



NEWSLETTER ^{Weekly}

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SECURITIES AND EXCHANGE BOARD OF INDIA

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

SEBI, through Circular dated February 11, 2026, has introduced a revised Capacity Planning and Real Time Performance Monitoring framework specifically for the Commodity Derivatives Segment of Stock Exchanges and Clearing Corporations. Earlier, Clause 16.1.2 of the August 04, 2023 Master Circular required exchanges to maintain system capacity at four times the peak order load. However, following representations and consultation with the Technical Advisory Committee and public stakeholders, SEBI has aligned the commodity derivatives segment with the broader December 10, 2024 MII framework, subject to modifications. Installed capacity must now be at least 2 times the projected peak load. Further, if actual utilization exceeds 75% of installed capacity, immediate corrective measures such as system fine-tuning or augmentation are mandatory under SCOT oversight. Exchanges and clearing corporations must submit an approved Capacity Planning and Real Time Performance Monitoring Policy within three months. The circular supersedes earlier provisions and becomes effective after three months.

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

<https://www.sebi.gov.in/legal/circulars/feb-2026/capacity-planning-and-real-time-performance-monitoring-framework-for-commodity-derivatives-segment-of-market-infrastructure-institutions-miis-99703.html>

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

The Securities and Exchange Board of India issued a circular on February 10, 2026, prescribing detailed obligations for Credit Rating Agencies (CRAs) when rating financial instruments regulated by authorities other than SEBI. While Regulation 9(f) permits such activities, the circular mandates clear operational segregation to avoid investor confusion. CRAs must use separate email IDs and website sections for grievances and disclosures, ensure SEBI's minimum net worth remains unaffected, and distinctly disclose all activities and their respective regulators. Rating reports, press releases, and marketing materials must clearly state the applicable regulator and explicitly mention that SEBI's investor protection and grievance mechanisms do not apply to non-SEBI regulated instruments. CRAs must also make upfront written disclosures to clients and obtain confirmations acknowledging these limitations. Compliance undertakings for such activities must be included in half-yearly internal audit reports. Most provisions take effect within 60 days, while certain client-intimation requirements allow a 12-month transition.

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

https://www.sebi.gov.in/legal/circulars/feb-2026/obligations-on-cras-while-undertaking-rating-of-financial-instruments-falling-under-the-purview-of-any-other-financial-sector-regulator_99670.html

3. Master Circular for Issue of Capital and Disclosure Requirements.

The Securities and Exchange Board of India has issued an updated Master Circular under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, consolidating all applicable circulars to provide a single, comprehensive compliance reference. Originally issued on June 21, 2023 and earlier updated on November 11, 2024, the Master Circular has now been revised to include all relevant circulars issued up to

December 31, 2025, with necessary changes to reflect provisions currently in force. With this update, the circulars listed in the Appendix stand rescinded to the extent they relate to the ICDR Regulations. However, actions already taken, applications pending, rights, obligations, liabilities, penalties, and ongoing proceedings under the rescinded circulars remain unaffected and are deemed to continue under the corresponding provisions of the Master Circular. Issued under Section 11(1) of the SEBI Act, 1992, the circular aims to protect investor interests and streamline regulatory compliance.

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

https://www.sebi.gov.in/legal/master-circulars/feb-2026/master-circular-for-issue-of-capital-and-disclosure-requirements_99611.html

MINISTRY OF FINANCE

1. PFMS ensuring timely release of funds, Transparency significantly enhanced by PFMS.

Public Financial Management System (PFMS) is a web-based online transaction system for fund management and e-payment to implementing agencies and other beneficiaries. Government has mandated PFMS as a single platform for payment, accounting & reconciliation of government transactions and DBT, while integrating various existing standalone systems. Several cash management modules have been introduced on PFMS for better fund management, including Single Nodal Agency (SNA), Treasury Single Account (TSA), Central Nodal Agency (CNA) and Single Nodal Agency Samyochit Pranali Ekikrit Shighra Hastantaran (SNA SPARSH). The SNA SPARSH and SPARSH - Direct Benefit Transfer (DBT) for Centrally Sponsored schemes are ensuring Just in Time release of funds. PFMS has introduced a Grievance Redressal System, namely, the Customer Relationship Management (CRM) system, to strengthen the grievance redressal mechanism for PFMS users/ beneficiaries. The key features of the CRM system are as follows:

- a. Automatic generation of a ticket for each grievance raised.
- b. An automated acknowledgement to the user along with the ticket number.
- c. Tracking of the status of the grievances by the user
- d. FAQs on the PFMS Helpdesk Portal.

