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INDUSTRY ARTICLE

GCCs in India

How Global Capability Centres Are Reshaping BFSI Sector

India's Global Capability Centres (GCCs) are rapidly transforming the corporate landscape and shaping global business strategies, having undergone a fundamental shift — from offshore cost-saving units to high-value strategic engines driving innovation, resilience, and enterprise growth. Large domestic and global banks, insurance companies, mutual Funds, collective investment vehicles and other BFSI businesses are increasingly leveraging GCCs and captive Shared Service Centres (SSCs) not only for operational tasks but for value added functions and new age solutions. The range of services cover transaction processing, financial accounting, valuations, stakeholders' reporting, technology solutions, cyber security and developing new products using analytics, automation and Artificial Intelligence ("AI").

There are over 1,700 GCCs, employing 2 million skilled personnel and generating revenues of nearly US$ 70 billion. By 2030, the sector is projected to cross US$100 billion across nearly 2,400 GCCs. There are several key considerations which businesses must consider for optimally leveraging GCCs/SSCs:

Key trends

- Operating model maturity, not headcount, is now the truest measure of a GCC. Over 50% of Indian GCCs are now classified as portfolio or transformation hubs — well beyond the extended-office stage.
- **Automation & AI** — GenAI, ML, RPA are now embedded across GCC functions, not just pilots
- **Multi-currency accounting and financial reporting** — increasing complexity driving automation demand
- **Product development** — India GCCs now own global product and technology roadmaps, including AI products for BFSI sector
- Fund accounting, valuations and NAV workings and communications to investors and stakeholders

- **Automated reconciliations** — Customers, vendors, banks - RPA + AI reduces reconciliation time by 60–80% enabling focus on exceptions and controls
- **Predictive forecasting** — ML models for cash flow, revenue and tax liability forecasting; CA validates assumptions and risk parameters
- **Tax compliance automation** — AI-assisted corporate /GST/VAT tax compliances, input tax credits, transfer pricing studies and global compliances project management
- **TP benchmarking** — AI-driven comparability analysis across databases (Prowess, TP Catalyst); CA applies professional judgment
- **Audit analytics** — continuous auditing using data tools and interprets results

The Tier-2 story

- **Tier-2 cities growing at 21% YoY vs 11% in metros** — the fastest segment in India's GCC market
- **Tier-2 hotspots:** Jaipur, Coimbatore, Kochi, Ahmedabad, Indore — all attracting GCC investment
- **Mid-market surge:** $500M–$5B revenue global companies are the fastest-growing GCC segment — and they prefer Tier-2 for cost efficiency

Tax & Regulatory Aspects

- Data localisation and personal data protection laws compliances including Digital Personal Data Protection Law in India
- Tax benefits and incentives
  - National Policy on Software Products, Digital India, Make in India, Startup India — all converging to make India the world's knowledge and innovation capital
  - State level GCC policies in serval states such as Maharashtra, Gujarat, UP, Tamil Nadu, provide capital subsidy, stamp-duty waivers, payroll subsidies (up to INR 1.8 lakh / employee), and land at concessional terms.
  - **GIFT City IFSC —** tax holiday extended to 20 years (Budget 2026); financial services GCCs will accelerate there
  - **Transfer pricing regulations -** Safe Harbour raised to entities having annual revenue up to Rs. 2,000 Crores with reduced mark-up of 15.5% for IT and business process outsourcing services
  - **GST Intermediary Services —** now extended the benefit of zero rating for GST purposes. This ends the long-standing dispute where GCC back-office services to parent were taxed at 18% GST.
  - **Patent Box Regime —**10% concessional tax on royalty from patents developed and registered in India

Conclusion

The GCC ecosystem has moved decisively beyond its origins as a cost-reduction mechanism. For BFSI organisations, the question is no longer whether Indian capability centres can deliver strategic value, but whether your organisation has the operating model, governance framework, and leadership commitment to capture that value fully.

How RSM Astute can assist?

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TOP SPEECH

Resilience by Design: Lessons from India's Banking Sector - Speech by Shri Swaminathan J, Deputy Governor, Reserve Bank of India, on June 1, 2026, at the School of International and Public Affairs (SIPA), Columbia University

Distinguished faculty members, dear students, ladies and gentlemen.

