

DECEMBER 2025

# NEWSLETTER

## REGULATORY

- RBI
- SEBI
- MCA



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**1. Foreign Exchange Management (Export and Import of Currency) (Amendment) Regulations, 2025**

Notification No. FEMA 6 (R)/(4)/2025-RB

Dated: December 08, 2025

Vide this notification RBI has amended the Foreign Exchange Management (Export and Import of Currency) Regulations, 2015.

The Amendment revises **Regulation 8** of the principal regulations governing the **export and import of Indian currency notes**.

Below is the gist of the amendments:

- i. Individuals moving between **India and Nepal/Bhutan** can now **carry Indian currency notes of denominations above ₹100 up to a total value of ₹25,000** (*Earlier, currency above ₹100 was generally not permitted for informal cross-border carriage*).
- ii. Individuals returning from Nepal or Bhutan can bring back Indian currency notes of denominations above ₹100 up to ₹25,000.
- iii. Holders can freely take Nepalese or Bhutanese currency in and out of India without monetary limits under this regulation.

The regulation applies to individuals travelling between India, Nepal and Bhutan, **but excludes citizens of Pakistan and Bangladesh** due to separate regulatory/security considerations.

[Notification](#)

**1. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) (Second Amendment) Regulations, 2025**

F. No. SEBI/LAD-NRO/GN/2025/284  
Dated 04<sup>th</sup> December, 2025

*Effective Date: 2<sup>nd</sup> January 2026*

Vide this notification, SEBI has amended the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. Following are the key amendments in the regulation:

1. In Regulation 2(1) (ww) the definition of valuer has been substituted namely; "valuer" shall have the same meaning as assigned to it under section 247 of the Companies Act, 2013 as amended from time to time. Prior to this amendment "valuer" meant an independent chartered accountant or a merchant banker appointed to determine the valuation of know-how or intellectual property rights or value addition. *Implication - Valuation of share-based benefits (e.g., ESOPs, SARs, sweat equity) must now be done only by an independent registered valuer as defined in the Companies Act, 2013.*
2. In Regulation 34, which provides for valuation, the word merchant banker has been substituted with the words *an independent registered valuer* and proviso have been inserted by which the merchant bankers are required to complete the ongoing valuation assignment prior to this amendment within nine months from the date of coming into force of the said regulations.
3. Sub-regulations (2) and (3) of Regulation 34 have been deleted entirely, removing alternative valuation routes that previously existed.

**Regulation****2. Securities and Exchange Board of India (Merchant Bankers) (Amendment) Regulations, 2025**

Circular No. F. No. SEBI/LAD-NRO/GN/2025/282  
Dated 05<sup>th</sup> December, 2025

Vide this notification, SEBI has amended the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992. Following are the key amendments in the regulation:

- **In regulation 2(1)** which provides for definitions, Clause (d) has been substituted to redefine "Principal Officer" as an employee of the merchant banker having at least five years' experience in financial markets, duly designated by the merchant banker, and responsible for decision-making and overall merchant banking operations.
- **In regulation 3** which provides for grant of certificate of registration, The regulation provides that an application by a person for grant of a certificate of registration shall be made to the Board in Form A along with a non-refundable application fee. Pursuant to amendment, the regulation has further introduced a classification of merchant bankers into:
  - Category I merchant banker, and
  - Category II merchant banker,with Category II being restricted from managing public issues of equity shares proposed to be listed on the main board.
- **In regulation 6** which provides for eligibility criteria, The regulation has been amended to:  
Restrict eligibility to Indian body corporates or LLPs (with limited exception for RBI-licensed foreign banks), exclude One Person Companies and NBFCs.
- **In regulation 7** which provides for capital adequacy, the minimum net worth requirement has been revised as follows:

Rs.50 crore for Category I merchant bankers, and

Rs.10 crore for Category II merchant bankers.

(Previously, uniform minimum net worth requirement of ₹5 crore was prescribed for all merchant bankers)

- **Regulation 7A** has been inserted providing for **minimum liquid net worth**, requiring:  
Rs.12.5 crore for Category I merchant bankers, and  
Rs.2.5 crore for Category II merchant bankers.
- **In regulation 9A** which provides for general obligations and responsibilities, Provisions have been inserted to mandate:
  - Continuous maintenance of capital adequacy and liquid net worth, and
  - Prohibition on outsourcing core merchant banking activities such as due diligence and preparation of offer documents.
- **Regulation 9C** has been inserted mandating minimum income from permitted merchant banking activities, subject to exemptions as specified by SEBI.
- **Regulation 13A** has been substituted which provides for the permitted activities a merchant banker can undertake after receiving a certificate of registration.
- **Regulation 16** has been substituted which provides for preservation of books of account, records and other documents for a minimum period of eight financial years
- **Regulation 21B** has been inserted which provides that A merchant banker shall not lead manage its own issue or be associated with any other activity undertaken under any of the regulations made by the Board in respect of its own issue

### Regulation

### **3. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 2025**

Circular No. F. No. SEBI/LAD-NRO/GN/2025/283  
Dated 05<sup>th</sup> December, 2025

Vide this notification, SEBI has amended the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. Following are the key amendments in the regulation:

- **In regulation 2(1) (za)** a new clause has been inserted, namely, 2(1)(zaa) which provides for the definition of “valuer” and it shall have the same meaning as assigned to it under section 247 of the Companies Act, 2013.
- **In regulation 8(2)(e)** which provides for determination of **offer price** when shares are not frequently traded the price shall be determined by an independent registered valuer. Prior to this amendment it was determined by the acquirer and the manager to the open offer.

