



NEWSLETTER ^{Weekly}

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SECURITIES AND EXCHANGE BOARD OF INDIA

1. Modification in the conditions specified for reduction in denomination of debt securities.

SEBI has modified the conditions for issuing debt securities at a reduced denomination of ₹10,000 under its circular dated 18 December 2025. Earlier, reduced face value issuance under the NCS Master Circular was permitted only for interest- or dividend-bearing securities, which excluded zero-coupon debt instruments. SEBI noted representations from market participants highlighting that zero-coupon debt securities, though not carrying periodic interest, are issued at a discount and redeemed at par, allowing investors to earn returns through price appreciation over time. Recognising their investment utility and absence of structured obligations, SEBI has partially amended Clause 1.3 of Chapter V of the NCS Master Circular to expressly include zero-coupon debt securities with fixed maturity as eligible for reduced denomination issuance. Consequently, issuers may now privately place listed debt securities at a ₹10,000 face value whether the instrument is interest-bearing or zero-coupon, provided other conditions remain satisfied. All other provisions of the Master Circular remain unchanged, and the amendment applies to private placement issues proposed to be listed from the date of the circular.

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

https://www.sebi.gov.in/legal/circulars/dec-2025/modification-in-the-conditions-specified-for-reduction-in-denomination-of-debt-securities_98463.html

2. Mandating periodic disclosure requirements-Securitized Debt Instruments (SDIs).

SEBI has issued a circular mandating periodic disclosure requirements for Securitized Debt Instruments (SDIs) in terms of Regulation 11B of the SEBI (Issue and Listing of Securitized Debt Instruments and Security Receipts) Regulations, 2008. The circular requires trustees of special purpose distinct entities to submit specified disclosures on a half-yearly basis to SEBI and to the stock exchanges where the SDIs are listed. These disclosures must be filed within 30 days from the end of March and September each year. Separate disclosure formats have been prescribed for SDIs backed by loans, listed debt securities or credit facility exposures, and for SDIs backed by other types of exposures, as detailed in Annexures I and II. Illustrative guidance on computation of weighted average maturity, weighted average rating and average default rate is provided in Annexure III. The circular will be effective from March 31, 2026, and has been issued to protect investor interests and strengthen regulation of the securitized debt market.

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

https://www.sebi.gov.in/legal/circulars/dec-2025/mandating-periodic-disclosure-requirements-securitized-debt-instruments-sdis-_98409.html

MINISTRY OF FINANCE

1. India, ADB sign loans worth over \$2.2 billion for development projects.

The Government of India and the Asian Development Bank today signed agreements for five loans totalling over \$2.2 billion with to support various development projects. The financing will advance initiatives under India's national flagship programmes in skilling and rooftop solar deployment along with projects supporting healthcare, metro development and ecotourism promotion across three states. The signed projects comprise

of supporting Pradhan Mantri Skilling and Employability Transformation through Upgraded Industrial Training Institutes Programme (\$846 million); Accelerating Affordable and Inclusive Rooftop Solar Systems Development Programme (Subprogramme 1 – \$650 million); Assam State Tertiary Health Care Augmentation Project (ASTHA- \$398.8 million); Chennai Metro Rail Investment Project (Tranche 2- \$240 million); and Integrated Ecotourism and Sustainable Agri-based Livelihood Development in Meghalaya Project (\$77 million). ADB financing for Supporting Pradhan Mantri Skilling and Employability Transformation through Upgraded Industrial Training Institutes Programme aims to create a future-ready workforce for India’s manufacturing and emerging technology sectors. This will be achieved through modernising 650 ITIs across 12 states and upgrading five National Skill Training Institutes into centres of excellence for advanced trainer development. The financing for the Accelerating Affordable and Inclusive Rooftop Solar Systems Development Programme (Subprogramme 1) will support Pradhan Mantri Surya Ghar: Muft Bijli Yojana (PMSGMBY), aiming to accelerate rooftop solar adoption across the country and expanding access to clean, affordable energy for 10 million households by 2027. The programme will speed up rooftop solar adoption by promoting reforms to develop uniform guidelines and standards for residential rooftop solar systems and facilitating mass-adoption among low-and middle-income households through collateral-free lower interest loans. Lastly, the financing for the Integrated Ecotourism and Sustainable Agri-based Livelihood Development in Meghalaya Project will support the state’s vision to become a top ecotourism destination while improving farmers’ incomes. By integrating nature-based tourism with climate-smart farming and forest conversation, the project will help create economic opportunities for over 8,000 local beneficiaries, including women and indigenous communities.

