



NEWSLETTER ^{Weekly}

Volume-CXLVII, Issue-II, Dated: 12th October, 2026

SECURITIES AND EXCHANGE BOARD OF INDIA

1. Introduction of Credit Risk-o-Meter as an additional disclosure mechanism for debt securities.

SEBI has introduced a mandatory “Credit Risk-o-Meter” as an additional disclosure mechanism for debt securities to help investors assess credit risk through colour-coded visualisation before investing. Under Circular No. HO/17/11/22(1)2026-DDHS-POD1 dated October 07, 2026, the Credit Risk-o-Meter will be required in offer documents, abridged prospectuses, private placement memorandums, all advertisements of issuers and Online Bond Platform Providers (OBPPs), and the web and mobile platforms of OBPPs. The detailed disclosure framework is contained in Annexure-A. To implement the framework, SEBI has directed insertion of a new Chapter II-C titled “Disclosure of Credit Risk-o-Meter for debt securities” in the NCS Master Circular dated October 15, 2025. Clause 14 will also be inserted in Annexure-XXIB under Chapter XXI, making the Credit Risk-o-Meter part of the minimum disclosure requirements for each security offered on an Online Bond Platform. All other provisions of the NCS Master Circular will remain unchanged. The new requirements will come into force after 45 days from issuance of the circular. Stock Exchanges and Depositories have been directed to establish the necessary systems and processes, make consequential amendments to relevant bye-laws, rules and regulations wherever applicable, and communicate the requirements to existing and prospective issuers of debt securities. SEBI has issued the circular in exercise of powers under Section 11(1) of the SEBI Act, 1992 read with Regulation 55(1) of the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021

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

https://www.sebi.gov.in/legal/circulars/oct-2026/introduction-of-credit-risk-o-meter-as-an-additional-disclosure-mechanism-for-debt-securities_105081.html

2. Exemption from the requirement of mandatory merchant banker appointment for debt issued through private placement by certain listed issuers.

SEBI has relaxed the mandatory merchant banker appointment requirement for certain listed issuers issuing debt securities or non-convertible redeemable preference shares through private placement at a face value of Rs. 10,000. The exemption applies where the issuer is regulated by SEBI, RBI, IRDAI or PFRDA; has been listed on a recognized stock exchange for at least one year without pending SEBI or stock-exchange fines or penalties relating to applicable SEBI LODR requirements; has not defaulted during the last three financial years and the current financial year on specified redemption, repayment or interest/dividend obligations; and satisfies prescribed security and credit-rating requirements. The debt security must generally be unsubordinated/senior and secured by a first or pari passu charge, while CPSEs, PSUs and Statutory Bodies may issue secured or unsecured debt securities. The security must also carry a rating of at least AA- on the date of private placement. Stock exchanges are required to prescribe operational requirements and implement necessary systems. The circular takes immediate effect.

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

https://www.sebi.gov.in/legal/circulars/oct-2026/exemption-from-the-requirement-of-mandatory-merchant-banker-appointment-for-debt-issued-through-private-placement-by-certain-listed-issuers_105080.html

3. Review of provisions related to International Securities Identification Number (ISIN) for debt securities issued on private placement basis.

SEBI has reviewed the provisions relating to International Securities Identification Number (ISIN) for debt securities issued on private placement basis. The circular increases the maximum number of ISINs maturing in a financial year for an issuer to seventeen, with a further six ISINs available for capital gains tax debt

securities issued by authorised issuers under section 54EC of the Income Tax Act, 1961. It prescribes a bifurcation between plain vanilla debt securities and structured, market linked and specified debt instruments, including additional ISINs linked to outstanding amounts exceeding Rs. 15,000 Crore. Existing legacy ISINs for Floating Rate Bonds, Zero Coupon Bonds and Debt Capital instruments are grandfathered subject to the stated conditions. The circular also excludes Government of India serviced/Extra Budgetary Resources bonds and Environment, Social and Governance Debt Securities from the applicable ISIN limits. All other provisions of Chapter VIII of the NCS Master Circular remain unchanged, and the circular takes immediate effect. The Stock Exchanges and Depositories are directed to make necessary amendments, implement system changes, disseminate the provisions and monitor compliance. The circular is issued under Section 11(1) of the Securities and Exchange Board of India Act, 1992 read with Regulation 55(1) of the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021.

