



RBI CIRCULAR

APRIL 2026



Official Guidelines
from
**RESERVE BANK
OF INDIA**



Regulatory
Updates



Policy
Directions



Compliance
Matters



DOWNLOAD PDF



RBI Circular April 2026

Reserve Bank of India imposes ₹95.4 lakh penalty on Union Bank of India for lapses in customer protection and Income Recognition, Asset Classification and Provisioning compliance

- The Reserve Bank of India (RBI) imposed a monetary penalty of ₹95.40 lakh on Union Bank of India for regulatory non-compliance.
- The violations were related to RBI directions on “Limiting Liability of Customers in Unauthorised Electronic Banking Transactions” and “Automation of Income Recognition, Asset Classification and Provisioning (IRACP)”.
- The penalty was imposed under Section 47A(1)(c) read with Sections 46(4)(i) and 51(1) of the Banking Regulation Act, 1949.
- The first violation was the failure to credit (shadow reversal) the amount of unauthorised electronic transactions within 10 working days of customer notification.
- The second violation was the non-availability of 24×7 facility through multiple channels for reporting unauthorised electronic transactions, violating customer protection guidelines.
- The third violation involved manual intervention in system-based asset classification in certain Kisan Credit Card (KCC) accounts, violating IRACP norms.
- These lapses highlight the importance of strict compliance with RBI digital banking security and asset classification frameworks.

About Union Bank of India (UBI):

- Founded Year: 1919
- Headquarters: Mumbai, Maharashtra, India
- MD & CEO: Asheesh Pandey
- Slogan: "Good People to Bank With"

Reserve Bank of India Releases Payments Vision 2028 to Boost India's Digital Payment Ecosystem

- The Reserve Bank of India (RBI) has unveiled its ‘Payments Vision 2028’, titled ‘Shaping India's Payment Frontier’, aimed at strengthening and expanding India's rapidly growing digital payments ecosystem.

Key Highlights :

- The RBI has been periodically issuing the Payments Vision framework since 2001, and the latest 2028 vision provides a 3-year roadmap up to December 2028 for improving India's payment infrastructure and digital economy.
- The vision focuses on user empowerment, fraud prevention, cross-border payment efficiency, and ease of doing business, while strengthening trust, operational resilience, and global competitiveness of India's payment systems.
- It contains 15 key initiatives designed to modernize and secure India's digital payment ecosystem and support the country's position as a global leader in real-time digital transactions.



- A key proposal is the **switch on/off facility** for digital payments, enabling users to **control transactions** and strengthen **fraud prevention and security mechanisms**.
- **RBI** has introduced a **Shared Responsibility Framework (SRF)** to define **fraud liability sharing** between **issuing and beneficiary institutions**, enhancing **consumer protection and confidence**.
- The vision includes an improved **cross-border (CB) payment framework** with a **single-window authorization system**, aimed at making **international payments** faster, cheaper, and more efficient under **Payment and Settlement Systems Act** and **FEMA regulations**.
- The **RBI** also aims to strengthen **bank account portability** through the proposed **Payments Switching Service (PaSS)**, enabling **seamless transfer of standing instructions, EMIs, salaries, utility payments, and investment mandates**.
- The need for **account portability** arises due to “**sticky accounts**,” where customers remain with one bank because of multiple **linked transactions** such as salary credits, EMIs, and bill payments.
- The **PaSS system** will **centralize all payment mandates**, allowing customers to easily **manage and transfer** them when **switching banks**, improving **customer convenience and financial flexibility**.
- The **RBI** is also focusing on **Trade Receivables Discounting System (TReDS) interoperability**, which will improve **invoice financing efficiency** and support **liquidity for MSMEs**.
- A major focus area is **enhancing cross-border payment systems**, making them **faster, cheaper, and more accessible** while integrating India’s systems with **global frameworks** such as those promoted by the **G20**.
- The vision also supports **alignment** of India’s payment systems with **global standards** and explores **integration** with **digital currencies** and **international payment networks**.
- Overall, the **Payments Vision 2028** marks a shift from **expansion** to improving the **quality, usability, security, and global integration** of India’s payment ecosystem, strengthening its role as a **global leader in digital financial infrastructure**.

