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16<sup>th</sup> March 2026

## **SEBI Relaxes Certification Requirement for Sales and Non-Core Staff Associated with Research Services**

### **Press Release No. 16/2026**

The Securities and Exchange Board of India (SEBI), vide Circular No. HO/38/12/(5)2026-MIRSD-POD/I/6703/2026 dated March 11, 2026, has introduced a relaxation in the certification requirement for Persons Associated with Research Services (PARS) who are engaged in sales and other non-core activities.

The circular has been issued under Regulation 7 of the SEBI (Research Analysts) Regulations, 2014, read with Regulation 3(1) of the SEBI (Certification of Associated Persons in the Securities Markets) Regulations, 2007, with the objective of promoting ease of doing business while maintaining appropriate certification standards in the securities market.

### **Analysis**

- Under Regulation 7 of the Research Analysts Regulations, Persons Associated with Research Services (PARS) are required to obtain certification from the National Institute of Securities Markets (NISM). Earlier, such persons were required to pass the NISM Series-XV: Research Analyst Certification Examination.
- SEBI has now introduced a simplified certification requirement for PARS engaged in sales, relationship management, and other non-core services who interact with clients but are not involved in research activities. Such personnel will be required to pass the NISM Series-XXV-A certification examination.
- PARS involved in core research activities will continue to obtain the NISM Series-XV Research Analyst Certification.
- Individuals performing non-core services who already hold the Series-XV certification will not be required to obtain the new certification until expiry of their existing certification.
- The circular comes into effect immediately, and the Research Analyst Administration and Supervisory Body (RAASB) has been directed to implement the provisions and inform registered research analysts.



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- The circular reduces the compliance burden for research analyst firms by introducing a role-based certification framework. While research personnel must continue to meet existing certification standards, sales and other non-core staff can obtain a simplified certification, enabling easier onboarding and improved operational flexibility while maintaining investor protection.
  
- **Key Takeaways**
  - SEBI has introduced a lighter certification requirement for PARS engaged in sales and non-core services.
  - Such individuals must now pass NISM Series-XXV-A certification instead of the NISM Series-XV Research Analyst Certification.
  - Personnel directly involved in research activities must continue to hold Series-XV certification.
  - Existing Series-XV certificate holders performing non-core roles need not obtain Series-XXV-A until their current certification expires.
  - The circular comes into effect immediately and RAASB must amend its rules and disseminate the provisions to registered research analysts.
  
- The notification is attached herein.

[Click Here](#)

### **RBI Issues Revised Prudential Norms for Declaration of Dividend and Remittance of Profits by Banks and Other Regulated Entities**

**Press Release: 2025-2026/2242**

The Reserve Bank of India (RBI), vide press release dated March 10, 2026, has issued revised Master Directions on Prudential Norms for Declaration of Dividend and Remittance of Profits applicable to various regulated banking entities. These Directions have been finalized after considering stakeholder feedback on the draft guidelines released on January 6, 2026. The revised framework covers commercial banks, small finance banks, payment banks, local area banks, and regional rural banks, and will come into effect from Financial Year (FY) 2026-27, while the existing norms will continue to apply up to FY 2025-26.



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## **Analysis**

- The RBI had earlier released draft Directions in January 2026 to review and consolidate the prudential norms governing declaration of dividends and remittance of profits by regulated banking entities. The consultation process aimed to ensure alignment of dividend distribution practices with prudential capital and financial stability considerations.
- After examining feedback received from stakeholders, the RBI has finalized and issued five Master Directions covering the prudential framework for dividend declaration applicable to different categories of banks, including commercial banks, small finance banks, payment banks, local area banks, and regional rural banks.
- To streamline the regulatory framework, the RBI has also issued four Repeal Directions, which withdraw the earlier instructions governing dividend declaration for the respective banking categories. This ensures that the revised framework replaces the existing regulatory regime in a consolidated and updated form.
- In addition, the RBI has issued an Amendment Guideline relating to the setting up of wholly owned subsidiaries by foreign banks, indicating that the revised prudential norms also align with broader regulatory requirements applicable to foreign banking operations in India.
- The new Directions will become effective from FY 2026-27, while the currently applicable prudential norms governing dividend declaration and profit remittance will continue to remain valid for FY 2025-26, thereby providing a transition period for regulated entities to align with the revised framework.
- The revised Directions are expected to enhance regulatory clarity and ensure that dividend declarations remain aligned with the financial health and capital adequacy of regulated banking entities. The framework will impact commercial banks, small finance banks, payment banks, local area banks, and regional rural banks, which will need to review their dividend distribution and capital planning policies. The transition period until FY 2026–27 provides these entities time to align their internal governance and compliance processes with the revised prudential norms.
- **Key Takeaways**
  - RBI has issued revised Master Directions on prudential norms for declaration of dividend and remittance of profits applicable to multiple categories of banks.
  - The framework covers commercial banks, small finance banks, payment banks,



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local area banks, and regional rural banks.

