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MARCH 2026

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Reserve Bank of India Imposes Fine on Mahindra & Mahindra Financial Services for Regulatory Violations

- The **Reserve Bank of India (RBI)** imposed a **monetary penalty of ₹11.50 lakh** on **Mahindra & Mahindra Financial Services Limited (MMFSL)** for **regulatory non-compliances** observed during its annual inspection with reference to the financial position as on **31 March 2025 (FY25).**
- The penalty was imposed under **Section 58G(1)(b)** read with **Section 58B(5)(aa)** of the **RBI Act, 1934.**
- The **RBI** found that **MMFSL** violated the **Fair Practices Code** by charging **revised foreclosure fees** on certain loan accounts without including the **required terms and conditions** in the **loan agreements**.
- The **RBI** also observed deficiencies in the **grievance redressal system**, where **customer complaints** were not escalated to the **Internal Ombudsman** within the **mandated timelines.**
- In some cases, **final decisions on complaints** were communicated to customers later than the **period prescribed** by **RBI regulations.**
- These **irregularities** were detected during the **RBI inspection**, after which a **show-cause notice** was issued to **MMFSL** before imposing the penalty.

About RBI :

- Established : 1 April 1935
- Headquarters : Mumbai, Maharashtra
- Governor : Sanjay Malhotra

Reserve Bank of India Allows NUCFDC to Function as Umbrella Organisation for Urban Co-operative Banks

- The **Reserve Bank of India (RBI)** issued the **NBFC–Miscellaneous Amendment Directions, 2026** to support the functioning of the **National Urban Co-operative Finance and Development Corporation Ltd. (NUCFDC)** as the **Umbrella Organisation (UO)** for **Urban Co-operative Banks (UCBs).**
- **NUCFDC's core mandate** is to strengthen the **UCB sector** by providing **liquidity support**, **technology services**, **capacity building**, and other **fund-based and non-fund-based services.**
- **NUCFDC** aims to onboard over **1,400 UCBs** as members; however, the **Companies Act, 2013** limits **private placement offers** to **200 persons** per financial year, creating a **regulatory bottleneck.**
- Under the **new RBI amendment**, **NUCFDC** is now permitted to make **private placement of equity shares** to **more than 200 persons** per financial year, specifically targeting **UCBs** and the **National Co-operative Development Corporation (NCDC).**
- These **special provisions** will remain effective until **31 March 2029**, unless modified, withdrawn, or extended by the **RBI.**

Reserve Bank of India Introduces New Rules to Strengthen Customer Protection in Digital Banking Transactions

- The **Reserve Bank of India (RBI)** issued the **RBI (Commercial Banks – Responsible Business Conduct) Third Amendment Directions, 2026** to strengthen **customer protection** in electronic banking transactions effective from **1 July 2026** under the **Banking Regulation Act, 1949.**
- The rules protect customers from **fraud** across **digital banking channels** including **UPI payments**, **internet banking**, **mobile banking**, **debit/credit cards**, and **ATM transactions.**

Key Highlights :

- Banks must send **mandatory SMS alerts** for all electronic transactions **above ₹500** to improve **fraud awareness** and transaction monitoring.
- Customers will receive **zero liability protection** and **transaction reversal** if fraud occurs due to **bank negligence**, even if the customer does not report the fraud immediately.
- In cases of **third-party breaches**, banks will be liable if the customer reports fraud within **5 calendar days** of the incident.
- Banks must **resolve fraud-related complaints** within **30 days** of receiving the complaint.
- Victims of fraud **up to ₹50,000** may receive **85% compensation** of net loss (maximum **₹25,000**) if conditions are satisfied.
- **Compensation** is provided only if the bank confirms the complaint as **genuine (bona fide)** through internal investigation.
- **Compensation funding** will be shared as **65% by RBI**, **10% by customer's bank**, and **10% by beneficiary bank.**
- The rules apply to **commercial banks**, excluding **small finance banks**, **payments banks**, **regional rural banks**, and **local area banks.**
- **Electronic banking transactions** include payments through **internet banking**, **mobile banking**, **cards**, and other **electronic fund transfer systems** under the **Payment and Settlement Systems Act, 2007**.
- **Authorised transactions** include those performed using **OTP**, **PIN**, **passwords**, **CVV**, or **authentication challenge responses**.
- **Fraudulent transactions** include those executed using **stolen credentials**, **coercion**, or **scam-based deception** where customers are tricked into transferring money.
- **Bank negligence** includes failure to maintain **secure systems**, not sending **fraud alerts**, or not providing **fraud reporting mechanisms**.
- **Customer negligence** includes sharing **passwords/OTPs**, ignoring **fraud warnings**, or installing **malicious applications**.
- **Third-party breaches** involve deficiencies from **intermediaries** such as **Payment Aggregators (PA)**, **Payment Gateways (PG), Telecom Service Providers (TSP)**, and **Third Party Application Providers (TPAP).**
- Customers must immediately **report fraud** to the bank and also file complaints through the **National Cyber Crime Reporting Portal** or **Cyber Crime Helpline (1930)**.
- The reform strengthens **digital financial security**, **customer liability protection**, and **responsible banking practices** in India's financial ecosystem.

Reserve Bank of India Issues 2026 Prudential Norms to Regulate Dividend Declaration by Commercial Banks

- The **Reserve Bank of India (RBI)** issued the **RBI (Commercial Banks – Prudential Norms on Declaration of Dividend and Remittance of Profits) Directions, 2026** to regulate how **commercial banks** declare dividends.
- The **RBI** repealed the **2025 dividend framework** and introduced **revised prudential norms**, which will come into effect from the **Financial Year 2026–27 (FY27)**.
- Under the **new dividend payout rules**, the **maximum dividend payout** for banks incorporated in India is **capped at 75%** of the **Profit After Tax (PAT)** for the financial year.
- Earlier, **dividend declaration** was mainly linked to the **Capital to Risk-Weighted Assets Ratio (CRAR)** and the level of **Net Non-Performing Assets (NPAs)**.

