

# RBI CIRCULAR & NOTIFICATIONS

**JULY 2026**



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## RBI Circular & Notifications July 2026

### Reserve Bank of India Proposes New Master Directions to Regulate Call, Notice and Term Money Markets

- The Reserve Bank of India (RBI) has released draft directions to broaden participation in the Term Money Market by allowing All India Financial Institutions (AIFIs), eligible Non-Banking Financial Companies (NBFCs), Housing Finance Companies (HFCs), and companies to participate.
- The draft directions aim to deepen liquidity, strengthen the short-term funding market, and improve the efficiency of India's money market.

#### Key Highlights:

- Under the proposed framework, AIFIs and eligible NBFCs/HFCs will be permitted to participate as both borrowers and lenders in the Term Money Market.
- Companies will be allowed to participate only as lenders, thereby expanding the availability of funds in the short-term money market.
- The RBI has proposed wider (Bharat-wide) participation to improve monetary policy transmission and strengthen the linkage between the overnight money market and longer-term interest rates.
- The borrowing limit for NBFCs and HFCs has been capped at 200% of their Net Owned Funds (NOF).
- Standalone Primary Dealers (SPDs) will be permitted to borrow up to 400% of their Net Owned Funds (NOF) through Term Money and Inter-Corporate Deposits (ICDs).
- The draft directions consolidate all existing circulars relating to the Call Money, Notice Money, and Term Money markets into a single regulatory framework, simplifying compliance for market participants.
- The draft classifies the Money Market into three segments: Call Money (overnight), Notice Money (more than overnight up to 14 days), and Term Money (more than 14 days up to one year).
- All eligible participants must obtain membership of the Negotiated Dealing System–Call (NDS-CALL) platform within six months if they are not already members.
- Over-the-Counter (OTC) transactions in the money market must be reported within 15 minutes of execution to ensure greater transparency.
- The proposed market timings for Call, Notice, and Term Money Markets will be from 9:00 AM to 7:00 PM on every business day.

### Reserve Bank of India Issues Draft Master Directions for Secondary Market Transactions in Government Securities

- The Reserve Bank of India (RBI) has issued draft directions to simplify and consolidate regulations governing secondary market transactions in Government Securities (G-Secs), including 'When Issued' (WI) trading, short selling, and Government Securities Lending (GSL) under a single regulatory framework.
- The draft framework aims to enhance transparency, improve market liquidity, strengthen price discovery, and increase retail participation in the Government Securities (G-Secs) market.

#### Key Highlights:

- To promote retail investor participation, RBI has proposed allowing individual investors to buy and sell Government Securities through their demat accounts using the NDS-OM (Negotiated Dealing System–Order Matching) platform or the Stock Broker Connect facility.
- The minimum transaction size for retail investors under the proposed framework will be ₹10,000.
- The draft directions integrate the Government Securities Lending (GSL) Framework, allowing eligible participants to borrow Government Securities to meet delivery obligations arising from short sale transactions, thereby improving market liquidity.

- The framework continues to permit 'When Issued' (WI) trading, enabling eligible participants to trade Government Securities after their announcement but before their actual issuance, thereby facilitating efficient price discovery.
- Scheduled Commercial Banks (SCBs) and Standalone Primary Dealers (SPDs) are permitted to take both long and short positions up to 25% of the notified auction amount in a specific Government Security.
- Other eligible participants are allowed to hold only long positions up to 10% of the notified auction amount in a specific Government Security.
- Resident Individuals, Hindu Undivided Families (HUFs), Non-Resident Indians (NRIs), and Overseas Citizens of India (OCIs) are permitted to hold only long positions in the 'When Issued' market and cannot take short positions.
- All Government Securities transactions will continue to follow the T+1 settlement cycle and Delivery versus Payment (DvP) mechanism through the Clearing Corporation of India Limited (CCIL).
- Over-the-Counter (OTC) transactions in Government Securities must be reported within 15 minutes of execution under the proposed framework.
- The maximum short sale limit for a liquid Government Security is 2% of its outstanding stock or ₹500 crore (face value), whichever is higher.
- For all other eligible Government Securities, the maximum short sale limit is 1% of the outstanding stock or ₹250 crore (face value), whichever is higher.

