

RBI

NOTIFICATIONS

AND

CIRCULARS

SEPTEMBER 2026



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RBI Notifications and Circulars September 2026

1. RBI Allows Urban Co-operative Banks to Invest in Indian Digital Payment Intelligence Corporation (IDPIC)

- The Reserve Bank of India (RBI) reportedly amended investment norms for Urban Co-operative Banks (UCBs) on 2 September 2026.
- The revised framework allows UCBs to acquire equity shares of the Indian Digital Payment Intelligence Corporation (IDPIC).
- The primary objective of this amendment is to facilitate UCB membership in India's central digital payment fraud intelligence platform.
- Previously, UCBs could invest in equity shares of certain eligible institutions primarily for obtaining membership and accessing specific financial services.
- Under the amended directions, IDPIC equity shares have been added to the list of permissible investments for membership purposes.
- IDPIC is described as a central, non-profit platform designed to detect, monitor and prevent digital payment fraud.
- The initiative is intended to improve coordination among banks and other financial institutions in identifying suspicious digital transactions.
- It is expected to strengthen intelligence sharing and early fraud detection across India's digital payments ecosystem.
- The amendment was issued under Section 35A read with Section 56 of the Banking Regulation Act, 1949, along with other applicable provisions.
- Section 35A empowers the RBI to issue directions to banking companies in the public interest and for better regulation.
- Section 56 extends relevant provisions of the Banking Regulation Act to co-operative banks, subject to modifications.
- The RBI stated that the amendment was considered necessary and expedient in the public interest.

Exam Focus: 2 September 2026 | IDPIC | UCBs | Section 35A | Section 56 | Banking Regulation Act, 1949.

2. RBI Data Shows Individuals Above 40 Hold More Than 76% of Individual Bank Deposits

- According to the supplied RBI data, individuals above 40 years of age held more than 76% of individual bank deposits as of June 2026.
- The age group of 25–40 years accounted for slightly less than 20% of individual bank deposits.
- The figures indicate that older individuals continue to account for the overwhelming majority of deposits held by individual customers.
- The source attributes the relatively smaller share of younger depositors partly to increased investment in equities, mutual funds and other market-linked instruments.
- Scheduled Commercial Banks (SCBs) recorded overall deposit growth of 11.6% year-on-year (YoY) in June 2026.
- Private Sector Banks recorded deposit growth of 13.8% YoY.
- Public Sector Banks (PSBs) registered comparatively slower deposit growth of 10.3% YoY.

- Therefore, private banks recorded faster deposit growth than public sector banks during the period.
- The Household Sector remained the largest contributor to overall banking system deposits.
- Household deposits accounted for 58.8% of total bank deposits at the end of June 2026.
- For examination purposes, distinguish between the age-wise distribution of individual deposits and the household sector's share of total deposits.

Important indicator	June 2026
Individual deposits held by people above 40	More than 76%
Individual deposits held by people aged 25–40	Below 20%
SCB deposit growth	11.6%
Private Sector Bank deposit growth	13.8%
Public Sector Bank deposit growth	10.3%
Household sector share in total deposits	58.8%

Exam Focus: Age group above 40 | 76% | 11.6% deposit growth | Private Banks 13.8% | Household deposits 58.8%.

3. RBI Reports 23.9% Increase in Mutual Funds' Foreign Assets During FY 2025–26

- The RBI released the results of its 2025–26 Survey of Foreign Liabilities and Assets of Mutual Funds.
- The survey covered 53 Indian mutual funds and their Asset Management Companies (AMCs).
- Foreign liabilities of Indian mutual funds increased by 3.3% YoY, reaching US\$31.5 billion at the end of March 2026.
- The increase in foreign liabilities was mainly attributed to the higher market value of mutual fund units held by non-resident investors.
- Foreign assets of Indian mutual funds increased substantially by 23.9%, reaching US\$10.2 billion.
- Growth in overseas equity investments was identified as the principal reason for the increase in foreign assets.
- Consequently, the net foreign liabilities of Indian mutual funds declined from US\$22.3 billion in March 2025 to US\$21.3 billion in March 2026.
- The decline in net foreign liabilities indicates that overseas assets grew faster than foreign liabilities.
- The UAE, USA, UK and Singapore were among the leading sources of non-resident investment in Indian mutual fund units.
- These four countries together accounted for approximately 50% of total non-resident holdings by value.
- The UAE was the largest source of non-resident investment, with holdings valued at approximately ₹61,299 crore.
- The USA ranked next with approximately ₹35,502 crore, followed by the UK with ₹28,886 crore.
- Indian mutual funds increased their overseas equity investments by 37.5% to ₹93,602 crore during FY 2025–26.
- The USA accounted for nearly two-thirds of the overseas equity investments of Indian mutual funds.
- Luxembourg and Ireland were other important investment destinations.
- Foreign liabilities of Indian AMCs increased by 18.1% to US\$8.7 billion.
- Foreign Direct Investment (FDI) in AMCs increased by 31.1% to ₹56,201 crore.

- Japan was the largest FDI contributor to Indian AMCs, investing approximately ₹36,920 crore and accounting for 65.7% of total FDI.
- Canada contributed 13.5%, while Mauritius accounted for 5.9%.
- Japan and Canada together represented approximately 80% of total FDI in the AMC sector.

Indicator	Reported figure
Foreign liabilities of mutual funds	US\$31.5 billion
Foreign assets of mutual funds	US\$10.2 billion
Growth in foreign assets	23.9%
Net foreign liabilities	US\$21.3 billion
Overseas equity investments	₹93,602 crore
FDI in AMCs	₹56,201 crore
Japan's share in AMC FDI	65.7%

Exam Focus: 53 mutual funds | 23.9% | US\$10.2 billion | US\$21.3 billion | Japan 65.7% | UAE largest non-resident mutual fund investor.

4. RBI Imposes Monetary Penalties on Five Financial Entities for Regulatory Violations

- The RBI reportedly imposed monetary penalties on five financial entities, comprising three Credit Information Companies (CICs) and two Non-Banking Financial Companies (NBFCs).
- The penalties were related to non-compliance with RBI regulatory directions.
- Regulatory inspections were conducted with reference to the financial positions of the entities as of 31 March 2025.
- TransUnion CIBIL received the highest penalty of ₹26.82 lakh.
- CIBIL was penalised for failure to credit compensation to eligible complainants within the prescribed period for delayed rectification or updation of credit information.
- CRIF High Mark Credit Information Services received a penalty of ₹6.89 lakh for failing to credit customer compensation within the required timeline.
- Equifax Credit Information Services was penalised ₹1.19 lakh for a similar violation involving delayed compensation.
- Sammaan Finserve Limited received a penalty of ₹4.20 lakh for failing to report borrowers' credit information to the Central Repository of Information on Large Credits (CRILC).
- CRILC is an RBI-established repository that collects information on large borrowers and helps identify financial stress.
- Hinduja Leyland Finance was penalised ₹6.20 lakh for violations relating to microfinance lending and securitisation.
- The company reportedly failed to maintain a Board-approved policy for pricing microfinance loans.
- It was also found to have undertaken activities resembling synthetic securitisation in violation of applicable RBI directions.
- The RBI imposed these penalties after considering supervisory findings, show-cause notices, written submissions and personal hearings.