- Under the **revised RBI guidelines**, dividend declaration will now be **primarily linked** to the **Common Equity Tier 1 (CET-1) ratio**, which measures the **core capital strength** of banks.
- According to the **new prudential norms**, banks with a **CET-1 ratio of 8% or below** are **not allowed to declare any dividend**.
- The **revised framework** aims to **strengthen capital adequacy**, ensure **financial stability**, and promote **prudent profit distribution** among commercial banks.

Reserve Bank of India Cancels Registration of 36 Non-Banking Financial Companies, 9 Others Surrender Licences Voluntarily

- The **Reserve Bank of India (RBI)** cancelled the **Certificate of Registration (CoR)** of **36 Non-Banking Financial Companies (NBFCs)** between **16 and 24 February 2026**.
- The cancellation **prohibits** these NBFCs from conducting **NBFC activities** under the **Reserve Bank of India Act, 1934**.
- Some key **NBFCs** affected by cancellation include **Excellence Broking & Finance Private Limited**, **Jibralter Traders Ltd**, **Bahubali Leasing Limited**, and **Wintech Telecom Pvt Ltd**.
- **Nine NBFCs** voluntarily **surrendered** their licences due to **business exits**, **structural changes**, **mergers**, or **dissolution**.
- Companies that **surrendered CoR** after exiting the **NBFC business** include **KKR India Asset Finance Pvt Ltd**, **Manglam Vanijya Pvt Ltd**, and **Mechno Sales Agencies Pvt Ltd**.
- **Premier Ferro Alloys & Securities Ltd** surrendered its licence after meeting the criteria of an **unregistered Core Investment Company (CIC)**, which does not require **RBI registration**.
- Five entities—**Unicon Suppliers Pvt Ltd**, **Atreyi Vincom Pvt Ltd**, **Hanuman Forging and Engineering Pvt Ltd**, **Upwards Capital Pvt Ltd**, and **Samuk Holding Pvt Ltd**—surrendered their licences due to **amalgamation, merger, dissolution, or voluntary strike-off.**
- These actions are part of **RBI's regulatory measures** to ensure **compliance**, **financial stability**, and **orderly exit** of **non-operational or defunct NBFCs.**

Reserve Bank of India Updates Counterparty Credit Risk Framework for Banks to Align with Basel Standards

- The **Reserve Bank of India (RBI)** issued the **RBI (Commercial Banks – Prudential Norms on Capital Adequacy) Third Amendment Directions, 2026**, revising the **capital adequacy framework** for **commercial banks.**
- The **amendment** provides clearer guidelines for **calculating and maintaining capital** to cover **Counterparty Credit Risk (CCR)**
- **Compliance Levels**: Banks must comply with **capital adequacy ratio (CAR)** requirements at both the **standalone level** and **consolidated level.**
- **Consolidated Computation**: For capital requirement on a consolidated basis, banks must include the **CCR exposures** of all entities under **Basel III framework**.
- **Counterparty Credit Risk (CCR)**: **CCR** is the risk that the other party in a financial transaction (such as **derivatives or swaps**) may **default before settlement**.
- **Add-on Factors**: The amendment revises the table of **add-on factors** used to calculate **Potential Future Exposure (PFE)** for **derivative contracts.**
- **Impact on Derivatives**: The revised framework **lowers capital add-ons** for **interest rate** and **foreign exchange contracts**, while **increasing add-ons** for some **long-dated equity and commodity swaps**, potentially affecting activity in those segments.
- **Clearing Members**: The rules clarify **capital treatment** for banks acting as **clearing members** on **SEBI-recognised exchanges** in **equity and commodity derivatives**
- **Alignment with Global Standards**: Changes bring **CCR measurement** and **capital treatment** broadly in line with **Basel Committee on Banking Supervision (BCBS)**

Reserve Bank of India Launches 'Awareness Program on Digital Payments' During Digital Payments Awareness Week 2026, Engages with Payment Systems Operators

- The **Reserve Bank of India (RBI)** is observing the **6th edition** of **Digital Payments Awareness Week (DPAW)** from **March 9–13, 2026** to promote **safe digital payment usage**.
- **Governor Sanjay Malhotra** launched a **pilot initiative** titled **"Awareness Program on Digital Payments"** in **Maharashtra** in partnership with **CSC e-Governance Services India Limited**.
- The **pilot** aims to conduct **in-person awareness programmes** for about **10 lakh participants** in **rural and semi-urban areas** through **Village Level Entrepreneurs (VLEs)**.
- **RBI** also launched a **multi-media public awareness campaign** called **"Thoda Dhyan Se"**, encouraging users to be **alert and cautious** while making **online payments**.
- The initiative emphasizes **trust in digital payments** and aims to enhance **customer awareness and protection**.
- **Deputy Governors T Rabi Sankar, Dr Poonam Gupta, and S C Murmu** along with other senior **RBI officers** attended the launch event.
- **Governor Malhotra** interacted with **Managing Directors/CEOs** of select **Payment Systems Operators (PSOs)** to discuss **strengthening public confidence** in **digital payments adoption**.