#### **Reserve Bank of India Stress Tests Project Banks' Gross Non-Performing Asset Ratio to Rise Marginally to 1.9% by March 2028 Under Baseline Scenario**

- The Reserve Bank of India (RBI) released its Financial Stability Report (FSR), highlighting geopolitical fragmentation and the rapid growth of Artificial Intelligence (AI) as major emerging risks to the global economy and financial system.
- RBI Governor Sanjay Malhotra stated that the Indian economy remains resilient despite global uncertainties, supported by strong economic growth, low inflation, healthy financial institution balance sheets, and robust macroeconomic fundamentals.
- The Gross Non-Performing Asset (GNPA) ratio of Scheduled Commercial Banks (SCBs) declined to a multi-decade low of 1.8% in March 2026, reflecting significant improvement in banking sector asset quality.
- According to the RBI stress tests, the aggregate GNPA ratio of 46 major banks is projected to increase marginally to 1.9% by March 2028 under the baseline scenario.
- Under adverse stress scenarios, the aggregate GNPA ratio of major banks could rise to 3.8%–4.1% by March 2028, indicating the banking system's resilience even under severe stress conditions.
- The Financial Stability Report (FSR) noted that banks and Non-Banking Financial Companies (NBFCs) remain well-capitalised, profitable, and resilient, with adequate capital and liquidity buffers to absorb future financial shocks.
- Credit quality improved across all broad economic sectors, indicating strengthening financial stability in the Indian banking system.
- The Agriculture sector continued to record the highest GNPA ratio of 5.1%, despite improvements, and accounted for the largest share (37.2%) of SCBs' total GNPA as of March 2026.

#### **About FSR:**

- The Financial Stability Report (FSR) is a comprehensive biannual publication released by the Reserve Bank of India (RBI) since 2010.
- The FSR evaluates the overall health, resilience, and potential risks of the Indian financial system by incorporating inputs from the Financial Stability and Development Council (FSDC) Sub-Committee.

**Recent News:**

- In July 2026, The Reserve Bank of India (RBI) has released draft directions to broaden participation in the Term Money Market by allowing All India Financial Institutions (AIFIs), eligible Non-Banking Financial Companies (NBFCs), Housing Finance Companies (HFCs), and companies to participate.

**Reserve Bank of India Levies Monetary Penalty on Bank of Baroda and GIC Housing Finance for Regulatory Violations**

- The Reserve Bank of India (RBI) imposed a combined monetary penalty of Rs. 66.7 lakh on Bank of Baroda (BoB) and GIC Housing Finance for non-compliance with regulatory directions.
- The penalties were imposed for violations related to Know Your Customer (KYC) norms, lending guidelines, and the Fair Practices Code for Lenders.
- The RBI detected these deficiencies during its supervisory inspection of the institutions.
- Bank of Baroda (BoB) was penalized Rs. 63.6 lakh for charging interest rates higher than the contracted rates, failing to upload KYC records to the Central KYC Records Registry (CKYCR) within the prescribed timelines, and violating the Fair Practices Code for Lenders.
- GIC Housing Finance was imposed a penalty of Rs. 3.1 lakh for deficiencies in compliance with KYC guidelines.
- The Central KYC Records Registry (CKYCR) is a centralized database that stores KYC records to facilitate seamless customer verification across financial institutions.
- CKYCR is managed by the Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI) on behalf of the Government of India (GoI).
- The CKYCR framework aims to streamline KYC compliance, reduce duplication of customer verification, and improve the efficiency of the financial system.

**About Bank of Baroda:**

- Founded: 20 July 1908
- Headquarters: Vadodara, Gujarat, India
- MD & CEO: Debadatta Chand

**Reserve Bank of India Penalises Five Star Business Finance, Can Fin Homes, and Pahal Financial Services for Know Your Customer and Fair Practices Code Violations**

