NEWSLETTER Weekly

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SECURITITES AND EXCHANGE BOARD OF INDIA

1. **Clarification with respect to applicability of the benefit of early pay-in in Commodity Derivatives Segment.**

   The Securities and Exchange Board of India (SEBI), through Circular No. HO/47/16/13(4)2026-MRD-POD1/I/14266/2026 dated June 19, 2026, has clarified the applicability of the early pay-in facility in the Commodity Derivatives Segment by revising paragraph 11.3.1 of its Master Circular dated August 4, 2023. Based on stakeholder representations and recommendations of the Working Group and the Commodity Derivatives Advisory Committee (CDAC), SEBI has provided that Clearing Corporations shall continue to offer the early pay-in facility, allowing market participants to deposit certified goods in accredited warehouses against relevant commodity derivatives contracts. For positions where early pay-in has been made, Clearing Corporations may, based on their risk assessment, exempt all types of margins except mark-to-market (MTM) margins, which will continue to be collected. The revised framework will take effect from September 21, 2026. Stock Exchanges and Clearing Corporations have been directed to update their systems and notify market participants of the changes.

   For more information, you can access the SEBI circular here:
   https://www.sebi.gov.in/legal/circulars/jun-2026/clarification-with-respect-to-applicability-of-the-benefit-of-early-pay-in-in-commodity-derivatives-segment_102229.html

2. **Guidelines for winding up of AIFs with respect to retention of proceeds and 'Inoperative Fund' status.**

   SEBI has issued new guidelines providing greater flexibility to Alternative Investment Funds (AIFs) and erstwhile Venture Capital Funds (VCFs) during the winding-up process. The circular permits funds to retain liquidation proceeds beyond their permissible fund life in specific circumstances, including pending or anticipated litigation, potential tax liabilities, or residual operational expenses linked to winding up. Where retention is based on anticipated liabilities, approval from at least 75% of investors by value is required, along with clear disclosure of the amount and proposed retention period. Operational expense-related retention is capped at three years. SEBI has also introduced the concept of an "Inoperative Fund," allowing eligible AIFs to surrender active registration while resolving outstanding liabilities. Such funds cannot launch new schemes or charge management fees and must provide annual reports to SEBI and investors until all liabilities are settled and retained monies are distributed.

   For more information, you can access the SEBI circular here:
   https://www.sebi.gov.in/legal/circulars/jun-2026/guidelines-for-winding-up-of-aifs-with-respect-to-retention-of-proceeds-and-inoperative-fund-status_102171.html

3. **Norms for Base Price, Price Bands, Call Auction in pre-open session and Close-out procedure for Exchange Traded Funds (ETFs).**

   SEBI, through Circular No. HO/47/11/11(1)2026-MRD-POD3/1/13804/2026 dated June 15, 2026, revised the framework governing Exchange Traded Funds (ETFs) to address concerns arising from the use of T-2 day NAV-based pricing and fixed price bands that did not adequately reflect movements in underlying assets. Effective from September 1, 2026, the base price for ETFs will initially be determined using the T-1 day closing price based on the last 30 minutes' Volume Weighted Average Price (VWAP), with alternate methods prescribed where trading data is unavailable. Dynamic price bands have been introduced for Equity ETFs, Debt ETFs, and Commodity ETFs, along with cooling-off periods and provisions for flexing bands in response to market movements. Overnight and Liquid ETFs will continue to operate under fixed ±5% price bands. SEBI has also introduced pre-open call auctions for gold and silver ETFs to facilitate efficient price discovery and revised close-out procedures for Overnight and Liquid ETFs. Stock exchanges, clearing corporations, and mutual fund entities have been directed to implement the necessary systems and regulatory changes to operationalize the revised framework.