Reserve Bank of India Imposes ₹31.80 Lakh Penalty on Airtel Payments Bank for Non-Compliance with Disclosure Norms in Financial Statements

- The **Reserve Bank of India (RBI)** has imposed a **monetary penalty of ₹31.80 lakh** on **Airtel Payments Bank Limited** for **non-compliance** with certain provisions of the directions issued by **RBI** on ‘**Disclosure in Financial Statements**’.
- This penalty has been imposed in exercise of powers conferred on **RBI** under the provisions of **section 47A(1)(c)** read with **section 46(4)(i)** of the **Banking Regulation Act, 1949**.
- The **Statutory Inspection for Supervisory Evaluation (ISE 2025)** of the bank was conducted by **RBI** with reference to its **financial position** as on **March 31, 2025**.
- Based on **supervisory findings of non-compliance** with **RBI directions**, a **notice** was issued to the bank advising it to **show cause** as to why penalty should not be imposed.
- After considering the **bank’s reply**, additional submissions, and **oral submissions** during the **personal hearing**, **RBI** found that the charge was sustained.
- The specific violation involved the **non-disclosure of certain complaints** in its **annual financial statements** for the **financial year 2024-25**.
- The 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 bank with its **customers**.
- Further, imposition of **monetary penalty** is **without prejudice** to any other action that may be initiated by **RBI** against the bank.

Recent News :

- In March 2026, The **Reserve Bank of India (RBI)** imposed a **monetary penalty of ₹58.50 lakh** on **Bank of India** for **regulatory non-compliance**.

Reserve Bank of India imposes ₹63.60 lakh penalty on Central Bank of India for regulatory non-compliance

- The **Central Bank of India** has imposed a **monetary penalty of ₹63.60 lakh** by the **Reserve Bank of India (RBI)**.
- The penalty was imposed for **non-compliance** with **RBI directions** on **Know Your Customer (KYC)** and **Basic Savings Bank Deposit Account (BSBDA)** norms under **Financial Inclusion guidelines**.
- The action was taken under **Section 47A(1)(c)** read with **Sections 46(4)(i)** and **51(1)** of the **Banking Regulation Act, 1949**, empowering **RBI** to impose penalties for **regulatory violations**.
- The **Statutory Inspection for Supervisory Evaluation (ISE 2025)** was conducted with reference to the bank's **financial position** as on **31 March 2025**.
- Based on **supervisory findings**, **RBI** issued a **show-cause notice** after identifying **non-compliance** with **regulatory directions**.
- After reviewing the bank's reply and **oral submissions**, **RBI** confirmed the following **major violations**:
 - **Failure to upload KYC records** of certain customers to the **Central KYC Records Registry** within the **prescribed timeline**.
 - **Opening of multiple Basic Savings Bank Deposit Accounts (BSBDA)** for the same customers, **violating guidelines**.
 - **RBI clarified** that the penalty is based on **deficiencies in statutory compliance** and **does not affect the validity** of customer **transactions or agreements**.
- The action is **without prejudice** to any other **regulatory action** that may be initiated by **RBI** against the bank in future.

About Central Bank of India :

- Founded : 21 December 1911
- Headquarters : Mumbai, Maharashtra, India
- MD & CEO : Kalyan Kumar

Reserve Bank of India Defers Implementation of Revised Capital Market Exposure Framework to July 01, 2026

- The **Reserve Bank of India (RBI)** has **extended the implementation** of its revised **Capital Market Exposure (CME) framework** by **3 months**, now effective from **1 July 2026** instead of 1 April 2026.
- The **revised framework** was originally issued in **February 2026** through **RBI Amendment Directions on CME**.
- The framework aims to create an **enabling system** for banks to **finance acquisitions** by **Indian corporates**.
- It also seeks to **rationalize lending limits** against **shares, REITs, InvITs**, and other securities.
- A **principle-based framework** for **lending to Capital Market Intermediaries (CMIs)** has also been introduced.

- RBI has revised the definition of “**acquisition finance**”, which now includes **mergers and amalgamations**.
- **Acquisition finance** can now be extended only for **acquiring control over non-financial target companies**.
- Under new rules, **limits** have been introduced on **loans against securities** across the banking system.
- The **borrowing limits** are set at **₹1 crore per individual** for general loans against securities.
- For **capital market-linked purposes**, limits include **₹25 lakh** for **IPO loans, FPOs, and ESOP subscriptions**.
- The changes aim to strengthen **risk management, financial discipline, and capital market lending regulation** in the banking system.

Recent News :

- In March 2026, The **Reserve Bank of India (RBI)** unveiled its ‘**Payments Vision 2028**’, titled ‘**Shaping India’s Payment Frontier**’, aimed at strengthening and expanding India’s rapidly growing digital payments ecosystem.