- The Reserve Bank of India (RBI) imposed monetary penalties on Five Star Business Finance Limited, Can Fin Homes Limited, and Pahal Financial Services Private Limited for violating Know Your Customer (KYC) Directions and the Fair Practices Code.
- Five Star Business Finance Limited was penalised ₹6.20 lakh by the RBI.
- Can Fin Homes Limited was penalised ₹2.70 lakh by the RBI.
- Pahal Financial Services Private Limited was penalised ₹3.10 lakh by the RBI.
- Five Star Business Finance Limited was penalised for failing to implement robust software to identify and report suspicious transactions.
- Five Star Business Finance Limited also failed to disclose the risk gradation methodology and the rationale for charging different interest rates to borrowers.
- Can Fin Homes Limited was fined for not clearly disclosing the bifurcation of principal and interest components in loan instalments collected from borrowers.
- Can Fin Homes Limited violated the Fair Practices Code by failing to provide transparent loan repayment details.

- Pahal Financial Services Private Limited was penalised for not implementing a robust software system for effective identification and reporting of suspicious transactions under the RBI's KYC Directions.
- The penalties were imposed following statutory inspections based on the companies' financial position as of 31 March 2025.
- The RBI's action was based on supervisory findings, show-cause notices, and personal hearings conducted with the concerned entities.
- The penalties were imposed under the Reserve Bank of India Act, 1934 and the National Housing Bank Act, 1987, depending on the nature of the regulatory violations.

**Recent News:**

- In June 2026, The Reserve Bank of India (RBI) imposed a Monetary Penalty of ₹3.90 Lakh on IIFL Samasta Finance Limited for violations of Know Your Customer (KYC) Directions and Fraud Risk Management in NBFCs Directions.

**About RBI:**

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- Nationalised: 1 January 1949
- Headquarters: Mumbai, Maharashtra
- Governor: Sanjay Malhotra (26th Governor)
- Deputy Governors: Rohit Jain, Shirish Chandra Murmu, Swaminathan Janakiraman, Poonam Gupta
- Wholly Owned by RBI: BRBNMPL (Bharatiya Reserve Bank Note Mudran Private Limited), DICGC (Deposit Insurance and Credit Guarantee Corporation), ReBIT (Reserve Bank Information Technology Private Limited), RBIH (Reserve Bank Innovation Hub)
- Promoted by RBI (Now Government-owned): NABARD (National Bank for Agriculture and Rural Development), NHB (National Housing Bank)

**Reserve Bank of India Penalises Repco Home Finance and True Credits for Regulatory Compliance Violations**

- The Reserve Bank of India (RBI) imposed a monetary penalty of ₹70,000 on Repco Home Finance Limited for violating the Fair Practice Code.
- The RBI also imposed a monetary penalty of ₹3.10 lakh on True Credits Private Limited for non-compliance with Know Your Customer (KYC) Directions.
- Repco Home Finance Limited failed to disclose its risk gradation methodology and the rationale for charging different interest rates to different categories of borrowers in application forms and sanction letters.
- True Credits Private Limited failed to conduct Enhanced Due Diligence (EDD) for certain customers onboarded through non-face-to-face modes, violating the RBI's KYC Directions.
- The penalties were imposed after statutory inspections based on the companies' financial position as of 31 March 2025.
- The RBI initiated the action after issuing show-cause notices and providing personal hearings to the concerned companies.
- The penalty on Repco Home Finance Limited was imposed under Section 52A of the National Housing Bank Act, 1987.
- The penalty on True Credits Private Limited was imposed under Section 58G(1)(b) read with Section 58B(5)(aa) of the Reserve Bank of India Act, 1934.
- The RBI clarified that these penalties relate only to deficiencies in regulatory compliance.
- The RBI further clarified that the penalties do not affect the validity of transactions or agreements entered into by the companies with their customers.