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

https://www.sebi.gov.in/legal/circulars/oct-2026/review-of-provisions-related-to-international-securities-identification-number-isin-for-debt-securities-issued-on-private-placement-basis_105076.html

4. Master Circular for Debenture Trustees.

Securities and Exchange Board of India (SEBI) issued the Master Circular for Debenture Trustees on September 28, 2026 to provide Debenture Trustees and other market stakeholders access to applicable circulars on the subject at one place. SEBI noted that substantial modifications had been made after issuance of the Master Circular dated August 13, 2025, necessitating a separate Master Circular. With issuance of the new Master Circular, the August 13, 2025 Master Circular stands rescinded. However, actions already taken or purported to have been taken under the rescinded Master Circular are deemed to have been taken under corresponding provisions of the new Master Circular. Pending applications are similarly deemed to have been made under the corresponding provisions of the new circular. The rescission also does not affect the previous operation of the earlier Master Circular, rights, privileges, obligations or liabilities acquired or incurred under it, penalties for violations, or related investigations, legal proceedings or remedies. The Master Circular compiles existing circulars issued as on September 28, 2026, with the stipulations detailed chapter-wise, while Annexure 1 contains the list of existing circulars for Debenture Trustees superseded by it. SEBI issued the Master Circular under Section 11(1) of the Securities and Exchange Board of India Act, 1992 for investor protection and development and regulation of the securities market.

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

https://www.sebi.gov.in/legal/master-circulars/sep-2026/master-circular-for-debenture-trustees_104743.html

MINISTRY OF FINANCE

1. Cabinet approves Commitment of Rs.10,000 Crore towards establishment of the SME Growth Fund for direct equity investments in Small and Medium Enterprises to create future champions.

The Union Cabinet, chaired by Prime Minister Shri Narendra Modi, today approved the Government of India's commitment of Rs.10,000 crore towards the establishment of the SME Growth Fund (SGF) aimed at catalysing growth-oriented capital for India's Small and Medium Enterprises (SMEs) and enabling the emergence of champion Indian enterprises across manufacturing, services, technology, innovation-driven sectors, and strategic value chains as per Para 28 of Union Budget 2026-27. This was in part of the holistic set of announcements that were made in Union Budget 2026-27 focussing on providing equity, liquidity and professional support for the MSME ecosystem as a whole. There are existing funds which provide equity support but majority of them focus on early-stage enterprises and cover majorly Micro enterprises. A structural gap exists for equity growth capital for Small and Medium Enterprises. The landmark initiative reflects the Government's commitment towards realizing the vision of Viksit Bharat 2047 by strengthening India's entrepreneurship ecosystem, deepening the domestic capital market for growth-stage enterprises, and creating a new generation of Indian companies capable of competing at the global level. SMEs constitute the backbone of the Indian economy, contributing significantly to employment generation, exports, manufacturing output, and innovation. While various initiatives have enhanced access to credit for SMEs, a

gap remains in the availability of long-term risk capital required by enterprises seeking to scale, innovate, expand internationally, adopt advanced technologies, undertake acquisitions, and transform into industry leaders. The SME Growth Fund is designed to address this critical financing gap by providing patient growth equity capital to high-potential SMEs with demonstrated business viability and scalability.

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

<https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=2319534®=48&lang=1>

2. Secretary, DFS, Shri Sanjay Lohiya chairs review meeting on progress of Financial Inclusion Schemes with senior executives of Public Sector and Private Sector Banks.

