

# POLICY MONITOR

**July 2025**



# Finance

## **RBI Eases Priority Sector Lending Norms for Small Finance Banks**

The Reserve Bank of India (RBI) has revised the priority sector lending (PSL) requirements for small finance banks (SFBs). PSL mandates banks to allocate a specific portion of their lending to sectors like agriculture, education, and housing. SFBs primarily cater to underserved groups, including small businesses and marginal farmers. Previously, SFBs were required to direct 75% of their Adjusted Net Bank Credit (ANBC) towards priority sectors. This threshold has now been reduced to 60% of ANBC or the credit equivalent of off-balance sheet exposures, whichever is higher, easing the compliance burden on these institutions.

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## **RBI issues directions for lending against gold and silver collateral**

The Reserve Bank of India (RBI) has introduced the RBI (Lending Against Gold and Silver Collateral) Directions, 2025. These guidelines allow RBI-regulated entities to provide loans secured by gold jewellery, ornaments, and coins to meet borrowers' short-term financing needs. The 2025 Directions aim to simplify and standardised the regulatory framework for such lending by consolidating and repealing several earlier circulars issued by the RBI.

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## **RBI Issues Comprehensive Framework for Project Finance**

The Reserve Bank of India (RBI) has released the RBI (Project Finance) Directions, 2025, effective from October 1, 2025. Project finance refers to loans repaid primarily through revenue generated by the project, which also serves as collateral. These Directions consolidate prior RBI guidelines and apply where at least 51% repayment comes from project cash flows and lenders share a common agreement. Key conditions include documented commencement dates, cash flow-based repayment schedules, and land availability before disbursal.

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## **SEBI approves various decisions at board meeting**

SEBI approved several key regulatory measures in its recent meeting. Merchant bankers and debenture trustees may now undertake non-SEBI-regulated activities if these fall under other financial regulators or are fee-based financial services. SEBI also reduced the minimum lot size for privately placed Infrastructure Investment Trusts (InvITs) in the primary market to ₹25 lakh, regardless of asset composition, aligning it with the secondary market. Additionally, to safeguard investors in unlisted startups, SEBI mandated that only accredited investors—those independently verified as having adequate risk capacity—can qualify as angel investors, thereby strengthening the eligibility norms for participation in angel funds.

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## **SEBI Strengthens Investor Safety with Validated UPI Handles and 'SEBI Check' Tool**

SEBI has announced the introduction of "Validated UPI Handles" and the "SEBI Check" feature to strengthen investor protection and reduce the risk of payment-related fraud in the securities market. These tools will verify UPI IDs linked to registered intermediaries and allow investors to confirm recipient authenticity before transactions, enhancing transparency and safety in the investment process.

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## Commerce

### Amendments to Special Economic Zones Rules notified

The Ministry of Commerce and Industry has amended the Special Economic Zones (SEZ) Rules, 2006, introducing key changes. The minimum land requirement for SEZs manufacturing semiconductors or electronic components has been reduced to 10 hectares, while no minimum land requirement continues for IT and ITeS SEZs. Developers are now allowed to proceed with SEZ development even if the land is mortgaged or leased to central or state governments, relaxing the earlier encumbrance-free condition. Additionally, units offering manufacturing services to overseas entities can now transfer goods to the Domestic Tariff Area upon payment of applicable duties, expanding beyond previous export-only provisions.

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## Communication

### DoT Seeks Public Feedback on Draft Amendments to Strengthen Telecom Cybersecurity Rules

The Department of Telecommunications (DoT) has invited public comments on the draft amendments to the telecom cyber security rules. These proposed changes aim to strengthen the security framework of India's telecommunications infrastructure by enhancing safeguards against cyber threats. The amendments seek to introduce updated compliance standards, improve incident response mechanisms, and mandate periodic security audits for telecom service providers. Stakeholder feedback is being solicited to ensure the rules are robust, practical, and in alignment with evolving technology and global best practices. Inputs from industry experts, telecom operators, and the public are expected to help refine and finalize the regulatory framework.

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## Environment

### Centre Issues Model Rules for Tree Felling on Agricultural Lands to Guide States and UTs

The Ministry of Environment, Forest, and Climate Change has issued model rules for states and union territories on tree felling in agricultural lands. These rules establish a regulatory framework for registering agroforestry lands and overseeing the harvesting and transportation of trees, promoting sustainable agroforestry practices across the country.