Reserve Bank of India launches pilot Benchmark Issuance Strategy for state borrowings across 9 states

- The **Reserve Bank of India (RBI)** has introduced the **Benchmark Issuance Strategy (BIS)** for **state government market borrowings** on a **pilot basis** from FY27.
- The **pilot covers 9 States: Andhra Pradesh, Bihar, Chhattisgarh, Kerala, Madhya Pradesh, Maharashtra, Rajasthan, Telangana, and Uttar Pradesh**.
- Under **BIS**, states will issue **State Development Loans (SDLs)** in specific **benchmark tenor buckets** as per a **pre-announced borrowing calendar**.
- The objective of **BIS** is to **enhance transparency, liquidity, and price discovery** in the **SDL market**.
- The **total market borrowing** by States/UTs for **Q1 FY27** is estimated at around **₹2.54 lakh crore**, lower than **₹2.73 lakh crore** in **Q1 FY26**.
- Of this, the **9 BIS states** will collectively borrow about **₹1.54 lakh crore**, while the remaining **states/UTs** will borrow around **₹1.00 lakh crore**.
- The **borrowing estimate of ₹2.54 lakh crore (₹2,54,509 crore)** is **lower than market expectations** of **₹2.75–3 lakh crore**.
- **RBI**, acting as **cash and debt manager for states**, has encouraged adoption of **BIS** to provide **greater clarity to investors**.
- The **impact of BIS** on **borrowing costs** is expected to be **gradual**, but **positive** for improving **market efficiency**.
- The **strategy** is likely to be **adopted by other States/UTs** in future, **expanding its scope** beyond the **pilot phase**.

Reserve Bank of India data shows Current Account and Savings Account ratio declines to 37.9%, a two-year low in December 2025 quarter

- The **Reserve Bank of India (RBI)** reported that the **Current Account and Savings Account (CASA) ratio** declined to a **2-year low of 37.9%** in the **December 2025 quarter**, compared to **40.1% in December 2023**.
- **CASA (Current Account Savings Account) ratio** represents the proportion of **low-cost deposits** (current + savings accounts) in a bank’s **total deposits**.

- The decline was mainly due to a **fall in savings account deposits**, whose share dropped by **210 basis points to 28.9%**.
- **Depositors** are shifting towards **higher-yielding investment options** such as **equities, Mutual Funds (MFs), and gold**, indicating a **slowdown in deposit mobilisation**.
- **Total bank deposits** grew by **10% Year-on-Year (YoY)** to **₹239.8 lakh crore**.
- **Savings deposits** increased by **8% YoY** to **₹69.4 lakh crore**, while **current account deposits** grew by **10% YoY** to **₹21.4 lakh crore**.
- **Certificates of Deposit (CD)** issuances reached a **record ₹15.5 lakh crore in FY26**, showing a **17% YoY growth**.
- **Banks** are increasingly relying on **market borrowings (CDs)** to support **credit growth**, amid **declining CASA share**.

Reserve Bank of India Imposes ₹10.30 Lakh Penalty on Exclusive Capital Limited for Non-Compliance with Leverage Ratio and Reporting Norms

- Reserve Bank of India (RBI) imposed a **monetary penalty of ₹10.30 lakh** on **Exclusive Capital Limited**.
- The penalty was imposed for **non-compliance** with RBI directions related to **leverage ratio, filing of supervisory returns, and submission of balance sheet**.
- Action was taken under the provisions of the **Reserve Bank of India Act, 1934**, specifically **Sections 58G(1)(b) and 58B(5)(aa)**.
- The company was found to have **breached the permissible leverage ratio limit**, violating **RBI regulatory norms**.
- It also failed to **submit supervisory returns on time**, as required under **RBI guidelines**.
- Additionally, the company did not **furnish its balance sheet** within the **stipulated period**, leading to **regulatory action**.
- The penalty followed **offsite analysis, correspondence, and a show-cause notice**, after which **RBI confirmed the violations**.
- **RBI clarified** that the action is based on **regulatory compliance deficiencies** and does not comment on the **validity of transactions** or agreements of the company.
- The **penalty** is without prejudice to any **further action** that may be initiated by **RBI** in future against the company.

Recent News :

- In April 2026, The **Reserve Bank of India (RBI)** imposed a **monetary penalty of ₹31.80 lakh** on **Airtel Payments Bank Limited** for **non-compliance** with certain provisions of the directions issued by **RBI** on '**Disclosure in Financial Statements**'.