The Secretary, Department of Financial Services (DFS), Ministry of Finance, Sh. Sanjay Lohiya chaired a review meeting with heads of all Public Sector Banks (PSBs) and Executive Directors of major Private Sector Banks (PVBs), in New Delhi today. The review meeting was also attended by senior officials of Department of Financial Services. During the meeting, a detailed review of the progress under various Financial Inclusion schemes including Pradhan Mantri Jan Dhan Yojana (PMJDY), Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), Pradhan Mantri Suraksha Bima Yojana (PMSBY), Atal Pension Yojana (APY), Pradhan Mantri Mudra Yojana (PMMY), Stand Up India, PM Street Vendor's Atma Nirbhar Nidhi (PM SVANidhi), PM Vishwakarma, PM Surya Ghar, KCC, etc. was undertaken. The progress of opening of brick & mortar branches of banks and deployment of BCs in unbanked villages was also reviewed. Secretary, DFS, Sh. Sanjay Lohiya said that while significant progress has been made in deepening financial inclusion in the country through various flagship schemes of the Government, banks should make efforts for further enhancing their digital outreach and focus on end-to end digital processing of loans. Providing working capital loans through channels like credit lines on UPI and credit cards for micro-enterprises (CCME) was also explained. He discussed in detail the progress made by banks under Financial Inclusion. He urged the Private Sector Banks to increase their participation in financial inclusion schemes.

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

<https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=2319696®=48&lang=1>

3. Central Bureau of Narcotics (CBN) conducts Jan Samvad at Malana in Kullu District to create preventive drug awareness and to promote development.

The Central Bureau of Narcotics (CBN), Department of Revenue, Ministry of Finance, Government of India, organised a Jan Samvad at Malana village in Kullu district, Himachal Pradesh, on October 6, 2026, as part of its Preventive Outreach under Yuva Raksha initiatives and efforts towards fulfilling CBN's mandate to promoting alternative development in illicit cannabis cultivation affected areas as per India's National Narcotic Drugs and Psychotropic Substances (NDPS) policy, 2012 and Vision document on Narcotics Control 2026–2029. The initiative is in furtherance of the vision of Prime Minister Shri Narendra Modi for a Nasha Mukta Bharat (Drug-Free India) and seeks to contribute to the objectives of the Nasha Mukta Bharat Abhiyaan through sustained preventive awareness, youth engagement and community participation. Malana village is known for its distinctive cultural heritage, traditional community institutions and its long-standing association with illicit cannabis grown areas. "As part of its Jan Samvad initiative, the Central Bureau of Narcotics (CBN) conducted awareness drives to sensitize rural youth and populations on the harmful impacts of cannabis (ganja), charas, and hashish oil consumption. Concurrently, the CBN actively encouraged villagers to adopt alternative development and cropping systems and sustainable livelihood models supported by the various departments." The discussions also focused on challenges faced by the community in developing alternative livelihoods, including difficulties in Apple cultivation, connectivity, market linkages and fair prices for agricultural produce. Opportunities in apiculture, animal husbandry and dairy-related activities, tourism and other locally suitable livelihood avenues were also discussed.

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

<https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=2320223®=48&lang=1>

4. Recommendations of the 57th Meeting of the GST Council.

The 57th Meeting of the GST Council was held today in New Delhi, under the chairpersonship of the Union Finance & Corporate Affairs Minister Smt. Nirmala Sitharaman. The participants included Chief Ministers of Delhi, Goa, Haryana, Jammu & Kashmir, Karnataka, Kerala, Maharashtra, and Meghalaya; Deputy Chief Ministers of Manipur and Telangana; the Finance Ministers and senior members of States/Union Territories with Legislative Assembly, Secretary, Department of Revenue; Chairman and Members of Central Board of Indirect Taxes & Customs and senior officials of the Ministry of Finance. Next-Gen reforms made as per recommendations of the GST Council in its 56th meeting last year had focussed on rate rationalisation and reduction of rates. In the 57th meeting today, GST Council made recommendations relating to process reforms primarily covering registration, returns, refund and adjudication; clarifications regarding applicability of GST on supply of certain goods and services; and other measures for trade facilitation and streamlining compliances in GST. FAQs are being issued for clarification of doubts. Major recommendations made in the 57th GST Council meeting are as below. As per recommendations of GST Council made in 56th meeting, automatic registrations, without officer intervention, are being granted by the portal under rule 14A of the CGST Rules, 2017, in cases where the applicant does not intend to pass on ITC more than ₹2.5 lakh per month.