- Such monetary penalties generally address regulatory compliance deficiencies and do not automatically invalidate transactions between the concerned entities and customers.

Entity	Category	Penalty
TransUnion CIBIL	CIC	₹26.82 lakh
CRIF High Mark	CIC	₹6.89 lakh
Equifax	CIC	₹1.19 lakh
Sammaan Finserve	NBFC	₹4.20 lakh
Hinduja Leyland Finance	NBFC	₹6.20 lakh

Exam Focus: CIBIL ₹26.82 lakh | CICs | CRILC | Microfinance regulations | RBI supervisory powers.

5. RBI Releases Financial Stability Report — June 2026

- The RBI released its Financial Stability Report (FSR) – June 2026.
- The FSR is a half-yearly publication of the RBI.
- It presents the collective assessment of the Sub-Committee of the Financial Stability and Development Council (FSDC).
- The report evaluates the resilience of India's financial system and identifies emerging financial stability risks.
- Major areas include banking system health, global financial developments, macroeconomic conditions, asset quality and financial-market vulnerabilities.
- According to the supplied report summary, the Indian economy recorded 7.7% GDP growth during FY 2025–26.
- Strong private consumption and fixed capital investment were identified as important growth drivers.
- The supplied material states that the Monetary Policy Committee revised its FY 2026–27 inflation projection from 4.6% to 5.1%; this specific projection requires official verification.
- India's foreign exchange reserves reportedly stood at US\$672.6 billion as of 19 June 2026.
- These reserves provided coverage for more than 10 months of merchandise imports.
- Forex reserves reportedly covered 90.6% of India's outstanding external debt.
- Import cover indicates the number of months for which a country's foreign exchange reserves could finance imports.
- The external debt coverage ratio is another indicator used to evaluate external-sector resilience.
- The FSR helps policymakers, regulators, banks and financial institutions understand vulnerabilities in the financial system.

Exam Focus: FSR half-yearly | FSDC Sub-Committee | GDP 7.7% | Forex reserves US\$672.6 billion | Import cover | External debt coverage.

6. RBI Confers Scheduled Bank Status on Coastal Local Area Bank

- The RBI reportedly granted Scheduled Bank status to Coastal Local Area Bank Limited, headquartered in Vijayawada, Andhra Pradesh.
- The RBI notification was issued on 4 September 2026, according to the supplied news.
- The bank was included in the Second Schedule of the Reserve Bank of India Act, 1934.
- Coastal Local Area Bank is recognised as India's first Local Area Bank (LAB).

- The supplied report describes it as the only scheduled bank headquartered in Andhra Pradesh following its inclusion.
- Scheduled status does not change Coastal Bank's original classification as a Local Area Bank.
- A Scheduled Bank is one included in the Second Schedule of the RBI Act, 1934.
- Scheduled status can improve a bank's institutional standing and eligibility for certain RBI facilities, subject to applicable conditions.
- It may also support access to institutional depositors and certain money market operations.
- Coastal Bank aims to expand its Current Account and Savings Account (CASA) deposit base.
- An increase in low-cost CASA deposits can help reduce a bank's overall cost of funds.
- The bank reportedly operated 57 branches across 12 districts at the time of the announcement.
- It received RBI approval to extend operations to Vizianagaram and Prakasam districts in Andhra Pradesh and Khammam district in Telangana.
- It also received permission to open 13 additional branches.
- Local Area Banks were introduced to mobilise rural savings and provide credit for local economic activities within a restricted geographical area.
- LABs play a role in regional financial inclusion and financing local businesses and agricultural activities.

Important Banking Concepts

- Scheduled Bank: A bank included in the Second Schedule of the RBI Act, 1934.
- LAB: Local Area Bank.
- CASA: Current Account Savings Account.

Exam Focus: Coastal Local Area Bank | Vijayawada | Second Schedule | RBI Act, 1934 | 57 branches | 13 new branches.

7. RBI Grants Regulatory Approvals to RNFI Services, PB Pay and ICICI Prudential AMC

- The RBI reportedly granted regulatory approvals to three financial-sector entities: RNFI Services Limited, PB Pay Private Limited and ICICI Prudential Asset Management Company.
- RNFI Services Limited received in-principle authorisation to operate as a Payment Aggregator–Physical (PA-P).
- The authorisation was granted under the Payment and Settlement Systems Act, 2007.
- A Physical Payment Aggregator facilitates payment collection for merchants at physical locations, subject to RBI's regulatory framework.
- RNFI Services is expected to provide in-store payment solutions through its existing distribution network.
- An in-principle authorisation is a conditional regulatory approval and should not be confused with unconditional permission to commence every proposed activity.
- PB Pay Private Limited, a wholly owned subsidiary of PB Fintech Limited, reportedly commenced commercial operations as a Payment Aggregator.
- PB Pay had received RBI regulatory authorisation in February 2026.
- Payment Aggregators facilitate payment transactions between merchants and their customers.
- The RBI also approved the acquisition of an aggregate holding of up to 9.95% in CSB Bank Limited by ICICI Prudential AMC.
- The approval relates to the bank's paid-up share capital or voting rights.
- The reported 9.95% figure is an approval ceiling, not necessarily the amount already acquired.

Important Banking Concepts

- PA-P: Payment Aggregator–Physical.
- PA-O: Payment Aggregator–Online.
- PSS Act, 2007: Payment and Settlement Systems Act, 2007.

Exam Focus: RNFI Services – PA-P | PB Pay – PB Fintech | ICICI Prudential AMC – 9.95% | CSB Bank | PSS Act, 2007.

8. RBI Launches Three Surveys to Assess Inflation Expectations and Consumer Confidence

- The RBI launched three consumer surveys as part of its September 2026 assessment of economic conditions and household expectations.
- These surveys were designed to provide additional inputs for monetary policy formulation.
- The information was intended to support the RBI's assessment ahead of its 7 October 2026 monetary policy announcement.
- The three surveys covered inflation expectations, urban consumer confidence and rural consumer confidence.

A. Inflation Expectations Survey of Households (IESH)

- IESH measures households' perceptions of current inflation and their expectations of future price changes.
- It captures price expectations based on consumption patterns and the goods and services purchased by households.
- The September 2026 round was designed to cover 19 cities.
- Inflation expectations are important because they can influence wage negotiations, spending behaviour and monetary policy decisions.

B. Urban Consumer Confidence Survey (UCCS)

- UCCS collects qualitative information from urban households.
- It covers perceptions about the general economic situation, employment, price levels, household income and spending.
- The survey also measures expectations about future economic conditions.
- The September 2026 round covered the same 19 cities as IESH.

