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Corporate Laws

Ministry of Corporate Affairs

01 Companies Compliance Facilitation Scheme, 2026-reg.

[Issued by the Ministry of Corporate Affairs F. No. Policy-02/2/2020-CL-V dated 24.02.2026]

The Companies Act, 2013 requires all companies to file the Annual Return and Financial Statements. Fees for filing such statements, documents, returns, etc. are governed by Section 403 of the Companies Act, 2013 read with Companies (Registration Offices and Fees) Rules 2014. With effect from 1st July, 2018, an additional fee of Rs. 100/- day is applicable in respect of delay in filing annual returns and financial statements, without any upper limit.

- This Ministry has been taking several initiatives from time to time to provide ease of doing business to the corporates. The number of active companies has crossed the 20 lakh mark and the rate of growth of companies in the country corresponds to the increase in the formalization of the economy, which consists of many new-age entrepreneurs, MSMEs, producer companies, OPCs, etc. The Ministry has received representations from various stakeholders, including these companies, with a request to waive off additional fees through a scheme. It has been noted that some of these companies, including MSMEs and private companies, have not been able to complete their annual compliances in time, leading to a situation of additional financial burden on account of additional fees payable due to delay.
- In order to give a one-time opportunity to allow companies to file their documents related to Annual Return and Financial Statements in the MCA-21 registry, or to file for dormancy/closure, the Central Government, in exercise of the powers conferred under Section 460 read with Section 403 of the Companies Act, 2013, has decided to condone the delay in filing the above-mentioned documents with the Registrar, wherever applicable, through a Scheme namely "Companies Compliance Facilitation Scheme, 2026 (CCFS-2026)". The Scheme is aimed at improving compliance levels and ensuring that the corporate registry reflects accurate and up-to-date information. Additionally, it is aimed at facilitating inactive or defunct entities to opt for dormancy/closure by paying lesser fees.

DR. AMIT KUMAR, I.C.LS.
Deputy Director (Policy)

Complete details are not published here for want of space. For complete notification readers may log on to www.mca.gov.in

02 Notification of Amendment

[Issued by the Ministry of Corporate Affairs [F. No. Policy-01/4/2025-CL-V-MCA] dated 10.02.2026]

In exercise of the powers conferred by Section 458 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following amendment in the notification of the Government of India, in the Ministry of Corporate Affairs number S.O. 6225 (E) dated 18th December, 2018, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (ii), dated the 20th December, 2018, except as respects things done or omitted to be done before such amendment, namely:-

In the said notification, for the words "Regional Directors at Mumbai, Kolkata, Chennai, New Delhi, Ahmedabad, Hyderabad and Shillong", the words "Regional Directors at Ahmedabad, Bangalore, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai, Navi Mumbai and New Delhi" shall be substituted.

- This notification shall come into force with effect from 16th day of February, 2026.

BALAMURUGAN DEVARAJ
Joint Secretary

03 Notification of Amendment

[Issued by the Ministry of Corporate Affairs [F. No. Policy-01/4/2025-CL-V-MCA] dated 10.02.2026]

In exercise of the powers conferred by Section 458 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following amendment in the notification of the Government of India, in the Ministry of Corporate Affairs number S.O. 1354 (E) dated 21st May, 2014 published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (ii), dated the 22nd May, 2014, except as respects things done or omitted to be done before such amendment, namely:-

In the said notification, for the words "office of Regional Director at Noida", the words and figure "Regional Director, Northern Region Directorate I, Headquarter at New Delhi" shall be substituted.

- This notification shall come into force with effect from the 16th day of February, 2026.

BALAMURUGAN DEVARAJ
Joint Secretary

04 Notification of Amendment

[Issued by the Ministry of Corporate Affairs [F. No. Policy-01/4/2025-CL-V-MCA] dated 10.02.2026]

In exercise of the powers conferred by Section 458 of the Companies Act, 2013 (18 of 2013), the Central Government

hereby makes the following amendment in the notification of the Government of India, in the Ministry of Corporate Affairs number S.O. 891 (E), dated 31st March, 2015 published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (ii), dated the 31st March, 2015, except as respects things done or omitted to be done before such amendment, namely:-

In the said notification, for the words “Regional Directors at Mumbai, Kolkata, Chennai, Noida, Ahmedabad, Hyderabad and Shillong”, the words “Regional Directors at Ahmedabad, Bangalore, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai, Navi Mumbai and New Delhi” shall be substituted.

2. This notification shall come into force with effect from the 16th day of February, 2026.

BALAMURUGAN DEVARAJ
Joint Secretary

05 Notification of Amendment

[Issued by the Ministry of Corporate Affairs [E. No. Policy-01/4/2025-CL-V-MCA] dated 10.02.2026]

In exercise of the powers conferred by Section 458 of the Companies Act, 2013 (18 of 2013), applied to the limited liability partnership vide notification number G.S.R. 333(E), dated the 29th April, 2015, the Central Government hereby makes the following amendment in the notification of the Government of India, in the Ministry of Corporate Affairs number S.O. 623 (E), dated 11th February, 2022 published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (ii), dated the 11th February, 2022, except as respects things done or omitted to be done before such amendment, namely: —

In the said notification, for the words “Regional Directors at Mumbai, Kolkata, Chennai, New Delhi, Ahmedabad, Hyderabad and Guwahati”, the words “Regional Directors at Ahmedabad, Bangalore, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai, Navi Mumbai and New Delhi” shall be substituted.

2. This notification shall come into force with effect from the 16th day of February, 2026.

BALAMURUGAN DEVARAJ
Joint Secretary

06 Notification of Amendment

[Issued by the Ministry of Corporate Affairs [E. No. Policy-01/4/2025-CL-V-MCA] dated 10.02.2026]

In exercise of the powers conferred by Section 458 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following amendment in the notification of the Government of India, in the Ministry of Corporate Affairs number S.O. 3557 (E) dated 31st December, 2015, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (ii), dated the 31st December, 2015, except as respects things done or omitted to be done before such amendment, namely:-

In the said notification, for the words “Regional Directors at Mumbai, Kolkata, Chennai, Delhi, Ahmedabad, Hyderabad and Shillong”, the words “Regional Directors at Ahmedabad, Bangalore, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai, Navi Mumbai and New Delhi” shall be substituted.

2. This notification shall come into force with effect from the 16th day of February, 2026.

BALAMURUGAN DEVARAJ
Joint Secretary

07 Notification of Amendment

[Issued by the Ministry of Corporate Affairs [E. No. Policy-01/4/2025-CL-V-MCA] dated 10.02.2026]

In exercise of the powers conferred by Section 458 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following amendment in the notification of the Government of India, in the Ministry of Corporate Affairs number S.O. 2938 (E) dated 6th September, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (ii), dated the 6th September, 2017, except as respects things done or omitted to be done before such amendment, namely:-

In the said notification, for the words “Regional Directors at Mumbai, Kolkata, Chennai, New Delhi, Ahmedabad, Hyderabad and Shillong”, the words “Regional Directors at Ahmedabad, Bangalore, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai, Navi Mumbai and New Delhi” shall be substituted.