Reserve Bank of India Imposes ₹2.70 Lakh Penalty on Manappuram Finance for Regulatory Non-Compliance

- The **Reserve Bank of India (RBI)** imposed a **monetary penalty of ₹2.70 lakh** on **Manappuram Finance Limited** for **non-compliance** with **RBI guidelines**.
- The penalty pertains to violation of **RBI directions** on **"Guidelines on Compensation of Key Managerial Personnel – Deferral of Variable Pay."**
- **RBI** found that **Manappuram Finance Ltd** paid the **entire variable pay upfront** to certain **Key Managerial Personnel (KMPs)** without **deferring a portion**, which was against **regulatory guidelines**.
- The **statutory inspection** of the company was conducted by **RBI** with reference to its **financial position** as on **31 March 2025**.
- The penalty was imposed under the powers of **RBI** conferred by **Section 58G(1)(b)** read with **Section 58B(5)(aa)** of the **RBI Act, 1934**.
- **RBI** issued a **show cause notice** to the company, considered its reply and **oral submissions**, and found the charge sustained, warranting **monetary penalty**.
- The action was based on **regulatory compliance deficiencies** and does not affect the **validity of any transaction** with customers.
- The imposition of the penalty is **without prejudice** to any other action that **RBI** may take against the company.
- **Manappuram Finance Limited** is an **Indian non-banking financial company (NBFC)** headquartered in **Valapad, Thrissur, Kerala**.

Reserve Bank of India Honoured with 'Initiative of the Year' Award for Launching '.bank.in' Domain

- The **Reserve Bank of India** won the **'Initiative of the Year'** award from **Central Banking** at the **13th annual Central Banking Awards** for its innovative **'.bank.in' domain rollout initiative**.
- The **'.bank.in' domain** was launched in **February 2025** to combat rising **cyber frauds** and enhance **security** in **India's digital financial ecosystem**.

- Only **RBI-licensed banks** are allowed to use the **exclusive and secure domain**, making **India the first country in the world** to mandate a **dedicated banking internet domain**.
- The **Institute for Development and Research on Banking Technology (IDRBT)** was appointed as the **sole registrar** for the **.bank.in domain rollout**.
- **Banks** were required to transition their **net banking websites** to the **.bank.in domain** by **October 31, 2025**, following a **phase-wise rollout plan**.
- The initiative aims to tackle **phishing attacks** and **fake banking domains**, which have increased due to the rapid growth of **digital payments** and **online banking** in India.
- Other winners at the **Central Banking Awards** included the **Central Bank of Colombia** for **Bre-B** (**federated retail payments system**), the **National Bank of Ethiopia** for **wholesale payment services development**, and the **Bank of Namibia** for its **artificial intelligence initiative**.
- The rollout of **.bank.in domain** strengthens **cybersecurity**, **trust in digital banking**, and protects consumers from **online financial frauds**.

Reserve Bank of India Compounds FEMA Violations by Metrocorp Infrastructure, Ending Directorate of Enforcement Proceedings

- The **Reserve Bank of India (RBI)** has **compounded FEMA violations** by **Metrocorp Infrastructure Limited**, resulting in the **termination of adjudication proceedings** initiated by the **Directorate of Enforcement (ED)**.
- The **violations** were related to **non-compliance** under the **Foreign Exchange Management Act, 1999 (FEMA)**, specifically **delays in reporting foreign inward remittances**.
- The **compounding order** was issued on **February 10, 2026**, after **RBI** received a **"No Objection" from ED**, allowing the matter to be **settled**.
- **RBI** imposed a **penalty of ₹1,03,320** under **Section 15 of FEMA**, which was paid by **Metrocorp Infrastructure Ltd** to **close the case**.
- The action demonstrates **RBI's authority** to **compound violations** under **FEMA** and provides a **mechanism for settlement** without **prolonged legal proceedings**.

Reserve Bank of India Revises Capital Adequacy Framework for Banks to Strengthen CCR Risk Management

- The **Reserve Bank of India (RBI)** amended its **capital adequacy framework** for commercial banks, providing clearer guidelines on **calculating and maintaining capital** against **Counterparty Credit Risk (CCR) exposures**.
- The **amendment** was issued under **Section 35A** of the **Banking Regulation Act, 1949** and became effective immediately on **March 10, 2026**.
- **Banks** must include **CCR exposures** of **all consolidated entities** while computing **capital requirements**.
- Under the **updated framework**, **equity contracts** carry **add-on factors** of **6%** for up to one year, **8%** for one to five years, and **10%** for over five years.
- **Precious metals (excluding gold)** attract **7%, 7%, and 8%** across the respective maturity bands, while **other commodities** are pegged at **10%, 12%, and 15%**.
- **Banks** acting as **clearing members** of **SEBI-recognised stock exchanges** in equity and commodity derivatives must compute and maintain a **capital charge for CCR**.
- A **bank** acting as a **clearing member** of a **Qualified Central Counterparty (QCCP)** must apply a **2% risk weight** on its **trade exposure**.
- The **2% risk weight** also applies when a **bank is liable to reimburse clients** in case of **QCCP default**.

Reserve Bank of India Holds 622nd Central Board Meeting in Patna Under Governor Sanjay Malhotra

- The **622nd meeting** of the **Central Board of Directors** of **Reserve Bank of India (RBI)** was held in **Patna** under the **Chairmanship** of **Governor Sanjay Malhotra**.
- The **Board** assessed the **emerging global and domestic economic scenario**, including **evolving geopolitical developments** and their **impact on financial markets**.
- During the meeting, the **Board approved** the **RBI's budget** for the **accounting year 2026-27**.
- The **Board** also approved the **Medium Term Strategy Framework (Utkarsh 3.0)** for the period **2026-29**.
- **Deputy Governors Shri T. Rabi Sankar**, **Shri Swaminathan J.**, **Dr. Poonam Gupta**, and **Shri Shirish Chandra Murmu** attended the meeting.
- Other **Directors** of the **Central Board** present included **Anuradha Thakur**, **Smt. Revathy Iyer**, **Prof. Sachin Chaturvedi**, and **Dr. Ravindra H. Dholakia**.
- The **discussions** focused on **associated challenges** arising from the **global and domestic economic environment** and **geopolitical developments**.