For more information, you can access the SEBI circular here:
https://www.sebi.gov.in/legal/circulars/jun-2026/norms-for-base-price-price-bands-call-auction-in-pre-open-session-and-close-out-procedure-for-exchange-traded-funds-etfs-_102121.html

MINISTRY OF FINANCE

1. **India to assume Vice-Presidency of the Financial Action Task Force for the first time.**

In a landmark recognition of India's growing leadership in the global fight against money laundering and terrorist financing, Shri Vivek Aggarwal, a 1994-batch officer of the Indian Administrative Service (Madhya Pradesh cadre) and presently Secretary to the Government of India, Ministry of Culture, has been elected and appointed Vice-President of the Financial Action Task Force (FATF). This is the first time that India will hold the Vice-Presidency of the FATF. The Vice-President of the FATF is elected by the FATF Plenary from among its members and assists the President in steering the organization's work. The appointment places an Indian official at the apex of the global standard-setting body for anti-money laundering and counter-terrorist financing. India's elevation to the Vice-Presidency reflects the credibility and trust the country has earned within the FATF Global Network of more than 200 jurisdictions. It builds directly on India's strong showing in its most recent Mutual Evaluation, and on the country's sustained contribution to shaping global policy on emerging risks, including those associated with virtual asset service providers and digital payments. Shri Aggarwal will work towards solidifying India's leadership in the FATF forum. On his appointment, Shri Aggarwal stated, "This appointment is a recognition of India's collective effort and of the strength of our anti-money-laundering and counter-terrorist-financing framework. I am deeply honored to serve, and look forward to working with the FATF Global Network to keep the international financial system safe, inclusive and resilient." Shri. Arvind Shrivatsava, Revenue Secretary, observed that it is a proud milestone and reaffirmed India's continued commitment to strengthening the integrity of international financial system.

For more information, you can access the GOI press release here:
https://www.pib.gov.in/PressReleasePage.aspx?PRID=2275528&reg=3&lang=1

2. **CBDT organises outreach webinar on "Decoding the new Income-tax Act, 2025: International Tax and Transfer Pricing Aspects".**

Income Tax Department and PwC India, organised a webinar titled "Decoding the new Income-tax Act, 2025 - International Tax and Transfer Pricing Aspects" on transitioning into the new Income-tax Act, 2025 and new Income-tax Rules, 2026 on 9th June 2026. The webinar had over 1,100 participants from 16 overseas jurisdictions viz USA, UK, Australia, China, Singapore, Cyprus, Japan, Mauritius, Qatar, UAE etc and served as an important platform for mutual dialogue and knowledge sharing on the evolving taxation framework in India. The Department was represented by Ms. Monica Bhatia, Pr. Chief Commissioner of Income Tax (International Taxation), Shri Raman Chopra, Chief Commissioner of Income Tax (International Taxation) and Dr Anjula Jain, Commissioner of Income Tax (International Taxation)-2, New Delhi and PwC India was represented by senior partners. Addressing the participants, Ms. Monica Bhatia, highlighted the collective efforts of the Department and stakeholders which ensured the smooth transition to the new Income-tax Act, 2025. She also elaborated upon the growing importance of cross-border transfer pricing mechanisms, international cooperation, and India's expanding role in the global taxation ecosystem. Further, she spoke about the success and relevance of Advance Pricing Agreements and emphasized the importance of Safe Harbour provisions in ensuring certainty and ease of compliance for taxpayers. A presentation was also made on the key changes, structural reforms, and comparative aspects of the Income-tax Act, 1961 vis-à-vis the Income-tax Act, 2025, including newly introduced rules, forms and procedural updates. The participants posed numerous queries during the interactive session, which were responded to by the senior officers of the Income Tax Department. The various participants appreciated the initiative, and expected to have more such engagements with the Department.

For more information, you can access the GOI press release here:
https://www.pib.gov.in/PressReleasePage.aspx?PRID=2271989&reg=3&lang=1

3. **DRI seizes 71 lakh smuggled foreign-origin cigarette sticks worth Rs. 14 crore in North-East Region; four persons arrested.**

In a major crackdown against smuggling of foreign origin cigarettes, the Directorate of Revenue Intelligence (DRI) carried out multiple coordinated operations in the North Eastern Region. Since May 2026, operations conducted by DRI have led to a total seizure of about 71,00,000 sticks of foreign-origin smuggled cigarettes across the North Eastern Region, valued cumulatively at approximately Rs. 14 crore and along with arrest of 4 persons. Among major operations, DRI seized more than 45 lakh sticks of foreign-origin cigarettes of brands such as Mond, XSo, ORIS and Patron in Mizoram on 11th June 2026. This operation was carried out with the assistance of the 34th Battalion, Assam Rifles. One person has been arrested in the case. Preliminary investigation indicates that the cigarettes were smuggled into the country from Myanmar through the Zokhawthar sector along the Indo-Myanmar border. In a series of operations in last few weeks another 26 lakh such cigarettes have been seized, and 3 persons have been arrested.