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

<https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=2320934®=48&lang=1>

5. NLMC Invites Bids for Monetisation of 5.119-Acre Prime Freehold Land Parcel of HIL (India) Limited in New Delhi.

The National Land Monetization Corporation (NLMC), Department of Public Enterprises (DPE), Ministry of Finance, Government of India, has invited eligible bidders to participate in the e-tender followed by e-auction for the monetisation of a prime freehold land parcel belonging to HIL (India) Limited at Najafgarh Industrial Area, Rohtak Road, Shivaji Marg, New Delhi. This is the third e-auction publicly advertised by NLMC in the last two months, giving a serious thrust on the government land monetisation plans. The approximately 5.119-acre land parcel, measuring around 20,722.93 square metres, is proposed to be offered for outright sale through a transparent and competitive electronic bidding process. NLMC is facilitating the monetisation process on behalf of HIL (India) Limited. The property is located in Najafgarh Industrial Area along Rohtak Road, Shivaji Marg, New Delhi. The property is being offered through an E-Tender followed by E-Auction, providing eligible bidders an opportunity to participate in a structured and transparent asset monetisation process. The reserve price for the property has been fixed at ₹829.69 crore, with a minimum bid increment of ₹1 crore per acre. An EMD of ₹16.60 crore is required to be submitted by eligible bidders as part of the participation process.

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

<https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=2321258®=48&lang=1>

MINISTRY OF CORPORATE AFFAIRS

1. IICA observed 3rd IICA CSR Day on Gandhi Jayanti with a Special Address by the DG & CEO to Participants of the IICA Certified CSR Professional Programme ahead of NCCSR 2026.

The Indian Institute of Corporate Affairs (IICA), under the aegis of the Ministry of Corporate Affairs, Government of India, observed CSR Day recently on the birth anniversary of Mahatma Gandhi. Shri Gyaneshwar Kumar Singh, Director General & CEO, IICA, delivered a Special Address to the Participants of Batch 11 of the IICA Certified CSR Professional Programme. The session, organised virtually by the School of Business Environment, IICA, also served as the curtain-raiser to the 3rd National Conference and Exhibition on Corporate Social Responsibility (NCCSR 2026). The observance draws on a suggestion made by the then Hon'ble President of India, Shri Ram Nath Kovind, at the National CSR Awards in 2019, that 2nd October be dedicated to Corporate Social Responsibility. Rooted in Mahatma Gandhi's philosophy of

trusteeship, IICA CSR Day provides a platform for dialogue, recognition, collaboration and knowledge-sharing on India's evolving CSR ecosystem. Welcoming the DG & CEO, Dr. Garima Dadhich, Head, School of Business Environment and Course Director, said that what the CSR ecosystem needs in greater numbers is trained professionals with the capacity to turn an obligation into an outcome. She emphasised that the programme has been linked with the National Conference as part of its curriculum for this purpose, and informed that NCCSR 2026 has drawn over 550 delegates from across India.

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

<https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=2319348®=48&lang=1>

2. Minister of State for Coal and Mines inaugurates Third National Conference and Exhibition on Corporate Social Responsibility (NCCSR 2026).

Shri Satish Chandra Dubey, Minister of State, Ministry of Coal and Mines, Government of India, inaugurated the Third National Conference and Exhibition on Corporate Social Responsibility (NCCSR 2026), organised by Indian Institute of Corporate Affairs (IICA), under Ministry of Corporate Affairs, in New Delhi. The two-day Conference, scheduled on 6–7 October 2026, was organised around the theme “Re-envisioning the Spirit of CSR for Viksit Bharat: From Compliance to Commitment.” In his Keynote Address, Shri Satish Chandra Dubey, Minister of State for Coal and Mines, emphasised the close relationship between national economic growth, regional development and the well-being of communities in resource-bearing areas. He observed that economic progress acquired its fullest meaning when its benefits were reflected in “stronger communities, wider opportunity and more resilient regions”. He underlined that, for sectors closely connected with natural resources and local communities, growth and social development could not be viewed as separate objectives. On the occasion, he formally released the Comprehensive CSR Framework for Indian Coal Companies, developed to provide sector-specific direction for more structured, need-based and outcome-oriented CSR interventions in the coal sector.

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

<https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=2321729®=48&lang=1>

3. Third National Conference and Exhibition on Corporate Social Responsibility (NCCSR 2026) concludes, calls for stronger governance, convergence and outcome-oriented CSR for Viksit Bharat.