Reserve Bank of India Imposes ₹3.10 Lakh Penalty on Cashfree Payments for Violating PA & PG Guidelines

- The **Reserve Bank of India (RBI)** imposed a **monetary penalty of ₹3.10 lakh** on **Cashfree Payments India Private Limited** for **non-compliance** with **RBI guidelines** on **Payment Aggregators (PAs)** and **Payment Gateways (PGs)**.
- The **penalty** was issued under the **Payment and Settlement Systems Act, 2007**, specifically under **Section 30(1)** read with **Section 26(6)**.
- The action followed a **statutory inspection** covering the company's operations from **April 2024 to June 2025**, which revealed **regulatory deficiencies**.
- **RBI** issued a **show-cause notice** to the company, and after considering the company's reply and additional submissions, it sustained the **charge** related to **impermissible debits from the escrow account**, warranting the **penalty**.
- The **penalty** is strictly for **regulatory non-compliance** and **does not affect customer transactions**.
- **Further action** may be initiated by **RBI** against the company **without prejudice** to the **penalty imposed**.
- This **enforcement** highlights the **importance of compliance** with **RBI directions** for **Payment Aggregators** and **Payment Gateways**.

Reserve Bank of India and Government Tighten Rules to Curb Illegal Digital Lending Apps

- The **Reserve Bank of India (RBI)** constituted a **Working Group on Digital Lending**, covering loans through **Online Platforms** and **Mobile Apps**.
- Based on the **Working Group's recommendations**, **RBI issued regulatory guidelines** on **digital lending** to strengthen the **regulatory framework**, enhance **customer protection**, and ensure a **safe digital lending ecosystem**.

Key Highlights :

- All **Regulated Entities (REs)** must **comply** with these **digital lending guidelines**, with **supervisory checks** conducted on a sample basis, and **enforcement action** initiated for **non-compliance**.
- **RBI launched** the **Digital Lending Apps (DLA) directory** on **July 1, 2025**, allowing users to **verify authorized digital lending apps** linked to **REs**.
- The **Ministry of Electronics and Information Technology (MeitY)** can **block fraudulent loan apps** under **Section 69A of IT Act, 2000**, following due process under the **IT Rules, 2009**.
- The **Indian Cyber Crime Coordination Centre (I4C)**, **Ministry of Home Affairs (MHA)** proactively monitors **digital lending apps** and launched a **National Cybercrime Reporting Portal** and a **helpline number 1930** for reporting **illegal apps**.
- The **SACHET portal** and **State Level Coordination Committees (SLCCs)** facilitate citizens in **lodging complaints** against entities involved in **illegal deposit or collection of money**.
- **RBI and banks** conduct **awareness campaigns** via SMS, radio, and publicity on **cybercrime prevention**, including **illegal loan apps**, and run **e-BAAT programmes** for **electronic banking awareness** and **fraud prevention**.
- **Internet intermediaries** are instructed to implement **technology-driven vetting** and **real-time enforcement** to detect and prevent **malicious advertisements** of **illegal loan apps**, including those originating **offshore**.
- **Police and Public Order** are **State subjects**, and **States/UTs** are primarily responsible for **prevention, investigation, and prosecution** of crimes, with the **Central Government** providing **advisories and financial support**.
- These **initiatives** collectively aim to **protect citizens** from **exploitation** by **unauthorized mobile loan apps** while ensuring **compliance, transparency, and accountability** in the **digital lending ecosystem**.

Reserve Bank of India Revises Prudential Guidelines Linking Bank Dividend Payouts to CET1 Capital Ratios

- The **Reserve Bank of India (RBI)** issued **revised prudential directions** linking **dividend payouts** by **commercial banks** to their **CET1 (Common Equity Tier 1)** capital ratios, replacing guidelines issued in **November 2025**.
- The new framework is titled **"RBI (Commercial Banks – Prudential Norms on Declaration of Dividend and Remittances of Profits) Directions, 2026"**, which will take effect from **April 1, 2027**.
- These directions apply to **commercial banks**, including **SBI and foreign banks** operating in branch mode, but **exclude SFBs, LABs, Payments Banks, and RRBs**.
- Under the **revised rules**, **dividend payouts** are structured across **10 capital-ratio buckets** based on the **CET1 ratio**.
- Banks with a **CET1 ratio at or below 8%** are **barred** from paying any **dividend**.
- Banks with **CET1 ratio above 20%** may pay up to **100% of their adjusted profit after tax (PAT)**, subject to overall limits.
- **Total dividend payout** is capped at **75% of PAT**, irrespective of the **CET1 bucket**.
- Banks are required to **report dividend or remittance details** within **15 days** to the **RBI's Department of Supervision**.

