



NEWSLETTER ^{Weekly}

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SECURITIES AND EXCHANGE BOARD OF INDIA

1. Compliance Guidelines for Digital Accessibility Circular ‘Rights of Persons with Disabilities Act, 2016 and rules made thereunder- mandatory compliance by all Regulated Entities’ dated July 31, 2025 (Circular No. SEBI/HO/ITD-1/ITD_VIAP/P/CIR/2025/111).

The Securities and Exchange Board of India (SEBI) has released Compliance Guidelines for Digital Accessibility in continuation of its circular dated July 31, 2025. These guidelines are framed under the provisions of the Rights of Persons with Disabilities (RPwD) Act, 2016 and the rules made thereunder. The initiative marks a significant step towards making digital platforms inclusive and accessible for all, especially persons with disabilities. Under the new framework, all Regulated Entities (REs) are required to identify and report the list of their digital platforms being used to deliver services or provide disclosures. This includes websites, mobile applications, portals, and any other digital interfaces used to engage with investors or the public. The objective is to ensure that these platforms comply with accessibility standards in line with statutory requirements. To oversee compliance, entities must appoint IAAP-certified accessibility professionals as auditors. These professionals are responsible for conducting independent accessibility audits of digital platforms to ensure that they adhere to global best practices in accessibility and user experience. By mandating certified professionals, SEBI seeks to instill credibility and technical rigor into the audit process. The guidelines further mandate that regulated entities conduct regular accessibility audits, identify shortcomings, and implement remediation measures to address audit findings. Entities are also required to provide annual compliance reports to SEBI within the prescribed timelines, using the specified reporting mechanism. This ensures continuous monitoring, transparency, and accountability in the adoption of accessibility standards. Through these compliance guidelines, SEBI has reinforced its commitment to inclusive financial markets and the empowerment of persons with disabilities. By requiring regulated entities to adopt robust accessibility practices—ranging from audits to remediation and annual reporting—the regulator is fostering a more equitable digital ecosystem. The move aligns India’s financial sector with global benchmarks in accessibility while promoting transparency, accountability, and investor confidence.

For more information, you can access the SEBI circular here:

<https://www.sebi.gov.in/legal/circulars/sep-2025/compliance-guidelines-for-digital-accessibility-circular-rights-of-persons-with-disabilities-act-2016-and-rules-made-thereunder-mandatory-compliance-by-all-regulated-entities-dated-july-31-2025-96862.html>

MINISTRY OF FINANCE

1. Government of India and ADB sign \$125 million loan to upgrade urban services in Assam.

The Government of India and the Asian Development Bank (ADB) today signed a \$125 million loan agreement with to enhance urban livability and bolster climate resilience in six district headquarters and Guwahati, in the State of Assam. The signatories to the loan agreement for the Assam Urban Sector Development Project were Ms. Juhi Mukherjee, Joint Secretary, Department of Economic Affairs, Ministry of Finance for the Government of India, and Ms. Mio Oka, Country Director, India Resident Mission, for ADB. The project will benefit 360,000 residents of Assam by delivering continuous metered water supply and upgrading stormwater management systems. It also seeks to strengthen urban governance through institutional reforms and capacity building. Key infrastructure investments include the construction of six

water treatment plants with a combined capacity of 72 million litres per day and 800 km distribution pipelines in the district headquarters of Barpeta, Bongaigaon, Dhubri, Goalpara, Golaghat, and Nalbari. The project will also deploy a real-time monitoring system, aiming to maintain nonrevenue water below 20%. The project also includes the establishment of the Assam State Institute for Urban Development in collaboration with the Indian Institute of Technology Guwahati. Additionally, it will roll out a GIS-based property tax database, digital water billing systems, and a volumetric water tariff structure across project towns to improve financial sustainability and service delivery.