2. This notification shall come into force with effect from 16th day of February, 2026.

BALAMURUGAN DEVARAJ
Joint Secretary

08 Notification of Amendment

[Issued by the Ministry of Corporate Affairs [E. No. Policy-01/4/2025-CL-V-MCA] dated 10.02.2026]

In exercise of the powers conferred by Section 454 of the Companies Act, 2013 (18 of 2013) read with the Companies (Adjudication of Penalties) Rules, 2014 and in supersession of the notifications of the Ministry of Corporate Affairs, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (ii), vide number S.O. 831 (E), dated the 24th March, 2015 and number S.O. 2650 (E) dated 25th July, 2019 respectively, except as respects things done or omitted to be done before such supersession, the Central Government hereby appoints following Registrars of Companies as adjudicating officers for the purposes of this Act in respect of jurisdictions indicated against each Registrar.

BALAMURUGAN DEVARAJ
Joint Secretary

Complete details are not published here for want of space. For complete notification readers may log on to www.mca.gov.in

09 Notification of Amendment

[Issued by the Ministry of Corporate Affairs [F. No. Policy-01/4/2025-CL-V-MCA] dated 10.02.2026]

In exercise of the powers conferred by Section 76A of the Limited Liability Partnership Act, 2008 (6 of 2009) and in supersession of the notification of the Ministry of Corporate Affairs, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (ii), vide number S.O. 622 (E), dated the 11th February, 2022, except as respects things done or omitted to be done before such supersession, the Central Government hereby appoints the following Registrar of Companies as adjudicating officers for the purpose of the said Act in respect of jurisdiction indicated against each Registrar : —

BALAMURUGAN DEVARAJ
Joint Secretary

Complete details are not published here for want of space. For complete notification readers may log on to www.mca.gov.in

10 Notification of Amendment

[Issued by the Ministry of Corporate Affairs [F. No. Policy-01/4/2025-CL-V-MCA] dated 10.02.2026]

In exercise of the powers conferred by Section 458 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following amendment in the notification of the Government of India, in the Ministry of Corporate Affairs number S.O. 4090 (E) dated 19th December, 2016, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (ii), dated the 19th December, 2016, except as respects things done or omitted to be done before such amendment, namely:-

In the said notification, for the words “Regional Directors at Mumbai, Kolkata, Chennai, New Delhi, Ahmedabad, Hyderabad and Shillong”, the words “Regional Directors at Ahmedabad, Bangalore, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai, Navi Mumbai and New Delhi” shall be substituted.

2. This notification shall come into force with effect from the 16th day of February, 2026.

BALAMURUGAN DEVARAJ
Joint Secretary

11 Public Notice

[Issued by the Ministry of Corporate Affairs [F. No.1/27/2013-CL-V(Part)] dated 02.02.2026]

Rule 12(1) of the Companies (Registered Valuers and Valuation) Rules, 2017, provides for the eligibility criteria for recognition of Registered Valuers Organisations (RVOs). It, *inter alia*, stipulates that an RVO must be registered under Section 25 of the Companies Act, 1956, or Section 8 of the

Companies Act, 2013, with the sole object of dealing with matters relating to regulation of valuers of an asset class or asset classes and has in its bye-laws the requirements specified in Annexure-III of the Rules. However, it does not specify any minimum share capital criteria for recognition as an RVO.

Suggestions have been received for amending Rule 12(1)(i) of the Companies (Registered Valuers and Valuation) Rules, 2017 for prescribing a minimum paid-up share capital criteria for recognition of RVOs. In this regard, it is proposed to prescribe ₹25 lakh minimum paid-up share capital requirement for RVOs by amending such rule. A period up to 31st March, 2028 is proposed to be given to existing RVOs to align with this new requirement. Accordingly, a notification proposing amendment in the rules has been prepared and is made available on the portal of the Ministry i.e. www.mca.gov.in.

It has been decided to invite suggestions/comments on such draft amendment from stakeholders. Suggestions/comments on the draft amendment notification along with justification in brief may be sent latest by 05th March, 2026 through e-Consultation Module on the website of Ministry of Corporate Affairs.

BALAMURUGAN DEVARAJ
Joint Secretary

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Securities and Exchange Board of India

12 Categorization and Rationalization of Mutual Fund Schemes

[Issued by the Securities and Exchange Board of India vide Circular HO/24/13/15(2)2026-IMD-RAC4/1/5764/2026 dated 26.02.2026]

1. SEBI vide circular no. SEBI/HO/IMD/DF3/CIR/P/2017/114 dated October 06, 2017, read with circular no. SEBI/HO/IMD/DF3/CIR/P/2020/228 dated November 06, 2020 issued directions regarding categorization and rationalization of Mutual Fund Schemes. The said circulars were consolidated as Clause 2.6 of the Chapter 2 of Master Circular for Mutual Funds dated June 27, 2024 (hereinafter referred as “Master Circular”).

2. To accommodate the continuously evolving landscape of mutual fund investments and the emergence of opportunities across various asset classes, Clause 2.6 of Chapter 2 of the Master Circular stands superseded as under:

2.6 Categories of Schemes, Scheme Characteristics and Type of Scheme (Uniform Description of Schemes):

2.6.1 The Schemes are broadly classified as under:

- A. Equity Scheme: Mutual Fund scheme predominantly investing in equity and equity related instruments;

- B. Debt Scheme: Mutual Fund scheme predominantly investing in debt and debt related instruments;
- C. Hybrid Scheme: Mutual Fund scheme investing in a mix of asset class i.e. equity, debt, InvITs and commodities related instruments as permitted by SEBI.
- D. Life Cycle Funds
- E. Other Schemes:
 - i. Fund of Fund Schemes
 - ii. Passive Schemes for e.g. Index Funds / ETFs

2.6.2 'Residual portion' mentioned in the circular refers to the part of a scheme's corpus not invested in its main, core asset classes as provided in the scheme characteristics.