Reserve Bank of India Imposes ₹31.80 Lakh Penalty on HSBC for Regulatory Non-Compliance

- The **Reserve Bank of India (RBI)** imposed a **monetary penalty of ₹31.80 lakh** on **The Hongkong and Shanghai Banking Corporation Limited (HSBC)** for **non-compliance** with its directions.
- The penalty was levied due to non-compliance with RBI directions on **"Inoperative Accounts / Unclaimed Deposits in Banks – Revised Instructions."**
- **HSBC** failed to maintain a **searchable database of unclaimed deposits** on its website and did not assign **Unclaimed Deposits Reference Numbers (UDRN)** to certain deposits transferred to the **Depositor Education and Awareness (DEA) Fund**.
- The penalty was imposed under the powers of **Section 47 A(1)(c)** read with **Section 46(4)(i)** of the **Banking Regulation Act, 1949**.
- The **supervisory inspection** by RBI referenced the bank's **financial position as on March 31, 2025**.
- The bank was issued a **show-cause notice** and provided opportunities to make **submissions and personal hearings** before the penalty was confirmed.
- The **penalty imposition** is without prejudice to any **further action** that RBI may initiate against the bank.
- **HSBC**, formerly known as **HongkongBank**, is the **Hong Kong–based Asia-Pacific subsidiary** of the HSBC banking group.

Reserve Bank of India, Insurance Regulatory and Development Authority of India and Securities and Exchange Board of India Strengthen Frameworks to Facilitate Claiming of Unclaimed Financial Assets

- As on **February, 2026**, the total **unclaimed amount** transferred by **Public Sector Banks (PSBs)** to the **Depositor Education and Awareness (DEA) Fund** of **RBI** is **₹60,518 crore**, while the **unclaimed insurance amount** with insurers is **₹8,973.89 crore**, and the value of **unclaimed amounts in mutual funds** under **SEBI regulations** is **₹3,749.34 crore**.

Key Highlights :

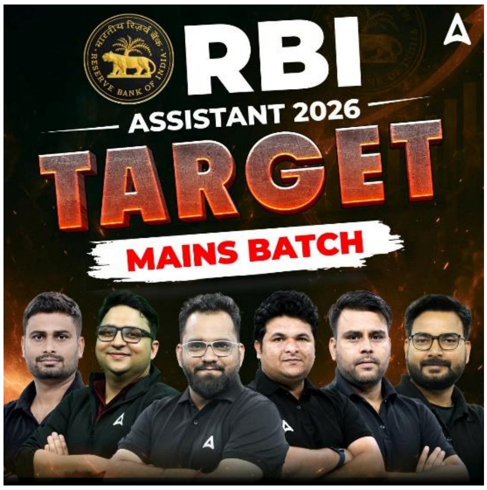
- The **Financial Sector Regulators – Reserve Bank of India (RBI), Insurance Regulatory and Development Authority of India (IRDAI), and Securities and Exchange Board of India (SEBI)** have undertaken measures to **identify rightful claimants**, reduce existing **unclaimed assets**, prevent fresh accretion, and **simplify the claim process** for citizens.
- **RBI** has issued consolidated **RBI Responsible Business Conduction Directions, 2025** for **settlement of claims** for deceased customers of banks.
- An **incentive scheme** effective from **1.10.2025** provides a **payout of 5%–7.5%** of the unclaimed deposit amount (subject to a cap) for **successful settlement of claims**.
- **Banks** are advised to conduct **periodic drives** to trace depositors, nominees, or legal heirs, publish **lists of unclaimed deposits**, and run **awareness campaigns**.
- The **Banking Laws (Amendment) Act, 2025** allows **multiple nominations** in bank accounts, including **successive and simultaneous nominations** up to **four**.
- The **Indian Banks' Association (IBA)** has introduced a **Common Application Form** and **SOP** for settlement of unclaimed deposits through a **dedicated portal** of banks.
- **IRDAI** mandates collection of **proposer and nominee details** at the proposal stage and advises insurers to regularly contact customers, **trace rightful recipients**, and ensure **efficient disbursement**.

- **IRDAI** provides **SOPs, FAQs, and awareness videos** on its official website for citizen guidance.
- **SEBI** has **simplified mutual fund transmission procedures**, promoted nomination, allowed **simplified documentation** for claims up to **₹5 lakh**, and provided detailed guidelines and forms on the **Association of Mutual Funds in India (AMFI)**
- **SEBI's Master Circular on Mutual Funds (27.6.2024)** requires **AMCs** to implement **image-based processing** for nominee/joint holder claims, and to maintain a **dedicated help desk and webpage** to assist investors.
- The **Department of Financial Services** conducted the **"आपकी पूँजी, आपका अधिकार – Your Money, Your Right"** campaign during October–December 2025, in coordination with **RBI, SEBI, and IRDAI**.
- During the campaign, **special camps in 748 districts** resulted in **₹5,777 crore** being **restituted** to **22.95 lakh rightful claimants** as on 28.2.2026.
- Under the **DEA Fund Scheme, 2014**, banks must transfer credit balances in accounts **inactive for 10 years or more** to the **DEA Fund**, which forms part of **Contingent Liability** of the banks.
- **RBI** developed the **UDGAM portal (Unclaimed Deposits – Gateway to Access InforMation)**, which allows users to **search unclaimed deposits/accounts** across multiple banks, with **18.86 lakh registered users** as on 1.3.2026.
- **IRDAI's Bima Bharosa portal** and **SEBI's MITRA platform** have been developed for tracing **unclaimed insurance proceeds** and **mutual fund amounts**, respectively.
- **RBI** has constituted an **Inter-Regulatory Working Group** to develop a **single integrated web portal** for citizens to search and claim **unclaimed financial assets.**

About IRDAI:
- Headquarters (HQ): Hyderabad, Telangana, India
- Chairperson:Ajay Seth
- Founded: 1999