[Read more](#)

### Revisions to the National Mission for Green India notified

The Ministry of Environment, Forest, and Climate Change has notified revisions to the National Mission for Green India (GIM), a key component of India's National Action Plan on Climate Change. The updated guidelines aim to enhance afforestation efforts, increase forest and tree cover, and improve ecosystem services such as carbon sequestration and biodiversity conservation. The revisions focus on better implementation through convergence with other schemes, enhanced community participation, and stronger monitoring mechanisms to achieve sustainable and climate-resilient forest landscapes.

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## Heavy industries

### Guidelines for the scheme to promote the manufacturing of electric passenger cars

The Ministry of Heavy Industries has released guidelines for a scheme designed to accelerate electric passenger vehicle manufacturing in India. To be eligible, companies must meet specific conditions: (i) a minimum global revenue of ₹10,000 crore, (ii) an investment of ₹4,150 crore or more in India over three years, and (iii) achieve domestic value addition of 25% in three years and 50% in five years. Additionally, the scheme encourages investments in charging infrastructure and in-house engineering, research, and development, supporting the creation of a robust and self-reliant electric mobility ecosystem in the country.

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## Home Affairs

### Census 2027 to Be Conducted in Two Phases with Caste Enumeration and Regional Reference Dates

The Population Census-2027 will be carried out in two phases and will include the enumeration of castes. The official reference date for the census is set as March 1, 2027. However, for regions such as Ladakh and the snow-bound areas of Jammu & Kashmir, Uttarakhand, and Himachal Pradesh, the reference date will be October 1, 2026, considering weather-related accessibility issues. The reference date serves as the fixed point in time to which all collected data relates, ensuring consistency and accuracy in demographic and caste-related information across the country during the census process.

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## Labour & Employment

### EPFO Raises Auto-Settlement Limit to ₹5 Lakh for Faster Claim Processing

The Employees' Provident Fund Organisation (EPFO) has increased the auto-settlement limit for advance claims from ₹50,000 to ₹5 lakh. This move aims to provide quicker access to funds for members facing urgent financial needs. The enhanced limit ensures faster claim processing without manual intervention, improving convenience and financial support for EPFO subscribers.

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## Mines

### National Critical Mineral Mission notified

The Ministry of Mines has launched the National Critical Mineral Mission, set to run until 2030–31. Aimed at strengthening India's supply chain for 24 key minerals like lithium, cobalt, and nickel, the Mission will support sectors such as energy, electronics, and defence. It involves ₹16,300 crore in government funding and ₹18,000 crore from public sector undertakings.

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## Power

### Comments invited on draft amendments to energy storage system regulations

The Ministry of Power has invited feedback on the draft Electricity (Amendment) Rules, 2025, which propose updates to the 2005 Rules governing energy storage systems (ESS). ESS enables storage of electricity, particularly from renewable sources, for later use. Currently, generation companies, transmission or distribution licensees, and independent ESS providers can develop or operate such systems. The draft amendments seek to expand this list by allowing end-use consumers to also develop, own, lease, or operate energy storage systems.

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### Comments invited on draft amendments to power market regulations

The Central Electricity Regulatory Commission (CERC) has invited public comments on the draft Central Electricity Regulatory Commission (Power Markets) (First Amendment) Regulations, 2025. These draft amendments aim to revise the existing Power Market Regulations, 2021. The current regulations establish the framework governing electricity contracts traded on power exchanges as well as in the over-the-counter (OTC) market.

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## Renewable

### Guidelines on waste-to-energy projects revised

The Ministry of New and Renewable Energy (MNRE) has issued updated guidelines for waste-to-energy projects, replacing the previous version from 2022. The scheme is intended to encourage the production of power, biogas, Bio-CNG, producer gas, or syngas from urban, industrial, and agricultural waste. The revised guidelines will also be applicable to all projects approved in previous years under the scheme.

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### Guidelines on biomass programme revised

The Ministry of New and Renewable Energy (MNRE) has released revised guidelines for the Biomass Programme, approved in November 2022. The programme supports biomass briquette or pellet plants and non-bagasse-based projects. Key updates include replacing the two-year sales contract requirement with a general sale agreement and removing the need for environmental clearance. Financial assistance will now be pro-rated based on 50% to 80% capacity utilisation.

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## Transport

### NHAI released strategy for asset monetisation

The National Highways Authority of India (NHAI) has unveiled an asset monetisation strategy for the roads sector, aiming to fund future projects using proceeds from existing assets. The plan focuses on Toll-Operate-Transfer (ToT) and Infrastructure Investment Trust (InvIT) models, enabling investors to earn returns from toll collection and pooled infrastructure investments.

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