The Indian Institute of Corporate Affairs (IICA), Ministry of Corporate Affairs, Government of India, concluded the Third National Conference and Exhibition on Corporate Social Responsibility (NCCSR 2026) at The Ashok, New Delhi. The two-day Conference, organised by the School of Business Environment, IICA, was held under the theme “Re-envisioning the Spirit of CSR for Viksit Bharat: From Compliance to Commitment.” The Conference concluded with the formal Valedictory Session on “From Compliance to Commitment”, in the presence of Shri Ajit Seth, former Cabinet Secretary, Government of India; Shri Gyaneshwar Kumar Singh, Director General & CEO, IICA; and Prof. Garima Dadhich, Head, School of Business Environment, IICA. The session reviewed the principal issues emerging from the two-day deliberations and reflected on the further strengthening of India's CSR ecosystem through improved governance, institutional coordination, evidence-based planning and greater emphasis on measurable development outcomes. Shri Ajit Seth, former Cabinet Secretary, Government of India, in his Valedictory Address, emphasised that the success of Corporate Social Responsibility should not be judged only by the quantum of expenditure, but by the difference it made to people's lives and to the country's development. He noted that CSR had emerged as a substantial source of development expenditure and observed that the framework had deliberately placed responsibility with company Boards, thereby embedding CSR within the wider evolution of corporate governance and responsible conduct.

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

<https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=2321728®=48&lang=1>

INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

1. NCLT approved 107 resolution plans worth Rs 11,000 crore in Q2.

The National Company Law Tribunal (NCLT) has approved 107 Resolution Plans during the second quarter of Financial Year (FY) 2026–27, recording the highest number of Resolution Plans approved in any quarter since the inception of the Tribunal. An official statement said these involved an aggregate approved plan value of more than Rs 11,000 crore. “This is also the highest number of Resolution Plans approved in any second quarter since the NCLT was established,” the statement said. The NCLT had approved 60 Resolution Plans in the second quarter of FY 2025–26, 57 in FY 2024–25, 82 in FY 2023–24, 47 in FY 2022–23 and 20 in FY 2021–22. Together with 78 Resolution Plans approved during the first quarter of the current financial year, the Tribunal has approved 185 Resolution Plans during the first half of FY 2026–27. The statement said, adding the cumulative number of Resolution Plans approved by the NCLT across its Benches has consequently reached 1,735 as on September-end 2026. The Tribunal has also introduced a new framework for registration and listing of cases, the statement said, adding this is with the objective of bringing greater uniformity in Registry practices and ensuring more systematic preparation of Cause Lists. This provides for appropriate prioritisation of older pending matters, including priority to Insolvency and Bankruptcy Code (IBC) admission matters and applications relating to approval of Resolution Plans.

For more information, you can access the article here:

<https://economictimes.indiatimes.com/news/economy/policy/nclt-approved-107-resolution-plans-worth-rs-11000-crore-in-q2/articleshow/134769391.cms>

2. ED arrests Rakesh Kumar Gupta, chairman of media broadcast company in insolvency-linked case.

The Enforcement Directorate has arrested the chairman of a Delhi-based media and broadcast company in a money laundering case linked to alleged irregularities in the Insolvency and Bankruptcy Code (IBC) processes, officials said on Saturday. Rakesh Kumar Gupta, Chairman of the Sadhna Group, was taken into custody on Friday around 10:25 pm in Delhi under the provisions of the Prevention of Money Laundering Act (PMLA). The 63-year-old was produced by the central agency at the residential camp office of Additional Sessions Judge (Patiala House Courts) Saurabh Pratap Singh Laler in Ghaziabad (Uttar Pradesh) around 2 am on Saturday. The court sent him to five days ED custody. The agency has sought his remand for 7 days. The money laundering case against Gupta and others stems from a September FIR filed by the Economic Offences Wing (EOW) of the Delhi Police. It was alleged in the police complaint that Gupta engineered the insolvency of Sadhna Media Pvt. Ltd. (SMPL) through related creditors holding 99.41 per cent of the Committee of Creditors (CoC) so that Income Tax dues of Rs 110.10 crore were settled for Rs 20 lakh. The other charges against the businessman include receipt of over Rs 2 crore in cash through crypto currency/hawala on the resale of SMPL/Aryan TV. He allegedly led SMPL to pay Rs 4.48 crore to connected creditors, including Rs 2.99 crore to his own company named Sharpline Broadcast. As per the police complaint furnished by the ED to the court in its remand papers, SEBI issued an order in May 2025 calling Gupta the "mastermind" of the "manipulation" of shares of Sadhna Broadcast "jointly and severally liable" for about Rs 58 crore. The ED told the court that the alleged proceeds of crime in this case stand at Rs 168 crore. The defence counsel argued before the court that neither the SEBI nor the Income Tax Department made a complaint against Gupta and that he even obtained a no dues certificate from the tax department. The counsel added that the SEBI imposed a penalty against him which was paid. The court rejected these arguments, saying the action taken by the ED cannot be said to be illegal "merely because there is no complaint by the SEBI or the I-T department."