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

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2226039®=3&lang=1>

2. Fiji Finance Minister Mr. Esrom Immanuel visits Mahalekha Niyantak Bhawan in New Delhi; meets Controller General of Accounts Ms. T.C.A. Kalyani.

The Controller General of Accounts of India (CGA), Ms. T.C.A. Kalyani, hosted a delegation led by the Finance Minister of the Republic of Fiji, Mr. Esrom Immanuel, at Mahalekha Niyantak Bhawan, in New Delhi. A detailed discussion took place about the Public Finance practices in both the nations, including the digital transformation made by India in its Public Financial Management processes. The discussion also included the role played by the Public Financial Management System (PFMS) in helping transfer the benefits directly into the Bank accounts of the beneficiaries. Mr. Esrom Immanuel appreciated the advances made by India in the field of Public Finance and discussed ways to further deepen the cooperation in this field, including inter-alia, asset management, capacity building, budget ecosystem and internal audit.

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

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2226006®=3&lang=1>

3. Secretary, DFS Chairs Meeting to Prepare Roadmap for Financial Inclusion 2.0.

Shri M. Nagaraju, Secretary, Department of Financial Services (DFS), Ministry of Finance, chaired a meeting at New Delhi today to deliberate on the preparation of the roadmap for Financial Inclusion 2.0. The discussions focused on preparation of plan document for furtherance of Financial inclusion covering the

following key areas:

1. Access of Banking services for all citizens
2. Augmentation of Banking infrastructure in villages
3. Availability of formal credit specially for women and vulnerable sections of society
4. Achieving goal of Insurance & Pension for all citizens by 2047
5. Development of innovative digital and financial products
6. Increasing penetration of digital transactions especially in rural / semi-urban areas
7. Increasing awareness on financial frauds including digital frauds
8. Imparting financial and digital literacy to adults as well as to students in secondary and senior secondary levels

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

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2226612®=3&lang=1>

4. CGST Delhi South officials arrest one company director in fraudulent availing ITC of ₹6.53 crore.

As part of its ongoing enforcement drive against fraudulent ITC claims, the Anti-Evasion Branch of the Central Goods & Services Tax (CGST), Delhi South Commissionerate, has unearthed another significant case of tax evasion and has arrested a Director of a private limited company engaged in trading of electronic goods for fraudulent availing of Input Tax Credit (ITC) amounting to ₹6.53 crore through bogus invoices of ₹36.28 crore. Investigation revealed that the company had availed inadmissible ITC on the basis of invoices issued by multiple firms, some of which were found to be non-existent, non-functional, or having suspended/cancelled GST registrations. Field verification conducted by jurisdictional authorities confirmed that certain suppliers were bogus entities with no genuine business activity at their declared places of business. Further inquiry established that the ITC was availed without actual receipt of goods and was utilized for discharge of GST liability, in contravention of the provisions of the Central Goods and Services Tax Act, 2017. Based on the evidence gathered during investigation and statements recorded, the accused was arrested under Section 69 of the CGST Act, 2017 and produced before the Duty Magistrate and has been remanded to judicial custody for 14 days. Further the investigation is ongoing to trace the flow of funds and identify any additional beneficiaries

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

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2227804®=3&lang=1>

MINISTRY OF CORPORATE AFFAIRS

1. Annual filings by companies on development CSR expenditure totals over 1,44,159 crores in last five FYs (2019-20 to 2023-24).

Government maintains a central database of Corporate Social Responsibility (CSR) expenditure reported by the companies in the MCA 21 registry. All data related to CSR expenditure filed by companies in MCA21 registry including state-wise, year-wise, company-wise and project-wise is available in public domain at www.csr.gov.in. As per provisions of the Companies Act, 2013, CSR is a Board driven process and the Board of the company is empowered to plan, decide, execute and monitor CSR activities of the company. The existing legal provisions regarding formation of CSR committee, formulation of CSR policy, Annual Action Plan on CSR, certification of CSR expenditure by Chief Financial Officer (CFO) and audit of CSR expenditure by statutory auditors, etc., are the mechanisms to ensure transparency and accountability. Further, Rule 8 of the Companies (CSR Policy) Rules, 2014 provides that every company having average CSR obligation of 10 crore rupees or more in the three immediately preceding financial years, shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study. The details of CSR activities, Impact Assessment, etc., are required to be reported by all the companies in the 'Annual Report on CSR' including annual action plan on CSR which is part of the Company's Board Report. There is no provision of allocation of CSR funds in CSR legal framework and as

per Section 135 (5) of the Act CSR mandated companies shall spend at least 2% of the average net profits of the company during the three immediately preceding financial years in areas or subjects specified in Schedule VII of the Act.