For more information, you can access the GOI press release here:
https://www.pib.gov.in/PressReleasePage.aspx?PRID=2272123&reg=3&lang=1

4. **DRI busts organised gold smuggling syndicates in Eastern and North Eastern part of India; seizes around 17 kg smuggled foreign-origin gold worth Rs. 25 crores.**

In a major strike against the organised smuggling of gold, the Directorate of Revenue Intelligence (DRI), carried out coordinated operations in Kolkata and Agartala, and seized aprrox.17 kg foreign origin gold valued cumulatively at Rs. 25 crores (approx.), and arrested 10 persons in connection with the case. On 12.06.26 in Kolkata, DRI busted a smuggling syndicate while they were attempting to smuggle 11.6 kg of gold from Thailand through Kolkata airport. Seven persons, including one woman, has been arrested in the case. The estimated value of seized gold is Rs. 17 crores approx. On the same day in Agartala, DRI seized around 5.1 kg foreign-origin gold, valued at approximately Rs 8 crore (approx.), and smuggled through Tripura sector of Indo-Bangladesh border. Three persons were arrested in connection with the case. The operation was conducted in coordination with Railway Protection Force.

For more information, you can access the GOI press release here:
https://www.pib.gov.in/PressReleasePage.aspx?PRID=2272546&reg=3&lang=1

MINISTRY OF CORPORATE AFFAIRS

1. **Participants of founding batch of Masters in Financial and Economic Crimes programme Visit EAC-PM; Quarterly Newsletter on Economic Security Launched.**

Participants of the founding batch of the Master's in Financial and Economic Crimes (MFEC) programme visited the Economic Advisory Council to the Prime Minister (EAC-PM) recently as part of their Campus Immersion Programme, engaging in discussions on economic security, financial crime mitigation, and emerging threats to India's financial ecosystem. The interaction was attended by Prof. S. Mahendra Dev, Chairman, EAC-PM; Dr. K.K. Tripathi, Joint Secretary, EAC-PM; and Dr. Sri Vatsa Sehra, Joint Director, EAC-PM. The participants were accompanied by Prof. (Dr.) Naveen Sirohi, Programme Director of MFEC and Head of the School of Finance & Management at the Indian Institute of Corporate Affairs (IICA). The MFEC programme is a first-of-its-kind inter-ministerial initiative jointly offered by the Indian Institute of Corporate Affairs (IICA), under the Ministry of Corporate Affairs, and Rashtriya Raksha University (RRU), an Institution of National Importance under the Ministry of Home Affairs. The programme aims to develop a specialised cadre of professionals equipped to address financial and economic crimes in support of the vision of Viksit Bharat. During the interaction, participants engaged with policymakers and experts on issues including financial frauds, money laundering, illicit financial flows, cyber-enabled financial crimes, and broader economic security challenges. Discussions highlighted the growing sophistication of financial and economic crimes and underscored the need for technology-driven, collaborative, and multidisciplinary approaches to tackle emerging risks. Addressing the participants, Prof. Mahendra Dev shared insights on India's evolving economic landscape and stressed the importance of strengthening institutional capabilities, enhancing regulatory coordination, and promoting evidence-based policymaking to safeguard national economic interests. Deliberations also focused on vulnerabilities within the financial system and strategies to enhance resilience against economic threats.