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

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2200567®=3&lang=1>

2. Gross NPAs in Outstanding Education Loans of PSBs Fall from 7% to 2%, Reflecting Improved Asset Quality.

As informed by Reserve Bank of India (RBI), in terms of outstanding education loans, the Gross Non-Performing Assets (NPA) of Public Sector Banks (PSBs) reduced from 7% in FY 2020-21 to 2% in FY 2024-25, thereby showing the significant improvement in asset quality of education loans over the years. The state-wise information in this regard is not maintained by the RBI. Credit related matters of regulated entities (REs) are largely deregulated and the same are governed by the Board approved loan policies of the REs framed under the ambit of relevant regulatory and statutory requirements and terms and conditions of the loan agreement between the borrower and the RE. RBI has advised the banks to put in place a Board approved loan policy and they shall take credit related decisions as per the said policy, subject to the guiding principles of regulations. Further, RBI has taken several initiatives to improve recovery and to resolve incipient /established stress in banks including issuance of the Prudential Framework for Resolution of Stressed Assets under RBI (Commercial Banks – Resolution of Stressed Assets) Directions, 2025 which is a principle-based framework and provides for early recognition and resolution of default in a time bound manner. All Scheduled Commercial Banks (SCBs) have been advised by Reserve Bank of India (RBI) to adopt Model Education Loan Scheme (MELS), (last amended on 21.3.2024). The scheme inter alia provides need-based education loan and no collateral security or third-party guarantee is required for loans amount up to ₹ 7.50 lakhs, provided they are eligible for Central Sector Interest Subsidy Scheme (CSIS)/ Credit Guarantee Fund Scheme for Education Loan (CGFSEL).

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

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2204268®=3&lang=1>

3. Bank Credit growth maintains robust momentum.

Bank credit growth in India continues to remain resilient, reflecting sustained lending momentum across key segments of the economy. As per the latest data released by the Reserve Bank of India, total bank credit stood at ₹195.3 lakh crore as of 28 November 2025, registering a year-on-year growth of 11.5%. Credit growth has consistently remained above 10% in recent months, indicating stable demand conditions and continued flow of credit to productive sectors of the economy. The expansion in bank credit has been driven

primarily by robust demand from the retail and MSME segments, supported by improving consumption trends, rural economic activity and the positive impact of recent GST rate rationalisation on demand conditions. Healthy signs of revival in industrial credit and corporate borrowing have also contributed to the overall credit offtake, reflecting strengthening economic activity and business confidence in Indian growth trajectory.

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

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2200982®=3&lang=1>

4. The Sabka Bima Sabki Raksha (Amendment of Insurance Laws) Bill, 2025 passed by Parliament; allows up to 100% FDI in insurance companies.

The Sabka Bima Sabki Raksha (Amendment of Insurance Laws) Bill, 2025 has been passed by Parliament on 17.12.2025. The bill amends three Acts related to Insurance sector, namely, The Insurance Act, 1938, The Life Insurance Corporation Act, 1956 and The Insurance Regulatory and Development Authority Act, 1999. One of the key features of the bill is to allow up to 100% Foreign Direct Investment in Insurance Companies, opening doors to more foreign players to India. Ease of Doing business is being promoted for intermediaries through the introduction of provision of one-time licensing and the provision of suspension of license rather than straight away cancellation. For insurers, the limit of seeking prior regulatory approval for transfer of share capital has been raised from 1% to 5%, the Net Owned Fund requirement of Foreign Reinsurance Branches has been reduced from Rs 5,000 Crore to Rs 1,000 Crore. LIC has been provided autonomy to open Zonal offices in the country and to align its foreign offices with the laws and regulations of their respective jurisdiction. The reforms are aimed at extending insurance coverage to people, households and enterprises, deepening insurance coverage, providing ease of doing business, improving regulatory oversight and governance. All these measures would lead to strengthening of Indian insurance sector to provide financial resilience to Indian economy.