ANUPMA CHADHA
General Manager

Complete details are not published here for want of space. For complete notification readers may log on to www.sebi.gov.in

13 Forms for registration of stock brokers and clearing members

[Issued by the Securities and Exchange Board of India vide Circular HO/38/11/(5)2026-MIRSD-POD/1/5130/2026 dated 17.02.2026]

1. Under Schedule I of Securities and Exchange Board of India (Stock Brokers) Regulations, 1992 (repealed), the application forms for registration of stock broker and clearing member along with certificate of registration were specified.
2. SEBI (Stock Brokers) Regulations, 2026 provides that such forms shall be specified by Board or recognised stock exchange. In view of the same, the application forms and certificate of registration have been specified under Annexure.
3. The provisions of this circular shall come into force, retrospectively, from the date of notification of Securities and Exchange Board of India (Stock Brokers) Regulations, 2026 i.e. January 07, 2026.
4. The Stock Exchanges/Clearing Corporations are directed to:
 - 4.1. bring the provisions of this circular to the notice of their members/participants and also disseminate the same on their websites.
 - 4.2. make necessary amendments to the relevant By-laws, Rules and Regulations for the implementation of the above decision;
5. This circular is issued in exercise of powers conferred under Section 11(1) of Chapter IV of the Securities and Exchange Board of India Act, 1992, read with Regulation 51 of Securities Contracts (Regulation)

(Stock Exchanges and Clearing Corporations) Regulations, 2018 to protect the interests of investors in securities and to promote the development of, and to regulate the securities markets.

6. This circular is available on SEBI website at www.sebi.gov.in under the category: 'Legal → Circulars'.

ARADHANA VERMA
General Manager

Complete details are not published here for want of space. For complete notification readers may log on to www.sebi.gov.in

14 Capacity Planning and Real Time Performance Monitoring framework for Commodity Derivatives Segment of Market Infrastructure Institutions (MIIs)

[Issued by the Securities and Exchange Board of India vide Circular HO/47/13/14(1)2026-MRD-TPD1/1/4755/2026 dated 11.02.2025]

1. Clause 16.1.2 of Chapter 16 of SEBI Master Circular for Commodity Derivatives segment dated August 04, 2023 stipulates the following with regard to capacity of the trading system of stock exchanges: -

16.1.2 The stock exchanges shall have arrangements, procedures and system capability to manage the load on their systems in such a manner so as to achieve consistent response time to all members. The capacity of the trading system of the stock exchange should be at least four times the peak order load encountered and the Exchange system should be upgraded on a regular basis. The stock exchange shall continuously study the performance of its systems and, if necessary, undertake system upgrade, including periodic upgrade of its surveillance system, in order to keep pace with the speed of trade and volume of data that may arise through algorithmic trading.

2. Vide circular SEBI/HO/MRD/TPD/CIR/P/2024/171 dated December 10, 2024, SEBI issued 'Revised Guidelines for Capacity Planning and Real Time Performance Monitoring framework of Market Infrastructure Institutions (MIIs)'.
3. The provisions of the said circular were applicable to all MIIs except Commodity Derivatives Segment of Stock Exchanges and Clearing Corporations.
4. Based on the representations received from Stock Exchanges with Commodity Derivatives Segment, the capacity planning framework for Commodity Derivatives Segment has been reviewed by SEBI in consultation with Technical Advisory Committee (TAC) of SEBI. On the basis of recommendations of TAC and public consultation carried out vide consultation paper dated June 30, 2025, the following framework is stipulated for the Commodity Derivatives Segment of MIIs w.r.t. the capacity planning and real time performance monitoring of their Critical Information Technology systems and supporting components:

DARSHIL D. BHATT
Deputy General Manager

Complete details are not published here for want of space. For complete notification readers may log on to www.sebi.gov.in

15 Obligations on CRAs while undertaking rating of financial instruments falling under the purview of any other Financial Sector Regulator

[Issued by the Securities and Exchange Board of India vide Circular SEBI/HO/DDHS/DDHS-PoD-2/1/4685/2026 dated 10.02.2026]

1. Regulation 9 (f) of the SEBI (Credit Rating Agencies) Regulation, 1999 (“CRA Regulations”) allow Credit Rating Agencies to rate financial instruments falling under the purview of any other financial sector regulator (“FSR”).
2. In cases where a CRA undertakes rating of instruments falling under the purview of any other financial sector regulator or Authority, then the CRA shall comply with the conditions specified as below -

2.1. Separation of Email IDs for handling grievances and disclosures on website

2.1.1. CRA shall handle grievances related to SEBI regulated activities and grievances related to activities under the purview of other FSR(s) through distinct and separate email IDs. Further, CRAs shall maintain separate webpages or sections on their website for disclosures related to SEBI regulated activities and disclosures related to activities under the purview of other FSR(s).

2.1.2. While all resources, including manpower, information technology, etc., related to the investor grievance mechanism can be shared, the email IDs for receiving grievances for SEBI-regulated instruments/ activities and other activities shall be separate.

2.2. Minimum Net Worth

2.2.1. CRA shall ensure that the minimum net worth requirement of a CRA, specified under the CRA Regulations, shall not be impacted by the CRA's undertaking rating of financial instruments falling under the purview of other FSR(s).

2.2.2. CRAs should ensure that the net worth stipulations, if any, by other FSR(s) shall be in addition to the minimum net worth requirement specified by SEBI.

RITESH NANDWANI

Deputy General Manager

Complete details are not published here for want of space. For complete notification readers may log on to www.sebi.gov.in

16 Reporting of value of units of Alternative Investment Funds (AIFs) to Depositories

[Issued by the Securities and Exchange Board of India vide Circular HO/19/34/11(8)2025-AFD-POD1/1/4335/2026 dated 06.02.2026]

1. In terms of Regulation 10 of SEBI (Alternative Investment Funds) Regulations, 2012 (AIF Regulations), AIFs may raise funds from any investor whether Indian, foreign or non-resident Indians by

way of issue of units. The value of units issued by AIFs is calculated based on the valuation of investment portfolio of AIF / scheme of AIF as under:

- 1.1. In terms of Regulation 23(2) of AIF Regulations, Category I and Category II AIFs shall undertake valuation of their investments, at least once in every six months, by an independent valuer appointed by the AIF:

Provided that such period may be enhanced to one year on approval of at least seventy-five percent of the investors by value of their investment in the AIF.

- 1.2. In terms of Regulation 23(3) of AIF Regulations, Category III AIFs shall ensure that calculation of the Net Asset Value (NAV) is independent from the fund management function of the AIF and such NAV shall be disclosed to the investors at intervals not longer than a quarter for close ended funds and at intervals not longer than a month for open ended funds.

2. Further, in terms of Regulation 10(aa) of AIF Regulations and SEBI circular no. SEBI/HO/AFD/PoD/CIR/2023/96 dated June 21, 2023 (Subsumed in Chapter 20 of Master Circular for AIFs dated May 07, 2024), AIFs have been mandated to issue units in dematerialized (demat) form.

3. In view of the above, and to leverage the depository infrastructure for enhancing transparency and operational efficiency, and to facilitate system readiness of AIFs, Registrars and Transfer Agents (RTAs) and Depositories, the following is specified:

- 3.1. AIFs, through their RTAs, shall upload the latest available NAV corresponding to each ISIN of units of the AIF in the depository system before May 01, 2026, or within 30 days from the date of valuation of the investment portfolio, whichever is later.