For more information, you can access the article here:

<https://economictimes.indiatimes.com/news/india/ed-arrests-rakesh-kumar-gupta-chairman-of-media-broadcast-company-in-insolvency-linked-case/articleshow/134849031.cms>

RESERVE BANK OF INDIA

1. Penal Interest on shortfall in CRR and SLR requirements - Change in Bank Rate.

As announced by the RBI in the Monetary Policy Statement, 2026-27 dated October 07, 2026, the Bank Rate is revised upwards by 25 basis points from 5.50 per cent to 5.75 per cent with immediate effect. Accordingly, all penal interest rates on shortfall in CRR and SLR requirements, which are specifically linked to the Bank Rate, also stand revised as under:

Penal Interest Rates which are linked to the Bank Rate

Item	Existing Rate	Revised Rate (With immediate effect)
Penal interest rates on shortfalls in reserve requirements (depending on duration of shortfall)	Bank Rate plus 3.0 percentage points (8.50 per cent) or Bank Rate plus 5.0 percentage points (10.50 per cent)	Bank Rate plus 3.0 percentage points (8.75 per cent) or Bank Rate plus 5.0 percentage points (10.75 per cent)

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

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=13728&Mode=0>

2. Liquidity Adjustment Facility - Change in rates.

As announced in the Monetary Policy Statement dated October 07, 2026, it has been decided by the Monetary Policy Committee (MPC) to increase the policy repo rate under the Liquidity Adjustment Facility (LAF) by 25 basis points from 5.25 per cent to 5.50 per cent with immediate effect. Consequently, the standing deposit facility (SDF) rate and marginal standing facility (MSF) rate stand adjusted to 5.25 per cent and 5.75 per cent respectively, with immediate effect. All other terms and conditions of the extant LAF Scheme will remain unchanged.

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

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=13727&Mode=0>

3. Section 42(1) of the Reserve Bank of India Act, 1934 - Change in Daily Minimum Cash Reserve Maintenance Requirement.

The scheduled banks are allowed to maintain minimum Cash Reserve Ratio (CRR) of not less than 90 percent of the required CRR on all days during the reporting fortnight, in such a manner that the average of CRR maintained daily shall not be less than the CRR prescribed by the Reserve Bank. On a review of the current liquidity conditions, it has been decided to increase the minimum daily maintenance of the CRR from 90 per cent of the requirement to 99 per cent effective from the fortnight beginning October 16, 2026.

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

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=13736&Mode=0>

4. Risk Management and Inter-Bank Dealings.

Master Direction on Risk Management and Inter-Bank Dealings, effective immediately. Authorised Dealers are now prohibited from permitting users to rebook any INR-linked foreign-exchange derivative contract—deliverable or non-deliverable—cancelled after the issuance of the directions, although rollovers at maturity remain permissible subject to the Master Direction. RBI has also reduced, from USD 100 million to USD 5 million equivalent of outstanding notional value, the threshold for both: (i) hedging contracted exposure without establishing the underlying, across all Authorised Dealers; and (ii) taking long or short positions without an underlying across INR currency pairs and recognised stock exchanges. Further, Dealers must obtain and retain a user undertaking confirming that the same contracted exposure has not already been

hedged with another Dealer, disclosing partial hedges booked elsewhere; the Dealer remains responsible for verifying underlying exposure and retaining supporting documents for at least two years.

