



NEWSLETTER ^{Weekly}

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MINISTRY OF FINANCE

1. Appeal to Employees of Public Sector Banks and Regional Rural Banks for Ensuring Uninterrupted Banking Services.

The United Forum of Bank Unions and certain other Unions/Associations in the Public Sector Banks (supported by Regional Rural Banks) have called for a series of strikes in support of two principal demands: implementation of five-day banking, and withdrawal of the Performance Linked Incentive (PLI) scheme. Taking due note of the concerns raised, the Government, after detailed discussion, decided to keep the PLI scheme in abeyance. This proactive initiative by the Government fulfilled one of the two main demands of the Unions. Following this, the Government held several rounds of conciliation to address the outstanding issues through dialogue, in keeping with the established practice of resolving differences bilaterally. Despite the Government having resolved one of the two major demands of the union, and sustained conciliatory engagement, a one-day strike was held on 11.09.2026, with a further three-day strike now scheduled from 28.09.2026 to 30.09.2026, and an indefinite strike proposed from 26.10.2026, on the single demand of a five-day workweek for banks. Public Sector Banks play a vital role in the country's economic and social development. They have been at the forefront of financial inclusion, digital banking, financial literacy and rural outreach, ensuring that formal financial services reach every section of society.

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

<https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=2313186®=3&lang=1>

2. Union Minister for Finance & Corporate Affairs Smt. Nirmala Sitharaman will embark on an official visit to Qatar from 27 to 29 September 2026.

Union Minister for Finance and Corporate Affairs Smt. Nirmala Sitharaman will embark on an official visit to Qatar from 27th to 29th September, 2026. The Union Finance Minister is leading the delegation comprising of Ministry of Finance officials. During the visit, Smt. Sitharaman will attend the 11th Annual Meeting of Board of Governors of Asian Infrastructure Investment Bank (AIIB) scheduled in Doha on 28th September 2026, besides other important bilateral meetings with the AIIB President and her counterparts from Jordan, Switzerland, Algeria, Saudi Arabia, and Nepal. In the Annual Meeting of AIIB, the Union Finance Minister will attend as the Indian Governor to the AIIB. India is the second largest shareholder of the bank. As part of the official visit, the Union Finance Minister is expected to call-on the leadership of the Government of Qatar, and also engage with Qatari business leaders and investors. The AIIB Annual Meeting witnesses participation of delegations from member countries, and other international organisations. As a multilateral development bank, AIIB is focused on developing sustainable infrastructure in Asia and in promoting investments in infrastructure and other productive sectors with the aim to foster sustainable economic development, create wealth and improve infrastructure connectivity.

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

<https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=2315644®=3&lang=1>

3. NLMC Concludes Three-City Investor Outreach Programme for RINL Land E-Auction.

The National Land Monetization Corporation (NLMC), under the Department of Public Enterprises (DPE), Ministry of Finance, Government of India, has successfully concluded a three-city Investor Outreach

Programme for the upcoming e-auction of 459 land parcels of Rashtriya Ispat Nigam Limited (RINL), the corporate entity of Visakhapatnam Steel Plant. As part of the programme, Investor Meets were organised in Visakhapatnam on September 23, Vijayawada on September 24 and Hyderabad on September 25, 2026. The programme was undertaken to provide prospective buyers, investors, developers and other stakeholders with detailed information about the land portfolio and the e-auction process ahead of the scheduled auction in October. The Investor Meet in Visakhapatnam witnessed participation from more than 150 prospective buyers and other stakeholders in person, while more than 50 additional participants joined the programme through video conferencing. A number of participants joining virtually were NRIs and prospective buyers based outside India. Their queries regarding the properties, eligibility, auction process and other aspects of the transaction were also addressed by the officials during the interaction. The subsequent Investor Meets in Vijayawada and Hyderabad saw participation of approximately 50–60 people each, including prospective buyers and stakeholders seeking information about the properties and the auction process.

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

<https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=2315105®=3&lang=1>

MINISTRY OF CORPORATE AFFAIRS

1. MCA issues advisory - cautions public against high-return promises by non-compliant Nidhi Companies.

MCA has issued an advisory to the common public about ‘Nidhi Companies’ and their functioning, warning against investment decisions without their proper background check, especially if there is a promise of high returns. During examination of NDH-4 applications by MCA, it was noticed that many ‘Nidhi’ Companies are not complying with the applicable provisions of the Act and rules made thereunder in toto. It has also been observed that many of the companies functioning as Nidhi company have not submitted their NDH-4 application within the stipulated time frame prescribed under Nidhi Rules. Every company desirous to function as “Nidhi” is required to file application in Form “NDH-4 “for getting itself declared/ updated as “Nidhi”. It has come to the notice that many companies lure their members by promising unusually high returns. Hence, Members of the public are advised not to rely solely on promises of unusually high returns by agents or informal assurances while making financial decisions and to independently verify whether the company has been declared as a Nidhi by the Central Government and should carefully consider the term. It is to be noted that, the deposits accepted by Nidhi Companies are NOT insured by the Deposit Insurance and Credit Guarantee Corporation (DICGC). If the company fails or faces fraud, recovery of deposited money can be very difficult or incomplete. The Nidhi companies are mutual-benefit companies regulated by the Ministry of Corporate Affairs (MCA) under the Companies Act, 2013 and Nidhi Rules, 2014, which can accept deposits and give loans only to their members.