- 3.2. For the purpose of aforesaid mandate, the valuation date shall be considered as under:

a) In case the valuation is carried out by independent valuers – Date of valuation report.

b) In case the valuation is carried out by an Internal valuers – Date on which the valuation is documented in the internal records of the fund.

- 3.3. The manager of the AIF shall be responsible for ensuring timely and accurate uploading of NAV.

- 3.4. The Depositories shall:

ANSHUL JAGDISH GOYAL

Deputy General Manager

Complete details are not published here for want of space. For complete notification readers may log on to www.sebi.gov.in

17 Creation/Invocation of pledge of securities through depository system

[Issued by the Securities and Exchange Board of India vide Circular HO/47/14/12(1)2026-MRD-POD2/1/4229/2026 dated 05.02.2026]

1. The framework for pledging of shares through the depository system is prescribed in paragraph 4.13 of the SEBI Master Circular for Depositories dated December 03, 2024 ('Master Circular') read with Regulation 79 of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 ('DP Regulations').
2. In terms of the said framework, the Depositories are, *inter alia*, required to make provisions in their respective bye-laws to provide for the manner of creating and invoking a pledge in accordance with Section 12 of the Depositories Act, 1996 and the DP Regulations.
3. Further, Sections 176 and 177 of the Indian Contract Act, 1872 lay down the rights of the pawnor and pawnee, respectively, and, *inter alia*, require the pawnee to give a reasonable notice of sale to the pawnor prior to selling the pledged assets.
4. In this regard, in order to ensure compliance with the provisions of Sections 176 and 177 of the Indian Contract Act, 1872 in the framework for pledge of securities through Depositories, the following paragraphs shall be inserted after paragraph 4.13.2 in the Master Circular:

"4.13.3. The Pledge Request Forms of the depositories shall, inter alia, make provision for the pledger and pledgee to undertake the following:

4.13.3.1 The pledgee undertakes to provide reasonable notice to the pledger and comply with the requirements of Sections 176 and 177 of the Indian Contract Act, 1872.

4.13.3.2 The pledger and pledgee undertake to abide with the provisions of the Indian Contract Act, 1872, the Depositories Act, SEBI Regulations, circulars, and bye-laws in force from time to time, as may be applicable.

4.13.4. The Depositories shall maintain a standardized format of the Pledge Request Form.

4.13.5. At the time of invocation of pledge, the Depositories shall send an intimation/notification to both pledger and pledgee confirming that the pledge has been invoked and the pledgee has been recorded as "beneficial owner" in terms of Regulation 79(8) of the DP Regulations."

5. The Depositories are advised to:
 - 5.1. make necessary amendments to relevant bye-laws and rules, for the implementation of this circular;

- 5.2. carry out system changes, if any, for the implementation of this circular; and

- 5.3. bring the provisions of this circular to the notice of their participants and also to disseminate the same on their websites.

6. The provisions of this circular shall be implemented on or before April 6, 2026.
7. This circular is issued in exercise of the powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 read with Section 26(3) of the Depositories Act, 1996 and Regulation 97 and Regulation 79 of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 to protect the interest of investors in securities and to promote development of, and to regulate securities market.
8. This circular is available on SEBI website at www.sebi.gov.in at "Legal Framework - Circulars."
9. The circular has been issued with the approval of the competent authority.

SANJAY SINGH BHATI
Deputy General Manager

18 Calendar Spread margin benefit for Single Stock Derivatives on expiry day

[Issued by the Securities and Exchange Board of India vide Circular HO/47/15/11(2)2025-MRD-TPD1/1/4226/2026 dated 05.02.2026]

1. Chapter 5 of SEBI Master Circular dated December 30, 2024 for Stock Exchanges and Clearing Corporations *inter alia* provides stipulations for calendar spread margin treatment in derivatives segment (Clause 1.2.6). At present, for index derivatives, the benefit of offsetting positions across different expiries ('calendar spread') is not available on the day of expiry for contracts expiring on that day (Clause 1.2.7).
2. On the basis of reference received from trading member(s) with regard to possible risks emanating from calendar spread benefit on expiry day for single stocks and subsequent deliberations with Secondary Market Advisory Committee (SMAC) of SEBI, it is decided that, the benefit of offsetting positions across different expiries shall not be available on the day of expiry for contracts expiring on that day for single stock derivatives.
3. It is clarified that the existing margin calculations for calendar spread positions shall remain unchanged for calendar spread positions involving all expiries other than the contracts expiring on a given day.
4. As an illustration, if monthly expiries are on 29th (current month), 30th (next month) and 31st (far month) respectively, then calendar spread positions involving positions expiring on 29th (current month) and 30th (next month), or 29th (current month) and

- 31st (far month), shall not be provided calendar spread treatment on 29th (current month expiry). However, calendar spread positions involving positions expiring on 30th (next month) and 31st (far month) shall continue to receive calendar spread treatment on 29th (current month expiry).
- The aforesaid would also align calendar spread treatment for single stocks derivatives with that on index derivatives and would provide sufficient time to the end clients / trading members to bring additional margin on the expiry day or to roll over / close calendar spread positions on expiry day. In the absence of such formulation, there remains a risk of sudden increase in margin on the day following expiry of one leg of the calendar spread position with limited recourse available to trading members in case of margin shortfall / open leg showing significant adverse price movement.
 - This circular shall be effective from three months from the date of the circular.
 - Stock Exchanges and Clearing Corporations are directed to take necessary steps to put in place systems for implementation of this Circular, including necessary amendments to the relevant bye-laws, rules and regulations, if any.
 - This circular is being issued in exercise of powers conferred under Section 11 (1) read with 11(2)(a) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.
 - This circular is available on SEBI website at www.sebi.gov.in under the category "Legal Circulars".

DARSHIL D. BHATT
Deputy General Manager

19 Revision of Order-to-Trade Ratio (OTR) framework

[Issued by the Securities and Exchange Board of India vide Circular HO/47/11/16(2)2025-MRD-POD2/1/4113/2026 dated 04.02.2026]