C. Rural Consumer Confidence Survey (RCCS)

- RCCS assesses the economic perceptions and expectations of rural and semi-urban households.
- It covers economic conditions, employment, price levels, income and household spending.
- The survey captures current assessments and expectations for the next 12 months.
- According to the supplied information, the survey was to cover 31 States and Union Territories.
- The inclusion of rural and semi-urban households allows consumer sentiment analysis beyond major urban centres.

Important Cities Covered by IESH and UCCS

Ahmedabad, Bengaluru, Bhopal, Bhubaneswar, Chandigarh, Chennai, Delhi, Guwahati, Hyderabad, Jaipur, Jammu, Kolkata, Lucknow, Mumbai, Nagpur, Patna, Raipur, Ranchi and Thiruvananthapuram.

Survey	Main focus	Coverage
IESH	Inflation expectations	19 cities
UCCS	Urban consumer confidence	19 cities
RCCS	Rural and semi-urban consumer confidence	31 States/UTs

Exam Focus: Three surveys | IESH | UCCS | RCCS | 19 cities | 31 States/UTs | Monetary policy inputs.

9. Unified Fintech Forum Recognised as India's Second Self-Regulatory Organisation for FinTech

- RBI Governor Sanjay Malhotra reportedly announced the recognition of the Unified Fintech Forum (UFF) as India's second Self-Regulatory Organisation for the FinTech sector.
- A Self-Regulatory Organisation for FinTech is commonly referred to as an SRO-FT.
- UFF became the second organisation to receive such recognition after the Fintech Association for Consumer Empowerment (FACE).
- FACE was recognised as the first SRO-FT on 28 August 2024.
- The RBI had finalised its framework for recognising SRO-FTs in May 2024.
- UFF was previously known as the Digital Lenders Association of India (DLAI).
- DLAI was established in October 2016 and had already been involved in fintech industry self-regulation.
- The SRO-FT framework aims to promote responsible business conduct, regulatory compliance, industry standards and consumer protection.
- SRO-FTs are expected to develop voluntary codes of conduct and improve compliance practices among their members.
- They also facilitate communication between fintech companies, regulators and other stakeholders.
- An applicant must demonstrate that it represents a meaningful cross-section of the fintech industry.
- An SRO-FT must be incorporated as a not-for-profit company under Section 8 of the Companies Act, 2013.
- It must maintain diversified shareholding and appropriate governance arrangements.
- According to the supplied regulatory requirements, no single entity should hold 10% or more of its paid-up capital.
- The SRO-FT is required to achieve a minimum net worth of ₹2 crore, within the prescribed period.
- Its Memorandum of Association (MoA) must identify self-regulatory operations as a primary objective.
- The framework is intended to strengthen consumer trust, transparency and responsible innovation in India's fintech ecosystem.

Important detail	Answer
First SRO-FT	FACE
First recognition date	28 August 2024
Reported second SRO-FT	Unified Fintech Forum
UFF former name	DLAI
Framework finalised	May 2024
Minimum net worth	₹2 crore
Company structure	Section 8 company
Maximum permissible individual shareholding	Below 10%

Exam Focus: FACE | UFF | May 2024 | ₹2 crore | Section 8 | 10% shareholding restriction.

10. RBI and Maharashtra Government Explore Tokenisation of Financial Assets, Gold and Land

- The RBI and the Maharashtra Government were reported to be exploring asset tokenisation as a major development in India's financial and digital infrastructure.
- Asset tokenisation is the process of creating a digital representation of ownership or economic rights in an asset.
- It can potentially be applied to financial instruments, land, gold, corporate bonds and other real-world assets.
- Maharashtra Chief Minister Devendra Fadnavis proposed the Maharashtra Digitisation and Exchange of Land Token Asset (DELTA) Act.
- The proposed DELTA legislation envisages a blockchain-based framework for representing interests in land and other immovable assets.
- It aims to enhance transparency, strengthen ownership records and improve the transferability of certain asset interests.
- The framework may help unlock capital tied up in assets that are traditionally difficult to sell or divide.
- Tokenisation can allow eligible assets to be divided into smaller units, depending on legal and regulatory permissions.
- For example, a financial security worth ₹10 lakh could theoretically be represented through multiple smaller digital units.
- Fractional ownership could reduce minimum investment requirements and enable wider participation.
- The Maharashtra Government proposed involving SEBI, NSE, BSE and academic experts in the development of the DELTA framework.
- The supplied news also refers to RBI's Unified Markets Interface (UMI), associated with the digitisation and tokenisation of financial assets.
- The source states that UMI was introduced in October 2025; the formal name and launch details require verification.
- The RBI's broader digital infrastructure initiatives aim to simplify financial transactions, improve efficiency and widen access to financial services.
- SEBI has also been examining the use of tokenisation in securities markets.
- Corporate bond tokenisation is of particular interest because distributed ledgers and digital settlement mechanisms may reduce reconciliation and settlement delays.
- Tokenisation does not automatically confer legally recognised ownership; recognition depends on applicable securities, property and financial laws.

Important Concepts

- DLT: Distributed Ledger Technology.
- Tokenisation: Digital representation of an asset or its associated rights.
- Fractional Ownership: Ownership divided into smaller economic interests.
- Atomic Settlement: Settlement in which the asset and payment transfers are linked.

Exam Focus: DELTA Act | Maharashtra | Devendra Fadnavis | UMI | Blockchain | Asset tokenisation.

11. RBI Authorises Pluxee India as Payment Aggregator for Online and Physical Transactions

- The RBI reportedly authorised Pluxee India to operate as a Payment Aggregator for both online and physical point-of-sale transactions.
- The reported licence date was 3 August 2026.
- Pluxee received authorisation for Payment Aggregator–Online (PA-O) and Payment Aggregator–Physical (PA-P) activities.
- The approval enables the company to directly onboard merchants in accordance with the applicable regulatory framework.
- It can facilitate collection and settlement of merchant payments.
- It also supports refund processing and other permitted merchant payment services.
- The company supports payments through debit cards, credit cards, QR codes, NFC-based systems and online channels.
- Pluxee India already holds a Prepaid Payment Instrument (PPI) licence.
- Its original PPI authorisation dates to 2009, according to the supplied information.
- The licence was expanded in 2020 to include General Purpose PPIs beyond traditional meal vouchers.
- Pluxee has operated in India since 1997.
- It evolved from a paper-based meal voucher business into a digital payments and employee benefits platform.
- The company's reported headquarters is Mumbai, Maharashtra.
- Its Managing Director, according to the supplied material, is Anish Sarkar.
- Payment Aggregators are regulated by the RBI because they facilitate the collection and movement of merchant payments.
- A PPI enables the purchase of goods and services against stored monetary value, subject to RBI conditions.

Exam Focus: Pluxee India | 3 August 2026 | PA-O | PA-P | PPI | Mumbai | Anish Sarkar.