For more information, you can access the GOI press release here:
https://www.pib.gov.in/PressReleasePage.aspx?PRID=2275799&reg=3&lang=1

INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

1. NCLT Kochi: 2026 IBC Clarification on Secured Creditors Applies To Pending Liquidation Cases.

The National Company Law Tribunal (NCLT), Kochi Bench, has held that the 2026 amendment to Section 53 of the Insolvency and Bankruptcy Code (IBC), which clarifies the entitlement of secured creditors during liquidation, applies even to pending proceedings. The observation came while dismissing an application filed by Meenachil East Urban Co-operative Bank in the liquidation process of Raihan Healthcare. A bench comprising Judicial Member Vinay Goel and Technical Member Ravichandran Ramasamy examined whether liquidation proceeds should be distributed according to the admitted debt of secured creditors or based on the value of the security interest relinquished by them. The dispute arose after the bank challenged the liquidator's distribution methodology. The bank, which filed a claim of about Rs 5.25 crore after relinquishing its security interest under Section 52 of the IBC, received approximately Rs 1.54 crore from the liquidation proceeds. Raihan Healthcare entered liquidation in December 2019. During the process, the company's land and building were sold for Rs 31.21 crore, while plant and machinery fetched Rs 5.45 crore. The bank argued that once secured creditors relinquish their security interests and participate in the liquidation estate, distributions should be made in proportion to their admitted claims. It also contended that the liquidator incorrectly relied on the value of the underlying security rather than the debt admitted in favour of each creditor.

For more information, you can access the article here:
https://www.bwlegalworld.com/article/nclt-kochi-2026-ibc-clarification-on-secured-creditors-applies-to-pending-liquidation-cases-611163

2. Vikram Solar to move NCLAT against NCLT order admitting an insolvency petition by Isitva Steels.

Vikram Solar will appeal against the NCLT order admitting an insolvency petition by Isitva Steels making a claim of ₹9.44 crore. The company disputed the debt, citing a 2019 settlement agreement. Vikram Solar is preparing to file an appeal in NCLAT against the Kolkata Bench NCLT order which admitted an insolvency petition over alleged non-payment of dues. The tribunal admitted the petition under Section 9 of the Insolvency and Bankruptcy Code, 2016 (IBC) on June 12, with the order made available on June 18, said the company in a statement. Following the NCLT order, Tripti Agarwal has been appointed as the Interim Resolution Professional. The company stated it is consulting legal advisors to explore further remedies to protect the interests of the company and its shareholders. Vikram Solar has disputed the claim of about ₹9.44 crore, which includes interest of about ₹4.21 crore. To protect the interests of the company and its shareholders, the company is in the process of filing an appeal against the NCLT Order before the NCLAT and is also consulting its legal advisors for other possible legal course of action, said Vikram Solar in a statement on the exchanges. The dispute arises from civil works sub-contracted to ISPL in 2018 for a solar EPC power project in Andhra Pradesh. Vikram Solar contends that a full and final settlement agreement was executed between the parties on December 7, 2019, rendering the claim invalid.

For more information, you can access the article here:
https://www.thehindubusinessline.com/companies/vikram-solar-to-move-nclat-against-nclt-order-admitting-an-insolvency-petition-by-isitva-steels/article71122710.ece

RESERVE BANK OF INDIA

1. **Liberalisation of Foreign Portfolio Investment under Schedule III of the Foreign Exchange Management (Non-debt Instruments) Rules, 2019.**