## Reserve Bank of India Releases ₹3.19 Lakh Crore State Market Borrowing Calendar for July–September 2026 Quarter

- The Reserve Bank of India (RBI) expanded the Benchmark Issuance Strategy (BIS) from 9 States to 18 States and the Union Territory of Delhi from Q2 of FY 2026–27.
- The expansion of the Benchmark Issuance Strategy (BIS) aims to enhance transparency, improve price discovery, and provide greater clarity to investors in State Government Securities (SGSs).
- Under the Benchmark Issuance Strategy (BIS), State Development Loans (SDLs) are issued in pre-announced benchmark maturity buckets through a fixed issuance calendar.
- The BIS framework helps create more liquid, predictable, and efficient bond markets for State Development Loans (SDLs).
- The total market borrowing by States and Union Territories (UTs) for the July–September 2026 quarter is estimated at ₹3,18,816 crore.
- The RBI will conduct State Development Loan (SDL) auctions in a non-disruptive manner, considering market conditions and borrowing requirements.
- The RBI also released the Treasury Bills (T-Bills) Issuance Calendar for the July–September 2026 quarter.
- The RBI plans to raise ₹3,36,000 crore through weekly auctions of 91-day, 182-day, and 364-day Treasury Bills (T-Bills).
- The Treasury Bills (T-Bills) are issued in three maturities: 91-day, 182-day, and 364-day.

## Reserve Bank of India Implements Revamped Integrated Ombudsman Scheme 2026 from July 1, 2026

- Reserve Bank of India (RBI) introduced the Reserve Bank–Integrated Ombudsman Scheme (RBIOS), 2026, replacing the Integrated Ombudsman Scheme, 2021, with effect from 1 July 2026.

### Key Highlights:

- RB-IOS, 2026 aims to provide a faster, simpler, free, and non-adversarial mechanism for resolving customer complaints against RBI-regulated financial entities.
- Complaints, appeals, and awards filed under the 2021 Scheme will continue to be governed by the earlier provisions.
- The scheme follows the "One Nation, One Ombudsman" approach, allowing customers to file complaints without considering the geographical location of the customer or the regulated entity.
- RB-IOS, 2026 covers Banks, Eligible NBFCs, Non-Bank Prepaid Payment Instrument (PPI) Issuers, and Credit Information Companies (CICs) regulated by RBI.
- Complaints against RBI-regulated entities not covered under the scheme are handled through Consumer Education and Protection Cells (CEPCs) and other RBI grievance redress mechanisms.
- Before approaching the RBI Ombudsman, customers must first lodge a complaint with the concerned regulated entity (RE).
- If the regulated entity fails to respond within 30 days (or within the timeline prescribed by RBI, NPCI, or Card Network Rules), or if the customer is dissatisfied, the complaint may be filed before the RBI Ombudsman within 90 days.
- If a deficiency in service is established, the Ombudsman may facilitate a mutual settlement or issue an Award directing the regulated entity to take corrective action.
- There is no monetary limit on disputes that can be brought before the RBI Ombudsman.
- The scheme allows compensation up to ₹30 lakh for actual consequential financial losses and up to ₹3 lakh for loss of time, expenses, harassment, and mental agony.

- An RBI Deputy Ombudsman assists the Ombudsman by examining complaints related to deficiency in service and may close or reject complaints as permitted under RB-IOS, 2026.
- Complaints under RB-IOS, 2026 can be filed online through the Complaint Management System (CMS) Portal or through post/hand delivery to the Centralised Receipt and Processing Centre (CRPC), Chandigarh.
- No fee or charge is payable for filing or resolving complaints under RB-IOS, 2026.
- RBI has mandated Banks and Eligible NBFCs to implement a fully automated Complaint Management System (CMS) with direct access for the Internal Ombudsman (IO) and Deputy Internal Ombudsman (DIO).
- The Internal Ombudsman (IO) must be a retired or serving officer of the rank equivalent to General Manager in RBI, a regulated entity, or a Financial Sector Regulatory Body.
- The IO must possess at least 7 years of experience in banking, NBFCs, regulation, supervision, payment systems, credit information, or consumer protection.
- The maximum age of the Internal Ombudsman (IO) during the tenure shall not exceed 70 years.
- The minimum tenure of IO/DIO is 3 years, while the maximum total tenure, including extensions, shall not exceed 5 years.

