritime insurance coverages. The pool covers all maritime risks such as Hull and Machinery, Cargo, P&I and War risk for Indian flagged or controlled vessels or vessels destined to or starting from India, in the context of the current Middle East tensions. The event was attended by senior officers from Department of Financial Services including Special Secretary Shri Sanjay Lohiya, Additional Secretary Shri Debasish Prusty, and CMD, General Insurance Corporation of India Shri Hitesh Joshi, CMD, New India Assurance Company Limited, Smt. Girija Subramanian, Secretary General, General Insurance Council Smt. Kasturi Sengupta and

Director, Ministry of Ports, Shipping and Waterways, Shri Opesh Kumar Sharma. Restrictions or withdrawal of insurance cover in high-risk areas or sanctioned environments can disrupt shipping operations and critical trade flows. Due to sanctions, foreign re/insurers can withdraw support for any insurance policy that covers cargo or vessel carrying cargo, from the sanctioned country. Another area of concern is dependence of Indian vessels on International Group (IG) Protection and Indemnity (P&I) Club for P&I insurance. P&I insurance covers third-party liabilities like Oil pollution liability, Wreck removal, Cargo damage, Crew injury and repatriation, Collision liabilities. The pool with sovereign guarantee will be able to provide sufficient underwriting capacity to cover the risks adequately and enable the country to increase sovereign control over maritime trade. A Governing Body has been constituted to oversee the functioning of the pool, including approvals regarding the invocation of the sovereign guarantee. In addition, an Underwriting Committee (UC) responsible for ensuring prudent, consistent and technically sound underwriting of risks ceded to the pool has been formed. GIC Re is the pool administrator, which will submit the returns, details of re-insurance arrangement, and statements on performance of the pool.

For more information, you can access the GOI press release here:

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2260413®=3&lang=1>

3. Public Sector Banks (PSBs) record an all-time high net profit of ₹1.98 lakh crore in FY 2025–26, marking the fourth straight year of profitability.

Public Sector Banks (PSBs) continued to register strong financial performance during FY 2025–26, reflecting sustained business growth, improved asset quality, record profitability and strong capital position. The improved performance demonstrates the resilience, stability and enhanced institutional capacity of PSBs in supporting the credit needs of a fast-growing Indian economy. The aggregate business of PSBs increased to ₹283.3 lakh crore as on 31.03.2026, registering growth of 12.8% over the previous year. Aggregate deposits rose by 10.6% y-o-y to ₹156.3 lakh crore, reflecting continued depositor confidence and strong resource mobilization by PSBs. Gross advances registered growth of 15.7% y-o-y and reached ₹127 lakh crore, indicating sustained credit demand across sectors of the economy. Credit growth in the Retail, Agriculture and MSME (RAM) segments remained broad based during FY 2025–26. Retail, Agriculture and MSME advances grew by 18.1%, 15.5% and 18.2%, respectively, reflecting the important role of PSBs in supporting entrepreneurship, strengthening financial inclusion, and enabling broad-based economic growth. Asset quality of PSBs improved significantly during FY 2025–26, with Gross NPA ratio (Non-Performing Assets) declining to 1.93% and Net NPA ratio to 0.39% as on 31.03.2026, reflecting historically low levels of stressed assets. Further, each PSB maintained provisioning coverage ratio of above 90%, indicating prudent provisioning practices, improved underwriting standards, effective risk management mechanisms and strengthened balance sheet resilience. Fresh slippages continued to decline during FY 2025–26, with slippage ratio reducing to 0.7%. Total recoveries, including recoveries from written-off accounts, stood at ₹86,971 crore, reflecting improved recovery mechanisms and better credit discipline across PSBs.

For more information, you can access the GOI press release here:

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2260203®=3&lang=1>

MINISTRY OF CORPORATE AFFAIRS

1. IEPFA Signs MoU with Prasar Bharati to Amplify Investor Awareness initiatives.

The Investor Education and Protection Fund Authority (IEPFA), under the Ministry of Corporate Affairs, has entered into a Memorandum of Understanding (MoU) with Public Service broadcaster Prasar Bharati to strengthen nationwide investor awareness initiatives through the dissemination of informative scroll messages on Doordarshan across National and Regional channels. The MoU signing event was presided over by Smt. Anita Shah Akella, CEO IEPFA and Joint Secretary Ministry of Corporate Affairs, who underscored the importance of collaborative public outreach initiatives in strengthening investor awareness and promoting financial literacy among citizens across the country. She highlighted that leveraging trusted public broadcasting platforms such as Doordarshan would enable critical information related to investor protection, unclaimed dividends and shares, and safe investing practices to reach a wider audience, including individuals

in remote and underserved regions. The MoU was formally signed by Lt. Col. Aditya Sinha, General Manager, IEPFA and Sh. Sanjay Prasad, Deputy Director General, Prasar Bharati (Sales) marking a significant step towards enhancing nationwide investor awareness through strategic collaboration.