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

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2206011®=3&lang=1>

5. Key amendments in PFRDA (Exits and Withdrawals under the NPS) Regulations, 2015.

In furtherance of its mandate to promote old-age income security and protect the interests of subscribers, the Pension Fund Regulatory and Development Authority (PFRDA) has notified amendments to the PFRDA (Exits and Withdrawals under the National Pension System) Regulations, 2015, today. The amendments are primarily aimed at the non-government sector (All Citizen Model and Corporate Sector), applicable uniformly to both Common Schemes and the Multiple Scheme Framework (MSF), while also rationalizing certain provisions for the government sector. Finalized after extensive stakeholder consultations, these measures aim to provide subscribers greater flexibility, choice and autonomy in investment decisions and managing their accumulated pension wealth, recognizing that non-government NPS participation is voluntary. Clear and well-structured exit provisions are expected to encourage entry and sustain participation by balancing subscriber needs and pension objectives across different stages of their life cycle.

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

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2206763®=3&lang=1>

6. Union Minister for Finance and Corporate Affairs Smt. Nirmala Sitharaman, along with Minister of State for Corporate Affairs Shri Harsh Malhotra, chairs Chintan Shivir of Ministry of Finance and Ministry of Corporate Affairs.

Union Minister for Finance and Corporate Affairs Smt. Nirmala Sitharaman, along with Union Minister of State for Corporate Affairs Shri Harsh Malhotra, chaired the Chintan Shivir of the Ministry of Finance and the Ministry of Corporate Affairs, at Hampi in Vijayanagara district, Karnataka, today. In a session on “AI, Ease of Doing Business & Financing for Viksit Bharat”, the discussions focused on strengthening institutional capacity and policymaking through the use of artificial intelligence, technology-enabled

systems, and process reforms to improve Ease of Doing Business. Deliberations covered simplification of procedures, regulatory predictability, coordinated inter-departmental functioning, efficient fund flows, future-ready tax administration, financing pathways for sustained growth, and leveraging digital tools for transparency, efficiency, and accountability. In her remarks, FM Smt. Sitharaman reflected on the historical significance of the Vijayanagara region, noting that it represents one of the closest examples of an Indian empire at its peak barely 500 years ago, with its imprint visible across large parts of the subcontinent. She also drew attention to the contrast within the same district — where magnificent monuments coexist with drought-prone areas facing low agricultural productivity and human–animal conflict — underscoring the need to remain grounded in present-day developmental realities.

For more information, you can access the GOI press release here:
<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2207055®=3&lang=1>

MINISTRY OF CORPORATE AFFAIRS

1. Government has undertaken specific initiatives and policies to strengthen Ease of Doing Business in the country since 2014.

The Government has undertaken the following specific initiatives and policies to strengthen the Ease of Doing Business in the country since 2014:

- a. The Business Reform Action Plan (BRAP), launched in 2014 by the Department for Promotion of Industry and Internal Trade (DPIIT), aims to reduce obstacles and enhance the transparency and efficiency of clearance and regulatory processes, thereby cutting down time and costs for businesses. States and Union Territories are assessed based on evidence and user feedback to ensure effective reforms at the grassroots level. So far, seven editions of BRAP have been completed.
- b. Amendments have been made in the Companies Act, 2013 (CA-13) in 2015 & 2017 to facilitate ease of doing business and address concerns expressed by industry chambers & other stakeholders.
- c. Amendments have been made in CA-13 in 2019 and 2020 to de-criminalize technical & procedural violations and thus reduce the burden on criminal courts & National Company Law Tribunal (NCLT). They were also aimed at streamlining compliance requirements for Small Companies, One Person Companies, Start-ups and Producer companies.
- d. Exemptions from various provisions of Companies Act to Private companies, Government Companies, Charitable companies, Nidhis and IFSC (GIFT city) companies have been provided through issuance of notifications under section 462 of the CA-13 during 2015, 2017 and 2020.
- e. Direct listing of securities by Indian public companies in permissible foreign jurisdictions has been allowed. This is a boost for “Brand India” and increases attractiveness to growing technology sector, stimulates efficiency & growth, provides alternative source of capital and broadens investor base.
- f. The scope of fast-track merger was expanded in February 2021 to allow mergers of Start-ups with other Start-ups and with Small companies. The ambit has been further broadened in September 2025 to allow more classes of companies to choose this route. The rules have also been amended so that the “deemed approval” requirement is implemented more effectively for fast-track mergers.