12. RBI Imposes ₹27.30 Lakh Penalty on Asset Care & Reconstruction Enterprise

- The RBI reportedly imposed a monetary penalty of ₹27.30 lakh on Asset Care & Reconstruction Enterprise Limited (ACRE).
- ACRE operates as an Asset Reconstruction Company (ARC).
- The RBI penalty order was dated 8 September 2026.
- The penalty was imposed for non-compliance with RBI's directions relating to Income Recognition.
- Income recognition norms determine when financial institutions can recognise income from financial assets.
- The penalty was imposed under Section 12 read with Section 30A(1) of the SARFAESI Act, 2002.
- SARFAESI stands for the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.
- The SARFAESI Act provides a regulatory framework for asset reconstruction and enforcement of certain security interests.

- Asset Reconstruction Companies acquire stressed financial assets and undertake recovery or resolution activities, subject to applicable regulations.
- The RBI conducted a statutory inspection of ACRE with reference to its financial position as of 31 March 2025.
- Supervisory findings reportedly revealed deficiencies in compliance with income recognition requirements.
- A show-cause notice was issued asking the company to explain why a penalty should not be imposed.
- RBI considered the company's written reply, additional submissions and oral representations.
- Following the regulatory process, RBI concluded that the non-compliance justified the monetary penalty.
- The penalty was imposed for a regulatory deficiency, rather than as a declaration that all of the company's transactions were invalid.

Exam Focus: ACRE | ₹27.30 lakh | 8 September 2026 | SARFAESI Act, 2002 | Sections 12 and 30A(1) | Income Recognition.

13. RBI and SEBI Launch 'Demat 2.0' Pilot for Tokenised Corporate Bonds

- The supplied material reports the launch of Demat 2.0, a pilot initiative involving RBI and the Securities and Exchange Board of India (SEBI).
- The pilot is described as introducing tokenised corporate bonds using Distributed Ledger Technology (DLT).
- Under the reported framework, corporate bonds are issued as digital tokens while ownership records are maintained within regulated financial-market infrastructure.
- The payment component of the transactions uses RBI's wholesale Central Bank Digital Currency (CBDC).
- CBDC is a digital form of central bank money issued by the RBI.
- The use of wholesale CBDC is intended to facilitate settlement between eligible financial institutions.
- A major feature of the reported framework is Atomic Settlement.
- Atomic settlement means that the securities transfer and payment settlement are linked so that both legs of the transaction are completed together.
- This mechanism can reduce settlement risk and improve transaction efficiency.
- It can also potentially reduce settlement delays and reconciliation requirements.
- According to the supplied information, three companies issued tokenised corporate bonds amounting to ₹1,025 crore.
- REC Limited reportedly became the first issuer, raising ₹500 crore.
- Larsen & Toubro (L&T) reportedly raised ₹500 crore.
- IIFL reportedly raised ₹25 crore.
- The first phase of the pilot focuses on corporate bond issuance.
- Later phases are envisaged to introduce secondary-market trading and eventually retail investor participation.
- The reported participants include Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL).



- Stock exchanges such as BSE and NSE are also mentioned.
- Banks including HDFC Bank and ICICI Bank, along with NPCI, are described as participants in the broader infrastructure.
- The supplied news states that investors in L&T's ₹500-crore tokenised bond included SBI, Axis Bank, SBI Mutual Fund and NSDL.
- Demat 1.0, introduced in 1996, enabled securities to be held in electronic form instead of physical certificates.
- Demat 2.0 is described as extending digital securities infrastructure through tokenisation, smart contracts and CBDC-based settlement.
- The tokenisation model could eventually extend to other assets, including mutual funds, gold and equity securities.
- The RBI is also reportedly exploring tokenisation of gold.
- The supplied material refers to the Unified Markets Interface (UMI) for the tokenisation of instruments such as Commercial Papers and Certificates of Deposit.
- The RBI-developed Unified Lending Interface (ULI) is a separate initiative intended to improve consent-based credit delivery.

Reported Corporate Bond Issuances

Issuer	Amount
REC Limited	₹500 crore
Larsen & Toubro	₹500 crore
IIFL	₹25 crore
Total	₹1,025 crore

Exam Focus: Demat 2.0 | RBI and SEBI | DLT | Wholesale CBDC | Atomic Settlement | REC ₹500 crore | ₹1,025 crore.

Verification required: The official pilot name, issuance amounts, 'first issuer' designation and claim of being the first such framework globally should all be checked against RBI and SEBI releases before examination use.

14. RBI Proposes Targeted Freezing of Disputed Amounts in Suspected Cyber-Fraud Cases

- The RBI reportedly proposed a new framework to address suspected cyber fraud and money-mule account activity.
- The objective is to allow banks to place temporary holds on specific disputed amounts rather than freezing an entire account in every suspected fraud case.
- The proposed approach seeks to balance cyber-fraud prevention with the rights of legitimate banking customers.
- A money-mule account is an account used to receive, move or transfer funds associated with illegal activities, often to conceal the origin or destination of money.
- The supplied proposal envisages enhanced transaction monitoring using artificial intelligence and other risk-detection systems.

- Banks would reportedly identify unusual transfers of ₹1,000 or more, depending on the proposed monitoring criteria.
- Suspicious transactions could include sudden, unusual or disproportionate transfers inconsistent with a customer's known financial profile.
- Transactions connected with identified cyber-fraud networks could also be flagged.
- The proposed framework relates to RBI's Know Your Customer (KYC) requirements and bank account operations.
- Under the reported procedure, a customer would receive 20 calendar days to establish the legitimacy of a disputed transaction.
- Supporting information could include identity documents, transaction details and evidence of the source of funds.
- Banks would then have 10 calendar days to examine the customer's explanation and documents.
- If the explanation is satisfactory, the temporary hold would have to be removed.
- If the customer fails to respond or cannot satisfactorily establish the transaction's legitimacy, the bank would refer the matter to the jurisdictional police.
- Such referrals would be routed through the National Cybercrime Reporting Portal (NCRP) or the relevant cyber-fraud reporting system.
- The source identifies CFCFRMS, the Citizen Financial Cyber Fraud Reporting and Management System, as another relevant mechanism.
- Following referral, law-enforcement authorities would reportedly have 30 days to issue a formal restraint order where required.
- The proposal seeks to prevent indefinite freezing of funds solely on the basis of a bank's internal suspicion.
- The supplied material links the initiative to a Supreme Court order dated 4 August 2026, directing the RBI to develop a standard operating procedure for temporary debit holds in suspected mule-account and cyber-fraud cases.
- The proposed framework would cover commercial banks, Small Finance Banks, Payments Banks, Regional Rural Banks, Local Area Banks and Urban Co-operative Banks.
- Its reported proposed effective date is 1 April 2027, although banks may be allowed to implement the framework earlier.
- As the news concerns a proposal, the provisions should not be described as final or mandatory without confirmation of the final directions.

Proposed Procedural Timelines

Stage	Time allowed
Customer explanation	20 calendar days
Bank examination	10 calendar days
Law-enforcement restraint order	30 calendar days

Exam Focus: Cyber fraud | Money-mule accounts | 20–10–30 days | ₹1,000 monitoring threshold | NCRP | CFCFRMS | Proposed 1 April 2027.