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

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=13737&Mode=0>

5. Monetary Policy Statement, 2026-27 Resolution of the Monetary Policy Committee October 5 to 7, 2026.

At its 63rd meeting held from October 5 to 7, 2026, the RBI's Monetary Policy Committee unanimously increased the policy repo rate by 25 basis points to 5.50 per cent—the first hike since February 2023—and shifted its stance from “neutral” to “calibrated tightening,” while the SDF rate was set at 5.25 per cent and the MSF and Bank Rate at 5.75 per cent. The decision responds to persistent inflationary pressures, including higher food and fuel prices, rising core inflation, elevated inflation expectations, and global uncertainty arising from the West Asia conflict and tighter global financial conditions. Despite these headwinds, the MPC retained a constructive growth outlook, projecting real GDP growth at 7.1 per cent for 2026-27 and CPI inflation at 5.2 per cent, with quarterly inflation peaking at 6.0 per cent in Q3. The revised stance signals that near-term rate cuts are off the table, with future action limited to a hike or pause depending on growth-inflation dynamics; two members dissented on retaining a neutral stance.

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

https://www.rbi.org.in/scripts/BS_PressReleaseDisplay.aspx?prid=63742

6. Statement on Developmental and Regulatory Policies October 7, 2026.

Measures to Enhance the Customer Convenience through the Account Aggregator Framework

With an objective to enhance customer convenience, it has been decided to implement interoperability among NBFC-Account Aggregators (NBFC-AA). This will enable customers to access and share their financial information, across different Financial Information Providers, through any NBFC-AA of their choice. Additionally, Depositories regulated by the Securities and Exchange Board of India are being facilitated to include information related to bank deposit accounts in their Consolidated Account Statement (CAS) through the NBFC-AAs. This will enable demat account holders to view information relating to their demat account holdings and bank deposit accounts at one place in the CAS. Customers, including those who do not have demat accounts, can continue to obtain a consolidated view of their financial information and share the same through the NBFC - AAs also. Both measures aim to enhance customer convenience and are expected to be implemented by December 31, 2026.

Constitution of a Technical Consultative Committee for Financial Markets

Against the backdrop of rapidly evolving financial markets and infrastructure, the Reserve Bank has decided to constitute a Technical Consultative Committee for Financial Markets. The Committee will serve as a forum for structured engagement with market participants and stakeholders by the Reserve Bank on policy and operational matters related to money, government securities and foreign exchange markets as well as the respective derivative markets and infrastructure. The composition and the terms of reference for the Technical Consultative Committee shall be separately notified.

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

https://www.rbi.org.in/scripts/BS_PressReleaseDisplay.aspx?prid=63743

7. RBI issues Amendment Directions on 'Standardised Approach for Counterparty Credit Risk (SA-CCR)'.

The Reserve Bank of India had issued draft Amendment Directions on the 'Standardised Approach for Counterparty Credit Risk (SA-CCR)' on June 10, 2026, inviting feedback from stakeholders until July 1, 2026. The draft Amendment Directions proposed modifications to the instructions on capital charge for

counterparty credit risk as provided in Master Direction on Forthcoming Instructions for commercial banks. Key revisions included: (i) clarifying the scope of CCR for both banking and trading book exposures, (ii) addressing treatment of multiple margin agreements and multiple netting sets in light of recent legal / regulatory developments, (iii) providing guidance for transactions where a bank acts as a clearing member of SEBI-recognised stock exchanges in the equity derivatives and commodity derivatives segments, (iv) specifying the treatment for deferment of option premium, (v) offering guidance on computing effective notional for options, and (vi) including disclosure templates for SA-CCR. Feedback received on the draft instructions has been examined and consequent modifications have been suitably incorporated in the final Amendment Directions. Statement on the feedback received on the draft instructions. Accordingly, the Reserve Bank has today released the Reserve Bank of India (Commercial Banks – Forthcoming Instructions) Amendment Directions, 2026. These instructions will come into effect from April 1, 2027.