For more information, you can access the GOI press release here:

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2169778>

2. Auction for Sale (re-issue) of (i) ‘6.68% GS 2040’ and (ii) ‘6.90% GS 2065’.

The Government of India (GoI) has announced the sale (re-issue) of (i) “6.68% Government Security 2040” for a notified amount of ₹16,000 crore (nominal) through price-based auction using multiple price method and (ii) “6.90% Government Security 2065” for a notified amount of ₹16,000 crore (nominal) through price-based auction using multiple price method. GoI will have the option to retain additional subscription up to ₹2,000 crore against each security mentioned above. The auctions will be conducted by the Reserve Bank of India, Mumbai Office, Fort, Mumbai on September 26, 2025 (Friday). Up to 5% of the notified amount of the sale of the securities will be allotted to eligible individuals and institutions as per the Scheme for Non-Competitive Bidding Facility in the Auction of Government Securities. Both competitive and non-competitive bids for the auction should be submitted in electronic format on the Reserve Bank of India Core Banking Solution (E-Kuber system) on September 26, 2025. The non-competitive bids should be submitted between 10:30 a.m. and 11:00 a.m. and the competitive bids should be submitted between 10:30 a.m. and 11:30 a.m.

For more information, you can access the GOI press release here:

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2167180>

3. DFS releases detailed FAQs on the tax treatment under UPS; NPS Tax Benefits applicable to UPS.

The Unified Pension Scheme (UPS) was notified by the Ministry of Finance, Government of India, vide Notification No. F. No. FX-1/3/2024-PR dated 24.01.2025. The scheme is applicable to new recruits joining the Central Government services on or after 01.04.2025, and offers an option to existing Central Government employees under NPS to opt into UPS. To implement this framework, the Pension Fund Regulatory and Development Authority (PFRDA) notified the PFRDA (Operationalisation of the Unified Pension Scheme under NPS) Regulations, 2025 on 19.03.2025. To support employees in making an informed choice, the Department of Financial Services (DFS) has released detailed FAQs on the tax treatment under UPS.

For more information, you can access the GOI press release here:

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2170306>

4. Union Minister of Finance and Corporate Affairs Smt. Nirmala Sitharaman launches Goods and Services Tax Appellate Tribunal (GSTAT) in New Delhi.

The Union Minister for Finance and Corporate Affairs Smt. Nirmala Sitharaman formally launched the Goods and Services Tax Appellate Tribunal (GSTAT) in New Delhi. In her address, the Union Finance Minister called the launch of Goods and Services Tax Appellate Tribunal (GSTAT) not just an institutional milestone — it is a symbol of how far GST has come in the last eight years, and it is also a powerful reminder of our determination to continue improving, reforming, and adapting it for the future. The guiding idea behind introducing GST was unity - ‘unity in policy’, ‘unity in compliance’, and ‘unity in economic purpose’, She added. Since its launch, the GST Council, working with States and Union Territories, has refined and strengthened the system. GST has grown as a reliable revenue source, widened the tax base, encouraged formalisation and become a foundation of India’s growth story, the Union Finance Minister said. Smt. Sitharaman underlined that reform is a continuous process and GST must evolve and it is evolving

around the principle of simplicity and ease of living. Guided by 'Nagarik Devo Bhava', we are moving with a citizen-first lens that values time, clarity and savings. Next-Gen GST is delivering exactly that and the outcome this festive season, is a nationwide GST Bachat Utsav across sectors and everyday life, She added.

In the spirit of 'Nagarik Devo Bhava', Smt. Sitharaman said that our focus for GSTAT must be clear:

- Jargon-free decisions in plain language, simplified formats and checklists, digital-by-default filings and virtual hearings, and time standards for listing, hearing and pronouncement.
- The outcome we seek is straightforward: reduced legal frictions, greater simplicity, and delays in litigation addressed proactively, so cash flows move faster, MSMEs and exporters invest with confidence and citizens feel the benefits of the system.