1. It is a pleasure to be here at Columbia University's School of International and Public Affairs. As many of you would know, SIPA was established in 1946, in the aftermath of the Second World War, at a time when the world was rebuilding institutions for a new international order. Its purpose was to deepen understanding of global affairs and prepare professionals for public service across countries, institutions and disciplines.

2. We meet at a time when the global policy conversation is again crowded with large themes: geopolitics, climate change, artificial intelligence, technological disruption and the reordering of supply chains. Against that backdrop, banking resilience may seem like a quieter subject. But it has one distinct feature: when it is absent, its importance is immediately recognised. A weak banking system can quickly transmit stress from financial balance sheets to firms, households, public finances and the broader economy.

3. It is for this reason that I thought banking resilience would be an appropriate subject for a school of international and public affairs, and I would like to approach it today through India's experience.

India's current position: strength with vigilance

4. India today stands on a relatively strong macroeconomic footing1. Even amid geopolitical uncertainty, supply-chain disruptions and volatile commodity conditions, domestic economic activity has shown resilience, supported by strength in industrial and services activity, broad-based demand and improving corporate performance. Inflation is within our tolerance band and external vulnerabilities remain manageable. The Indian financial system enters this uncertain phase with strength: healthier balance sheets, comfortable capital buffers, improved profitability and non-performing assets at multi-decade lows.

5. This position of strength is encouraging. But one message we consistently emphasise to banks and other regulated entities is that the best time to build resilience is when conditions are favourable. Central banks are sometimes seen as cautious voices in otherwise optimistic times, expected to ask difficult questions just when the party appears to be going well2. In banking, that is often exactly the point. Risk has a habit of building quietly in good times and introducing itself loudly when conditions change. Buffers, governance and risk discipline

must be strengthened when growth is strong, asset quality appears comfortable, and risk appetite naturally rises. Resilience must therefore be built before it is tested.

6. That is the idea behind the theme of my remarks today: resilience by design. India's recent banking resilience reflects policy learning, supervisory vigilance, stronger prudential frameworks, transparent recognition of stress, credible repair mechanisms and improvements within banks themselves.

7. For a public policy audience, the important question is not only whether banks are strong today, but how that strength is built and preserved. Banking resilience does not arise automatically from growth or favourable conditions. It has to be designed at multiple levels: in the rules that govern banks, in the supervisory systems that detect vulnerabilities, in the resolution architecture that addresses stress, and in the behaviour of banks themselves. India's recent experience suggests that resilience is strongest when these elements reinforce one another.

8. Let me illustrate this idea through five recent dimensions of resilience by design: transparent recognition of stress, balance sheet strengthening, stronger supervision, calibrated and adaptive regulation, and resilience within banks themselves.

Recognition of stress

9. The first dimension is transparent recognition of stress.

10. Banking practice teaches us that risk often builds when conditions appear favourable. During an upswing, collateral values look adequate, projected cash flows appear reasonable, and optimism becomes embedded in credit appraisal. A project exposure, restructuring decision, collateral valuation or sectoral concentration may look manageable for one bank. But when similar assumptions are replicated across institutions, they can create macro-financial vulnerability.

11. India's post-2015 asset quality experience brought this issue into sharp focus. The stress that became visible after the Asset Quality Review had built up over several years. It reflected a combination of factors, including rapid credit growth in certain sectors, challenges associated with large and long-gestation projects, changing economic conditions, delays in stress recognition, and, in some cases, gaps in risk management and governance frameworks.

12. The Asset Quality Review was more than an accounting exercise. It changed the information regime of the banking system. Recognition required banks to provision, owners to recapitalise, borrowers to negotiate, supervisors to intervene, and markets to reassess risk. Transparency changes incentives.

13. Recognition is rarely the most popular item on the bank board's agenda. It affects reported profitability, capital planning, market perception and, at times, internal confidence. But delayed recognition is usually more costly. It weakens credit discipline, obscures the true allocation of losses and increases the eventual burden of resolution. Timely asset quality recognition is therefore part of the institutional architecture of financial stability.