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

https://www.rbi.org.in/scripts/BS_PressReleaseDisplay.aspx?prid=63750

8. RBI Working Paper No. 01/2026: Data Gaps in State-Level Inflation: An Assessment for the Covid Period.

The Reserve Bank of India placed on its website a Working Paper titled, “Data Gaps in State-Level Inflation: An Assessment for the Covid Period” under the Reserve Bank of India Working Paper Series. The paper is co-authored by Purnima Shaw and R. K. Sinha. The collection and compilation of official statistics was affected during the outbreak of Covid-19 pandemic due to the resulting restrictions across the world. In India, imputed price indices for the official inflation were released at the aggregate level for the months of April and May 2020. However, the State-wise official inflation figures remain unavailable for four of the pandemic months viz., April and May 2020 and April and May 2021. In this context, this paper uses RBI’s Inflation Expectations Survey of Households (IESH) granular data to derive State-wise CPI-U inflation estimates for these four pandemic months. The paper describes the importance of IESH, which continued to be conducted bimonthly and disseminated during the pandemic months. Using the distributions of center-wise urban consumers’ inflation perceptions, three months ahead inflation expectations, and past State-wise realized CPI-U inflation figures, the paper derives estimates for the State-wise official inflation pertaining to the specified Covid months. These State-wise inflation estimates when aggregated, closely follow the all-India official CPI inflation series. State-wise inflation data are crucial in the current inflation targeting regime, and therefore, providing estimates for the specific months (for which the official CPI data remains unpublished) can be potentially useful for future research involving State-level inflation time-series data.

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

https://www.rbi.org.in/scripts/BS_PressReleaseDisplay.aspx?prid=63776

9. RBI Announces Regulatory Measures for the Foreign Exchange Market.

In view of the evolving conditions and to ensure orderly functioning of the foreign exchange market, the Reserve Bank of India has today issued two circulars - A.P. (DIR Series) Circular No. 25 and A.P. (DIR Series) Circular No. 26 announcing the following regulatory measures.

- 1. Restrictions on rebooking of cancelled foreign exchange derivative contracts:** Authorised Dealers shall not permit users to rebook any foreign exchange derivative contract involving INR, whether deliverable or non-deliverable, which has been cancelled with any Authorised Dealer after the issuance of the Directions. Rollover of foreign exchange derivative contracts on maturity shall continue to be permitted, subject to compliance with the extant regulatory provisions.
- 2. Reduction in the threshold for undertaking foreign exchange derivative transactions without establishing underlying exposure:** The existing threshold of USD 100 million equivalent for undertaking foreign exchange derivative transactions to hedge contracted exposures without establishing the existence of the underlying exposure has been reduced to USD 5 million equivalent, across all Authorised Dealers. The corresponding threshold for taking positions in exchange-traded

currency derivatives involving INR, without establishing the existence of underlying exposure, has also been reduced from USD 100 million to USD 5 million equivalent, across all Recognised Stock Exchanges taken together.

3. **Additional documentation for verification of underlying exposures:** Authorised Dealers will be required to obtain and retain an undertaking from users entering into foreign exchange derivative contracts involving INR to hedge contracted exposures, confirming that the same underlying exposure has not been hedged with any other Authorised Dealer.
4. **Introduction of Foreign Exchange Risk Reserve (FERR):** In respect of all foreign exchange derivative contracts involving INR that are for notional value exceeding USD two million equivalent, Authorised Dealers shall be required to maintain with the Reserve Bank an FERR in cash, equal to 20 per cent of the INR equivalent of the notional amount of each transaction. This FERR shall be applicable for foreign exchange derivative contracts involving INR undertaken to hedge current account exposures where the user purchases foreign currency against the INR.

The above measures are intended to strengthen market discipline and ensure appropriate risk management in the foreign exchange market, while maintaining an orderly and transparent market environment.

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

https://www.rbi.org.in/scripts/BS_PressReleaseDisplay.aspx?prid=63783

You may send your suggestions at niyati@asalegal.in

Disclaimer:

The content in this mail is offered only as updates in Financial, Capital Market, Corporate etc. sectors. This mail should not be used as a substitute for obtaining legal advice from an attorney licensed or authorized to practice in your jurisdiction. Nothing in this mail is intended to create an attorney-client relationship and nothing posted constitutes legal advice.

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, Kalapuram Complex,
Near Municipal Market,
C.G. Road, Navrangpura,
Ahmedabad-380009.
Phone: +91-079-66660888,
+91-9173660088