This strategic collaboration aims to leverage Prasar Bharati's extensive reach to deliver key messages related to investor awareness, the process of reclaiming unclaimed dividends and shares transferred to the Investor Education and Protection Fund Authority (IEPFA). The scroll messages will be broadcasted on Doordarshan channels ensuring wide accessibility, including in remote and underserved regions. Through this initiative, IEPFA seeks to empower investors with timely and accurate information, encouraging them to utilize facilities such as the Search Facility and file claims through Form IEPF-5. The campaign will also focus on spreading awareness about fraud prevention and the importance of safe investing practices

For more information, you can access the GOI press release here:

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2260732®=3&lang=1>

INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

1. Insolvency and Bankruptcy Board of India (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) (Amendment) Regulations, 2026.

The Insolvency and Bankruptcy Board of India has notified the Insolvency and Bankruptcy Board of India (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) (Amendment) Regulations, 2026, which came into effect on 13 May 2026 upon publication in the Official Gazette. The amendments aim to strengthen governance standards and enhance regulatory oversight of Insolvency Professional Agencies (IPAs). A key change is the introduction of a nominee director on the Governing Board of every IPA, nominated by the Board, who will enjoy the same rights, duties, and responsibilities as other directors. The amendments also tighten the eligibility criteria for independent directors. Independent directors can no longer be members of any statutory regulator that sponsors, promotes, or exercises control over the concerned IPA, nor can they serve as independent directors in another IPA simultaneously. Further, the renewal of an independent director's second term will now require a satisfactory performance review by the Governing Board along with prior approval from the IBBI. Additionally, the revised regulations introduce a structured process for the appointment or renewal of Managing Directors of IPAs. Under the newly inserted provision, an IPA must forward at least two names to the Board, at least one month before the expiry of the incumbent Managing Director's tenure, for obtaining prior approval. These changes reflect the IBBI's continued focus on improving transparency, accountability, and governance practices within insolvency professional agencies.

For more information, you can access the article here:

<https://ibbi.gov.in/uploads/legalframework/95cdf4d2f8e8e5e5c8dc5f2a155aca8c.pdf>

2. NCLT allows withdrawal of insolvency process against ATS Le Grandiose.

The National Company Law Tribunal (NCLT) has allowed withdrawal of corporate insolvency resolution proceedings (CIRP) against realty company ATS Group-affiliated Nobility Estates Private Limited (NEPL) over the development of its Noida-based Le Grandiose luxury housing project. In an order dated May 5, the tribunal allowed withdrawal of CIRP following an amicable settlement with lenders under Section 12A of the Insolvency and Bankruptcy Code (IBC). The insolvency proceedings against Nobility Estates were initiated under Section 7 of the IBC by ASK Property Investment Advisors Private Limited, with the latter citing an alleged default on NEPL's financial obligations regarding Optionally Convertible Debentures (OCDs) held by it. The application was admitted by the NCLT on November 24, 2023, leading to the commencement of CIRP and appointment of an interim resolution professional (IRP), who was subsequently appointed as the resolution professional (RP). In January 2026, representatives of ASK Property Investment Advisors informed the RP that a formal settlement had been executed with the ex-management of corporate debtor NEPL.

For more information, you can access the article here:

https://www.business-standard.com/companies/news/nclt-allows-withdrawal-of-insolvency-process-against-ats-le-grandiose-126051201584_1.html

RESERVE BANK OF INDIA

1. Operating framework for facilitating Outward Remittance services by non-bank entities through Authorized Dealer (Category I) banks in India.