Reserve Bank of India and National Bank for Agriculture and Rural Development Enhance Oversight and Governance Framework for Cooperative Banks
- The **regulatory and supervisory framework** of **Reserve Bank of India (RBI) and National Bank for Agriculture and Rural Development (NABARD)** ensures that **cooperative banks** operate with **financial transparency.**
- The **Banking Regulation Act** has been amended to **limit the term of Board of Directors** of cooperative banks (excluding Chairperson and Whole-time directors) to a **maximum of 10 consecutive years.**
- The **Multi-State Cooperative Societies (MSCS) Act, 2002** was amended to include the appointment of a **Cooperative Ombudsman** to address complaints or appeals from members regarding **deposits, equitable benefits, or individual rights.**
- A **Cooperative Election Authority** has been established to **strengthen governance and accountability** by conducting free and fair elections in all **Multi-State Cooperative Societies.**
- **RBI** issued the **Master Direction on Fraud Management** for Cooperative Banks in **2024**, providing guidelines on **fraud reporting**, principles of natural justice, governance, **early warning mechanisms**, staff accountability, third-party responsibility, and the **role of auditors.**
- **RBI's Prompt Corrective Action (PCA) Framework** mandates identified cooperative banks to implement **remedial measures timely** to restore **financial health** and protect **depositors' interests.**
- **NABARD's Turn Around Plan (TAP)** aims to improve financial performance and reduce losses in **State Cooperative Banks (StCBs)** and **District Central Cooperative Banks (DCCBs)** through **financial monitoring, business diversification**, governance, cost rationalization, HR development, technology adoption, and **financial inclusion.**

- **RBI** provides **Deposit Insurance** through **DICGC**, covering all types of deposits (principal & interest) up to **₹5,00,000 per depositor** in cooperative banks.
- **RBI** has issued guidelines for **Risk Based Internal Audit (RBIA)** systems in **Urban Cooperative Banks** to strengthen **internal controls and risk management**.



Recent News :

- **National Bank for Agriculture and Rural Development (NABARD)** launched the **"National Climate Stack Innovation Challenge"** in collaboration with Gates Foundation and Dalberg Advisors to strengthen climate intelligence and resilience in rural India.

About NABARD:

- It is an All India Development Financial Institution (DFI) and an apex Supervisory Body for overall supervision of Regional Rural Banks, State Cooperative Banks and District Central Cooperative Banks in India.
- Headquarters: Mumbai, Maharashtra
- Founded: July 12, 1982 by the Government of India
- Chairman: Shaji K V

Reserve Bank of India Announces Schedule of Monetary Policy Committee Meetings for FY 2026-2027

- The **Reserve Bank of India (RBI)** announced the **Monetary Policy Committee (MPC)** meeting schedule for **FY 2026-2027**, with the **first meeting on April 6-8, 2026**, and the final meeting on **February 3-5, 2027**.
- The **second MPC meeting** will be held on **June 3-5, 2026**, the **third on August 3-5, 2026**, and the **fourth on October 5-7, 2026**.
- The **RBI Act, 1934**, was amended by the **Finance Act, 2016**, providing a **statutory framework** for the **MPC**.
- Under **Section 45ZB**, the **Central Government** constitutes a **six-member MPC**, responsible for fixing the **benchmark policy rate (repo rate)** to contain **inflation** within the specified target.
- **Current MPC members** include: **Governor of RBI – Sanjay Malhotra** (Chairperson, ex officio), **Deputy Governor – Poonam Gupta**, **Executive Director – Indranil Bhattacharyya**, **Ram Singh**, **Saugata Bhattacharya**, and **Nagesh Kumar**, with a **term of four years**.
- The **MPC** is required to meet **at least four times a year**, with a **quorum of four members**, and each member has **one vote**, while the **Governor has a casting vote** in case of equality.
- Key **instruments of monetary policy** include:
- **Repo Rate (5.25%)** – rate at which **RBI provides liquidity** under **Liquidity Adjustment Facility (LAF)** against approved securities.
- **Standing Deposit Facility (SDF) Rate (5.00%)** – rate at which **RBI accepts uncollateralised deposits** overnight, **25 bps below repo rate**.
- **Marginal Standing Facility (MSF) Rate (5.50%) – penal rate** for banks to borrow overnight funds from RBI against government securities, **25 bps above repo rate**.
- **Liquidity Adjustment Facility (LAF) Rate (5.25%)** – tool to **inject or absorb liquidity** into the banking system.
- **Reverse Repo Rate** – rate at which **RBI absorbs liquidity** from banks against eligible government securities.
- **Bank Rate (5.50%)** – also known as the **discount rate**, used by commercial banks for borrowing from RBI.

- **Cash Reserve Ratio (CRR) (3.00%)** – mandatory **daily balance** maintained with **RBI** as a **% of Net Demand and Time Liabilities (NDTL)**.
- **Statutory Liquidity Ratio (SLR) (18.00%)** – mandatory **reserve requirement** maintained by banks in **liquid assets** like cash, gold, or approved government securities before offering credit.

Reserve Bank of India Revises Guidelines to Limit Liability in Unauthorised Electronic Banking Transactions

- The **Reserve Bank of India (RBI)** issued instructions in **2017** on **limiting customer liability** in **unauthorised electronic banking transactions**.
- In view of rapid adoption of technology in banking and payments, **RBI reviewed its instructions** and issued **revised instructions**, including a **compensation mechanism** for small value **fraudulent transactions**, for public/stakeholder consultation.