The Union Finance Minister said that ease of living for taxpayers extends beyond filing and refunds — it includes fair, efficient dispute resolution. The Tribunal will provide a specialised, nationwide forum that can bring consistency in interpretation, predictability in outcomes, and credibility to the appellate process. This is vital for strengthening trust between taxpayers and tax administration, the Revenue Secretary underlined. Highlighting the three core dimensions in the design of the GSTAT, the Revenue Secretary emphasised on the 3 S's: structure, scale, and synergy. Its structure combines judicial and technical expertise to deliver balanced decisions. Its scale, with state benches and the possibility of single-member benches for simpler matters, ensures reach and efficiency. And its synergy — between technology, process, and human expertise — will allow it to deliver justice with both speed and depth. Concluding his remarks, Shri Shrivastava said that the Department of Revenue, in partnership with GSTN and NIC, has developed a digital platform that will anchor the work of GSTAT from the very start. e-Filing, case management tools, and electronic court modules will make proceedings smoother and more transparent, setting new benchmarks for the functioning of a Tribunal in our country.

For more information, you can access the GOI press release here:

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2170932>

5. CBDT extends 'specified date' for filing of various reports of audit for the Assessment Year 2025-26 from 30th September, 2025 to 31st October, 2025.

The 'specified date' of furnishing of the report of audit under any provision of the Income-tax Act, 1961, for the Previous Year 2024-25 (Assessment Year 2025-26), in the case of assessee referred to in clause (a) of Explanation 2 to sub-section (1) of section 139 of the Act, is 30th September, 2025. The CBDT has received representations from various professional associations, including Chartered Accountant bodies, highlighting certain difficulties being faced by taxpayers and practitioners in timely completion of audit report. The reasons cited in these representations include disruptions caused by floods and natural calamities in certain parts of the country, which have impeded normal business and professional activity. This matter has also come up before High Courts. It is clarified that the Income-tax e-filing portal has been operating smoothly and without any technical glitches and the Tax Audit Reports are being uploaded successfully. The system is stable and fully functional, enabling submission of various statutory forms and reports. At the close of 24th September 2025, 4,02,000 Tax Audit Reports (TARs) were uploaded, with over 60,000 Tax Audit Reports (TARs) uploaded on 24th September, 2025. Furthermore, more than 7.57 crore ITRs have been filed till 23rd September, 2025.

For more information, you can access the GOI press release here:

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2171215>

6. Central Government employees on Deputation/Foreign service to an organisation which is not a Central Government office may submit Physical 'Form A2' to opt for UPS.

The Unified Pension Scheme (UPS) was notified by the Ministry of Finance, Government of India on 24th January, 2025. The Central Government employees who are on deputation/foreign service to an organisation which is not a Central Government office and are unable to apply for UPS, may physically submit the duly

filled Form A2 to the respective nodal office of their parent organisation. The nodal office will thereafter process the migration to UPS through the Central Recordkeeping Agency (CRA) system as per the prescribed procedure. The scheme is applicable to new recruits joining the Central Government services on or after 01.04.2025, and offers an option to existing Central Government employees under NPS to opt into UPS.

For more information, you can access the GOI press release here:

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2171176>

7. Government's Borrowing plan for the second half of FY 2025-26.

The Government of India, in consultation with the Reserve Bank of India, has finalized its borrowing programme for the second half (H2) of FY 2025-26. Government of India plans to borrow ₹6.77 lakh crore in the second half of the fiscal year 2025-26 (H2: FY 2025-26) through dated securities, including ₹10,000 crore through issuance of Sovereign Green Bonds (SGrBs). The Gross Market Borrowing of ₹6.77 lakh crore shall be completed through 22 weekly auctions till March 6, 2026. The market borrowing will be spread over 3, 5, 7, 10, 15, 30, 40 and 50 year securities. The share of borrowing (including SGrBs) under different maturities will be: 3-year (6.6%), 5-year (13.3%), 7-year (8.1%), 10-year (28.4%), 15-year (14.2%), 30-year (9.2%), 40-year (11.1%) and 50-year (9.2%). The Government will continue to carry out switching/buyback of securities to smoothen the redemption profile. The Government will continue to reserve the right to exercise greenshoe option to retain an additional subscription of up to ₹2,000 crore against each of the securities indicated in the auction notifications. Weekly borrowing through issuance of Treasury Bills in the third quarter (Q3) of FY 2025-26 is expected to be ₹19,000 crore for 13 weeks with issuance of ₹7,000 crore under 91 DTBs, ₹6,000 crore under 182 DTBs and ₹6,000 crore under 364 DTBs, respectively.