The Master Direction - Miscellaneous (Master Direction No. 19/2015-16 dated January 1, 2016), provided a framework under which non-bank entities could obtain specific approval from the Reserve Bank for tie-up arrangements to facilitate outward remittance services through Authorized Dealer Category-I banks in India subject to certain conditions. On a review, it has been decided to dispense with the process of granting of the approvals by RBI for such tie-ups and instead Authorized Dealers are advised to comply with instructions furnished in Annex while facilitating cross-border outward remittance of funds for non-trade current account transactions using third party entity in online mode (website/ online platform/ software application/ mobile application/ any other interface). Therefore, the para 10 of the Master Direction - Miscellaneous dated January 1, 2016 (as amended from time to time) stands deleted with immediate effect. The directions contained in this circular have been issued under sections 10(4) and 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and are without prejudice to permissions / approvals, if any, required under any other law.

For more information, you can access the RBI notification here:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=13449&Mode=0>

2. Premature redemption under Sovereign Gold Bond (SGB) Scheme - Redemption Price for premature redemption of SGB 2018-19 Series-III due on May 13, 2026.

In terms of GOI notification F.No.4(22)-B(W&M)/2018 dated October 08, 2018 (SGB 2018-19 Series-III-Issue date November 13, 2018) on Sovereign Gold Bond Scheme, premature redemption of Gold Bond may be permitted after fifth year from the date of issue of such Gold Bond on the date on which interest is payable. Accordingly, the next due date of premature redemption of the above tranche shall be on May 13, 2026. Further, the redemption price of SGB shall be based on simple average of closing price of gold of 999 purity of previous three business days from the date of redemption, as published by the India Bullion and Jewellers Association Ltd (IBJA). Accordingly, the redemption price for premature redemption due on May 13, 2026, shall be ₹15,102/- (Rupees Fifteen Thousand One Hundred and Two Only) per unit of SGB based on the simple average of closing price of gold for the three business days i.e., May 08, May 11, and May 12, 2026.

For more information, you can access the RBI press release here:

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=62724

3. RBI cancels the licence of Sarvodaya Co-operative Bank Ltd., Mumbai.

The Reserve Bank of India (RBI), vide order dated May 12, 2026, has cancelled the license of “Sarvodaya Co-operative Bank Ltd., Mumbai”, under Section 22 read with Section 56 of the Banking Regulation Act, 1949 (BR Act). Consequently, the bank ceases to carry on banking business, with effect from the close of business on May 12, 2026. The Commissioner for Cooperation and Registrar of Cooperative Societies, Maharashtra has also been requested to issue an order for winding up the bank and appoint a liquidator for the bank. The Reserve Bank cancelled the license of the bank as:

- i. The bank does not have adequate capital and earning prospects. As such, it does not comply with the provisions of Section 11(1) and Section 22(3)(d) read with Section 56 of the Banking Regulation Act, 1949;
- ii. The bank has failed to comply with the requirements of Sections 22(3)(a), 22(3)(b), 22(3)(c), 22(3)(d) and 22(3)(e) read with Section 56 of the Banking Regulation Act, 1949;
- iii. The continuance of the bank is prejudicial to the interests of its depositors;
- iv. The bank with its present financial position would be unable to pay its present depositors in full; and

- v. Public interest would be adversely affected if the bank is allowed to carry on its banking business any further.

Consequent to the cancellation of its license, “Sarvodaya Co-operative Bank Ltd., Mumbai” is prohibited from conducting the business of ‘banking’ which includes, among other things, acceptance of deposits and repayment of deposits as defined in Section 5(b) read with Section 56 of the Banking Regulation Act, 1949, with immediate effect. On liquidation, every depositor would be entitled to receive deposit insurance claim amount of his/her deposits up to a monetary ceiling of ₹5,00,000/- (Rupees five lakh only) from Deposit Insurance and Credit Guarantee Corporation (DICGC), subject to the provisions of DICGC Act, 1961. As per the data submitted by the bank, about 98.36% of the depositors were entitled to receive full amount of their deposits from DICGC as on date of imposition of All Inclusive Directions. As on March 31, 2026, DICGC has already paid ₹26.72 crore of the total insured deposits under the provisions of Section 18A of the DICGC Act, 1961, based on the willingness received from the concerned depositors of the bank.

For more information, you can access the RBI press release here:

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=62725

4. 33rd Meeting of the FSDC Sub-Committee.