In addition, the Government has focused on further decriminalization to enhance Ease of Living and Ease of Doing Business. This includes the Jan Vishwas (Amendment of Provisions) Act, 2023, which decriminalized 183 provisions across 42 Central Acts. Under the initiative to reduce compliance burden, Central Ministries/Departments and States/UTs have successfully reduced over 47,000 compliances through self-identification exercises by way of simplification, digitization, decriminalization and redundancy removal.

For more information, you can access the GOI press release here:
<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2204206®=3&lang=1>

2. Ministry of Corporate Affairs taking timely steps to ease compliance burden on the corporates under Ease of Doing Business 2.0 reforms.

The Ministry of Corporate Affairs has been taking the following key steps from time to time to ease the compliance burden on the corporates: De-criminalization of technical & procedural violations under Companies Act, 2013 has been done in two stages (in the year 2018 and year 2020) through amendments in such Act. As a result, 51 offences under the Companies Act, 2013 have been decriminalised. Further, vide LLP (Amendment) Act, 2021, 12 offences have been decriminalised. Most of such offences have been converted into civil defaults to be adjudicated by levy of monetary penalties. This has reduced the burden on criminal courts & National Company Law Tribunal. The Centre for Processing Accelerated Corporate Exit (C-PACE) was established in May 2023 enabling the stakeholders by providing a hassle-free filing, timely and process-bound striking off their companies' and LLPs' names from the Register. In addition, the Government has focused on further decriminalization to enhance Ease of Living and Ease of Doing Business. This includes the Jan Vishwas (Amendment of Provisions) Act, 2023, which decriminalized 183 provisions across 42 Central Acts. Under the initiative to reduce compliance burden, Central Ministries/Departments and States/UTs have successfully reduced over 47,000 compliances through self-identification exercises by way of simplification, digitization, decriminalization and redundancy removal. Version-3 of MCA21 (MCA21 V3) has been launched to promote Ease of Doing Business, strengthen compliance and enhance transparency and streamline corporate filings. Through MCA21 V3, functionalities like Web filings, LLP Module, Company module, e-Book Learning Management System have been implemented. All filings are now being made through this system, which provides for real time validation with pre-filled master data reducing manual errors, re-submissions and compliance timelines. In addition to the above, following steps were taken so that the stakeholders get familiarised with the filing requirements, while at the same time, providing them a mechanism for resolving their grievances:-

- i. Webinars and training are conducted regularly for handholding stakeholders. Video tutorials, Chatbot, user manuals and FAQs are available on portal to assist users in filing of returns.
- ii. The portal provides a dashboard facility that enables stakeholders to track filings, payment status, and approvals in real time, thereby enhancing transparency.
- iii. A helpdesk mechanism has been established to address grievances related to the MCA21 portal. To further improve grievance redressal, MCA has partnered with professional institutes to review ticket closures. A dedicated team from these institutes works closely with MCA to monitor grievance handling and collect user feedback after ticket closure.

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

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2204766®=3&lang=1>

INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

1. Corporate ministry seeks Cabinet approval for 50 more NCLT courts.

The Corporate Affairs Ministry has sought the Cabinet's approval for a proposal to have 50 more courts of the National Company Law Tribunal (NCLT) and two more for the appellate tribunal (NCLAT) for its approval. It shared the information with the Select Committee on the Insolvency and Bankruptcy Code Amendment Bill, 2025. The Ministry told the Parliamentary committee it will draft regulations under the 'Adjudicating Authority Rules for the IBC process' to ensure that timelines are met. This would be done after "after carefully calibrating the infrastructure, functional and administrative requirements of Adjudicating Authorities," it said. The committee said in its report: "in order for the Adjudicating Authorities to adhere to the established timelines in letter and spirit, the relevant provisions would need buttressing with supporting regulation." Various stakeholders told the committee that there is a need for expanding judicial capacity or restructuring the adjudicatory process by increasing the number of benches and also enhancing financial allocation for improvement of infrastructure. The total sanctioned strength of