- Four repeal directions have been issued to withdraw the earlier dividend-related instructions.
- An amendment guideline on wholly owned subsidiaries of foreign banks has also been notified.
- The revised regulatory framework will come into force from FY 2026-27, while existing norms remain applicable until FY 2025-26.

➤ The notification is attached herein.

[Click Here](#)

### **Bank's Internal Classification of Debt as NPA Not Determinative of Limitation Under IBC: Supreme Court**

The Supreme Court has clarified that a bank's internal classification of a loan account as a Non-Performing Asset (NPA) for accounting or provisioning purposes does not, by itself, determine the commencement of the limitation period under the Insolvency and Bankruptcy Code, 2016 (IBC). The Court emphasized that where the debt has subsequently been restructured and acknowledged through fresh agreements, such acknowledgments can effectively revive the limitation period.

The Bench comprising Justice P. S. Narasimha and Justice Manoj Misra dismissed an appeal filed by the suspended Managing Director of Metal Closure Pvt Ltd, thereby upholding the maintainability of insolvency proceedings initiated by a consortium of banks led by State Bank of India.

### **Background of the Case**

The Corporate Insolvency Resolution Process (CIRP) was triggered on an application under Section 7 of the Insolvency and Bankruptcy Code, 2016 filed by State Bank of India along with Punjab National Bank, Corporation Bank, and UCO Bank, alleging a default exceeding ₹280 crore.

The petition was admitted by the National Company Law Tribunal, Bengaluru, on December 14, 2018.



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The suspended Managing Director challenged the admission order on the ground of limitation, arguing that the loan account had been declared NPA in January 2010 and that the insolvency application filed in April 2018 was beyond the three-year limitation period prescribed under the Limitation Act, 1963.

After multiple rounds of litigation, including a remand by the Supreme Court and amendments to the pleadings, the National Company Law Appellate Tribunal concluded that the application was filed within the limitation period in light of subsequent acknowledgments of debt.

### **Contentions Before the Supreme Court**

Before the Supreme Court, the appellant contended that the Section 7 application was defective because it mentioned only the NPA dates and did not specify the actual date of default as required under the prescribed statutory form. It was further argued that the balance sheets relied upon by the banks could not extend the limitation period since they were allegedly not properly authenticated or approved by the shareholders.

In response, the banks submitted that the loan accounts had been restructured between 2010 and 2014 and that fresh working capital consortium agreements had been executed acknowledging the outstanding liabilities. They also pointed out that the company's balance sheets for the financial years 2013-14 and 2014-15, signed on September 30, 2015, constituted a written acknowledgment of liability under Section 18 of the Limitation Act, 1963, thereby extending the limitation period.

### **Supreme Court's Observations**

Rejecting the challenge, the Court held that the amended Section 7 application filed pursuant to its earlier directions contained all the material particulars required under the statute.

The Bench observed that the restructuring exercise involved the execution of fresh agreements acknowledging existing dues. Such acknowledgments, the Court held, effectively revived the enforceability of the debt for the purposes of limitation. The disclosure of subsequent NPA dates, along with written acknowledgments in the company's balance sheets, sufficiently established that the claim was within limitation when the application was filed on April 25, 2018.



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## **Balance Sheets as Acknowledgment of Debt**

Reiterating settled principles, the Court held that a written acknowledgment of liability signed by the party against whom the right is claimed attracts Section 18 of the Limitation Act, 1963 and gives rise to a fresh limitation period.

The Court further observed that a director acts as an agent of the company for the purposes of Section 18. Consequently, a balance sheet signed by a director can constitute a valid acknowledgment of liability.

In the present case, since the balance sheets were signed by a director and had also been relied upon by the company itself in proceedings before the Debt Recovery Tribunal, the Court held that they were sufficient to extend the limitation period.

## **Conclusion**

The Court reaffirmed that once the Adjudicating Authority is satisfied that a financial debt exists and that a default above the statutory threshold has occurred, there is limited discretion to refuse admission of an application under Section 7 of the Insolvency and Bankruptcy Code, 2016.

Accordingly, the appeal was dismissed and the insolvency proceedings against Metal Closure Pvt Ltd were upheld as being within the prescribed limitation period.