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- Deputy Governors: Rohit Jain, Shirish Chandra Murmu, Swaminathan Janakiraman, Poonam Gupta
- Wholly Owned by RBI: BRBNMPL, DICGC, ReBIT, RBIH
- Promoted by RBI (Now Government-owned): NABARD, NHB

#### Reserve Bank of India Rolls Out Three Major Surveys to Support Monetary Policy Decisions

- The Reserve Bank of India (RBI) launched the Inflation Expectations Survey of Households (IESH), Rural Consumer Confidence Survey (RCCS), and Urban Consumer Confidence Survey (UCCS) to collect household feedback on inflation, economic conditions, employment, income, and spending.
- The surveys provide critical inputs for monetary policy formulation ahead of the Monetary Policy Committee (MPC) meeting scheduled from 3–5 August 2026.
- The Inflation Expectations Survey of Households (IESH) is conducted across 19 cities to assess households' inflation expectations based on their individual consumption baskets.
- IESH gathers qualitative responses on general and product-specific price movements for the next 3 months and 1 year.
- IESH also collects quantitative estimates of current inflation, 3-month-ahead inflation, and 1-year-ahead inflation.
- The Rural Consumer Confidence Survey (RCCS) covers rural and semi-urban households across 31 States and Union Territories (UTs).
- RCCS captures household perceptions and 1-year-ahead expectations regarding the general economic situation, employment scenario, overall price situation, household income, and spending.
- The Urban Consumer Confidence Survey (UCCS) is conducted across 19 cities to assess consumer confidence in urban areas.
- UCCS records qualitative responses on the general economic situation, employment, price levels, household income, and spending for the current period and one year ahead.



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- Promoted by RBI (Now Government-owned): NABARD, NHB
- The RBI is responsible for monetary policy, currency management, and regulation of the financial system.

**Reserve Bank of India Organises 3rd Annual Internal Ombudsmen Conference in Mumbai**

- The Reserve Bank of India (RBI) organised the 3rd Annual Conference of Internal Ombudsmen (IO) in Mumbai, Maharashtra.
- The conference brought together Internal Ombudsmen (IOs) from various Regulated Entities (REs), including Banks, Non-Banking Financial Companies (NBFCs), Credit Information Companies (CICs), and other regulated institutions, along with RBI Ombudsmen and senior RBI officials.
- The event was also attended by Managing Directors (MDs), Chief Executive Officers (CEOs), Executive Directors (EDs) in charge of customer service, and Principal Nodal Officers (PNOs) of regulated entities.
- Shri Swaminathan J., Deputy Governor, RBI, delivered the keynote address, urging Internal Ombudsmen to ensure meaningful, fair, and effective resolution of customer complaints.
- The Deputy Governor advised IOs to identify recurring customer issues, conduct root cause analysis, and recommend remedial measures to improve grievance handling.
- He emphasised that a strong Internal Ombudsman mechanism should reduce the need for escalation to the RBI Ombudsman, while strengthening customer service and internal grievance redress systems.
- Boards of Directors and Senior Management of regulated entities were urged to empower the Internal Ombudsman framework and use its insights to improve customer protection and service quality.
- The conference sessions focused on recent developments in grievance redress, regulatory expectations, RBI Ombudsman insights, faster and higher-quality complaint resolution, and systemic improvements to prevent avoidable complaint escalations.
- Smt. Sonali Sen Gupta, Executive Director, RBI, conducted an open-house interaction with participants to discuss ways to further strengthen the Internal Ombudsman framework.

**Reserve Bank of India Approves Type-II NBFC Licence for Delhivery Financial Services**

- Delhivery Financial Services Private Limited, a wholly-owned subsidiary of Delhivery Limited, received Reserve Bank of India (RBI) approval for the grant of a Certificate of Registration (CoR) as a Type-II Non-Banking Financial Company–Non-Deposit Taking (NBFC-ND).
- RBI clarified that the Certificate of Registration (CoR) will be issued subject to the submission of specified documents to the satisfaction of the central bank, as mentioned in the approval letter.
- The approval will enable Delhivery Financial Services to expand its financial services offerings and strengthen its logistics ecosystem.
- The company plans to provide credit facilities, payment solutions, FasTag aggregation, fuel cards, and insurance for truckers, fleet owners, and other logistics stakeholders to reinforce Delhivery's logistics network.
- Delhivery Financial Services Pvt. Ltd. was incorporated in January 2026 as the financial services arm of Delhivery Limited, dedicated to offering financial products for the logistics sector.