Reserve Bank of India Keeps Foreign Portfolio Investor Investment Limits in Government Securities, State Government Securities and Corporate Bonds Unchanged for FY 2026-27

- The **Reserve Bank of India (RBI)** has kept the **Foreign Portfolio Investor (FPI) investment limits** in **Government Securities (G-Secs), State Government Securities (SGSs), and Corporate Bonds** unchanged for **FY 2026-27**.
- The limits remain at **6% for G-Secs, 2% for SGSs, and 15% for corporate bonds** of the outstanding stock of securities.
- The **RBI** confirmed that the **Fully Accessible Route (FAR)** will continue, allowing **unrestricted investment** in specified government securities by eligible FPIs.

- The allocation of **incremental changes** in G-Sec limits between **General and Long-term sub-categories** has been retained at a **50:50 ratio** for **FY 2026-27**.
- Any increase in **State Government Securities (SGS)** limits will be **fully allocated** to the **General category**
- The **RBI** has also retained the **investment framework harmonisation**, bringing the **Voluntary Retention Route (VRR)** in line with the **General route limits**.
- The limit for **Credit Default Swaps (CDS)** sold by FPIs has been capped at **5% of corporate bond outstanding stock**.
- An **additional limit of ₹3.30 lakh crore** has been set for **CDS exposure** in **FY 2026-27**.
- The **total permissible FPI debt investment** for **April-September 2026** is **₹15,51,646 crore**, increasing to **₹16,32,640 crore** for **October 2026-March 2027**.
- The **RBI's decision** ensures **policy continuity, market stability**, and a **predictable foreign investment framework** in India's debt market.

Reserve Bank of India Cancels Licence of The Shirpur Merchants' Co-operative Bank Limited. for Regulatory Non-Compliance

- The **Reserve Bank of India (RBI)** cancelled the licence of **The Shirpur Merchants' Co-operative Bank Ltd., Shirpur** and the bank **ceased operations** from **April 06, 2026**.
- The action was taken under **Section 22** read with **Section 56** of the **Banking Regulation Act, 1949** due to **non-compliance** with regulatory norms.
- The bank was found to have **inadequate capital** and **weak earning prospects**, violating provisions of the **Banking Regulation Act, 1949**.
- It also failed to comply with **multiple requirements** under **Section 22 (3)(a), (b), (c), (d), and (e)** of the Act.
- The **RBI** stated that continuation of the bank would be **prejudicial to depositors' interests** and against **public interest**.
- The bank is now **prohibited** from carrying out **banking activities**, including **accepting and repaying deposits**.
- Following licence cancellation, the bank will undergo **winding up and liquidation**, with a **liquidator** to be appointed by **Maharashtra Cooperative authorities**.
- Depositors are protected under the **Deposit Insurance and Credit Guarantee Corporation (DICGC)**
- Each depositor is eligible for **insurance cover up to ₹5 lakh**, as per the **DICGC Act, 1961**.
- Around **99.7% of depositors** will receive the **full insured amount** of their deposits.
- As of **January 31, 2026**, **DICGC** had already paid **₹48.95 crore** towards **insured deposits** based on eligible claims.

Reserve Bank of India Proposes Revamp of Business Correspondent Model to Strengthen Last-Mile Banking and Financial Inclusion

- The **Reserve Bank of India (RBI)** has proposed a **revamp of the Business Correspondent (BC) model** to strengthen **last-mile banking delivery** and **financial inclusion**.

Key Highlights :

- The draft framework introduces a **three-tier banking delivery structure**: **Bank Branches, Business Correspondent-Banking Outlets (BC-BO)**, and **Business Correspondent-Banking Touchpoints (BC-BT)**.