15. RBI Rejects Tata Sons' Request to Surrender NBFC Licence

- The supplied news reports that the RBI rejected Tata Sons Limited's request to surrender its Non-Banking Financial Company (NBFC) registration.
- Tata Sons is the principal holding company of the Tata Group.
- The company had sought permission to remain an unregistered Core Investment Company (CIC).
- A CIC is a type of NBFC primarily involved in holding shares and securities of group companies, subject to applicable regulatory requirements.
- According to the supplied report, RBI directed Tata Sons to comply with the requirements applicable to NBFC–Upper Layer (NBFC-UL) entities.
- Tata Sons had been classified as an Upper Layer NBFC under the RBI's Scale Based Regulation (SBR) framework.
- The Upper Layer is designed for NBFCs that require enhanced regulatory oversight due to their size, interconnectedness and systemic risk.
- The source mentions an asset threshold of ₹1 lakh crore in relation to NBFC-UL classification. However, Upper Layer selection is not determined solely by a single asset threshold.
- SBR divides NBFCs into four regulatory layers.
- The Base Layer (NBFC-BL) contains entities subject to baseline regulation.
- The Middle Layer (NBFC-ML) contains entities subject to additional prudential requirements.
- The Upper Layer (NBFC-UL) contains NBFCs identified for enhanced regulation because of potential systemic importance.
- The Top Layer (NBFC-TL) is envisaged for exceptionally high-risk entities requiring further supervisory attention.
- Under the regulatory framework, an NBFC classified in the Upper Layer generally remains subject to enhanced requirements for a minimum prescribed period.
- The supplied report mentions a five-year period of continuing enhanced oversight.
- It also refers to a three-year listing requirement associated with NBFC-UL identification, subject to applicable regulatory conditions.
- Tata Sons reportedly argued that its ownership structure, limited public fundraising and CIC characteristics justified deregistration.
- Charitable trusts, including Tata Trusts, hold approximately 66% of Tata Sons.
- The Shapoorji Pallonji Group reportedly holds approximately 18%.
- The source states that RBI's 2026–27 Upper Layer list included 17 NBFCs.
- A listing could lead to additional disclosure, governance and compliance requirements.
- However, a reported rejection of deregistration should not automatically be interpreted as conclusive proof that an IPO must occur without examining applicable rules and any subsequent regulatory decisions.

RBI's Four-Layer NBFC Framework

Layer	Full form
NBFC-BL	Base Layer
NBFC-ML	Middle Layer
NBFC-UL	Upper Layer
NBFC-TL	Top Layer

Exam Focus: Tata Sons | NBFC-UL | Scale Based Regulation | CIC | Four regulatory layers | Listing requirements.

16. RBI Becomes Net Dollar Buyer, Purchasing US\$561 Million in June 2026

- The RBI reportedly became a net buyer of US dollars in June 2026 after being a net seller during the preceding three months.
- The central bank made net dollar purchases of US\$561 million during the month.
- In comparison, the RBI was a net seller of US\$6.10 billion in May 2026.
- During June, the RBI purchased approximately US\$30.89 billion and sold approximately US\$30.33 billion in the foreign exchange market.
- The difference between purchases and sales resulted in the reported net purchase of US\$561 million, allowing for rounding.
- The rupee reportedly appreciated by 0.36% against the US dollar during June.
- RBI intervention in the foreign exchange market is generally intended to address excessive volatility and preserve orderly market conditions, rather than defend a fixed exchange rate.
- The report associates the June purchases with foreign capital inflows and a reduction in immediate depreciation pressure.
- The RBI reportedly expanded the Fully Accessible Route (FAR) to include 15-year, 30-year and 40-year Government Securities.
- FAR permits eligible non-resident investors to invest in specified government securities without the usual investment limits applicable to certain other routes.
- The RBI also introduced a concessional foreign exchange swap facility for eligible External Commercial Borrowings (ECBs), according to the supplied material.
- Another measure reportedly permitted banks to mobilise fresh 3–5-year FCNR(B) deposits, with the RBI bearing the specified hedging cost under the facility.
- FCNR(B) stands for Foreign Currency Non-Resident (Bank) account.
- The Central Government reportedly introduced tax relief for Foreign Portfolio Investors (FPIs) on specified Government Securities income and gains, effective 1 April 2026.
- The objective of the reported measures was to improve India's attractiveness to overseas investors and strengthen foreign currency inflows.
- RBI's gold holdings were reported at 880.52 metric tonnes for the week ending 31 July 2026.
- Its outstanding net short dollar position in the forward market reportedly decreased to US\$103.33 billion at June-end from US\$106.67 billion at May-end.
- The supplied source reports the rupee's Real Effective Exchange Rate (REER) at 91.75 in July, compared with 91.26 in June.
- REER is a trade-weighted measure of a currency's value adjusted for relative price levels.
- The Nominal Effective Exchange Rate (NEER) measures the currency's value against a basket of trading-partner currencies without adjusting for inflation.

Key Forex Figures

Indicator	Amount
June net dollar purchase	US\$561 million
June gross dollar purchases	US\$30.89 billion
June gross dollar sales	US\$30.33 billion
May net dollar sales	US\$6.10 billion
June-end net short forward position	US\$103.33 billion
Gold holdings (31 July reference)	880.52 metric tonnes
July REER	91.75

Exam Focus: US\$561 million | FAR | FCNR(B) | ECB | FPI | REER | NEER | RBI forex intervention.

17. RBI's Forward-Market Net Short Dollar Position Reaches US\$136.77 Billion

- According to the supplied RBI data, the central bank's outstanding net short dollar position in the forward foreign exchange market reached US\$136.77 billion at the end of July 2026.
- This represented a substantial increase from US\$103.33 billion at the end of June 2026.
- The reported increase was US\$33.44 billion during July.
- The rise indicates a larger net commitment to deliver dollars under outstanding forward contracts.
- In a forward foreign exchange contract, the parties agree to exchange currencies at a specified future date and rate.
- A short dollar position generally represents an obligation to sell or deliver US dollars at a future date.
- Market participants linked the reported increase to RBI's efforts to manage volatility and depreciation pressure on the Indian rupee.
- The Indian rupee reportedly depreciated by 0.76% during July 2026.
- The source reports forward positions with maturities of less than one year at US\$47.66 billion, up from US\$40.33 billion in June.
- Positions with maturities exceeding one year reportedly increased from US\$64.21 billion to US\$91.54 billion.
- The supplied maturity-wise data also reports US\$15.59 billion in one-month contracts.
- Forward contracts with maturities of 1–3 months accounted for US\$7.32 billion.
- Contracts with maturities of 3 months to one year accounted for US\$24.75 billion.
- Contracts with maturities exceeding one year accounted for US\$91.54 billion.
- The RBI also reportedly held a US\$2.43 billion long position in one-month contracts.
- The reported gross maturity-wise short figures should not be added directly to the net position without adjusting for offsetting long positions.
- The RBI's foreign exchange swap operations and intervention strategy can affect its forward-market obligations.
- The source associates part of the outstanding forward commitments with foreign currency inflows mobilised under the FCNR(B) swap facility.
- These facilities can create obligations that mature several years after the original transaction.
- An increase in net short forward positions does not necessarily indicate an immediate reduction in spot foreign exchange reserves.
- Forward market intervention can affect future dollar supply, swap obligations and the RBI's broader foreign exchange risk management.