Balance sheet strengthening

14. Recognition by itself is not enough. It must be followed by a credible chain of action leading to balance sheet strength. Recognition without resolution can leave banks' balance-sheet constrained. Capital support without governance improvement may improve financial metrics but not contribute to resilience. Resolution without stronger underwriting standards can sow the seeds of the next cycle of stress.

15. In India, this phase involved coordinated action across the public policy ecosystem. The Government provided important elements of the legal, fiscal and institutional architecture. The Insolvency and Bankruptcy Code strengthened the resolution environment and altered the relationship between creditors and borrowers. Recapitalisation of public sector banks helped absorb recognised losses and restore lending capacity. Public sector bank consolidation sought to create institutions with greater scale and capital strength. Depositor protection, recovery laws, credit guarantees, financial inclusion initiatives and digital public infrastructure also contributed to a deeper and more formal financial architecture.

16. The banking system itself also undertook significant balance sheet strengthening. Banks improved provisioning, pursued recoveries and write-offs, raised capital and placed a sharper focus on asset quality. The movement towards more transparent, better-provisioned and diversified balance sheets has been an important part of the resilience journey.

Stronger supervision and prudential discipline

17. The Reserve Bank's supervisory approach has evolved significantly. The focus is no longer limited to entity-level compliance or point-in-time inspection findings. It has moved towards a more holistic, risk-based and forward-looking assessment of supervised entities, covering governance, assurance functions, conduct, business models, technology risk, cyber resilience and emerging balance sheet vulnerabilities.

18. A key element of this approach has been deeper engagement with the Boards and senior management of banks. Supervisory findings are increasingly used not only to identify deficiencies, but also to understand their root causes: whether they arise from weak governance, inadequate risk management, ineffective internal audit, poor compliance culture, technology gaps or misaligned incentives. The objective is to ensure that issues are addressed at their source, rather than merely corrected at the surface.

19. The supervisory toolkit has also been strengthened. Off-site surveillance, stress testing, vulnerability assessments, early warning indicators, cyber risk indicators, thematic reviews, conduct-related assessments and micro-data analytics are now important parts of the supervisory process. These tools help supervisors identify patterns across institutions and activities, rather than focusing only on individual balance sheets in isolation.

20. This has also required a wider view of assurance within banks. Supervision cannot substitute for the responsibility of the Board, senior management, risk management, compliance, internal audit and external audit. Supervision can only act as an additional layer of oversight, but resilience must first be built within the institution.

21. The larger point is that modern supervision is not merely about checking compliance with rules. It is about asking whether governance is effective, whether risks are understood and priced correctly, whether control functions have stature, whether customer conduct is fair, whether technology risks are managed, and whether the institution can continue to perform its core functions under stress.

Calibrated and Adaptive Regulation

22. The fourth dimension is calibrated and adaptive regulation.

23. Modern financial intermediation no longer fits neatly within traditional institutional boundaries. Credit, payments, customer acquisition, underwriting, servicing and technology support may involve banks, NBFCs, fintech entities, payment systems, lending service providers and third-party technology partners. This does not reduce the importance of banks; it makes the system more interconnected and the transmission of risk more complex.

24. The regulatory response, therefore, must be both entity-aware and activity-aware. The resilience of a bank or NBFC depends on its governance, capital, liquidity, risk management and conduct. At the same time, where similar activities create similar risks, regulatory attention must remain aligned with the underlying risk, irrespective of institutional form.

25. This approach is reflected in recent measures such as scale-based regulation for NBFCs, tier-based regulatory frameworks for urban cooperative banks, digital lending guidelines, IT governance requirements and directions on fraud risk management. It was also visible during the Covid-19 period, when relief measures were designed to provide timely support while retaining a path back to normal prudential treatment as conditions improved. The use of sunset clauses reflected an important lesson from earlier crisis episodes: support measures should cushion near-term stress without weakening long-term risk discipline.

26. RBI's initiatives also illustrate its endeavours at calibrated regulation: protecting customers without stifling innovation, supporting inclusion while ensuring responsible conduct, and reducing unnecessary friction without diluting safeguards.