- The **RBI** has proposed **classification of BCs into two categories (BC-BO and BC-BT)** based on their functions, service scope, and operational structure, along with **uniform wage and remuneration standards**.
- **BC-BOs** will function as **fixed-point service units**, offering **branch-like banking services with minimum working hours of 4 hours per day** for at least **5 days a week**.
- In contrast, **BC-BTs** will operate **without fixed timings** and will handle **smaller-value transactions only**, providing flexible and limited banking services.
- Both **BC-BOs and BC-BTs** will work **exclusively for a single bank**, ensuring **better control and accountability** in service delivery.
- The **RBI** has also proposed **uniformity in commission and remuneration structures**, where **BC-BOs will receive fixed + variable pay**, while **BC-BTs will receive only variable payouts**.
- The **Indian Banks' Association (IBA)** will design a **benchmark-linked remuneration framework**, with incentives partly based on **customer satisfaction levels**.
- The draft norms propose including **Business Facilitators (BFs)** under the **BC framework and phasing out the BF category by September 30, 2026**, requiring transition into the BC system.
- Banks will be required to conduct **strict due diligence on BCs**, including **financial strength, governance standards, and operational capability assessments** before onboarding.
- The draft is based on recommendations of a **multi-agency committee** comprising **RBI, Department of Financial Services (DFS), IBA, and NABARD**, aimed at improving efficiency and financial inclusion delivery mechanisms.
- The move comes amid a **decline in BC outlets in rural areas**, which fell to **11 lakh in FY25 from 15.48 lakh in FY24**, highlighting the need for strengthening **last-mile banking infrastructure**.

Recent News :

- In April 2026, The **Reserve Bank of India (RBI)** kept the **Foreign Portfolio Investor (FPI) investment limits in Government Securities (G-Secs), State Government Securities (SGSs), and Corporate Bonds** unchanged for **FY 2026-27**.

Reserve Bank of India Issues New Guidelines to Accelerate Inward Cross-Border Remittances and Reduce Banking Delays

- The **Reserve Bank of India (RBI)** has directed banks to **speed up cross-border inward payments by eliminating processing delays**.
- **RBI** observed that many banks rely on **end-of-day nostro account reconciliation**, which leads to **delays in crediting beneficiary accounts**.
- Banks are now required to perform **frequent reconciliation of nostro accounts**, preferably on a **near real-time basis**, with intervals **not exceeding one hour**.
- **Inward remittances** received during **foreign exchange market hours** must be **credited to customers on the same business day**, and those received after market hours must be credited on the **next business day**.
- Banks must **immediately inform customers** upon receiving **cross-border payment messages**, or at the start of the **next working day** if received after business hours.
- **RBI** has also directed banks to provide a **digital interface for forex transactions**, including **document submission and transaction tracking**.
- These measures align with **Payments Vision 2025** and **G20 objectives** of ensuring **faster, cheaper, and more transparent** cross-border payments.
- The **guidelines** will come into effect after a **6-month implementation period**.



Recent News :

- In April 2026, The **Reserve Bank of India (RBI)** proposed a **revamp of the Business Correspondent (BC) model** to strengthen **last-mile banking delivery** and **financial inclusion**.

Reserve Bank of India Frequently Asked Questions on Digital Rupee (e₹)

- **Digital Rupee (e₹)** is India's **Central Bank Digital Currency (CBDC)** issued by the **Reserve Bank of India** and is the **digital form** of physical currency (₹) with **equal value (at par)** to cash.

Key Highlights :

- e₹ provides features similar to **physical cash**, including **convenience, safety, and ease of use** in digital transactions.
- e₹ can be stored and transacted through **e₹ wallets** for **person-to-person (P2P)** and **person-to-merchant (P2M)**
- An **e₹ wallet** is a **digital wallet** on mobile devices offered by **banks and non-banks** under the **retail CBDC pilot**.
- The **RBI issues e₹ electronically** to banks and non-banks, which are responsible for **customer onboarding** and **wallet creation**.
- e₹ can be **loaded, redeemed, and transferred 24×7** between bank accounts and **e₹ wallets** by users and merchants in the pilot system.
- There is **no minimum balance requirement** for maintaining an **e₹ wallet**, and it is currently **linked to savings accounts**.
- e₹ is available in the **same denominations** as physical currency ensuring **uniformity** with cash usage.
- e₹ supports **decimal/fractional transactions** with payments allowed up to **two decimal places**.
- There are **no charges or fees** for using e₹ or **e₹ wallets**, making it **cost-effective**.
- As per **Section 26 of the RBI Act, 1934**, e₹ is a **legal tender** and is **guaranteed** by the **Central Government**.
- e₹ differs from **Unified Payments Interface (UPI)** as it is a **currency and store of value**, whereas **UPI** is only a **payment mechanism**.
- e₹ can be **withdrawn** from bank accounts and **stored separately** in wallets, functioning like **digital cash storage**.
- Currently, **19 banks** are providing **CBDC (e₹) wallet services** in India.
- **Wholesale CBDC (e₹-W)** is designed for **financial institutions and intermediaries** to enable efficient **interbank settlements** and **large-value transactions**.
- **Wholesale CBDC** focuses on **reducing settlement risks** and improving **financial system infrastructure**, while **retail CBDC** enhances **accessibility** and **financial inclusion**.
- **Retail CBDC (e₹-R)** is meant for the **general public** and is used for **day-to-day transactions** like physical cash in digital form.
- There are currently **16 participants** (banks and non-banks) in the **wholesale CBDC pilot**.
- The key use cases of **e₹-W** include settlement of **Government Securities (G-Sec)** secondary market transactions, **interbank lending and borrowing** in the call money market, and **tokenised issuance and settlement** of **Certificates of Deposit (CDs)**.