**Case:** *B Prashanth Hegde v. State Bank of India and Anr.*  
**Case Number:** Civil Appeal No. 477 of 2022.

## **Belated Jurisdictional Challenge Impermissible After Active Participation in Arbitration Proceedings: Supreme Court**

The Supreme Court has held that a party which actively participates in arbitration proceedings without raising a jurisdictional objection at the appropriate stage cannot later challenge the jurisdiction of the arbitral tribunal merely because the award has gone against it. The Court emphasized that permitting such belated objections would undermine the principles and efficiency of arbitration as a dispute resolution mechanism.

A Bench comprising Justice J. K. Maheshwari and Justice Atul S. Chandurkar made this observation while dismissing an appeal challenging an arbitral award on the ground of lack of jurisdiction. The Court underscored that a party cannot reserve a jurisdictional objection as a strategic device to be invoked only after an unfavourable outcome.



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The Bench observed that a party cannot keep a “jurisdictional ace” up its sleeve and later contend that a jurisdictional challenge under Section 16 of the Arbitration and Conciliation Act, 1996 would retrospectively nullify its earlier conduct and acquiescence during the proceedings. Allowing such conduct, the Court noted, would erode the foundational ethos of alternative dispute resolution and arbitration.

The Court also relied on its earlier observations in *Hindustan Construction Co. Ltd. v. Bihar Rajya Pul Nirman Nigam Ltd.*, reiterating that a party which has actively participated in arbitration proceedings cannot subsequently challenge the process merely because the outcome is adverse.

### **Background of the Dispute**

The dispute arose from a consultancy agreement between the Municipal Corporation of Greater Mumbai and R.V. Anderson Associates Limited relating to the upgrading of Mumbai’s sewerage operations under a project funded by the World Bank.

After the consultancy work concluded in 2001, disputes arose regarding outstanding payments. This led the respondent to invoke arbitration in 2005. Both parties appointed their respective nominee arbitrators, who were required to jointly appoint a presiding arbitrator.

During the course of the proceedings, several presiding arbitrators were appointed after earlier nominees stepped down. Throughout this period, the appellant—Municipal Corporation of Greater Mumbai (MCGM) participated in the arbitration process without raising any objection to the composition of the arbitral tribunal, including attending the tribunal’s preliminary meeting in January 2009.

### **Jurisdictional Challenge Raised Later**

In February 2009, MCGM raised a jurisdictional objection, contending that the presiding arbitrator had been appointed beyond the 30-day period stipulated in the arbitration clause. According to the appellant, the power to appoint the presiding arbitrator had therefore shifted to the International Centre for Settlement of Investment Disputes (ICSID).

The arbitral tribunal rejected the objection and proceeded to pass an award in favour of the respondent.



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MCGM subsequently challenged the award under Sections 34 and 37 of the Arbitration and Conciliation Act, 1996 before the Bombay High Court, but the challenge was dismissed. The corporation then approached the Supreme Court.

### **Supreme Court's Findings**

Affirming the findings of the High Court, the Supreme Court upheld the arbitral award and rejected the belated jurisdictional challenge. The judgment authored by Justice J. K. Maheshwari emphasized that the conduct of the party throughout the arbitration proceedings is a crucial factor in determining whether such objections can be entertained.

The Court observed that the appellant had participated in multiple hearings and remained silent during several appointments of presiding arbitrators. By doing so, it had effectively demonstrated its acceptance of the arbitral process.

The Bench further noted that although MCGM argued that the co-arbitrators lacked the authority to appoint the third arbitrator, neither party had invoked the contingency mechanism of approaching the International Centre for Settlement of Investment Disputes for such appointment. Moreover, MCGM had been informed about the proposed appointment of the third arbitrator on three separate occasions but did not raise any objection at that time.

In these circumstances, the Court held that MCGM's conduct reflected clear acquiescence to the process. Raising a jurisdictional challenge only at a later stage—just before filing the statement of defence amounted to a belated technical objection.

The Court cautioned that parties cannot be permitted to exploit the dispute resolution process or take advantage of procedural technicalities after having actively participated in arbitration proceedings.

### **Conclusion**

Finding no merit in the appeal, the Supreme Court dismissed the challenge and upheld the arbitral award. The judgment reinforces the principle that parties must raise jurisdictional objections at the earliest stage and cannot challenge the arbitral process after participating in it merely because the outcome is unfavourable.

**Case:** *Municipal Corporation of Greater Mumbai v. M/s R.V. Anderson Associates Limited*

**Case No.:** SLP (C) Nos. 23846–47 of 2025



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