Key Highlights :

- The **Indian Digital Payment Intelligence Corporation (IDPIC)** was incorporated as a **Section 8 company** under the **Companies Act, 2013**.
- The primary mandate of **IDPIC** is to **detect, prevent, and analyse fraud** in India's **digital payments ecosystem** in **real time** using **Artificial Intelligence (AI), Machine Learning (ML), and Big Data Analytics**.
- The Government is constantly engaging with **RBI** and other regulators to **curb misuse of mule accounts** for **cyber frauds** across the country.
- **RBI** rolled out **"MuleHunter.AI"**, an **AI/ML-based solution** for **mule account detection**, which is currently live in **26 banks** and is being scaled up further.
- **RBI advisories** guide banks to adopt **robust systems and controls** to prevent and detect **cyber-enabled frauds** and suspected **money mules**.
- Banks are advised to deploy **real-time transaction monitoring software**, use **AI/ML tools** to detect suspicious and fraudulent patterns, and apply **network analytics** to identify **mule networks**.
- The **Centre for Financial Literacy (CFL)** project has been run by **RBI since 2017** to adopt **community-led participatory approaches** to financial literacy, with **2,421 CFLs** set up as of **March 31, 2025**, each covering **three blocks**.
- **Financial Literacy Week (FLW)** has been conducted every year since **2016** to promote **financial education** across India.
- **RBI's** multi-media and multilingual **public awareness campaign "RBI Kehta Hai"** educates citizens about **safe banking practices**.
- **Securities and Exchange Board of India (SEBI)** runs the **"SEBI vs SCAM" campaign** to generate ongoing **fraud awareness** via TV, print, radio, and social media, in partnership with **Market Infrastructure Institutions (MIIs)**.
- **SEBI** also launched the **Saa₹thi Mobile App**, providing **educational resources** and **investment information** to protect citizens from **financial fraud**.

Reserve Bank of India Issues Master Direction on Unique Identifiers in Financial Markets, 2026 to Streamline and Consolidate Regulatory Framework

- The **Reserve Bank of India (RBI)** issued the **Master Direction – Unique Identifiers in Financial Markets, 2026** to consolidate multiple circulars into a **single comprehensive framework** for improved clarity and compliance.
- The **primary objective** is to enhance **transparency, traceability, and quality of financial data**, thereby strengthening **risk management** and **regulatory oversight** in financial markets.

Key Highlights :

- The framework is based on two **global identifiers**: **Legal Entity Identifier (LEI)** and **Unique Transaction Identifier (UTI)** for **standardised reporting** of financial transactions.
- The **Legal Entity Identifier (LEI)** is a **20-character alphanumeric code** that uniquely identifies entities participating in financial transactions, helping regulators **track counterparties** and **reduce systemic risk**.
- The **LEI is mandatory** for all entities (**excluding individuals**) undertaking **OTC transactions** in markets such as **government securities, money market instruments, foreign exchange, and derivatives**.
- In **non-derivative foreign exchange transactions**, **LEI** is required only when the transaction value is **USD 1 million or above** (or equivalent).
- Entities **without a valid LEI** will **not be allowed** to undertake transactions in **RBI-regulated financial markets**, making compliance **strictly mandatory**.
- The Direction introduces the **Unique Transaction Identifier (UTI)**, a unique reference number assigned to each **OTC derivative transaction** to track it throughout its **lifecycle**.
- The **UTI is mandatory** for all **OTC derivative transactions** under **RBI and FEMA-related directions**, including **forex derivatives, interest rate derivatives, credit derivatives, and G-Sec derivatives**.
- The **UTI implementation** will come into effect from **January 1, 2027**, allowing time for **system alignment** and compliance by market participants.
- The **UTI** will have a **maximum length of 52 characters** and will include the **LEI of the generating entity**, ensuring **global uniqueness**.
- The **Clearing Corporation of India Ltd. (CCIL)** will issue **operational guidelines** and **reporting formats** for **UTI implementation**.
- The **Master Direction** has been issued under **Section 45W read with Section 45U of the RBI Act, 1934**, empowering **RBI** to regulate **financial market transactions** and **reporting standards**.

Recent News :

- In March 2026, **The Reserve Bank of India (RBI) issued the RBI (Commercial Banks – Responsible Business Conduct) Third Amendment Directions, 2026** to strengthen customer protection in electronic banking transactions effective from 1 July 2026 under the Banking Regulation Act, 1949.

Reserve Bank of India Unveils Payments Vision 2028, Continuing Long-Standing Roadmap for Payment System Development

- The **Reserve Bank of India (RBI)** released **Payments Vision 2028**, continuing its practice of issuing **strategic payment system roadmaps** since 2001.

Key Highlights :

- The **Payments Vision 2028** will guide India's payment systems development till **December 2028**, covering **15 key initiatives**.
- The Vision focuses on **user empowerment, fraud prevention, cross-border payment efficiency**, and **ease of doing business**.
- The **core theme** of the document is **"Shaping India's Payment Frontier"**, emphasising both **strengthening existing systems** and **driving future innovations**.
- It builds upon **Payments Vision 2025** (launched in 2022), which was based on the theme **"E-Payments for Everyone, Everywhere, Every time (4Es)"**.
- The **Vision 2025 framework** was anchored on **five pillars**: **Integrity, Inclusion, Innovation, Institutionalisation, and Internationalisation**.

- India has emerged as a **global leader in real-time payments**, accounting for nearly **50% of global real-time transactions.**
- To improve inclusivity, a framework for **interoperability in Trade Receivables Discounting System (TReDS)** will be developed to enhance **receivables financing access**.
- For **safety and security**, proposals include **user control to enable/disable digital transactions**, **shared liability framework** between banks, and **Cyber Key Risk Indicators (KRI)** for non-bank payment operators.
- The **RBI** will also review and standardise **cheque security features** and explore **electronic cheques** to combine paper-based reliability with **digital efficiency**.
- In **cross-border payments**, the framework will be reviewed to enhance efficiency, and **thematic reports** will be published on **transaction trends, cost, and speed**.
- To improve **ease of doing business**, regulatory processes under the **Payment and Settlement Systems (PSS) Act, 2007** and **Foreign Exchange Management Act (FEMA), 1999** will be streamlined.
- The **RBI** will explore a **perpetual regulatory sandbox** for small payment providers and introduce a **Payments Switching Service (PaSS)** for seamless switching.
- For **systemic stability and innovation**, **critical payment entities** will be regulated, and a **Domestic Legal Entity Identifier (DLEI)** may be introduced.
- The Vision promotes innovations like **electronic cheques** and **advanced card payment systems**.
- The **RBI** will explore **white-label solutions** in **Aadhaar Enabled Payment System (AePS)** to expand financial access and service delivery.
- **Assisted payment service providers** (such as AePS agents) may be brought under **regulatory oversight** to ensure **governance, security, and consumer protection**.
- Overall, **Payments Vision 2028** aims to create a **secure, inclusive, efficient**, and **globally competitive digital payments ecosystem** in India.