For more information, you can access the GOI press release here:

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2171787>

8. Union Minister for Finance and Corporate Affairs Smt. Nirmala Sitharaman to inaugurate fourth Kautilya Economic Conclave (KEC 2025) with theme 'Seeking Prosperity in Turbulent Times' in New Delhi from 3rd-5th October, 2025.

Union Minister for Finance and Corporate Affairs Smt. Nirmala Sitharaman will inaugurate the Fourth edition of the Kautilya Economic Conclave (KEC 2025) on 3rd October 2025, in New Delhi. Union Minister for External Affairs Dr. S. Jaishankar will close the proceedings with reflections on India's foreign and economic policy on 5th October 2025. The KEC 2025 will be held from October 3-5, 2025, at the Taj Palace, New Delhi. This year's theme, "Seeking Prosperity in Turbulent Times", is relevant both in the context of India's growth aspirations and its success in navigating times of exceptional uncertainty, turbulence and changing geopolitics. Building on its rich experience, the KEC has significantly improved both its quality and international presence with 75 participants from abroad, representing over 30 countries, to focus on contemporary challenges. Over the past three years, the themes of each edition have been calibrated to meet the most proximate challenges. The first edition in 2022, themed "Redefining the Future", drew participants from 21 countries for wide-ranging debates on technology, climate, and fiscal policy, alongside the inaugural Arun Jaitley Memorial Lecture by Tharman Shanmugaratnam. In 2023, "Navigating a World on Fire" set the stage for high-level conversations on MDB reform, climate finance, and geopolitical turbulence. The 2024 Conclave, "The Indian Era", deepened these debates with sessions on green transitions, Asia's rise, and the future of multilateralism. The KEC has become a premier space for candid, cross-border dialogue. Full deliberations from past editions are available on the IEG website. The Institute of Economic Growth (IEG), under the Presidentship of Mr. N. K. Singh, initiated the Kautilya Economic Conclave in 2022 in close partnership with the Ministry of Finance. This is a "by invitation only" conclave.

For more information, you can access the GOI press release here:

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2172102>

9. DFS and MCMP, Supreme Court of India organise Mediation Training Programme for Presiding Officers of Debt Recovery Tribunals and Senior executives of Public Sector Banks.

The Department of Financial Services, Ministry of Finance, in collaboration with the Mediation and Conciliation Project Committee (MCMP), Supreme Court of India had organized a 40 hours mediation training programme for the presiding officers of Debts Recovery Tribunals and senior executives of Public Sector Banks. During this training programme various topics including concept of mediation, comparison between judicial process and various ADR processes, the process, stages and role of mediators, ways of communication in mediation as well as negotiation and bargaining in mediation were covered. The training programme also covered the role of various stakeholders viz referral judges, lawyers and parties in mediation with special focus on the cases tried and entertained by the Presiding Officers of DRTs under the Recovery of Debts and Bankruptcy (RDB) Act 1993 and the SARFAESI Act, 2002.

For more information, you can access the GOI press release here:

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2172462>

MINISTRY OF CORPORATE AFFAIRS

1. IICA Forms Core Working Group (CWG) on Corporate Affairs and ESG under the Chairmanship of DG, IICA.

The Indian Institute of Corporate Affairs (IICA), under the aegis of Ministry of Corporate Affairs, has constituted a Core Working Group (CWG) on Corporate Affairs and Environmental, Social and Governance (ESG) under the Chairmanship of Shri Gyaneshwar Kumar Singh, Director General & CEO, IICA. The terms of reference of the CWG include examination of disclosure provisions under the Companies Act, 2013, review of international best practices, recommendations for board-level ESG oversight, convergence of Indian norms with global standards, stakeholder engagement frameworks, and enabling measures for innovation, financing and impact assessment of ESG initiatives. The CWG is chaired by Shri Gyaneshwar Kumar Singh, Director General & CEO, IICA. Shri R. Mukundan, Managing Director & CEO, Tata Chemicals will serve as Senior Expert Advisor. Members include Senior Leaders from IOCL; NTPC Ltd.; Schneider; Infosys Ltd., Reserve Bank Information Technology Ltd.; Aditya Birla Group, Reliance Industries, Tata Consumer Products, ONGC, Dr. Reddy's Laboratories, Tata Steel; Consultancy firms; Industry Experts & Academicians from IIM Bangalore and IICA.

For more information, you can access the GOI press release here:

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2171696>

INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

1. Liquidation of debt-ridden firm last option under Insolvency and Bankruptcy Code: SC.

New Delhi, Sep 26 (PTI) Ordering liquidation of a debt-ridden company under the Insolvency and Bankruptcy Code has to be the last option, the Supreme Court said on Friday while upholding JSW Steel's resolution plan for the ailing Bhushan Power and Steel Limited (BPSL). The top court also held that interfering with the commercial wisdom of the Committee of Creditors (CoC) is ordinarily "non-justiciable" and any judicial intervention "would amount to the court rewriting the law and going against the very objectives of the IBC (Insolvency and Bankruptcy Code)". The significant observations were made by a bench comprising Chief Justice B R Gavai and Justices Satish Chandra Sharma and K Vinod Chandran in the judgment. It upheld JSW Steel's Rs 19,700-crore resolution plan for debt-ridden BPSL. "In the present matter itself, it can be seen that when the matter was first decided by this Court by judgment and order dated 2nd May 2025, this Court had directed the liquidation proceedings to be initiated against the Corporate Debtor. "However, as has already been discussed hereinabove, the dominant purpose of the IBC is to resort to the liquidation proceedings as the last option. If the contention of the erstwhile promoters-cum-directors that the CoC ceases to exist after the Resolution Plan is accepted, then as already discussed hereinabove, it

will lead to an anomalous situation," the CJI wrote in the 136-page judgment. "If the contention is accepted, the creditors would not be in a position to take any steps that are found necessary for realizing its dues from the Corporate Debtor. The said situation may lead to a state of limbo. Such cannot be the intention of the legislature which has enacted the law with the dual purpose of making the Corporate Debtor an on-going concern and realizing the dues of the Corporate Debtor," it said.

For more information, you can access the article here:

<https://www.taxtmi.com/news?id=57116>

2. INSCO completes acquisition of Hindustan National Glass & Industries under IBC process.

Independent Sugar Corporation Limited (INSCO), a part of Uganda-based Madhvani Group, said it had completed the acquisition of Hindustan National Glass & Industries Limited (HNGIL), a container glass manufacturer, through the Insolvency and Bankruptcy Code (IBC) process. The acquisition is led by industrialists Kamlesh Madhvani and Shrai Madhvani, with financial support from Cerberus Capital Management and the International Finance Corporation (IFC). The ₹2,250 crore Resolution Plan was approved by the National Company Law Tribunal (NCLT) on August 14, 2025, and has since also received approvals from the Reserve Bank of India (RBI) and the Competition Commission of India (CCI), the company said. This transaction concludes one of India's most high-profile insolvency cases after seven years of litigations and a Corporate Insolvency Resolution Process (CIRP) that began in October 2021. The Committee of Creditors (CoC) approved INSCO's Resolution Plan with a majority of 96.16%. Under the plan, INSCO will make an upfront cash payment of ₹1,901.55 crore to financial creditors, operational creditors, and workmen, along with a deferred payment of ₹356.28 crore over a three-year period (NPV: ₹264 crore). With its expertise in the global container glass industry, INSCO is planning for a successful turnaround of HNGIL. With the transition completed and new leadership in place, INSCO is set to implement its revival blueprint, which includes modernization of furnaces and equipment, fresh investments into operations, expansion of product lines, and strengthening the company's competitive edge in both domestic and export markets, the company said.