27. In a sense, resilience by design also means regulation by continuous review. Rules must be stable enough to provide certainty, but adaptive enough to remain relevant. They must be right when framed, and kept right over time as markets evolve, technology changes and evidence accumulates. This has also informed recent institutional initiatives3 within the Reserve Bank to strengthen periodic review of regulations and deepen stakeholder consultation.

Resilience within banks

28. The fifth dimension is resilience within banks themselves.

29. Governments can create frameworks, and regulators can set expectations, but resilience has to be embedded inside banks. It must be visible in how banks originate assets, price risk, manage liabilities, invest funds, monitor stress, govern technology, treat customers and escalate concerns.

30. A significant change in recent years has been the shift in portfolio behaviour. Earlier stress was concentrated in large, lumpy corporate and infrastructure exposures. Banks have since moved towards more granular portfolios, better-rated corporate exposures, retail, MSME and other segments with clearer risk assessment. These segments are not risk-free. Retail and unsecured credit can create vulnerabilities of their own. However, a diversified and better-monitored portfolio is structurally different from one dominated by a few large, correlated exposures.

31. This bank-level transformation matters because the durability of resilience depends on behaviour inside institutions. Public policy can create the framework, but banks must convert lessons into practice. In the end, resilience is built through everyday decisions: what is financed, how risk is priced, how exceptions are approved, how early warnings are acted upon, how technology risks are governed and how accountability is enforced.

The next tests: complexity and uncertainty

32. Having discussed some recent initiatives and experiences, it is useful to turn briefly to what lies ahead. The next phase of banking resilience will be less about addressing known balance sheet stress and more about managing complexity and uncertainty.

33. Recent years have shown that shocks can arise from very different sources: pandemics, geopolitical tensions, supply chain disruptions, commodity price volatility, cyber incidents or sudden shifts in market sentiment. The task, therefore, is not only to prepare banks for known risks, but also to make them adaptable to risks whose timing, form and transmission may be difficult to predict.

34. Retail credit, digital lending and microfinance have expanded access, but they also require careful underwriting, fair recovery practices and close monitoring of borrower leverage. Similarly, technology can make banking faster, but it does not automatically make it wiser. AI, cyber risk, third-party dependencies, climate-related risks and financial interconnectedness will therefore require ongoing attention from banks and supervisors.

Conclusion

35. Let me conclude with one broad thought. Banking resilience is not a fixed achievement. It is a continuing institutional project. As India's recent experience has shown, it is built through discipline across the balance sheet and beyond, transparent recognition of stress, balance sheet strengthening, calibrated and adaptive regulation, and responsible conduct within banks.

36. Strong banks require capital and technology, but they also require judgment, governance, accountability and institutions that learn. That, perhaps, is the central public policy lesson: resilience is not only about withstanding the last shock, but about building the capacity to respond well to the next one.

37. Thank you. Jai Hind.

Source: https://www.rbi.org.in/Scripts/BS_SpeechesView.aspx?Id=1552

BFSI NEWS

Banks pass RBI's stress test, but NBFCs and oil shocks keep financial stability on watch.

The RBI's June 2026 Financial Stability Report said banks remain above CET1 norms under stress tests, but 15 NBFCs may fall below capital norms under severe credit stress.

The Reserve Bank of India said India's financial stability risks remained contained despite global uncertainty but warned that recurring external shocks could tighten financial conditions, affect the macroeconomic outlook and spill over to domestic financial stability.

The RBI said data suggested that growth stayed firm in the first quarter of FY27 despite external headwinds. It said high oil prices could affect India's growth in FY27, while an interim US-Iran peace deal could provide tailwinds to growth.

The central bank said strong capital inflows could help mitigate funding pressures arising from a wider current account deficit. It also said that despite the banking system's resilience, funding remained a key challenge.

The report placed the assessment against a global backdrop of recurring shocks, tighter financial conditions and geopolitical uncertainty. The RBI said domestic financial system stress remained relatively low compared with previous crises.

Bank stress tests showed that scheduled commercial banks' gross non-performing asset ratio could be at 1.9 percent by March 2028 under the baseline scenario, according to the report.