**About Non-Banking Financial Company (NBFC):**

- A Non-Banking Financial Company (NBFC) is a financial institution registered under the Companies Act, 1956 or Companies Act, 2013, and is primarily regulated by the Reserve Bank of India (RBI) under the RBI Act, 1934.
- NBFCs provide services such as loans and advances and investments in shares, stocks, bonds, debentures, and government securities, but they cannot accept demand deposits like banks.
- Based on liabilities, NBFCs are classified into NBFC-Deposit Taking (NBFC-D) and NBFC-Non-Deposit Taking (NBFC-ND).
- NBFC-ND is further classified into Type-I NBFC-ND (does not accept public funds and has no customer interface) and Type-II NBFC-ND (accepts public funds and has a customer interface).

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- Promoted by RBI (Now Government-owned): NABARD, NHB
- The RBI is responsible for monetary policy, currency management, and regulation of the financial system.

**Reserve Bank of India Mandates Banks and Non-Banking Financial Companies to Auction Bad Loan-Acquired Immovable Assets Within Seven Years**

- Reserve Bank of India (RBI) has issued final prudential norms for Banks, Small Finance Banks (SFBs), and Non-Banking Financial Companies (NBFCs) regarding Specified Non-Financial Assets (SNFAs) acquired while resolving stressed loans or Non-Performing Assets (NPAs).

**Key Highlights:**

- A Specified Non-Financial Asset (SNFA) is an immovable asset (such as property) acquired by a lender in full or partial settlement of its claims against a borrower, and can be acquired only when the lender's exposure is classified as a Non-Performing Asset (NPA).
- SNFAs may be acquired against full or partial extinguishment of a lender's exposure on a non-recourse basis.
- If an SNFA is acquired through partial settlement of a loan, the remaining outstanding loan will be treated as a restructured loan and will be subject to the prudential norms applicable to restructured accounts.
- Under the new framework, Banks, SFBs, and NBFCs cannot sell an SNFA back to the defaulting borrower or its related parties, and this restriction will continue even if the asset ceases to be classified as an SNFA.
- All Banks, SFBs, and NBFCs must formulate Board-approved policies governing the acquisition, valuation, management, and disposal of SNFAs.
- The Board-approved policy must specify limits on SNFAs as a share of total assets, eligibility criteria, delegation matrix, recovery efforts before acquisition, and a maximum disposal period of seven years.
- SNFAs must be disposed of as early as possible through public auctions, following the principles of the SARFAESI Act, 2002, to ensure transparent and competitive sale.
- An SNFA will be considered acquired only after legal ownership (title) is transferred to the lender, enabling independent management and disposal.

- The initial valuation of an SNFA must be recorded at the lower of the Net Book Value (NBV) of the extinguished loan or the Distress Sale Value, determined by at least two independent external valuers.
- The prudential framework applies to all SNFAs, including those acquired through bilateral transactions and under the SARFAESI Act, 2002.
- The new RBI norms will become effective from 1 October 2026.
- Legacy SNFAs held as on 30 September 2026 must comply with the new framework by 30 September 2027.
- SNFAs will not be included under Gross NPAs, Net NPAs, Stressed Exposures, or the Provisioning Coverage Ratio (PCR).
- Instead, SNFAs will be disclosed separately in the balance sheet under the accounting head "Non-Banking Assets Acquired in Satisfaction of Claims."

### **Reserve Bank of India Data Shows India's Outward Foreign Direct Investment Declined 47.9% to USD 3 Billion in June 2026**

- According to provisional data released by the Reserve Bank of India (RBI), India's Outward Foreign Direct Investment (FDI) declined by 47.9% Year-on-Year (Y-o-Y) to USD 3 billion in June 2026, compared to USD 5.74 billion in June 2025.
- On a month-on-month basis, Outward FDI also declined from USD 4.5 billion in May 2026 to USD 3 billion in June 2026.