Important Numerical Data

Indicator	June 2026	July 2026
Net short dollar position	US\$103.33 billion	US\$136.77 billion
Maturity below one year (reported)	US\$40.33 billion	US\$47.66 billion
Maturity above one year (reported)	US\$64.21 billion	US\$91.54 billion

Exam Focus: US\$136.77 billion | July 2026 | US\$33.44 billion increase | Forward exchange market | FCNR(B) swaps | Rupee depreciation 0.76%.

18. RBI Issues Basel III-Based Minimum Capital Requirements for Market Risk Directions, 2026

- The RBI reportedly issued the Commercial Banks – Minimum Capital Requirements for Market Risk Directions, 2026.
- The directions aim to align India's regulatory capital requirements for market risk with revised Basel III standards.
- The source states that the new directions will come into effect from 1 April 2027.
- Transitional scalars associated with the market-risk framework have been applicable from 1 April 2024, according to the supplied information.
- The directions apply to the commercial banks specified in the framework.
- The supplied material excludes Small Finance Banks (SFBs), Payments Banks and Local Area Banks (LABs) from its applicability.
- Market risk refers to the possibility of losses arising from changes in market prices, interest rates, exchange rates and related market variables.
- The framework focuses on three major risk classes: Interest Rate Risk, Equity Risk and Foreign Exchange Risk.
- Banks are required to calculate market-risk capital requirements using the Simplified Standardised Approach (SSA) under the reported framework.
- The SSA provides a prescribed method of calculating regulatory capital for market risks.
- Under the framework, market-risk Risk-Weighted Assets (RWA) are calculated by multiplying the capital requirement by 12.5.
- The 12.5 multiplier is the reciprocal of the 8% minimum total capital ratio used in the basic Basel capital framework.
- The directions establish a distinction between the Trading Book and the Banking Book.
- The Trading Book includes instruments held for trading purposes and positions exposed to relevant market risks.
- The Banking Book generally includes other banking exposures subject to the applicable classification and risk rules.
- Instruments classified as Held for Trading (HFT) are included within the trading book.
- Banks are not permitted to move instruments between the Trading Book and Banking Book merely to obtain a lower capital requirement.
- This restriction is designed to prevent regulatory arbitrage.
- Where reclassification is permitted, banks are required to assess the impact on capital requirements under the relevant rules.
- Banks must maintain compliance with their market-risk capital requirements on a continuous basis.
- The framework also revises the regulatory treatment of interest-rate-sensitive instruments, certain debt mutual funds, exchange-traded funds and credit derivatives.
- It covers positions involving instruments such as Total Return Swaps (TRS).
- Banking Book risk exposures may be hedged through eligible external hedges or internal risk transfer arrangements, subject to specified conditions.
- Banks may be permitted to exclude certain structural foreign currency investments from the calculation of Net Open Position (NOP).

- Eligible structural foreign exchange exclusions are subject to regulatory criteria, minimum holding requirements and periodic reassessment.
- The supplied information specifies a general minimum exclusion period of six months.
- Banks are required to reassess relevant structural exemptions on a quarterly basis.
- The Basel Committee on Banking Supervision (BCBS) develops international standards for banking regulation and prudential supervision.
- The BCBS functions under the broader institutional framework of the Bank for International Settlements (BIS).

Important Regulatory Terms

Term	Meaning
Basel III	International bank capital, liquidity and risk standards
SSA	Simplified Standardised Approach
RWA	Risk-Weighted Assets
HFT	Held for Trading
TRS	Total Return Swap
NOP	Net Open Position
BCBS	Basel Committee on Banking Supervision

Exam Focus: Basel III | 1 April 2027 | SSA | $RWA \times 12.5$ | Trading Book | Banking Book | SFB/PB/LAB exclusions.

For comparison, RBI's published Basel III master circulars establish the broader capital-regulation framework, although these documents alone do not verify every specific September 2026 provision listed above.



Master Circulars +1

19. RBI Expands Bharat Connect Forex Services to Five Additional Currencies

- The supplied news reports the launch of a multicurrency foreign exchange facility on Bharat Connect during Global Fintech Fest 2026 in Mumbai.
- The facility was reportedly launched by RBI Deputy Governor Rohit Jain.
- Bharat Connect is operated by NPCI Bharat BillPay Limited (NBBL).
- The foreign exchange service integrates Bharat Connect with FX-Retail.
- FX-Retail is operated by Clearcorp Dealing Systems (India) Limited.
- Clearcorp is a wholly owned subsidiary of The Clearing Corporation of India Limited (CCIL).
- The platform previously supported forex services involving the US Dollar (USD).
- Five additional foreign currencies were introduced under the reported expansion.
- The new currencies are Euro (EUR), British Pound (GBP), Canadian Dollar (CAD), Swiss Franc (CHF) and UAE Dirham (AED).
- With the addition of these five currencies, the facility supports six currencies in total, including the US Dollar.

- Customers can use participating Bharat Connect channels to purchase foreign currency.
- They can also initiate eligible outward remittances and reload forex cards.
- The service provides access to live foreign exchange rates through FX-Retail.
- Customers' relationship banks continue to handle transaction fulfilment and other applicable banking requirements.
- Users may link multiple participating banks to their FX-Retail profile.
- They may select an eligible relationship bank for fulfilling their foreign exchange transactions.
- The facility is designed to support travel, international education, business and other permitted foreign exchange needs.
- According to the supplied information, the Bharat Connect forex service recorded transactions worth more than ₹100 million between April and July 2026.
- The reported participating customer channels included MobiKwik, BHIM, bob World, Punjab National Bank, Federal Bank, SBI and Axis Bank.
- The reported fulfilment banks included Punjab National Bank, State Bank of India, Axis Bank, Bank of Baroda and Federal Bank.
- The expansion is expected to improve retail access to regulated forex services through familiar banking and payment applications.

Currencies Available Under the Reported Expansion

Currency	Code
US Dollar	USD
Euro	EUR
British Pound	GBP
Canadian Dollar	CAD
Swiss Franc	CHF
UAE Dirham	AED

Exam Focus: Bharat Connect | NBBL | FX-Retail | CCIL | Five additional currencies | Global Fintech Fest 2026.