Reserve Bank of India launches 'Utkarsh 2029' as its Medium-Term Strategy Framework for 2026–29, replacing Utkarsh 2.0

- The Reserve Bank of India (RBI) launched 'Utkarsh 2029', its Medium-Term Strategy Framework for April 2026–March 2029, succeeding Utkarsh 2.0 (2023–25).
- The framework aims to guide the RBI's **strategic priorities, institutional development, and transformation into a world-class, full-service central bank.**
- It is built around **six strategic pillars**, defining RBI's long-term priorities:
 1. Robust Regulations
 2. Customer Centricity and Inclusive Finance
 3. Competitive Markets
 4. Effective Technology
 5. Future-ready Organisation
 6. Global India / Global Integration
- The RBI earlier introduced **Utkarsh 2022 in 2019**, replacing short-term annual planning with a **long-term strategic framework**
- Progress under **Utkarsh 2029** will be monitored through a **digital Utkarsh web application**, with **quarterly review** by top management and oversight by a **Sub-committee of the Central Board.**
- The strategy includes **49 deliverables** across the six pillars, focused on strengthening India's **financial and regulatory ecosystem.**
- Under **Project Sa-Mudra**, the RBI will focus on **modernising currency management systems.**
- The framework plans to expand **Central Bank Digital Currency (CBDC)** to enable efficient **cross-border payments** and financial innovation.
- It emphasizes scaling the **Unified Lending Interface (ULI)** to improve **inclusive credit delivery**, especially for underserved segments.
- The RBI also plans to develop an **indigenous AI-based Large Language Model (LLM)** for internal **operational efficiency and digital transformation.**

Reserve Bank of India issues draft amendment directions to revise identification framework for Upper Layer Non-Banking Financial Companies under Scale-Based Regulation system

- The Reserve Bank of India (RBI) issued **draft amendment directions (2026)** to revise the framework for identifying **Upper Layer Non-Banking Financial Companies (NBFC-UL)** under the **Scale-Based Regulation (SBR)**
- As per the draft "RBI (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Second Amendment Directions, 2026", NBFC-UL will include entities with **assets exceeding ₹1 lakh crore.**
- The framework proposes the inclusion of **government-owned NBFCs** in the **Upper Layer**, following the principle of **ownership-neutral regulation.**
- It also allows **NBFC-UL entities** to use **State Government guarantees** as a **credit risk transfer tool** without any cap, subject to regulatory conditions.



- As per **RBI norms**, the **top 15 NBFC-UL entities** are required to be **listed**, strengthening **market discipline** and **transparency**.
- **Tata Sons**, with assets of around **₹1.7 lakh crore**, qualifies for **NBFC-UL classification**, but has not undertaken **listing** despite the **October 2025 deadline**.
- The absence of **explicit listing enforcement** reduces immediate **IPO pressure** on eligible entities like Tata Sons.
- **Non-Banking Financial Companies (NBFCs)** are financial institutions regulated by the **RBI** that provide banking-like services such as **loans and investments** without holding a **full banking licence**.
- The **revised framework** aims to strengthen **risk management**, **governance**, and **regulatory oversight** in the NBFC sector.

Reserve Bank of India Releases Guidelines on Exchange Facility for Currency Notes and Coins

- The **Reserve Bank of India (RBI)** issued **Master Directions on Facility for Exchange of Notes and Coins** to ensure smooth **currency exchange services** across India.
- As per the guidelines, all **bank branches** across the country are mandated to provide **free and non-discriminatory** exchange services of **currency notes and coins** to the public.
- Banks are required to provide **key customer services** including:
 - Issuing **fresh and good-quality notes and coins** of all denominations
 - Exchanging **soiled, mutilated, or imperfect** currency notes
 - Accepting **coins and notes** for transactions or exchange purposes
 - A "**soiled note**" is defined as a currency note that has become **dirty due to normal wear and tear**.
 - It also includes a **two-piece note pasted together**, provided both pieces belong to the **same note** and no **essential security feature** is missing.
 - Such **soiled or damaged notes** must be accepted by banks either for **exchange over counters** or for **credit into customer bank accounts**.