Attention of Authorised Dealer (AD) Category - I banks is invited to the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 (hereinafter referred to as 'Rules'), notified by the Central Government on October 17, 2019, which have been amended through the Foreign Exchange Management (Non-debt Instruments) (Third Amendment) Rules, 2026 vide S.O. 3030(E), dated June 12, 2026, enabling investment in equity instruments of a listed Indian company on a recognised stock exchange in India by all individual person(s) resident outside India [which was hitherto permitted only to Non-Resident Indians (NRIs) and Overseas Citizens of India (OCIs)] with enhanced investment limits,. Further, necessary amendments under the Foreign Exchange Management (Mode of payment and Reporting of Non-Debt Instruments) Regulations, 2019 (hereinafter referred to as 'Regulations') have been notified vide notification no FEMA 395(4)/2026-RB dated June 13, 2026. The AD Category-I banks may open a repatriable INR account of an individual person resident outside India in accordance with Foreign Exchange Management (Deposit) Regulations, 2016 to facilitate investment under Schedule III to the Rules. The reporting of such transactions and monitoring of investment limits prescribed under the Rules shall be undertaken in the same manner as is presently followed for investments by NRIs/OCIs. Any reclassification of investments made under Schedule III of the Rules by an individual person resident outside India from Foreign Portfolio Investment to Foreign Direct Investment (FDI), upon breach of the prescribed investment limits or otherwise, shall be undertaken in accordance with the framework prescribed by the Reserve Bank for Foreign Portfolio Investors (FPIs) in terms of A.P. (DIR Series) Circular No. 19 dated November 11, 2024. While facilitating such investments, AD Category-I banks shall ensure compliance with the provisions of the Rules, Regulations and applicable SEBI regulations. For this purpose, banks shall put in place appropriate systems and procedures and may obtain required documents/disclosures from the investor concerned as may be necessary to ensure compliance with the applicable regulatory requirements. These directions shall come into force with immediate effect. AD Category-I banks may bring the contents of this circular to the notice of their customers / constituents concerned. The directions contained in this circular have been issued under sections 10(4) and 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and are without prejudice to permissions / approvals, if any, required under any other law.

For more information, you can access the RBI notification here:
https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=13483&Mode=0

2. **Master Directions on Authorisation to operate a Payment System.**

The Reserve Bank of India has issued Master Directions under the Payment and Settlement Systems Act, 2007 consolidating the framework for authorisation of entities to operate payment systems: these Directions (effective on publication) set out definitions, on-tap application procedures via the RBI portal, capital and net-worth computation rules, fit-and-proper criteria for promoters/promoter groups, restrictions on investments from FATF non-compliant jurisdictions (including the 20% voting cap for new investments), and provisions on perpetual or time-bound Certificates of Authorisation (with renewal, revocation and one-year cooling-off rules). They also prescribe procedures for voluntary surrender of authorisation (including stakeholder notice, escrow/liability treatment and auditor certifications), retain prohibitions against operating without RBI authorisation, and repeal earlier related circulars while preserving actions taken under them; RBI retains final interpretive authority and may issue clarifications.

For more information, you can access the RBI notification here:
https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=13502&Mode=0

3. **Reserve Bank of India (Commercial Banks- Prudential Norms on Capital Adequacy) Ninth Amendment Directions, 2026.**

Referring to Reserve Bank of India (Commercial Banks- Prudential Norms on Capital Adequacy) Directions, 2025 (hereinafter referred to as 'the Directions'). Please refer to circular Ref no. 0264/NCGTC/ECLGS5.0 dated May 08, 2026, issued by National Credit Guarantee Trustee Company (NCGTC) in respect of Emergency Credit Line Guarantee Scheme (ECLGS) 5.0, introduced by the Government of India. In exercise of the powers conferred by the section 35A 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. These Amendment Directions shall amend the Directions as specified below:

(1) Paragraph 34A shall be inserted as below:

"Exposures guaranteed under the Emergency Credit Line Guarantee Scheme (ECLGS) 5.0 shall attract risk weight of zero percent to the extent of 75% of the guaranteed portion, i.e., to the extent of guaranteed portion wherein the settlement amount is expected to be received within thirty days from the date of invocation. The remaining exposure shall attract risk weight as per the extant guidelines."

The above amendment shall come into force with immediate effect.

For more information, you can access the RBI notification here:
https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=13503&Mode=0

4. **Reporting of FCNR (B) Deposits, ECB and OFCB mobilized under Reserve Bank's Swap Facility.**