#### **Key Highlights:**

- Outward FDI comprises three components: Equity Commitments, Debt (Loans) Commitments, and Guarantees, all of which recorded a decline in June 2026.
- Equity Commitments declined sharply to USD 738 million in June 2026, compared to USD 2.2 billion in June 2025 and USD 1.25 billion in May 2026.
- Debt Commitments decreased to USD 469.87 million in June 2026, from USD 568.54 million in June 2025 and USD 645.75 million in May 2026.
- Guarantees issued by Indian entities to overseas subsidiaries and ventures declined to USD 1.78 billion in June 2026, compared to USD 2.97 billion in June 2025 and USD 2.61 billion in May 2026.
- Among equity commitments, ONGC Videsh Rovuma Limited (OVRL) made the largest investment of USD 40 million in its Mozambique-based Joint Venture, Project R2 Mozambique.
- Startup Investments committed nearly USD 35 million to its Singapore-based Joint Venture.
- Lenskart invested USD 22 million in its Singapore-based Wholly Owned Subsidiary (WOS).
- GFCL EV Products committed USD 20 million to its Oman-based Joint Venture and an additional USD 0.13 million to its Oman-based Wholly Owned Subsidiary.
- OneSource Specialty Pharma invested USD 18 million in its Singapore-based Wholly Owned Subsidiary.
- Under guarantee commitments, ONGC Videsh extended guarantees worth USD 47 million to its Singapore-based Wholly Owned Subsidiary and USD 24 million to its British Virgin Islands-based Wholly Owned Subsidiary.
- Oil India Limited provided guarantees worth USD 16.15 million to its British Virgin Islands-based Wholly Owned Subsidiary.
- Under debt commitments, Zydus Worldwide DMCC committed USD 183 million to its UAE-based Wholly Owned Subsidiary, while Sterling and Wilson Renewable Energy committed USD 44 million to its UAE-based Wholly Owned Subsidiary.
- Despite the decline in June 2026, India's Outward FDI Commitments for FY2025–26 stood at USD 48.6 billion, higher than USD 43.7 billion recorded in FY2024–25.

## Reserve Bank of India Issues Commercial Banks–Governance Amendment Directions, 2026 Effective from 1 October 2026

- The Reserve Bank of India (RBI) has issued the Commercial Banks–Governance Amendment Directions, 2026, which will come into effect from 1 October 2026.
- The Amendment Directions aim to strengthen board governance, improve decision-making, and enhance corporate governance in the Indian banking sector.
- The revised framework shifts from a prescriptive, theme-based approach to a principle-based governance framework, providing greater flexibility to bank boards.
- Under the new framework, Boards of Directors will devote more attention to business strategy, risk management, financial resilience, and corporate governance.
- The Board will primarily oversee business strategy, risk management, governance standards, regulatory compliance, internal controls, and exposures to related entities.
- Routine operational matters may be delegated to Board Committees or Management Committees, enabling the Board to focus on strategic oversight.
- The Chairperson of the Board has been assigned the primary responsibility for setting the Board agenda, while the management must provide timely and adequate information for informed decision-making.
- The Amendment Directions apply to Commercial Banks and, with suitable modifications, also to Private Sector Banks, Small Finance Banks (SFBs), Payments Banks, and Local Area Banks (LABs).
- The new governance framework seeks to align India's banking governance practices with global standards by improving board effectiveness, accountability, risk governance, regulatory compliance, and the overall stability of the banking system.

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- Promoted by RBI (Now Government-owned): NABARD, NHB

## Reserve Bank of India Authorises EbixCash as India's First Authorised Dealer Category-II Entity to Offer Trade Remittance Services

- EbixCash World Money Limited became the first Authorised Dealer Category-II (AD-II) entity in India to receive Reserve Bank of India (RBI) authorisation to offer Trade Remittances and Family Maintenance Remittances, a segment previously dominated by banks.
- The RBI approval marks a significant expansion of the role of AD-II entities in India's foreign exchange and remittance ecosystem.
- Under the enhanced licence, EbixCash can facilitate Trade Remittances up to ₹25 lakh per transaction.
- The company is also authorised to process Family Maintenance Remittances under the updated Foreign Exchange Management Act (FEMA), 1999 framework introduced in May 2026.
- The new licence will help Micro, Small and Medium Enterprises (MSMEs) engaged in import and export activities by providing direct trade-related remittance services.
- EbixCash has also received RBI approval to maintain Nostro Accounts, enabling direct settlement of international transactions without routing them through intermediary correspondent banks.
- The ability to maintain Nostro Accounts will improve the speed, efficiency, and cost-effectiveness of international payments.