- Para 7.1.2.2, 7.1.2.3, 11.2.14 and 11.2.15 of Chapter 2 of the Master Circular for Stock Exchanges and Clearing Corporations ('Master Circular') dated December 30, 2024, prescribe the framework for placing effective economic disincentive by Stock Exchanges for high order-to-trade ratio (OTR) of Algorithmic orders placed by Trading Members (TMs).
 - Taking into account the representations received from the Stock Exchanges, deliberations held with the various stakeholders and recommendations of the Secondary Market Advisory Committee of SEBI, it is decided to carry out the following modifications in the aforesaid framework:
 - For equity option contracts, orders within $\pm 40\%$ of LTP (premium) or $\pm \text{INR } 20$, whichever is higher, shall be exempted from the framework for imposing penalty for high OTR.
- The Algorithmic orders placed by Designated Market Makers for market making activity shall not be considered towards computation of OTR.
 - Accordingly, para 11.2.14.1 and 11.2.14.2 of Chapter 2 of the Master Circular, are modified as under:
 - 11.2.14.1. Orders placed within the range of $\pm 0.75\%$ of the LTP shall be exempted from the framework for imposing penalty for high OTR. However, for equity option contracts, orders placed within the range of $\pm 40\%$ of LTP (premium) or $\pm \text{INR } 20$, whichever is higher, shall be exempted from the framework for imposing penalty for high OTR.*
 - 11.2.14.2. OTR framework shall be applicable to the orders placed in the cash segment and the derivative segment, including the orders placed under the liquidity enhancement schemes. However, the algorithmic orders placed by Designated Market Makers for market making activity shall be exempted from the framework for imposing penalty for high OTR."*
 - The provisions of this circular shall come into effect from April 06, 2026.
 - The Stock Exchanges are accordingly advised to:
 - Make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision, as may be necessary/ applicable.
 - Bring the provisions of this circular to the notice of the market participants (including TMs) and to disseminate the same on their website.
 - This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992, read with Regulation 51 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.
 - This circular is available on SEBI website at www.sebi.gov.in at "Legal → Circulars".

SANJAY SINGH BHATI
Deputy General Manager

Reserve Bank of India

20 Reporting under Foreign Exchange Management Act, 1999 – Returns pertaining to External Commercial Borrowing (ECB)

[Issued by the Reserve Bank of India vide RBI/2025-26/223 A.P. (DIR Series) Circular No. 23 dated 18.02.2026]

Attention of Authorised Persons is invited to the Master Direction – Reporting under Foreign Exchange Management Act, 1999. The Reserve Bank has issued the

Foreign Exchange Management (Borrowing and Lending) (First Amendment) Regulations, 2026 dated February 09, 2026 (published in the official gazette on February 16, 2026) for revising the External Commercial Borrowing (ECB) Framework. The forms for returns pertaining to ECB, prescribed under the Master Direction *ibid*, have been modified in light of the revised ECB Framework.

2. In view of the above, Part V - Annex I and Part V - Annex II of the Master Direction – Reporting under Foreign Exchange Management Act, 1999 shall be substituted with the format given at Annex I (Form ECB 1 / Revised Form ECB 1) and Annex II (Form ECB 2) to this circular respectively.
3. Authorised Persons may bring the contents of the circular to the notice of their customers/ constituents concerned.
4. The directions contained in this circular have been issued under Sections 10(4), 11(1) and 11(2) of the Foreign Exchange Management Act, 1999 (42 of 1999) and are without prejudice to permissions / approvals, if any, required under any other law.
5. These directions shall come into force with immediate effect.

DR. ADITYA GAIHA

Chief General Manager-in-Charge

21 Unique Transaction Identifier for OTC Derivative Transactions

[Issued by the Reserve Bank of India vide RBI/2025-26/222 CO.FMRD.MIOD. No.8/11.01.057/2025-26 dated 18.02.2026]

The Unique Transaction Identifier (UTI) has been conceived as one of the key data elements identified globally for reporting over-the-counter (OTC) derivative transactions with a view to enable policy makers to obtain a comprehensive view of the OTC derivatives market.

2. At present, all transactions in OTC markets for Rupee interest rate derivatives, forward contracts in Government securities, foreign currency derivatives, foreign currency interest rate derivatives, and credit derivatives are reported to the Trade Repository managed by Clearing Corporation of India Limited (CCIL-TR). It has now been decided to mandate UTI for all such transactions. A framework for the implementation of UTI for OTC derivative transactions, is enclosed at Annex.
3. The directions shall come into effect from January 01, 2027 and shall be applicable to OTC derivative transactions entered into on or after the date the directions come into effect.
4. These directions have been issued in exercise of the powers conferred under Section 45W of the Reserve Bank of India Act, 1934 read with Section 45U of the Act and of all the powers enabling it in this behalf.

DIMPLE BHANDIA

Chief General Manager

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22 Foreign Exchange Management (Borrowing and Lending) (First Amendment) Regulations, 2026

[Issued by the Reserve Bank of India vide Notification No. FEMA 3(R) (5)/2026-RB dated 09.02.2026]

In exercise of the powers conferred by sub-section (2) of Section 6, sub-section (2) of Section 47 of the Foreign Exchange Management Act, 1999 (42 of 1999), the Reserve Bank of India hereby makes the following amendments to the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018 (Notification No. FEMA 3(R)/2018-RB dated December 17, 2018) (hereinafter referred to as the 'Principal Regulations'), namely:

1. Short title and commencement –

- (1) These regulations shall be called the Foreign Exchange Management (Borrowing and Lending) (First Amendment) Regulations, 2026.
- (2) They shall come into force from the date of their publication in the Official Gazette.
- (3) External Commercial Borrowings for which a Loan Registration Number (LRN) has been obtained before these regulations coming into effect shall continue in compliance with the then applicable regulations, except reporting which shall be undertaken as per the amended regulations.

2. Amendment to Regulation 2 – In the Principal Regulations, Regulation 2 shall be substituted by the following regulation, namely:-

“2. Definitions –

- (1) In these regulations, unless the context otherwise requires:
 - (a) “Act” means the Foreign Exchange Management Act, 1999 (42 of 1999);
 - (b) “arm’s length basis” means a transaction between two related parties that is conducted as if the transacting parties were unrelated, so that there is no conflict of interest;
 - (c) “Authorised Bank” shall have the same meaning as assigned to it in the Foreign Exchange Management (Deposit) Regulations, 2016;
 - (d) “Authorised Dealer (AD)” means a person authorised as an Authorised Dealer under sub-section (1) of Section 10 of the Act;
 - (e) “benchmark rate” means any widely accepted interbank rate or Alternative Reference Rate (ARR) of 6-month tenor, applicable to the currency of borrowing, in case of foreign currency (FCY) external commercial borrowing (ECB) / trade credit (TC). Further,

it means prevailing yield of the Government of India security of corresponding maturity in case of Indian Rupees (INR) denominated ECB / TC;

- (f) “control” –
 - (i) in case of companies, control shall have the same meaning as assigned to it in the Companies Act, 2013; and

DR. ADITYA GAIHA

Chief General Manager-in-Charge

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23 Formation of new district in the State of Haryana – Assignment of Lead Bank Responsibility

[Issued by the Reserve Bank of India vide RBI/2025-26/220 FIDD.CO.LBS. BC.No.13/02.08.001/2025-26 dated 16.02.2026]

The Government of Haryana has notified formation of new district, viz., Hansi in the state of Haryana vide Gazette Notification No. 682-ARIC-03-2025/7392 dated December 19, 2025. Accordingly, it has been decided to designate the Lead Bank of the new district as below:

Sr. No.	Newly Created District	Lead Bank Responsibility assigned to	District Working Code allotted to new district
1	Hansi	Punjab National Bank	02V (to be read as 'Numeral Zero, Numeral Two and Alphabet V')

- 2. There is no change in the Lead Banks of the other districts in the state of Haryana.