members, including president, in the NCLT is 63. As of March 31, 2025, only three positions were vacant at NCLT benches. A Supreme Court judgement had said that a shortage of members has led to tribunals only sitting for a few days of the week or a few hours in a day. The court added that even in tribunals where there is no vacancy, the absence of requisite infrastructure has forced the benches to share courtrooms or halls. The proposed amendment in the IBC Bill for mandatory admission of an insolvency application filed by a financial creditor if a default is established and procedural requirements are met has tried to address this issue. The select committee however, has suggested that the government should establish a clear statutory timeline for the NCLAT to dispose of an appeal within three months from the date of its receipt. Corporate insolvency cases are grappling with delays, according to data from the Insolvency and Bankruptcy Board of India. By September 2025, as many as 1,300 corporate insolvency resolution processes (CIRPs) were resolved in an average of 603 days, excluding court-mandated time extensions. A total of 2,896 CIRPs, which ended in orders for liquidation, took on average 518 days for conclusion.

For more information, you can access the article here:

https://www.business-standard.com/industry/news/mca-seeks-to-add-50-nclt-courts-and-two-nclat-benches-panel-report-125121800739_1.html

2. **NCLT Delhi Admits Canara Bank's Insolvency Plea Against Equinox Over ₹372 Crore Guarantee Default.**

The National Company Law Tribunal (NCLT) at New Delhi has admitted Canara Bank's insolvency petition against Equinox India Developments Limited, earlier known as Indiabulls Real Estate Limited, for defaulting on Rs 372.35 crore for loans extended to Sinnar Thermal Power Limited for its coal-based thermal power project in Maharashtra. The tribunal rejected the company's claim that the case could not proceed because the alleged default took place during the Covid-19 suspension period under the insolvency law. That suspension, introduced through Section 10A of the Insolvency and Bankruptcy Code in 2020, temporarily stopped creditors from filing insolvency petitions for any default that happened between 25 March 2020 and 24 March 2021. The tribunal clarified that this protection applies only when the default itself first occurred within that window. The tribunal said that “intention of the legislature is to completely bar the institution of any application ever for initiation of CIRP for the default having occurred during the period 25.03.2020 till 24.03.2021. Where the default is shown to have arisen on 28.09.2017, Section 10A cannot be invoked to shield a pre-existing default.” The dispute emerged from loans worth Rs 144.40 crore given by a consortium of banks to Sinnar Thermal Power Limited for a coal-based power project in Maharashtra. Equinox had agreed to act as a corporate guarantor for these loans. When Sinnar Thermal's account was classified as a non-performing asset on September 28, 2017 and remained unpaid despite recall notices and recovery action under the SARFAESI Act, Canara Bank invoked the guarantees based on documents signed in 2010 and 2016. Equinox argued that the default should be treated as having occurred on 4 October 2020. This date would have placed the default within the Covid-19 suspension period, which would have prevented the bank from approaching the NCLT. The company also claimed that its guarantee obligations had been wiped out under a 2011 restructuring scheme approved by the Delhi High Court and that a 2012 guarantee made other companies responsible instead. The tribunal rejected both arguments. It held that steps taken under the SARFAESI Act are “consequences of default and do not postpone or shift the date of default.” It also noted that the 2012 Deed of Guarantee “clearly mentions that Respondent (IBREL) to continue to be responsible for fulfilling obligations in event of default by substituted guarantors.”

The tribunal added that Equinox had provided no document showing that Canara Bank released it from the guarantee. The tribunal admitted Canara Bank's application, appointed Prabhat Ranjan Singh as Interim Resolution Professional, and imposed a moratorium on its assets.

For more information, you can access the article here:

<https://www.livewlaw.in/ibc-cases/nclt-admits-canara-bank-insolvency-plea-against-equinox-over-372-crore-guarantee-default-312925>

RESERVE BANK OF INDIA

1. Formation of new district in the State of Gujarat – Assignment of Lead Bank Responsibility.

The Government of Gujarat has notified formation of new district, viz., Vav-Tharad in the state of Gujarat vide Gazette Notification No. GHM/2025/210/M/RD/RCO/e-file/15/2025/5360/L1 dated September 24, 2025. Accordingly, it has been decided to designate the Lead Banks of the new district as below:

Sr No	Newly Created District	Lead Bank Responsibility assigned to	District Working Code allotted to new district
1	Vav-Tharad	Bank of Baroda	02U (to be read as 'Numeral Zero, Numeral Two and Alphabet U')

There is no change in the Lead Banks of the other districts in the state of Gujarat.