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

<https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=2314436®=3&lang=1>

INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

1. NCLAT dismisses Affle 3i's plea against insolvency of Talent Unlimited Online Services.

The National Company Law Appellate Tribunal (NCLAT) has dismissed an appeal by Affle 3i Ltd challenging an NCLT order that allowed initiation of insolvency proceedings against Talent Unlimited Online Services Pvt Ltd. However, a two-member bench of the appellate tribunal granted Affle 3i liberty to file a fresh application before the National Company Law Tribunal (NCLT) alleging fraudulent initiation of the Corporate Insolvency Resolution Process (CIRP). "We do not find any good reasons to interfere with the impugned order as it stands," said the NCLAT bench comprising Justice Yogesh Khanna (Officiating Chairperson) and Barun Mitra (Technical Member). The Delhi bench of the National Company Law Tribunal (NCLT) on June 12, 2026, admitted the Section 7 application filed by Axis Trustee Services Ltd against Talent Unlimited Online Services, initiating CIRP. However, Affle 3i, which holds Compulsory

Convertible Preference Shares in Talent Unlimited, challenged this order before the appellate tribunal, NCLAT, under section 65 of the Insolvency & Bankruptcy Code (IBC), which is for Fraudulent or malicious initiation of insolvency proceedings. It had contended before the appellate tribunal that CIRP was invoked on a "narrow debt" and default was 'fraudulent' to help the company's suspended management evade enforcement of an arbitral award and inspection rights it had secured through the Delhi High Court and the Singapore International Arbitration Centre (SIAC). However, NCLAT declined to accept Affle 3i's allegation that the CIRP against Talent Unlimited were fraudulently initiated, holding that such a plea under Section 65 of the Insolvency & Bankruptcy Code cannot be raised for the first time at the appellate stage and must first be adjudicated by the NCLT.

For more information, you can access the article here:

<https://economictimes.indiatimes.com/news/company/corporate-trends/nclat-dismisses-affle-3is-plea-against-insolvency-of-talent-unlimited-online-services/articleshow/134515994.cms>

2. IBC helps 1.4 lakh homebuyers move closer to possession as developers revive stalled projects.

India's insolvency regime has helped more than 1.4 lakh homebuyers move closer to or receive possession of homes stuck in stalled real estate projects, with financially stronger developers stepping in to revive distressed developments through the Insolvency and Bankruptcy Code (IBC), analysts and industry officials said. Large developers including Adani Realty, Lodha and others have acquired or taken over distressed projects through insolvency proceedings, bringing fresh capital and execution capabilities to developments that had remained stalled for years. The scale of the challenge, however, remains significant. Nearly 2.5 lakh homebuyers are associated with the 553 real estate insolvency cases admitted under the IBC, of which about 17 per cent have been successfully resolved, they said. Another 1.1 lakh homebuyers across 221 cases remain awaiting resolution as proceedings continue before judicial forums. Projects resolved under the insolvency framework represent investments of about Rs 84,000 crore, while another Rs 65,000 crore remains tied up in unresolved developments, according to industry estimates. Homebuyers were recognised as financial creditors under the IBC in 2018, making the insolvency framework an increasingly important route for resolving stalled housing projects. The Insolvency and Bankruptcy Board of India (IBBI), in a recent report, proposed a series of reforms to real estate insolvency proceedings, with project completion rather than liquidation emerging as the central objective. The recommendations include project-wise insolvency proceedings, ring-fencing of project cash flows, simplified claims processes and stronger coordination between RERA authorities and insolvency courts. Speed remains a major challenge, however, with prolonged litigation and multiple rounds of appeals often delaying project completion, analysts said. For developers, delays between an NCLT approval of a resolution plan and its actual execution can also significantly affect project viability. Successful bidders may have to deliver homes at prices agreed five to 10 years earlier, even as construction, labour and financing costs have risen sharply.

For more information, you can access the article here:

<https://economictimes.indiatimes.com/industry/services/property/-construction/ibc-helps-1-4-lakh-homebuyers-move-closer-to-possession-as-developers-revive-stalled-projects/articleshow/134483173.cms>

RESERVE BANK OF INDIA

1. Foreign Exchange Management (Export and Import of Goods and Services) (Amendment) Regulations, 2026.

The Reserve Bank of India has notified the Foreign Exchange Management (Export and Import of Goods and Services) (Amendment) Regulations, 2026, effective October 1, 2026, tightening export-realisation timelines and clarifying transitional treatment for legacy transactions. The amendment reduces the standard export-realisation period under Regulation 5(1) from fifteen months to nine months for the categories covered by clauses (a) and (b), and correspondingly shortens the first-proviso window from eighteen months to twelve months. It also preserves continuity for exporters who were on the RBI's Caution List as of September 30, 2026 under the 2015 export regulations, providing that such exporters will remain governed

by the extant Caution List orders until removal. Further, a new Regulation 20 empowers Authorised Dealers to handle pre-October 1, 2026 export/import and merchanting-trade transactions that previously required specific RBI approval under the 2015 framework and the associated Master Directions on export and import of goods and services (as updated up to July 17, 2026 and January 12, 2026 respectively), thereby easing administrative bottlenecks for legacy cases while the stricter realisation discipline applies prospectively.