NISHA NAMBIAR

Chief General Manager-in-Charge

24 Reserve Bank of India (Small Finance Banks – Financial Statements: Presentation and Disclosures) – Second Amendment Directions, 2026

[Issued by the Reserve Bank of India vide RBI/2025-26/219 DOR.CRE. REC.410/21.04.018/2025-26 dated 13.02.2026]

Please refer to the Reserve Bank of India (Small Finance Banks - Financial Statements: Presentation and Disclosures) Directions, 2025 (hereinafter referred to as 'the Directions').

- 2. On a review, consequent to the issuance of the Reserve Bank of India (Small Finance Banks – Credit Facilities) Amendment Directions, 2026, and in exercise of the powers conferred by the Sections 21 and 35A of the Banking Regulation Act, 1949 and all other laws enabling the Reserve Bank of India (hereinafter called the Reserve Bank) in this regard, the Reserve Bank being satisfied that it is necessary and expedient in the public interest so to do, hereby issues the Amendment Directions hereinafter specified.

- 3. The Amendment Directions modify the Directions as under:

3(1) In paragraph 10(5) titled 'Exposures' of 'Chapter-III Disclosure in Financial Statements – Notes to Accounts' of the Directions, the following modifications shall be effected:

3(1)(i) Sub-paragraph 10(5)(ii) shall be deleted.

3(1)(ii) After sub-paragraph 10(5)(ii), the following new sub- paragraph (iia) shall be inserted:

VAIBHAV CHATURVEDI

Chief General Manager

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25 Reserve Bank of India (Small Finance Banks – Prudential Norms on Capital Adequacy) – Second Amendment Directions, 2026

[Issued by the Reserve Bank of India vide RBI/2025-26/218 DOR.CRE. REC.409/21-01-002/2025-26 dated 13.02.2026]

Please refer to the Reserve Bank of India (Small Finance Banks – Prudential Norms on Capital Adequacy) Directions, 2025 (hereinafter referred to as 'the Directions').

- 2. On a review, consequent to the issuance of the Reserve Bank of India (Small Finance Banks – Credit Facilities) Amendment Directions, 2026 and in exercise of the powers conferred by the Section 21 and 35A of the Banking Regulation Act, 1949 and all other laws enabling the Reserve Bank of India (hereinafter called the Reserve Bank) in this regard, the Reserve Bank being satisfied that it is necessary and expedient in the public interest so to do, hereby issues the Amendment Directions hereinafter specified.
- 3. The Amendment Directions modify paragraph 74(6) in 'Chapter IV - Risk weighted assets (RWAs)' of the Directions as under:

“Issue of irrevocable payment commitment by a bank to clearing corporations of stock exchanges on behalf of its client is a financial guarantee with a CCF of 100 percent. However, capital shall be maintained only on the exposure reckoned as capital market exposure (CME) in terms of paragraph of the Reserve Bank of India (Small Finance Banks - Concentration Risk Management) Directions, 2025. Thus, capital is to be maintained on the amount taken for CME and the risk weight shall be 125 percent thereon.”

- 4. The above amendment shall come into force from the date a bank decides to implement the provisions of the Reserve Bank of India (Small Finance Banks – Credit Facilities) Amendment Directions, 2026 or from April 1, 2026, whichever is earlier.

VAIBHAV CHATURVEDI

Chief General Manager

26 Reserve Bank of India (Small Finance Banks – Concentration Risk Management) – Amendment Directions, 2026

[Issued by the Reserve Bank of India vide RBI/2025-26/217 DOR.CRE. REC.408/07-03-002/2025-26 dated 13.02.2026]

Please refer to the Reserve Bank of India (Small Finance Banks - Concentration Risk Management) Directions, 2025 (hereinafter referred to as ‘the Directions’).

2. On a review, consequent to the issuance of the Reserve Bank of India (Small Finance Banks – Credit Facilities) Amendment Directions, 2026 and in exercise of the powers conferred by the Sections 21 and 35A of the Banking Regulation Act, 1949 and all other laws enabling the Reserve Bank of India (hereinafter called the Reserve Bank) in this regard, the Reserve Bank being satisfied that it is necessary and expedient in the public interest so to do, hereby issues the Amendment Directions hereinafter specified.
3. The Amendment Directions modify the Directions as under:
 - 3(1)(i) In paragraph 4 of ‘Chapter I - Preliminary’ of the Directions, the following sub-paragraphs shall be inserted:
 - (3A) “**Capital Market Intermediaries (CMI)s**” shall have the same meaning as defined in the Reserve Bank of India (Small Finance Banks – Credit Facilities) Directions, 2025
 - (3B) “**Collateral Security**” or ‘**Collateral**’ shall have the same meaning as defined in the Reserve Bank of India (Small Finance Banks – Credit Facilities) Directions, 2025
 - (8A) “**Non-debt Mutual Funds**” shall mean mutual fund schemes corpus of which are not exclusively invested in debt securities.

VAIBHAV CHATURVEDI
Chief General Manager

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27 Reserve Bank of India (Commercial Banks – Undertaking of Financial Services) – Amendment Directions, 2026

[Issued by the Reserve Bank of India vide RBI/2025-26/215 DOR.CRE. REC.406/24-01-041/2025-26 dated 13.02.2026]

Please refer to the Reserve Bank of India (Commercial Banks – Undertaking of Financial Services) Directions, 2025 (hereinafter referred to as ‘the Directions’).

2. On a review, consequent to the issuance of the Reserve Bank of India (Commercial Banks – Credit Facilities) Amendment Directions, 2026, and in exercise of the powers conferred by the Section 35A of the Banking Regulation Act, 1949 and all other laws enabling the Reserve Bank of India (hereinafter called the Reserve

Bank) in this regard, the Reserve Bank being satisfied that it is necessary and expedient in the public interest so to do, hereby issues the Amendment Directions hereinafter specified.

3. The Amendment Directions modify paragraph 18(4) of ‘Chapter-III ‘General Guidelines’ of the Directions as under:
 - 3(1) The sub-paragraph (ii)(a)iii shall be substituted with the following:

“Acquisition finance and bridge finance for financing of promoter’s stake in new companies”
 - 3(2) The sub-paragraph (ii)(b) shall be substituted with the following:

“Lending to individuals against eligible securities”
4. The above amendments shall come into force from the date a bank decides to implement the provisions of the Reserve Bank of India (Commercial Banks – Credit Facilities) Amendment Directions, 2026 or from April 1, 2026, whichever is earlier.