Reserve Bank of India Issues Digital Payments E-Mandate Framework 2026, Consolidates Rules for Recurring Transactions

- The **Reserve Bank of India (RBI)** issued the **Digital Payments: E-mandate Framework, 2026**, consolidating all guidelines related to **recurring digital payments** into a single **master framework**.

Key Highlights :

- The framework applies to **payment system providers and participants** for both **domestic and cross-border** recurring transactions.
- It covers **recurring payments** made through **cards, prepaid payment instruments (PPIs), and Unified Payments Interface (UPI)**.
- Customers opting for **e-mandates** must complete a **one-time registration** with **Additional Factor of Authentication (AFA)** for validation.
- **Issuers** must clearly define the **validity period** of each e-mandate and allow customers to **modify or cancel** mandates anytime, subject to **authentication**.
- The **first transaction** under every e-mandate must be **authenticated**, and **combined authentication** is allowed if registration and payment happen together.
- To ensure **transparency**, issuers must send **pre-transaction alerts** at least **24 hours before debit**.

- **Mandatory notification details** include merchant name, transaction amount, date and time, reference number, and reason for debit.
- **RBI retained the ₹15,000 per transaction threshold**, below which recurring payments **do not require** additional authentication.
- Transactions **above ₹15,000** will require **AFA authentication**.
- Certain **high-value recurring payments** up to **₹1 lakh per transaction** are **exempt** from additional authentication in specific categories such as **insurance premiums, mutual fund subscriptions, and credit card bill payments**.
- **RBI has mandated that no charges** shall be levied on customers for using the **e-mandate facility**.
- **Issuers** must establish a strong **grievance redressal and dispute resolution mechanism** for handling complaints related to recurring transactions.
- The framework strengthens **customer protection, payment transparency, and digital payment security** in India's growing **digital payments ecosystem**.

Reserve Bank of India Revokes Banking Licence of Paytm Payments Bank Limited for Regulatory Violations

- The **Reserve Bank of India (RBI)** cancelled the **banking licence** of **Paytm Payments Bank Limited (PPBL)** with effect from **April 24, 2026**, citing **serious regulatory violations**.
- The action was taken under **Section 22(4)** of the **Banking Regulation Act, 1949**, effectively prohibiting **PPBL** from conducting any **banking business** under **Sections 5(b) and 6**.
- **RBI** stated that **PPBL's operations** were **detrimental to depositors' interests** and public interest, and the bank failed to comply with **Section 22(3)(b), 22(3)(c), and 22(3)(g)** of the Act.
- Key reasons for cancellation included **non-compliance with KYC norms, weak internal compliance systems, and repeated regulatory violations**.
- **RBI** also noted that the **general management conduct** of the bank was **prejudicial to depositors** and public interest, and continuation of operations would not serve any useful public purpose.
- The **central bank** confirmed that **PPBL** has **sufficient liquidity** to repay all deposits during **winding up**.
- **RBI** will initiate an application for **winding up** of the bank before the **High Court**.
- This marks the **first-ever shutdown of a Payments Bank** since the framework was introduced in **2015-16**.
- Following the cancellation, the **number of operational payments banks** in India has **reduced to five: Airtel Payments Bank, India Post Payments Bank, Fino Payments Bank, Jio Payments Bank, and NSDL Payments Bank**.

Reserve Bank of India Imposes ₹80,000 Penalty on Ebix Payment Services for Non-Compliance in Customer Risk Categorisation

- The **Reserve Bank of India (RBI)** imposed a **₹80,000 penalty** on **Ebix Payment Services** for failing to ensure proper **risk categorisation** of customers, a key **compliance requirement**.
- The penalty was imposed on **April 17, 2026** under the **Payment and Settlement Systems Act, 2007**, highlighting **RBI's strict enforcement** of payment system regulations.
- **RBI** also imposed a **₹80,000 fine** on **Dr Babasaheb Ambedkar Nagari Sahakari Bank** for violations under the **Supervisory Action Framework (SAF)**.
- The bank was found to have **breached lending limits** on advances and offered **higher deposit interest rates** than **State Bank of India**, violating **regulatory directives**.