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

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=13231&Mode=0>

2. Final redemption under Sovereign Gold Bond (SGB) Scheme - Redemption Price for final redemption of SGB 2017-18 Series-XII due on December 18, 2025.

In terms of GOI notification F.No.4(25)-(W&M)/2017 dated October 06, 2017 (SGB 2017-18 Series-XII-Issue date December 18, 2017) on Sovereign Gold Bond Scheme, the Gold Bond shall be repayable on the expiration of eight years from the date of issue of the Gold Bonds. Accordingly, the final redemption date of the above tranche shall be December 18, 2025. Further, the redemption price of SGB shall be based on simple average of closing price of gold of 999 purity of previous three business days from the date of redemption, as published by the India Bullion and Jewellers Association Ltd (IBJA). Accordingly, the redemption price for final redemption due on December 18, 2025, shall be ₹13,245/- (Rupees Thirteen Thousand Two Hundred and Forty-Five only) per unit of SGB based on the simple average of closing price of gold for the three business days i.e., December 15, 2025, December 16, 2025, and December 17, 2025.

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

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=61838

3. 620th Meeting of Central Board of the Reserve Bank of India.

The 620th meeting of the Central Board of Directors of Reserve Bank of India was held today in Hyderabad under the Chairmanship of Shri Sanjay Malhotra, Governor. The Board discussed global and domestic economic situation and associated challenges. It approved the risk-based deposit insurance framework for banks. The Board also reviewed the activities of select Central Office Departments and the draft Report on Trend and Progress of Banking in India, 2024-25. Deputy Governors Shri T. Rabi Sankar, Shri Swaminathan J., Dr. Poonam Gupta, Shri Shirish Chandra Murmu and other Directors of the Central Board - Shri Nagaraju Maddirala, Secretary, Department of Financial Services; Shri Satish K. Marathe, Smt. Revathy Iyer, Shri Pankaj Ramanbhai Patel and Dr. Ravindra H. Dholakia - attended the meeting.

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

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=61854

4. RBI imposes monetary penalty on Kotak Mahindra Bank Limited.

The Reserve Bank of India (RBI) has, by an order dated December 11, 2025, imposed a monetary penalty of ₹61.95 lakh (Rupees Sixty One Lakh Ninety Five Thousand only) on Kotak Mahindra Bank Limited (the bank) for non-compliance with certain directions issued by RBI on 'Access to Banking Services - Basic Savings Bank Deposit Account' and 'Scope of activities to be undertaken of Business Correspondents (BCs)'

and contravention of provisions of Credit Information Companies Rules, 2006 (CIC Rules). This penalty has been imposed in exercise of powers conferred on RBI under the provisions of section 47A(1)(c) read with section 46(4)(i) of the BR Act and section 25(1)(iii) read with section 23(4) of the Credit Information Companies (Regulation) Act, 2005. The Statutory Inspection for Supervisory Evaluation (ISE 2024) of the bank was conducted by RBI with reference to its financial position as on March 31, 2024. Based on supervisory findings of non-compliance with the provisions of RBI directions, CIC rules and related correspondence in that regard, a notice was issued to the bank advising it to show cause as to why penalty should not be imposed on it for its failure to comply with the said provisions of RBI directions and CIC rules. After considering the bank's reply to the notice and additional submissions made by it, RBI found, inter alia, that the following charges against the bank were sustained, warranting imposition of monetary penalty: The bank opened another BSBD account of certain customers who were already holding BSBD account in the bank; and The bank entered into an arrangement with BCs for undertaking activities, which are not covered within the scope of activities that can be undertaken by BCs; and The bank furnished inaccurate information, in respect of certain borrowers, to Credit Information Companies (CICs). This action is based on deficiencies in statutory and regulatory compliance and is not intended to pronounce upon the validity of any transaction or agreement entered into by the bank with its customers. Further, imposition of monetary penalty is without prejudice to any other action that may be initiated by RBI against the bank.

For more information, you can access the RBI press release here:
https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=61858

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