VAIBHAV CHATURVEDI
Chief General Manager

28 Reserve Bank of India (Commercial Banks – Financial Statements: Presentation and Disclosures) – Third Amendment Directions, 2026

[Issued by the Reserve Bank of India vide RBI/2025-26/214 DOR.CRE. REC.405/21.04.018/2025-26 dated 13.02.2026]

Please refer to Reserve Bank of India (Commercial Banks - Financial Statements: Presentation and Disclosures) Directions, 2025 (hereinafter referred to as ‘the Directions’).

2. On a review, consequent to the issuance of the Reserve Bank of India (Commercial Banks – Credit Facilities) Amendment Directions, 2026, and in exercise of the powers conferred by the Sections 21 and 35A of the Banking Regulation Act, 1949 and all other laws enabling the Reserve Bank of India (hereinafter called the Reserve Bank) in this regard, the Reserve Bank being satisfied that it is necessary and expedient in the public interest so to do, hereby issues the Amendment Directions hereinafter specified.
3. The Amendment Directions modify the Directions as under:
 - 3(1) In paragraph 10(5) titled ‘Exposures’ of ‘Chapter-III Disclosure in Financial Statements – Notes to Accounts’ of the Directions, the following modifications shall be effected:
 - 3(1) (i) Sub-paragraph 10(5)(ii) shall be deleted.

VAIBHAV CHATURVEDI
Chief General Manager

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29 Reserve Bank of India (Commercial Banks – Prudential Norms on Capital Adequacy) – Second Amendment Directions, 2026

[Issued by the Reserve Bank of India vide RBI/2025-26/213 DOR.CRE. REC.404/21-01-002/2025-26 dated 13.02.2026]

Please refer to Reserve Bank of India (Commercial Banks – Prudential Norms on Capital Adequacy) Directions, 2025 (hereinafter referred to as ‘the Directions’).

- On a review, consequent to the issuance of the Reserve Bank of India (Commercial Banks – Credit Facilities) Amendment Directions, 2026, and in exercise of the powers conferred by the Section 21 and 35A of the Banking Regulation Act, 1949 and all other laws enabling the Reserve Bank of India (hereinafter called the Reserve Bank) in this regard, the Reserve Bank being satisfied that it is necessary and expedient in the public interest so to do, hereby issues the Amendment Directions hereinafter specified.
- The Amendment Directions modify paragraph 84(6) in ‘Chapter IV - Risk weighted assets (RWAs)’ of the Directions as under:

“Issue of irrevocable payment commitment by a bank to clearing corporations of stock exchanges on behalf of its client is a financial guarantee with a CCF of 100 per cent. However, capital shall be maintained only on the exposure reckoned as capital market exposure (CME) in terms of the Reserve Bank of India (Commercial Banks - Concentration Risk Management) Directions, 2025. Thus, capital is to be maintained on the amount taken for CME and the risk weight shall be 125 per cent thereon.”
- The above amendment shall come into force from the date a bank decides to implement the provisions of the Reserve Bank of India (Commercial Banks – Credit Facilities) Amendment Directions, 2026 or from April 1, 2026, whichever is earlier.

VAIBHAV CHATURVEDI
Chief General Manager

30 Reserve Bank of India (Non-Banking Financial Companies – Income Recognition, Asset Classification and Provisioning) – Amendment Directions, 2026

[Issued by the Reserve Bank of India vide RBI/2025-26/210 DOR.STR. REC.413/21-07-001/2025-26 dated 13.02.2026]

Please refer to Reserve Bank of India (Non-Banking Financial Companies – Income Recognition, Asset Classification and Provisioning) Directions, 2025 (hereinafter referred to as ‘the Directions’).

- Default Loss Guarantee (DLG) arrangements which are otherwise treated as ‘synthetic securitisation’ and are prohibited, were permitted in the limited case of digital lending vide circular dated June 08, 2023. Subsequently, the same was also permitted for co-lending arrangements vide Directions issued on August 06, 2025.

VAIBHAV CHATURVEDI
Chief General Manager

- On a review, to ensure consistency in application of prudential principles, in exercise of the powers conferred by the Chapter III B of the Reserve Bank of India Act, 1934 and all other laws enabling the Reserve Bank in this regard, the Reserve Bank being satisfied that it is necessary and expedient in the public interest so to do, hereby issues the Amendment Directions hereinafter specified.
- These Amendment Directions modify the Directions as under:

New paras 36A, 36B and 36C shall be inserted as below:

“C1. Provisioning for portfolios covered by Default Loss Guarantee (DLG) arrangements

36A. For loan portfolios covered by Default Loss Guarantee (DLG) arrangements in terms of Chapter III of the Reserve Bank of India (Non-Banking Financial Companies – Credit Facilities) Directions, 2025 and Part B of the Reserve Bank of India (Non-Banking Financial Companies – Transfer and Distribution of Credit Risk) Directions, 2025 both dated November 28, 2025, an NBFC may consider the DLG for determining provisions under the Expected Credit Loss framework across all stages, subject to the requirements as laid down under Indian Accounting Standards, which *inter alia* require the DLG arrangement to be integral to the contractual terms of the loan and the DLG not being recognised separately.

36B. An NBFC shall comply with the disclosure requirements as prescribed under IndAS 1.

36C. Since upon every event of invocation of DLG, the DLG cover reduces to the extent of invocation, an NBFC shall recompute their ECL provisioning requirements across stages, after duly adjusting for the reduced DLG cover.”

- Consequential amendments have also been made vide Reserve Bank of India (Non-Banking Financial Companies – Credit Facilities) Amendment Directions, 2026 dated February 13, 2026.
- The above amendment shall come into force immediately.

31 Reserve Bank of India (Non-Banking Financial Companies – Credit Facilities) – Amendment Directions, 2026

[Issued by the Reserve Bank of India vide RBI/2025-26/209 DOR.STR. REC.412/21-07-001/2025-26 dated 13.02.2026]

Please refer to Reserve Bank of India (Non-Banking Financial Companies – Income Recognition, Asset Classification and Provisioning) Amendment Directions, 2026.

2. Consequential to the aforesaid Amendment Directions, in exercise of the powers conferred by the Chapter III B of the Reserve Bank of India Act, 1934 and all other laws enabling the Reserve Bank in this regard, the Reserve Bank being satisfied that it is necessary and expedient in the public interest so to do, hereby issues the Amendment Directions hereinafter specified.
3. These Amendment Directions modify the Reserve Bank of India (Non-Banking Financial Companies – Credit Facilities) Directions, 2025 (hereinafter referred to as ‘the Directions’) as under:

Para 25 (1) of the Directions, shall be substituted as below:

25. (1) Asset classification of individual loan assets and consequent provisioning requirement shall be in terms of the Reserve Bank of India (Non-Banking Financial Companies – Income Recognition, Asset Classification and Provisioning) Directions, 2025.