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

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=13714&Mode=0>

2. Reserve Bank of India imposes monetary penalty on Ola Financial Services Private Limited.

The Reserve Bank of India (RBI) has, by an order dated September 24, 2026, imposed a monetary penalty of ₹3.10 lakh (Rupees Three lakh ten thousand only) on Ola Financial Services Private Limited (the company) for non-compliance with certain directions issued by RBI on 'Know Your Customer (KYC)'. This penalty has been imposed in exercise of powers conferred on RBI under the provisions of section 30(1) read with section 26(6) of the Payment and Settlement Systems Act, 2007. The statutory inspection of the company was conducted by RBI with reference to its operations for the period from January 2025 to November 2025. Based on the supervisory findings of non-compliance with the provisions of 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 provisions of RBI 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 that the following charge against the company was sustained, warranting imposition of monetary penalty: The company failed to carry out risk categorisation of certain customers. 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 company with its customers. Further, imposition of 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=63657

3. RBI imposes monetary penalty on Hero Fincorp Limited.

The Reserve Bank of India (RBI) has, by an order dated September 22, 2026, imposed a monetary penalty of ₹10 lakh (Rupees Ten Lakh only) on Hero Fincorp Limited (the company) for non-compliance with certain provisions of the directions issued by RBI on 'Fair Practices Code for Lenders – Charging of Interest'. 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 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 that the following charge against the company was sustained, warranting imposition of monetary penalty: The company collected excess interest from certain loan accounts. 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=63658

4. RBI imposes monetary penalty on KLM Axiva Finvest Limited.

The Reserve Bank of India (RBI) has, by an order dated September 22, 2026, imposed a monetary penalty of ₹2.70 lakh (Rupees Two lakh seventy thousand only) on KLM Axiva Finvest Limited (the company) for non-compliance with certain provisions of the directions issued by RBI on 'Auction' procedure. This penalty has been imposed in exercise of powers conferred on RBI under Section 58-G(1)(b) read with Section 58-B(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 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 had failed to pay the surplus amount realised from the auction of pledged gold articles, over and above the loan outstanding, to certain 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=63659

MINISTRY OF LAW AND JUSTICE

1. Cauvery Water Dispute | Supreme Court Seeks Karnataka's Response on Tamil Nadu's Plea to Make Good Water Shortfall.

The Supreme Court has sought the response of Karnataka on an application filed by Tamil Nadu seeking directions for release of water to make good the alleged shortfall in Karnataka's supply of Cauvery water. A Bench comprising Justice Vikram Nath, Justice Sandeep Mehta and Justice Vijay Bishnoi directed Karnataka to file its response within one week and posted the matter for hearing in October 2026. Tamil Nadu has claimed that Karnataka owes it approximately 16 TMC of Cauvery water towards the shortfall during the current irrigation year. In its application, Tamil Nadu has sought directions for release of the deficit water on a pro-rata basis. Appearing for Tamil Nadu, Senior Advocate C.S. Vaidyanathan submitted that the alleged shortfall had not been made good and that the Cauvery Water Management Authority (CWMA) had not passed any specific order addressing the accumulated deficit. During the hearing, the Bench sought clarification regarding the quantum of the alleged shortfall. Tamil Nadu indicated that its assessment placed the deficit at approximately 20 TMC, whereas Karnataka's assessment was around 16 TMC. Senior Advocate Shyam Divan, appearing for Karnataka, opposed the application and submitted that Karnataka had released water in excess of the quantities directed by the CWMA despite facing drought-like conditions. He maintained that the CWMA, being the statutory expert authority, had considered factors including reservoir levels, declining inflows and rainfall forecasts while issuing its directions. Karnataka further submitted that the retreating monsoon and limited prospects of rainfall from the northeast monsoon had to be taken into account, while Tamil Nadu was expected to benefit from the northeast monsoon. The Bench observed that the parties could not be denied consideration of their grievances by the CWMA and indicated that the Authority should take a decision on the alleged deficit. The Court thereafter directed Karnataka to file its response to Tamil Nadu's application within a week and listed the matter for further hearing in October. Tamil Nadu had earlier approached the Supreme Court seeking enforcement of the CWMA's direction requiring Karnataka to ensure the release of 6,000 cusecs of water per day from September 9 to September 23, in addition to seeking directions for making good the water shortfall accumulated during the preceding period.

For more information, you can access the article here:

<https://www.livelaw.in/top-stories/cauvery-water-dispute-supreme-court-seeks-karnatakas-response-to-tn-plea-for-making-good-past-shortfall-551589>

You may send your suggestions at niyati@asalegal.in

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