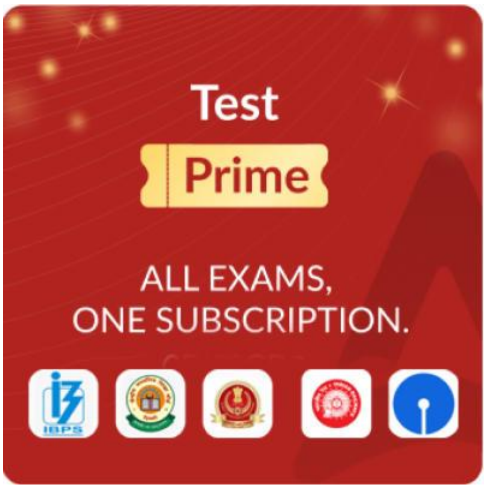
Reserve Bank of India imposes ₹3.10 lakh penalty on Pine Labs Limited for regulatory non-compliance

- The **Reserve Bank of India (RBI)** imposed a **monetary penalty of ₹3.10 lakh** on **Pine Labs Limited** for **non-compliance with regulatory guidelines**.
- The penalty was imposed for violations of RBI directions related to **Prepaid Payment Instruments (PPIs)**.
- The RBI exercised its powers under **Section 30(1) read with Section 26(6) of the Payment and Settlement Systems Act, 2007** to impose the penalty.
- The key regulatory breach involved issuing **Full-KYC Prepaid Payment Instruments (PPIs) without completing proper Know Your Customer (KYC) verification** of customers.
- This violation is considered a **serious compliance lapse in digital payment regulations**, highlighting the importance of **strict adherence to RBI KYC norms**.

Reserve Bank of India sets ₹2.5 lakh crore Ways and Means Advances limit for H1 FY 2026–27 in consultation with Government of India

- The **Reserve Bank of India (RBI)**, in consultation with the **Government of India**, has fixed the **Ways and Means Advances (WMA) limit** at **₹2,50,000 crore** for the **first half of FY 2026–27 (April–September 2026)**.
- The **Ways and Means Advances (WMA)** is a **temporary loan facility** provided by **RBI** to the government to manage **short-term mismatches** between **receipts and expenditures**.
- The **RBI** may initiate **fresh market borrowings** (**floatation of government securities**) when **75% of the WMA limit** is utilised, ensuring **fiscal liquidity management**.

- The **RBI** retains the **flexibility to revise** the **WMA limit** based on **changing economic and fiscal conditions.**
- The **interest rate on WMA** is linked to the **Repo Rate**, making it a **relatively low-cost borrowing option** for the government.
- In case of **Overdraft** (when **WMA limit is exceeded**), the **interest rate** becomes **Repo Rate + 2%**, making it **costlier** and discouraging **excessive borrowing.**
- The framework ensures **efficient cash management** and **fiscal discipline** for the **Government of India.**



Reserve Bank of India imposes ₹58.50 lakh penalty on Bank of India for regulatory violations

- The **Reserve Bank of India (RBI)** imposed a **monetary penalty of ₹58.50 lakh** on **Bank of India** for **regulatory non-compliance.**
- The violations were related to **RBI directions** on **Priority Sector Lending (PSL) – Targets and Classification** and **Interest Rate on Deposits.**
- The penalty was imposed under **Section 47A(1)(c)** read with **Sections 46(4)(i)** and **51(1)** of the **Banking Regulation Act, 1949.**
- The **first violation** involved charging **ad-hoc service, inspection, and processing fees** in certain **priority sector loans up to ₹25,000**, which is **not permitted** under RBI guidelines.
- The **second violation** was the **failure to pay interest** on certain **Term Deposit Receipts (TDRs)** from the **date of maturity until repayment**, violating **deposit interest norms.**
- The action highlights **strict enforcement** of **RBI regulatory compliance norms** in banking operations.

About Bank of India:

- Founded: 1906
- Headquarters: Mumbai, Maharashtra, India
- Managing Director & CEO: Rajneesh Karnatak
- Tagline: "Relationships Beyond Banking"

Reserve Bank of India issues directions on Net Open Position in INR (NOP-INR) for Authorised Dealers under Risk Management Master Direction

- The **Reserve Bank of India (RBI)** has issued directions on **Net Open Position in INR (NOP-INR)** for **Authorised Dealers (ADs)** under the **Master Direction on Risk Management and Inter-Bank Dealings (July 05, 2016).**
- As per the **Master Direction**, the **RBI is empowered** to set **limits on open positions in Indian Rupee (INR)** to manage **exchange rate volatility** based on prevailing market conditions.
- Exercising this authority, the **RBI** has introduced a **specific cap on NOP-INR positions** for **Authorised Dealers** operating in the **onshore deliverable foreign exchange market.**
- **Authorised Dealers (ADs)** must ensure that their **Net Open Position in INR (NOP-INR)** does not exceed **USD 100 million** at the **end of each business day.**