A proviso has been inserted which provides that any ongoing valuation under the said regulation prior to this amendment shall be completed by the acquirer and the manager to the open offer within a period of nine months from the date of coming into force of the said regulations.

- **In regulation 8(4)** which provides that in the event the offer price is incapable of being determined under any of the parameters specified in sub-regulation (3) the price shall be determined by an **independent registered valuer**. Prior to this amendment it was determined by the acquirer and the manager to the open offer.

A proviso has been inserted which provides that any ongoing valuation under the said regulation prior to this amendment shall be completed by the acquirer and the manager to the open offer within a period of nine months from the date of coming into force of the said regulations.

- **In regulation 9(5)(c)** which provides that, where listed securities are offered as consideration, ratio of exchange of shares shall be duly certified by an *independent registered valuer*. Prior to this amendment it was certified by

the acquirer and the manager to the open offer or by a merchant banker (other than the manager to the open offer) or an independent chartered accountant having a minimum experience of ten years.

## Regulation

### **4. Relaxation on geo tagging requirement in India for NRIs while undertaking re-KYC**

**Circular No.: HO/38/30/12(1)2025-MIRSD SEC FATF**  
Dated 10<sup>th</sup> December, 2025

Vide this notification, SEBI has provided relaxation to NRI clients from geo tagging requirement while undertaking KYC.

Para 51 of the Master Circular on KYC dated October 12,2023 has been modified as under:

- The requirement of physical location of client being in India during digital onboarding shall be relaxed for undertaking re-KYC for existing client.
- The App shall ensure that the client's GPS location matches the country mentioned in the Proof of Address and shall block connections from spoofed IP addresses.

## Circular

### **5. Ease of doing investment - Review of simplification of procedure and standardization of formats of documents for issuance of duplicate certificates**

**Circular No.: HO/38/13/11(3)2025-MIRSD-POD/I/1102/2025**  
Dated 24<sup>th</sup> December, 2025

Vide this notification, SEBI has amended circular dated May 25, 2022, read with Para 22 of Master Circular for Registrars to an Issue and Share Transfer Agents ('RTAs') dated June 23, 2025 ('Master Circular'), which prescribed the documentary, procedural requirements and threshold for such issuance:

#### **Key Highlights of the Amendment are:**

- The value limit for simplified documentation has been enhanced from Rs. 5 lakh to Rs.10 lakh.
- A uniform **Affidavit-cum-Indemnity bond** format has been prescribed to bring consistency across issuers and RTAs.
- For securities valued **up to ₹10,000**, notarisation of the Affidavit-cum-Indemnity has been dispensed with. Only an undertaking on plain paper is required.
- For documentation for securities up to Rs.10 lakh Investors must submit the prescribed Affidavit-cum-Indemnity on non-judicial stamp paper of appropriate value.
- For securities exceeding Rs. **10 lakh**, investors must additionally submit:
  - FIR / e-FIR / police complaint / court order / plaint, clearly mentioning folio and certificate details.
  - The listed company must issue a **newspaper advertisement** regarding loss of securities.
  - Processing timelines begin only after completion of documentation or publication, *whichever is later*.
- Duplicate securities will be issued **only in demat mode**, encouraging increased dematerialization

## Circular

**1. The Companies (Specification of definition details) Amendment Rules, 2025**

Notification No. G.S.R. 880(E)  
Dated 1<sup>st</sup> December 2025

Vide this notification MCA has amended the Companies (Specification of definition details) Rules, 2014.

The amendment substitutes clause (t) of Rule 2(1) in the principal rules to update the quantitative criteria for a small company. A company (other than a public company) shall be classified as a small company only if it satisfies both of the following **at the same time**:

<b>Criteria</b>	<b>Earlier Limit</b>	<b>Revised Limit</b>
Paid-up Share Capital	₹4 crore or less	₹10 crore or less
Turnover (preceding year)	₹40 crore or less	₹100 crore or less

[Notification](#)**2. Relaxation of additional fees and extension of time for filing of Financial Statements and Annual Returns under the Companies Act, 2013**

General Circular No. 08/2025  
Dated 30<sup>th</sup> December 2025

Vide this circular, MCA has extended the due date for annual filings for FY 2024–25 by allowing companies to file specified e-Forms (MGT7, MGT-7A, AOC-4, AOC-4 CFS, AOC-4 NBFC (Ind AS), AOC-4 CFS NBFC (Ind AS), AOC4 (XBRL)) up to 31 January 2026 without payment of additional (late) fees.

[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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