For more information, you can access the article here:

<https://www.thehindu.com/business/insco-completes-acquisition-of-hindustan-national-glass-industries-under-ibc-process/article70101535.ece>

RESERVE BANK OF INDIA

1. Reserve Bank of India (Authentication mechanisms for digital payment transactions) Directions, 2025.

All digital payment transactions in India are required to meet the norm of two factors of authentication. While no specific factor was mandated for authentication, the digital payments ecosystem has primarily adopted SMS-based One Time Password (OTP) as the additional factor. As announced in Statement on Developmental and Regulatory Policies dated February 08, 2024, in order to enable the payments ecosystem to leverage the technological advancements for implementing alternative authentication mechanisms, it has been decided to publish Reserve Bank of India (Authentication mechanisms for digital payment transactions) Directions, 2025 (hereinafter referred to as "Directions"). The directions provide the broad principles which shall be complied with by all the participants in the payment chain, while using a form of authentication. While these directions are applicable only to domestic transactions, in order to provide a similar level of safety for online international transactions undertaken using cards issued in India, the directions also incorporate necessary instructions for specific cross-border card transactions, in line with the Statement on Developmental and Regulatory Policies dated February 07, 2025. These directions are issued under Section 18 read with Section 10(2) of the Payment and Settlement Systems (PSS) Act, 2007 (Act 51 of 2007).

For more information, you can access the RBI notification here:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12898&Mode=0>

2. Investment by State Co-operative Banks (StCBs) and Central Co-operative Banks (CCBs) in Shared Service Entity (SSE) established by NABARD.

Referring to circular DCBR.BPD.BC.No.01/19.51.026/2016-17 dated July 14, 2016 (hereinafter called the extant instructions), on Investments in Non-SLR instruments by State / Central Co-operative Banks. The circular, inter alia, specifies the permissible non-SLR instruments, the prudential limit on a bank's total non-SLR investments, and restriction on its investment in unlisted non-SLR securities. RBI has accorded regulatory approval in April 2025 to NABARD's proposal for setting up of a Shared Service Entity (SSE) for StCBs and CCBs wherein it is envisaged that the StCBs and CCBs can subscribe to the share capital of the SSE on a voluntary basis. In this context, there is a need to suitably review the extant instructions on investment in non-SLR instruments by StCBs/ CCBs. Accordingly, the relevant instructions have been reviewed and are being amended vide Reserve Bank of India (Investments in Non-SLR instruments by State / Central Co-operative Banks) Directions, 2025.

For more information, you can access the RBI notification here:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12899&Mode=0>

3. Reserve Bank of India (Settlement of Claims in respect of Deceased Customers of Banks) Directions, 2025.

The nomination facility in deposit accounts, safe deposit lockers and articles in safe custody under the provisions of Sections 45ZA to ZF of the Banking Regulation Act, 1949 read with Section 56 of the Act ibid is intended to facilitate expeditious settlement of claims by banks upon death of a deceased customer and to minimise hardship caused to the family members. Further, in cases where nomination is not registered, the extant instructions require banks to adopt a simplified procedure for settlement of the claims up to a threshold limit. However, it is observed that divergent practices are being followed by banks. Hence, it has been decided to review the extant instructions and issue revised regulations to streamline the procedures and standardise the documentation to bring improvement in the quality of customer service in this regard.

For more information, you can access the RBI notification here:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12901&Mode=0>

4. Reserve Bank renews its Statement of Commitment to the FX Global Code.

The Reserve Bank of India has signed its renewed Statement of Commitment (SoC) to the FX Global Code ("Code"). The Code is a set of global principles of good practice in the FX market developed to provide a common set of guidelines to promote the integrity and effective functioning of the wholesale foreign exchange market. It was developed by a partnership between central banks and market participants from around the globe and was first published in 2017. The Global Foreign Exchange Committee (GFXC) is entrusted with the promotion, maintenance and updating the Code. Accordingly, the GFXC has reviewed and updated the Code twice, first in July 2021 and more recently in December 2024. The Code and other related information are available at: <https://www.globalfxc.org/>. The Reserve Bank continues to support the principles of good practices within the Code.