4. The above amendment shall come into force immediately.

VAIBHAV CHATURVEDI
Chief General Manager

32 Reserve Bank of India (Rural Co-operative Banks – Income Recognition, Asset Classification and Provisioning) – Amendment Directions, 2026

[Issued by the Reserve Bank of India vide RBI/2025-26/208 DOR.STR. REC.411/21-04-048/2025-26 dated 13.02.2026]

Please refer to Reserve Bank of India (Rural Co-operative Banks – Income Recognition, Asset Classification and Provisioning) Directions, 2025 (hereinafter referred to as ‘the Directions’).

2. With a view to ensuring uniformity in the recognition of overdue income (interest, fee, commission or other income) in Standard advances by Rural Co-operative Banks as well as to harmonise the same in line with other Regulated Entities, it has been decided that in case of Standard advances, banks shall recognise income on accrual basis without the requirement of making any matching provision.
3. Accordingly, in exercise of the powers conferred by the Sections 21, 35A and 56 of the Banking Regulation Act, 1949 and all other laws enabling the Reserve Bank in this regard, the Reserve Bank being satisfied that it is necessary and expedient in the public interest so to do, hereby issues the Amendment Directions hereinafter specified.
4. The Amendment Directions modifies the Directions as under:
 - i. Paragraph 52 shall be deleted.
 - ii. After paragraph 52, a new paragraph 52A shall be inserted, as under:

VAIBHAV CHATURVEDI
Chief General Manager

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33 Strengthening of Grievance Redress Mechanism in Banks – Review

[Issued by the Reserve Bank of India vide RBI/2025-26/207 CO.CEPD.PRS. No.S1121/13-01-008/2025-2026 dated 11.02.2026]

Please refer to the circular RBI/2020-21/87 CEPD.CO.PR.D. Cir.No.01/13.01.013/2020-21 on “Strengthening of Grievance Redress Mechanism in Banks” dated January 27, 2021.

2. The instructions contained in the above circular have since been reviewed in the light of subsequent regulatory and supervisory developments. In particular, as part of the Reserve Bank’s consolidation exercise, complaint-related disclosures have since been prescribed under the relevant Master Direction on Financial Statements: Presentation and Disclosures (Directions), dated November 28, 2025. Further, the consumer compensation framework has been strengthened through enhanced compensation limits under the Reserve Bank–Integrated Ombudsman Scheme, 2026, and the Reserve Bank of India (Internal Ombudsman) Directions, 2026 have empowered Internal Ombudsmen to recommend award of compensation. Banks’ grievance redress mechanisms are also subject to supervisory assessment and follow-up through the regular supervisory processes. Accordingly, with a view to rationalise instructions and avoid duplication, it has been decided to withdraw the circular dated January 27, 2021.
3. It is clarified that this withdrawal is without prejudice to the obligations of banks to maintain an effective customer grievance redress mechanism and to continuously strengthen their internal grievance redress systems, in terms of extant regulatory and supervisory instructions and the bank’s own Board-approved policies.
4. Accordingly, the circular dated January 27, 2021, stands withdrawn with immediate effect and shall be treated as repealed from the date of this circular.

DR. NEENA ROHIT JAIN
Chief General Manager

34 Lending to Micro, Small & Medium Enterprises (MSME) Sector - (Amendment) Directions, 2026

[Issued by the Reserve Bank of India vide RBI/2025-26/206 FIDD.MSME & NFS.BC.No.12/06.02.31/2025-26 dated 09.02.2026]

Please refer to the Master Direction - Lending to Micro, Small & Medium Enterprises (MSME) Sector (Updated as on July 23, 2025) (hereinafter referred to as “the Directions”).

2. On a review, in exercise of the powers conferred by Sections 21 and 35 A of the Banking Regulation Act, 1949, the Reserve Bank of India, being satisfied that it is necessary and expedient in the public interest to do so, hereby, issues the Amendment Directions hereinafter specified.

3. The Amendment Directions modify the Directions as below:
 - i. **Paragraph 4.1** shall be substituted by the following, namely:-

“4.1 Collateral

 - (a) Banks are mandated not to accept collateral security in the case of loans up to ₹20 lakh extended to units in the MSE sector. Banks are also advised to extend collateral-free loans up to ₹20 lakh to all units financed under the Prime Minister Employment Generation Programme (PMEGP) administered by KVIC.
 - (b) Banks may, on the basis of good track record and financial position of the MSE units, increase the limit to dispense with the collateral requirement for loans up to ₹25 lakh as per their internal policy.
 - (c) Banks may avail the benefit of Credit Guarantee Scheme cover, where applicable.
 - (d) However, accepting gold and silver as collateral pledged voluntarily by borrowers for loans sanctioned by the banks up to the collateral free limit, will not be construed as a violation of the above mandate”.
 - ii. **Paragraph 6.5** shall stand deleted.
4. The above amendment shall come into force for all loans to MSE borrowers sanctioned or renewed on or after April 01, 2026.

R GIRIDHARAN
Chief General Manager

DIMPLE BHANDIA
Chief General Manager

Complete details are not published here for want of space. For complete notification readers may log on to www.rbi.org.in

35 Voluntary Retention Route – Imparting predictability and increasing ease of doing business

[Issued by the Reserve Bank of India vide RBI/2025-26/205 A.P. (DIR Series) Circular No. 21 dated 06.02.2026]

Please refer to Paragraph 15 of the Statement on Developmental and Regulatory Policies announced as a part of the Bi-monthly Monetary Policy Statement for 2025-26 dated February 06, 2026, on the Voluntary Retention Route (VRR) for FPI investments in debt instruments. Attention of Authorised Dealer Category-I (AD Category-I) banks is invited to Schedule 1 to the Foreign Exchange Management (Debt Instruments) Regulations, 2019 notified, vide Notification No. FEMA. 396/2019-RB dated October 17, 2019 and the Master Direction - Reserve Bank of India (Non-resident Investment in Debt Instruments) Directions, 2025 dated January 07, 2025 (hereinafter “Master Direction”), as amended from time to time.

2. On a review, it has been decided to make the following changes to the regulatory framework governing investments under the VRR:

36 All Agency Banks to remain open for public on March 31, 2026 (Tuesday)

[Issued by the Reserve Bank of India vide RBI/2025-26/204 DoR. CO.SOG(Leg) No.401/09.08.024/2025-26 dated 03.02.2026]

The Government of India has made a request to keep all branches of the banks dealing with Government receipts and payments open for transactions on March 31, 2026 (Tuesday-Public Holiday) so as to account for all the Government transactions relating to receipts and payments in the Financial Year 2025-26 itself. Accordingly, Agency Banks are advised to keep all their branches dealing with government business open on March 31, 2026 (Tuesday).

2. Banks shall give due publicity about the availability of above banking services on this day.

DR. SUDARSANA SAHOO
Chief General Manager

Dte. of Printing