20. RBI Releases Supervisory Data Quality Index for June 2026 Quarter

- The RBI reportedly released the Supervisory Data Quality Index (sDQI) for Scheduled Commercial Banks for the quarter ended June 2026.
- The index measures the quality of data submitted by banks through regulatory returns and other supervisory reporting systems.
- Accurate regulatory data helps the RBI assess banking-system risks, asset quality and compliance with prudential regulations.
- The overall sDQI score reportedly increased from 90.7 in March 2026 to 93.3 in June 2026.
- This represents an improvement of 2.6 index points.



- The index assesses regulatory data quality using four major parameters: Accuracy, Completeness, Timeliness and Consistency.
- Accuracy measures the correctness of reported information.
- Completeness assesses whether all necessary information has been included.
- Timeliness measures whether regulatory data is submitted within prescribed deadlines.
- Consistency assesses the logical and reporting consistency of submitted data.
- The Accuracy score recorded the strongest improvement.
- It increased from 86.8 in March 2026 to 96.3 in June 2026.
- The Completeness score improved from 96.4 to 96.9.
- The Timeliness score increased from 92.1 to 92.8.
- The Consistency score declined marginally from 87.4 to 87.3.
- Consistency was the only parameter to register a decline.
- The June 2026 assessment reportedly covered 87 Scheduled Commercial Banks.
- The assessment included regulatory returns relating to asset quality and asset-liability exposures.
- The source identifies Asset-Liability and Off-Balance Sheet Exposures (ALE) and Asset Quality (RAQ) as important reporting areas.
- Among bank groups, Small Finance Banks (SFBs) recorded the highest overall sDQI score of 93.8.
- Public Sector Banks and Foreign Banks both recorded scores of 93.7.
- Private Sector Banks recorded a score of 92.2.
- The index classifies scores above 90 as Good.
- Scores between 80 and 90 are classified as Acceptable.
- Scores between 70 and 80 indicate Needs Improvement.
- Scores below 70 indicate Major Concerns.
- According to the supplied news, only one assessed entity recorded a score below 80 during the June 2026 quarter.

Parameter-Wise Performance

Parameter	March 2026	June 2026
Accuracy	86.8	96.3
Completeness	96.4	96.9
Timeliness	92.1	92.8
Consistency	87.4	87.3
Overall sDQI	90.7	93.3

Bank Group Performance — June 2026

Bank group	sDQI score
Small Finance Banks	93.8
Public Sector Banks	93.7
Foreign Banks	93.7
Private Sector Banks	92.2

Exam Focus: sDQI | 93.3 | Four parameters | Highest improvement in Accuracy | SFBs 93.8 | 87 banks.

21. RBI Cancels Registration of Five NBFCs and Accepts Surrender of Eight Others

- The RBI reportedly cancelled the Certificates of Registration (CoR) of five Non-Banking Financial Companies (NBFCs).
- It also accepted the surrender of registrations by eight other NBFCs.
- These regulatory actions were carried out between 4 August and 31 August 2026.
- The actions were taken under the provisions of the Reserve Bank of India Act, 1934.
- Section 45-IA of the RBI Act deals with the requirement for registration of NBFCs.
- Section 45-IA(6) provides for cancellation of registration under specified conditions.
- NBFCs generally require an RBI Certificate of Registration to carry on activities classified as non-banking financial business, subject to statutory exemptions.
- A company may surrender its registration when it exits NBFC business, merges with another entity, ceases to exist or qualifies for an exemption.
- The five NBFCs identified in the supplied material as having their registration certificates cancelled were Dar's Financial Services, Rolta Holding and Finance Corporation, Vasudeo Securities, Parsoli Corporation and A C Choksi Financial Services.
- Four entities reportedly surrendered their registrations after exiting the Non-Banking Financial Institution (NBFI) business.
- These were Anupam Mercantile Limited, Grand Motor and Finance Private Limited, Sky Limit International Finance Limited and ASA International India Microfinance Limited.
- Two companies reportedly surrendered their registrations following amalgamation, merger, dissolution or voluntary strike-off.
- These were Shivam Securities Private Limited and April Investment and Finance Private Limited.
- Anagram Industries Limited surrendered its registration after qualifying as an unregistered Core Investment Company.
- CDN Finance Private Limited surrendered its registration after meeting the criteria for an unregistered Type I NBFC, according to the supplied information.
- An NBFC registration cancellation or surrender does not necessarily mean that the institution was penalised for misconduct; the reason depends on the circumstances of each case.
- The RBI maintains regulatory oversight of NBFC registrations to ensure that only eligible institutions conduct regulated NBFC business.

Breakdown of Regulatory Actions

Category	Number
NBFC registrations cancelled	5
Registrations surrendered after exiting NBFC business	4
Surrendered following merger/dissolution	2
Surrendered due to CIC classification	1
Surrendered due to Type I NBFC classification	1
Total entities involved	13

Exam Focus: Five cancellations | Eight surrenders | Section 45-IA(6) | RBI Act, 1934 | NBFC registration.

22. RBI Approves RNFI Money to Undertake Cross-Border Trade Remittances

- RNFI Money Private Limited, a wholly owned subsidiary of RNFI Services Limited, reportedly received RBI approval to undertake cross-border trade remittances.
- RNFI Money operates in the foreign exchange and remittance services sector.
- The company holds an Authorised Dealer Category-II (AD-II) foreign exchange licence.
- According to the supplied information, RBI granted perpetual validity to its AD-II licence.
- The licence's scope was reportedly expanded to include trade remittances, Nostro accounts and the appointment of Forex Correspondents.
- The approval is intended to support foreign exchange and trade-related payment services.
- Under the reported expanded permissions, RNFI Money can facilitate eligible payments relating to international trade within the limits and conditions specified by RBI.
- A Nostro Account is an account that a bank or authorised institution maintains with another bank, typically in a foreign currency.
- Nostro accounts are important for facilitating cross-border payments and settlement.
- Forex Correspondents may help extend authorised foreign exchange services to customers through approved distribution arrangements.
- RNFI Money plans to appoint eligible Forex Correspondents from its existing retail-agent network.
- This would allow customers in smaller towns and underserved regions to access foreign exchange and remittance services more conveniently.
- The expanded services are intended to benefit individuals, exporters, importers and Micro, Small and Medium Enterprises (MSMEs).
- RNFI Services reportedly operates a network of more than 2,80,000 active retail agents across India.
- The network supports services such as Aadhaar-enabled Payment System transactions, domestic money transfers and banking correspondent operations.
- RNFI Services also reportedly received in-principle RBI authorisation as a Payment Aggregator–Physical.
- Cross-border foreign exchange transactions are subject to the Foreign Exchange Management Act (FEMA), 1999, and applicable RBI directions.
- All permitted transactions must be processed and monitored in accordance with regulatory requirements.

About RNFI Services Limited

- Established: October 2015.
- Headquarters: New Delhi, Delhi.
- CEO: Krishna Kumar Radheshyam Daga, according to the supplied material.
- Subsidiary: RNFI Money Private Limited.
- Reported Retail Network: More than 2.8 lakh agents.

Exam Focus: RNFI Money | AD Category-II | Nostro Accounts | Forex Correspondents | FEMA, 1999 | 2.8 lakh agents.