For more information, you can access the RBI press release here:

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=61272

5. RBI issues Directions on Framework on Authentication Mechanisms for Digital Payment Transactions.

The Reserve Bank of India (RBI) has today issued Reserve Bank of India (Authentication Mechanisms for Digital Payment Transactions) Directions, 2025. RBI had issued draft directions on Alternative Authentication Mechanisms for Digital Payment Transactions on July 31, 2024 and draft directions on introduction of Additional Factor of Authentication (AFA) in cross-border Card Not Present (CNP)

transactions on February 07, 2025, for stakeholder comments. Feedback from the public has been examined and suitably incorporated in the final directions. The directions, inter alia, focus on the following:

- Encouraging introduction of new factors of authentication by leveraging upon technological advancements. The framework, however, does not call for discontinuation of SMS based OTP as an authentication factor.
- Enabling issuers to adopt additional risk-based checks beyond the minimum two-factor authentication based on the fraud risk perception of the underlying transaction.
- Facilitating interoperability and open access to technology
- Delineating the responsibility of Issuers.
- Mandating card issuers to validate AFA in non-recurring cross-border CNP transactions whenever such a request is raised by the overseas merchant or acquirer.

These directions shall be complied with by April 01, 2026, unless indicated otherwise for any particular direction.

For more information, you can access the RBI press release here:

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=61282

6. RBI imposes monetary penalty on Muthoot FinCorp Limited.

The Reserve Bank of India (RBI) has, by an order dated September 24, 2025, imposed a monetary penalty of ₹2.70 lakh (Rupees Two Lakh Seventy Thousand only) on Muthoot FinCorp Limited (the company) for non-compliance with directions issued by RBI on 'Internal Ombudsman'. This penalty has been imposed in exercise of powers conferred on RBI under clause (b) of sub-section (1) of Section 58G read with clause (aa) of sub-section (5) of Section 58B of the Reserve Bank of India Act, 1934. The statutory inspection of the company was conducted by RBI with reference to its financial position as on March 31, 2024. Based on supervisory findings of non-compliance with RBI directions and related correspondence in that regard, a notice was issued to the company advising it to show cause as to why penalty should not be imposed on it for its failure to comply with the said directions. After considering the company's reply to the notice, additional submissions made by it and oral submissions made during the personal hearing, RBI found, inter alia, that the following charge against the company was sustained, warranting imposition of monetary penalty: The company failed to establish a system of auto escalation of complaints that were partly or wholly rejected by the company's internal grievance redress mechanism to its Internal Ombudsman. This action is based on deficiencies in regulatory compliance and is not intended to pronounce upon the validity of any transaction or agreement entered into by the company with its customers. Further, imposition of this monetary penalty is without prejudice to any other action that may be initiated by RBI against the company.

For more information, you can access the RBI press release here:

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=61297

7. RBI issues Reserve Bank of India (Investments in Non-SLR instruments by State / Central Co-operative Banks) Directions, 2025.

Reserve Bank of India (RBI) has today issued Reserve Bank of India (Investments in Non-SLR instruments by State / Central Co-operative Banks) Directions, 2025. Reserve Bank has accorded regulatory approval in April 2025 to NABARD's proposal for setting up of a Shared Service Entity (SSE) for StCBs and CCBs wherein it is envisaged that the StCBs and CCBs can subscribe to the share capital of the SSE on a voluntary basis. In this context, the extant instructions on investment in non-SLR instruments by StCBs/ CCBs issued vide circular dated July 14, 2016 are being suitably amended. The Directions, inter alia, cover the following with respect to investment in the capital of SSE:

- Inclusion of the capital of SSE as permissible non-SLR instrument

- Exemption from prudential limits
- Specifying an exposure limit

These Directions shall come into effect immediately.

For more information, you can access the RBI press release here:

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=61297

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