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

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2226018®=3&lang=1>

2. NCLT President Chief Justice (R) Ramalingam Sudhakar demits office.

The Hon'ble President of the National Company Law Tribunal, Chief Justice (Retd.) Ramalingam Sudhakar, demitted office today, 13 February 2026, after completing a distinguished tenure at the helm of the Tribunal. He had joined the Tribunal in November 2021. During his tenure of over four years, the President significantly strengthened the institution and contributed meaningfully to the dispensation of justice in corporate and insolvency matters. His leadership was marked by diligence, integrity, and an unwavering commitment to judicial excellence. Speaking at the farewell reference held in his honour, in the presence of Members of the Tribunal and office bearers of the NCLT Bar Associations, the President observed that the resolution rate of cases had increased substantially due to the collective cooperation of all stakeholders. He noted that during the last four years, out of nearly 54,800 cases instituted before the Tribunal, more than 48,000 cases were disposed of, resulting in an impressive resolution rate of over 85 percent. Apart from his judicial responsibilities, the President also focused on strengthening administrative systems and improving infrastructural facilities. These initiatives contributed significantly to the smooth functioning of the Tribunal and fostered an efficient and conducive working environment for Members of the Bar, litigants, and staff alike.

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

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2227786®=3&lang=1>

INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

1. Telecom firms can't use IBC moratorium to defer spectrum dues, says SC.

The Supreme Court on Friday ruled that telecom companies cannot use the moratorium under the Insolvency and Bankruptcy Code (IBC), 2016, to delay or restructure payments of license fees and spectrum dues owed to the Department of Telecommunications (DoT). The top court said that spectrum cannot be treated as a corporate asset during insolvency proceedings. The dispute arose from insolvency cases involving Aircel Ltd, Dishnet Wireless Ltd, and Aircel Cellular Ltd. These companies had entered voluntary corporate insolvency resolution proceedings under Section 10 of the IBC. They had received telecom licenses in 2006 under Unified Access Service License agreements and had also obtained spectrum through government auctions. During the insolvency process, the right to use spectrum was treated as part of the companies' assets. Government challenges 'asset' classification. The Union government opposed this view, arguing that spectrum is a sovereign natural resource held in trust for citizens. It said that spectrum cannot be treated as a company asset that can be restructured under insolvency law. NCLAT held that such rights could be part of insolvency proceedings and that license dues and deferred spectrum payments qualify as operational debt under the IBC. However, it clarified that the spectrum cannot be used without clearing dues, and insolvency cannot erase government liabilities.

Key question before the top court

The apex court examined whether telecom companies asked to pay license dues could rely on the IBC moratorium under Section 14 to restructure their assets, particularly spectrum allocated through auctions. The top court said the answer depended on the legal nature of the spectrum. It described the spectrum as a "material resource of the community". It added that under constitutional principles, such resources must be distributed and managed to serve the common good, keeping public interest at the centre.

IBC cannot override telecom law

The court concluded that the IBC cannot be used to change ownership or control of spectrum. It said insolvency law cannot override the legal framework governing natural resources. The judges made it clear that spectrum cannot be treated as a freely transferable asset simply because a telecom company enters insolvency proceedings.

For more information, you can access the article here:

https://www.business-standard.com/industry/news/supreme-court-spectrum-ibc-telecom-dues-ruling-public-resource-aircel-case-126021300729_1.html

RESERVE BANK OF INDIA

1. Lending to Micro, Small & Medium Enterprises (MSME) Sector (Amendment) Directions, 2026.

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

The above amendment shall come into force for all loans to MSE borrowers sanctioned or renewed on or after April 01, 2026.