A meeting of the Sub-Committee of the Financial Stability and Development Council (FSDC-SC) was held today at the Reserve Bank of India, Mumbai. Shri Sanjay Malhotra, Governor, Reserve Bank of India, chaired the meeting. The Sub-Committee deliberated on key global and domestic macroeconomic and financial sector developments, along with emerging issues bearing implications for financial stability. It also reviewed the progress in several inter-regulatory matters including simplification of KYC processes and regulatory impact assessment, with an emphasis on enhancing the quality, transparency and accountability of regulatory processes. The FSDC-SC reaffirmed its commitment to enhancing financial sector resilience through inter-regulatory coordination; and keeping a close watch on emerging challenges including those from heightened geopolitical frictions. The meeting was attended by the members of the Sub-Committee, Shri Tuhin Kanta Pandey, Chairperson, Securities and Exchange Board of India (SEBI); Shri Ajay Seth, Chairperson, Insurance Regulatory and Development Authority of India (IRDAI), Shri S Ramann, Chairperson, Pension Fund Regulatory and Development Authority (PFRDA), Shri K. Rajaraman, Chairperson, International Financial Services Centres Authority (IFSCA), Shri S. Krishnan, Secretary, Ministry of Electronics and Information Technology (MeitY); Shri V Vualnam, Secretary, Department of Expenditure (DoE), Dr. V. Anantha Nageswaran, Chief Economic Adviser; Ms. Aparna Sinha, Adviser, Department of Economic Affairs (DEA); Shri Ansuman Pattnaik, Additional Secretary, Ministry of Corporate Affairs (MCA), Deputy Governors of the Reserve Bank - Shri Swaminathan J., Dr. Poonam Gupta, Shri Shirish Chandra Murmu, Shri Rohit Jain and Dr. Ajit Ratnakar Joshi, Executive Director of the Reserve Bank.

For more information, you can access the RBI press release here:

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=62739

5. RBI imposes monetary penalty on IIFL Finance Limited.

The Reserve Bank of India (RBI) has, by an order dated May 11, 2026, imposed a monetary penalty of ₹3.10 lakh (Rupees Three Lakh Ten Thousand only) on IIFL Finance Limited (the company) for non-compliance with certain provisions of the ‘Master Direction- Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023’ issued by RBI. This penalty has been imposed in exercise of powers conferred on RBI under section 58G(1)(b) read with section 58B(5)(aa) of the Reserve Bank of India Act, 1934. The statutory inspection of the company was conducted by RBI with reference to its financial position as on March 31, 2025. Based on the supervisory findings of non-compliance with RBI directions and related correspondence in that regard, a notice was issued to the company advising it to show cause as to why penalty should not be imposed on it for failure to comply with the said directions. After considering the company’s reply to the notice and oral submissions made during the personal hearing, RBI found that the following charge against the company was sustained, warranting imposition of monetary penalty: The

company had failed to pay the surplus amount realized from the auction of pledged gold articles, over and above the loan outstanding, to certain borrowers. This action is based on deficiencies in regulatory compliance and is not intended to pronounce upon the validity of any transaction or agreement entered into by the company with its customers. Further, imposition of this monetary penalty is without prejudice to any other action that may be initiated by RBI against the company.

For more information, you can access the RBI press release here:

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=62745

6. Premature redemption under Sovereign Gold Bond (SGB) Scheme - Redemption Price for premature redemption of SGB 2020-21 Series-VIII due on May 18, 2026.

In terms of GOI notification F.No.4(4)-B(W&M)/2020 dated October 09, 2020 (SGB 2020-21 Series-VIII- Issue date November 18, 2020) on Sovereign Gold Bond Scheme, premature redemption of Gold Bond may be permitted after fifth year from the date of issue of such Gold Bond on the date on which interest is payable. Accordingly, the next due date of premature redemption of the above tranche shall be on May 18, 2026. Further, the redemption price of SGB shall be based on simple average of closing price of gold of 999 purity of previous three business days from the date of redemption, as published by the India Bullion and Jewellers Association Ltd (IBJA). Accordingly, the redemption price for premature redemption due on May 18, 2026, shall be ₹16,012/- (Rupees Sixteen Thousand and Twelve Only) per unit of SGB based on the simple average of closing price of gold for the three business days i.e., May 13, May 14, and May 15, 2026.

For more information, you can access the RBI press release here:

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=62748

You may send your suggestions at niyati@asalegal.in

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