**About EbixCash:**

- EbixCash was initially established as a Full Fledged Money Changer (FFMC) in 1999.
- It was later upgraded to an RBI-regulated Authorised Dealer Category-II (AD-II) entity.
- Corporate Headquarters: Noida, Uttar Pradesh (UP).

**Reserve Bank of India Temporarily Closes Mumbai's RBI Monetary Museum for Renovation**

- The Reserve Bank of India (RBI) announced the temporary closure of the RBI Monetary Museum in Mumbai from 22 July 2026 for renovation work until further notice.
- The RBI Monetary Museum was established by the Reserve Bank of India (RBI) and is India's first museum dedicated to documenting, preserving, and showcasing the country's monetary heritage.
- The museum also promotes research on the evolution of money in India, highlighting the historical development of the nation's monetary system.
- The RBI Monetary Museum is located in the Amar Building, Fort area, Mumbai, Maharashtra.
- The museum houses more than 10,000 exhibits, making it one of India's most comprehensive collections of monetary artefacts.
- Around 1,500 exhibits are displayed for public viewing, while the remaining collections are preserved for research and archival purposes.
- The exhibits include ancient coins, modern coins, paper currency, financial instruments, commemorative issues, and other monetary artefacts.
- The museum presents the complete history and evolution of money in India, beginning with the barter system.
- The collection traces the transition from the barter system to ancient punch-marked coins, medieval coinage, Princely State currencies, British-era currency, Republic of India banknotes, and modern electronic forms of money.

**Reserve Bank of India Proposes Demat-Only Securitisation Notes While Retaining ₹1 Crore Minimum Investment Limit**

- The Reserve Bank of India (RBI) has released draft amendments proposing that all Securitisation Notes (SNs) must be issued, held, and transferred only in dematerialised (demat) form to enhance transparency, efficiency, liquidity, and investor protection in the securitisation market.

**What are Securitisation Notes?**

- Securitisation Notes (SNs) are financial instruments created by pooling assets such as home loans, vehicle loans, and other retail loans, which are then sold to investors, enabling banks and Non-Banking Financial Companies (NBFCs) to raise fresh funds for further lending.

**Key Highlights:**

- The RBI has proposed to retain the minimum investment size of ₹1 crore, which will apply both at the time of issuance and for every subsequent transfer of Securitisation Notes.
- The draft framework requires agreements between lenders and Special Purpose Entities (SPEs) to ensure continuous compliance with the ₹1 crore minimum investment requirement throughout the life cycle of the securities.
- According to the proposal, an issue of Securitisation Notes (SNs) will be treated as a public issue if it is offered to the number of investors specified under the Securities and Exchange Board of India (SEBI) regulations.
- The proposed amendments aim to strengthen the regulatory framework for securitisation, improve market transparency, facilitate efficient trading, and enhance the overall functioning of India's debt and securitisation market.

- The RBI has invited public comments and stakeholder feedback on the draft proposals until 27 August 2026.
- The proposed amendments are scheduled to come into effect from 1 October 2026, after considering feedback received during the public consultation process.

### **Reserve Bank of India Penalises Six Companies, Including Muthoot Finance, for Violating Non-Banking Financial Company Regulatory Norms**

- The Reserve Bank of India (RBI) imposed monetary penalties on six companies, including Muthoot Finance, for non-compliance with various provisions of the RBI Act and Non-Banking Financial Company (NBFC) regulations.
- Muthoot Finance was fined ₹5.80 lakh for failing to periodically review the risk categorisation of customer accounts and for not deploying robust software to effectively identify and report suspicious financial transactions.
- Avail Financial Services was penalised ₹6.20 lakh because its Managing Director held directorships in two other Middle Layer NBFCs, and the company violated the prescribed single-party exposure limit.
- Satya MicroCapital was fined ₹3.10 lakh for failing to classify certain restructured accounts as Non-Performing Assets (NPAs) in accordance with RBI regulations.
- PAN Emami Cosmed was also fined ₹3.10 lakh for non-compliance with RBI regulatory provisions.
- Dhani Loans and Services and Muthoot Vehicle and Asset Finance were each penalised ₹2.70 lakh for violating RBI's regulatory norms.



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