Attention of Authorised Dealer (AD) Category-I banks is invited to circulars FMOD.MAOG.No.S-56/01.06.016/2026-27 dated June 8, 2026, on 'Swap Facility for FCNR (B) Deposits' and FMOD.MAOG.No.S-57/01.06.016/2026-27 dated June 8, 2026, on 'Swap Facility for External Commercial Borrowings and Overseas Foreign Currency Borrowings'. All AD Category-I banks are advised to submit daily data on FCNR (B) deposits, External Commercial Borrowings (ECBs) and Overseas Foreign Currency Borrowings (OFCBs), mobilized under the provisions of the above FMOD circulars, by 6 p.m. every day. The data shall be submitted in the format provided at Annex I for FCNR (B) deposits to fedcoepd@rbi.org.in, Annex II for ECBs to ecbframework@rbi.org.in and for OFCBs in Annex III to fmrdfx@rbi.org.in. In case of no transactions during the day, a NIL statement should be submitted (except on Saturdays and holidays). The data on FCNR (B) deposits, ECBs and OFCBs from June 08, 2026 till issuance of these directions, shall be submitted along with the first reporting due on June 22, 2026. The directions contained in this circular have been issued under Sections 10(4), 11(1) and 11(2) of the FEMA, 1999 (42 of 1999) and are without prejudice to permissions / approvals, if any, required under any other law.

For more information, you can access the RBI notification here:
https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=13515&Mode=0

5. **Premature redemption under Sovereign Gold Bond (SGB) Scheme - Redemption Price for premature redemption of SGB 2020-21 Series-III due on June 16, 2026.**

In terms of GOI notification F.No.4(4)-B(W&M)/2020 dated April 13, 2020 (SGB 2020-21 Series-III-Issue date June 16, 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 next due date of premature redemption of the above tranche shall be on June 16, 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 June 16, 2026, shall be ₹14,774/- (Rupees Fourteen Thousand Seven Hundred and Seventy Four Only) per unit of SGB based on the simple average of closing price of gold for the three business days i.e., June 11, June 12, and June 15, 2026.

For more information, you can access the RBI press release here:
https://www.rbi.org.in/scripts/BS_PressReleaseDisplay.aspx?prid=62937

6. **RBI imposes monetary penalty on Pahal Financial Services Private Limited.**

The Reserve Bank of India (RBI) has, by an order dated June 18, 2026, imposed a monetary penalty of ₹3.10 lakh (Rupees Three Lakh Ten Thousand only) on Pahal Financial Services Private Limited (the company) for non-compliance with certain provisions of the 'Reserve Bank of India (Know Your Customer (KYC)) Directions' issued by RBI. 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, 2025. Based on the 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 failure to comply with the said directions. After considering the company's reply to the notice 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 put in place a robust software for effective identification and reporting of suspicious transactions. 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=62976

7. **RBI imposes monetary penalty on Can Fin Homes Limited.**

The Reserve Bank of India (RBI) has, by an order dated June 18, 2026, imposed a monetary penalty of ₹2.70 lakh (Rupees Two Lakh Seventy Thousand only) on Can Fin Homes Limited (the company) for non-compliance with certain provisions of the directions issued by RBI on 'Fair Practices Code'. This penalty has been imposed in exercise of the powers conferred on RBI under Section 52A of the National Housing Bank Act, 1987. The statutory inspection of the company was conducted by National Housing Bank with reference to its financial position as on March 31, 2025. Based on the 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 failure to comply with the said directions. After considering the company's reply to the notice and oral submissions made during the personal hearing, RBI found that the following charge against the company was sustained, warranting imposition of monetary penalty: The company failed to clearly indicate the bifurcation between interest and principal in the loan instalments collected from borrowers. 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=62977

You may send your suggestions at niyati@asalegal.in

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DELHI
3, Birbal Road, Ground & First Floor,
Jangpura Extension, New Delhi 110014.
Phone: +91-11-43108998, 45661440, 43552440, +91-11-24327050-52, 9311052521

MUMBAI
404-405, 4th Floor, Magnum Opus,
Near Grand Hyatt,
Behind Mudra Group,
Santacruz (East),
Mumbai – 400 055.
Phone: +91-22-62368654, 26661979

BENGALURU
1007, A-Wing, 10th Floor,
Mittal Tower, M.G. Road,
Bengaluru – 560001.
Phone: +91-80-48536504

AHMEDABAD
Office No.10, Business Centre,
5th Floor, Kalapurnam Complex,
Near Municipal Market,
C.G. Road, Navrangpura,
Ahmedabad-380009.
Phone: +91-079-66660888,
+91-9173660088

Website : www.asalegal.in