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

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=13290&Mode=0>

2. Strengthening of Grievance Redress Mechanism in Banks – Review.

Referring refer to the circular RBI/2020-21/87 CEPD.CO.PRD.Cir.No.01/13.01.013/2020-21 on “Strengthening of Grievance Redress Mechanism in Banks” dated January 27, 2021. 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. 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. Accordingly, the circular dated January 27, 2021, stands withdrawn with immediate effect and shall be treated as repealed from the date of this circular.

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

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=13291&Mode=0>

3. Premature redemption under Sovereign Gold Bond (SGB) Scheme - Redemption Price for premature redemption of SGB 2019-20 Series IX and SGB 2020-21 Series V due on February 11, 2026.

In terms of GOI notification F.No.4(7)-B(W&M)/2019 dated September 30, 2019 (SGB 2019-20 Series-IX-Issue date February 11, 2020) and in terms of GOI notification F.No.4(4)-B(W&M)/2020 dated April 13, 2020 (SGB 2020-21 Series-V-Issue date August 11, 2020) on Sovereign Gold Bond Scheme, premature redemption of Gold Bond may be permitted after fifth year from the date of issue of such Gold Bond on the date on which interest is payable. Accordingly, the due date of premature redemption of the above tranches shall be on February 11, 2026. 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 premature redemption due on February 11, 2026, shall be ₹15,440/- (Rupees Fifteen Thousand Four Hundred and Forty only) per unit of SGB based on the simple average of closing price of gold for the three business days i.e., February 06, February 09, and February 10, 2026.

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

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=62201

4. RBI imposes monetary penalty on Bank of Maharashtra.

The Reserve Bank of India (RBI) has, by an order dated February 06, 2026, imposed a monetary penalty of ₹32.50 lakh (Rupees Thirty Two Lakh Fifty Thousand only) on Bank of Maharashtra (the bank) for non-compliance with certain provisions of directions issued by RBI on 'Credit information reporting in respect of Self Help Group members' and 'Know Your Customer'. This penalty has been imposed in exercise of powers conferred on RBI under the provisions of section 25(1)(iii) read with section 23(4) of the Credit Information Companies (Regulation) Act, 2005 and section 47A(1)(c) read with sections 46(4)(i) and 51(1) of the Banking Regulation Act, 1949. The Statutory Inspection for Supervisory Evaluation (ISE 2025) of the bank was conducted by RBI with reference to its financial position as on March 31, 2025. Based on supervisory findings of non-compliance with the provisions of RBI directions 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 failure to comply with the said provisions of RBI directions. After considering the bank's reply to the notice, additional submissions made by it and oral submissions made during the personal hearing, RBI found that the following charges against the bank were sustained, warranting imposition of monetary penalty:

- i. The bank did not report Self Help Group member level data to Credit Information Companies; and
- ii. The bank did not identify Beneficial Owners in certain accounts.

The 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 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=62230

5. RBI imposes monetary penalty on IIFL Finance Limited.

The Reserve Bank of India (RBI) has, by an order dated February 06, 2026, imposed a monetary penalty of ₹5.30 lakh (Rupees Five Lakh Thirty Thousand only) on IIFL Finance Limited (the company) for non-compliance with certain directions issued by RBI on 'Asset Classification'. This penalty has been imposed in exercise of powers conferred on RBI under section 58G(1)(b) read with section 58B(5)(aa) 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 direction. After considering the company's reply to the notice, oral submissions made during the personal hearing and additional submissions made by it, RBI found that the following charge against the company was sustained, warranting imposition of monetary penalty: The company failed to classify certain accounts as 'non-performing asset', on restructuring. 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=62228

6. RBI imposes monetary penalty on CSB Bank Limited.

The Reserve Bank of India (RBI) has, by an order dated February 06, 2026, imposed a monetary penalty of ₹63.60 lakh (Rupees Sixty Three Lakh Sixty Thousand only) on CSB Bank Limited (the bank) for non-compliance with certain directions issued by RBI on 'Scope of activities to be undertaken of Business Correspondents (BCs)' and 'Customer Service in Banks'. 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 Banking Regulation Act, 1949. The Statutory Inspection for Supervisory Evaluation (ISE 2025) of the bank was conducted by RBI with reference to its financial position as on March 31, 2025. Based on supervisory findings of non-compliance with the provisions of RBI directions 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. 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:

- i. 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
- ii. The bank levied charges in certain savings bank accounts without ensuring that customers were made aware of such charges upfront.

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=62227

You may send your suggestions at niyati@asalegal.in

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