23. RBI Imposes Penalties on Ola Financial Services, Hero FinCorp and KLM Axiva Finvest

- The RBI reportedly imposed monetary penalties on three financial institutions for different regulatory compliance violations.
- The companies involved were Ola Financial Services Private Limited, Hero FinCorp Limited and KLM Axiva Finvest Limited.
- Ola Financial Services received a monetary penalty of ₹3.10 lakh.
- The RBI order concerning Ola Financial Services was reportedly dated 24 September 2026.
- The penalty was imposed for non-compliance with certain Know Your Customer (KYC) requirements.
- Specifically, the company reportedly failed to undertake appropriate risk categorisation of certain customers.
- KYC risk categorisation involves classifying customers into risk categories based on relevant regulatory criteria.
- Such categorisation helps regulated entities apply appropriate due diligence and monitor transactions.
- The penalty on Ola Financial Services was reportedly imposed under Section 30(1) read with Section 26(6) of the Payment and Settlement Systems Act, 2007.
- Hero FinCorp Limited received a monetary penalty of ₹10 lakh.
- Its violation concerned the RBI's Fair Practices Code for Lenders – Charging of Interest.
- According to the source, the company had collected excess interest from certain loan accounts.
- The Fair Practices Code is intended to promote transparent and fair treatment of borrowers.
- KLM Axiva Finvest Limited received a monetary penalty of ₹2.70 lakh.
- The violation related to the prescribed auction procedure for pledged gold.
- The company reportedly failed to pay certain customers the surplus proceeds from the auction of pledged gold after adjusting outstanding loan amounts.
- Gold loan providers must comply with applicable RBI regulations relating to loan recovery, auctions and treatment of sale proceeds.
- The RBI's penalties addressed deficiencies in compliance with regulatory instructions.
- They do not automatically establish that all transactions or agreements between these companies and their customers were invalid.

Penalty Summary

Company	Penalty	Nature of violation
Ola Financial Services	₹3.10 lakh	KYC risk categorisation
Hero FinCorp	₹10 lakh	Excess interest collection
KLM Axiva Finvest	₹2.70 lakh	Gold auction surplus payment

- Highest Penalty: Hero FinCorp — ₹10 lakh.
- Lowest Penalty: KLM Axiva Finvest — ₹2.70 lakh.

Exam Focus: Ola ₹3.10 lakh | Hero FinCorp ₹10 lakh | KLM Axiva ₹2.70 lakh | KYC | Fair Practices Code | Gold auction regulations.

24. RBI Sets Ways and Means Advances Limit at ₹50,000 Crore for Second Half of FY 2026–27

- The RBI, in consultation with the Government of India, reportedly fixed the Ways and Means Advances (WMA) limit at ₹50,000 crore.
- The limit applies to the second half of the financial year 2026–27.
- The relevant period is October 2026 to March 2027.
- Ways and Means Advances are temporary advances provided by the RBI to the government.
- The facility helps manage short-term mismatches between government receipts and expenditure.
- For example, the government may need to make payments before scheduled tax collections or other receipts are available.
- WMA provides temporary liquidity to manage such timing differences.
- WMA is not intended to serve as a permanent source of government financing.
- The RBI provides the WMA facility under the applicable provisions of the RBI Act, 1934, particularly Section 17(5).
- According to the supplied report, the RBI may trigger fresh market borrowing when the Government of India utilises 75% of the prescribed WMA limit.
- With a WMA limit of ₹50,000 crore, the 75% threshold equals ₹37,500 crore.
- The interest rate applicable to WMA is the prevailing Repo Rate.
- In the case of an overdraft, the interest rate is 2 percentage points above the Repo Rate.
- An overdraft arises when the government uses the facility beyond the applicable WMA arrangements, subject to the prescribed rules.
- The RBI may revise the WMA limit in consultation with the Government of India depending on liquidity conditions and government financing requirements.
- WMA assists the government in managing temporary cash-flow gaps without relying immediately on additional market borrowing.
- However, WMA and market borrowing are different funding mechanisms.
- Government market borrowing generally involves issuing securities, while WMA is a temporary advance from the RBI.

Key Figures

Particular	Figure
Reported WMA limit	₹50,000 crore
Financial year	FY 2026–27
Applicable period	October 2026–March 2027
Fresh borrowing trigger	75% of WMA
Trigger amount	₹37,500 crore
WMA interest rate	Prevailing Repo Rate
Overdraft interest rate	Repo Rate + 2 percentage points

Exam Focus: ₹50,000 crore | ₹37,500 crore | 75% | Repo Rate | Overdraft +2 percentage points | Section 17(5).

25. RBI Revises Valuation Rules for REIT and InvIT Units

- The RBI reportedly issued revised directions on 22 September 2026 concerning the valuation of units of Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs).
- The revised directions were reported to have taken effect immediately from 22 September 2026.
- The objective is to remove ambiguity and ensure consistent valuation practices across the financial institutions covered by the respective directions.
- REITs and InvITs are investment vehicles through which eligible investors can gain exposure to income-generating real estate and infrastructure assets.
- REIT stands for Real Estate Investment Trust.
- InvIT stands for Infrastructure Investment Trust.
- REITs generally invest in income-generating real estate assets such as commercial offices and other eligible properties.
- InvITs generally invest in infrastructure assets such as roads, power transmission networks and other eligible infrastructure projects.
- The regulations governing REITs and InvITs are primarily administered by the Securities and Exchange Board of India (SEBI).
- The RBI regulates investments in these instruments by banks and other institutions under its regulatory jurisdiction.
- According to the supplied material, the revised directions covered Commercial Banks, All-India Financial Institutions (AIFIs), Small Finance Banks, Payments Banks and Local Area Banks.
- The source identifies All-India Financial Institutions as an important category affected by the valuation amendments.
- Uniform valuation practices are intended to improve transparency and comparability in financial reporting.
- Consistent valuation also assists regulators in evaluating investment portfolios and associated financial risks.
- The changes seek to ensure that institutions follow the prescribed valuation methodology when reporting eligible REIT and InvIT holdings.
- The source states that India's REIT market reached approximately US\$17.7 billion.
- It also describes India as Asia's fourth-largest REIT market, having surpassed Hong Kong.
- These market-size and ranking claims require verification against the original market study and its methodology.
- The supplied material separately reports that the RBI's special US dollar–rupee foreign exchange swap facility attracted US\$143.596 billion in foreign currency inflows as of 18 September 2026.
- That swap-facility figure concerns a separate RBI initiative and should not be treated as a REIT or InvIT valuation statistic.



Important Financial Terms

Term	Full form / Description
REIT	Real Estate Investment Trust
InvIT	Infrastructure Investment Trust
AIFI	All-India Financial Institution
SEBI	Securities and Exchange Board of India
NAV	Net Asset Value
Asset Valuation	Determination of the value of assets or investments under applicable rules

Exam Focus: REIT | InvIT | 22 September 2026 | AIFIs | SEBI | Uniform valuation.