Reserve Bank of India Relaxes Forex Norms, Permits Related-Party Hedging Within USD 100 Million Exposure Cap

- The **Reserve Bank of India (RBI)** withdrew some restrictions on **forex dealers** in offshore **Non-Deliverable Forward (NDF)** markets to manage **rupee volatility**.
- On **27 March 2026**, RBI imposed an initial restriction by **capping banks' net open positions** in offshore derivatives at **USD 100 million**.
- On **1 April 2026**, RBI further tightened norms by **banning arbitrage trades** and prohibiting banks from offering **NDFs to corporate clients**.
- These measures were aimed at **curbing one-sided positioning** in the **Indian Rupee** and reducing **speculative flows** in the foreign exchange market.
- The overall objective was to ensure **currency stability**, prevent **excessive volatility**, and maintain **orderly functioning** of forex markets.

Reserve Bank of India Issues Master Direction on Prepaid Payment Instruments, 2026 Under Payment and Settlement Systems Act, Replaces 2021 Framework to Strengthen Digital Payments Security and Growth

- The **Reserve Bank of India (RBI)** issued the **Master Direction on Prepaid Payment Instruments (PPIs), 2026** under the **Payment and Settlement Systems Act, 2007**, replacing the 2021 framework to strengthen **digital payment security** and ecosystem growth.

Key Highlights :

- **PPIs** are classified into **General Purpose PPIs (Full-KYC and Small)** and **Special Purpose PPIs** such as **Gift, Transit, and UPI One World** (for foreign visitors), with stricter usage rules and limits.
- These directions apply to all **PPI issuers** and system participants, and **no interest** can be paid on PPI balances.
- **Non-bank PPI issuers** must maintain a **₹5 crore net worth** (rising to **₹15 crore in 3 years**) and comply with **fit-and-proper criteria**, with **perpetual authorisation** subject to compliance.
- A **Full-KYC PPI** allows a maximum balance of **₹2 lakh**, with a similar **monthly transaction limit**, and permits only **one wallet per user**.
- **Full-KYC PPIs** allow **P2P transfers** up to **₹25,000 per month**, **cash loading** up to **₹10,000 per month**, and **cash withdrawals** as per RBI norms, with a **minimum validity of one year**.
- A **Small PPI** can be issued with **minimal KYC** (OTP-based mobile verification and self-declaration) when full CDD is not completed.
- **Small PPIs** have a **₹10,000 balance** and monthly limit, **2-year validity**, allow only **merchant payments** (no P2P or cash withdrawal), and can be upgraded to Full-KYC PPIs.
- **Special Purpose PPIs** include **Gift, Transit, and UPI One World** wallets, each with specific regulatory usage conditions.
- **Gift PPIs** have a **₹10,000 limit**, are **non-reloadable**, valid for **1 year**, and do not allow cash purchase, withdrawal, or P2P transfers.
- **Transit PPIs** require **no KYC**, have a **₹3,000 limit**, are used only for **transport payments**, and may have **perpetual validity**.
- **UPI One World PPIs** (for foreign nationals/NRIs) require **passport and visa verification**, allow **merchant payments** up to **₹5 lakh monthly**, and enable **refund of balance** after visa expiry.
- The framework promotes **interoperability** with **UPI and card networks**, mandates **reporting and audits**, and aims to balance **innovation** with stronger **regulatory oversight** in India's digital payments ecosystem.

Reserve Bank of India Imposes ₹41.8 Lakh Penalty on Bandhan Bank for Know Your Customer and Regulatory Non-Compliance

- The Reserve Bank of India (RBI) imposed a penalty of ₹41.8 lakh on Bandhan Bank for regulatory violations and compliance deficiencies.
- The bank was found to have failed in periodic risk categorisation review of customer accounts and also in sanctioning loans to directors, violating norms under the Banking Regulation Act and KYC guidelines.
- RBI clarified that the penalty is for regulatory non-compliance only and does not impact the validity or operations of customer transactions, ensuring continued customer protection and banking stability.
- Separately, RBI imposed a penalty of ₹80,000 on Muthoot Housing Finance Company Limited (MHFCL) for violations of Fair Practice Code
- MHFCL failed to clearly disclose risk grading and rationale for differential interest rates to borrowers, leading to a breach of transparency and disclosure guidelines.



About Bandhan Bank :

- **Founded** : 23 August 2015
- **Headquarters** : Kolkata, West Bengal, India
- **MD & CEO** : Partha Pratim Sengupta

Adda247