If macroeconomic conditions worsen, banks' gross NPA ratio could rise to 3.8-4.1 percent by March 2028, the RBI said.

The stress test showed banks' aggregate capital ratio at 15.6 percent by March 2028 under the baseline scenario. Under severe stress scenarios, the capital ratio could fall to 13.0-13.3 percent.

The RBI said one to two banks could breach minimum capital norms under severe stress. It added that banks would meet the minimum common equity tier-I capital requirement under all stress-test scenarios.

The report also showed stress pockets in the non-bank finance sector. For non-banking financial companies, the RBI's stress test projected gross NPAs at 2.8 percent by March 2027 under the baseline scenario. NBFCs' aggregate capital ratio was projected at 20.8 percent by March 2027 under the baseline case.

Under a severe credit stress test, 15 NBFCs could fall below capital norms, the RBI said.

The central bank also flagged liquidity breaches in parts of the mutual fund industry. The report said some mutual funds fell below minimum liquidity norms in debt schemes in March, but added that the breaches were addressed in a timely manner.

The Financial Stability Report is a half-yearly publication that presents the assessment of the Sub-Committee of the Financial Stability and Development Council on risks to the financial system. It includes inputs from financial sector regulators and stress tests conducted by the RBI. Reuters had reported after the June 2025 FSR that the report is published twice a year and includes contributions from all financial sector regulators.

The latest report follows the RBI's December 2025 Financial Stability Report, which had said banks' gross bad loan ratio could decline to 1.9 percent by March 2027 under the baseline scenario. Under adverse scenarios, the December report had projected the ratio at 3.2 percent and 4.2 percent, Reuters reported at the time.

The June 2025 FSR had projected that the gross bad loan ratio of 46 banks could rise marginally to 2.5 percent by March 2027 under the baseline scenario, while two high-risk scenarios placed it at 5.3 percent and 5.6 percent. Reuters reported then that Indian banks' asset quality had improved over the previous few years because of recoveries, write-offs of legacy bad loans and restrained growth in fresh bad assets.

The June 2026 report extends that assessment while adding external-risk caveats. The RBI said India's macroeconomic fundamentals remained a buffer, but the economy was still exposed to global energy prices, supply-chain disruptions and recurring external shocks.

Source: https://www.moneycontrol.com/news/business/banks-pass-rbi-s-stress-test-but-nbfcs-and-oil-shocks-keep-financial-stability-on-watch-13962381.html

High commissions remain a concern: IRDAI Chairman

Ajay Seth said the sharp rise in insurance industry commissions indicates that the sector continues to operate with a structurally high-cost distribution model.

Speaking during the 133rd meeting of the Insurance Regulatory and Development Authority of India, Seth observed that insurers remain heavily dependent on intermediary-driven distribution instead of adopting more cost-efficient digital channels.

He cautioned that high front-loaded acquisition costs reduce value for policyholders, particularly in long-term products, as early exits often leave customers with minimal surrender value and weak asset accumulation.

Seth also flagged persistent underwriting losses among non-life insurers, especially public sector general insurers, rising customer complaints in health and motor insurance, and increasing surrender rates in life insurance as key regulatory concerns requiring attention.

Regulations should minimise non-compliance: IRDAI chief

Ajay Seth said regulations should focus on minimising non-compliance while maximising economic activity and growth.

Speaking at the release of a report on regulatory governance by Jindal Global Law School, Seth said India's regulatory framework should promote competition, protect consumers and support economic expansion without creating excessive restrictions.

He emphasised the need for "smart regulation" and better oversight rather than rigid prescription-based approaches. According to him, deregulation does not mean absence of rules, but creating frameworks that facilitate innovation and efficient business operations while maintaining stability and consumer protection.

Seth added that improving domestic growth drivers through balanced regulation has become increasingly important amid global trade, energy and climate-related challenges.

Government may enhance cover under PMJJBY

The government is considering increasing the insurance cover under the Pradhan Mantri Jeevan Jyoti Bima Yojana and other Jan Suraksha schemes as they complete 10 years of operations.

Department of Financial Services Secretary M Nagaraju said discussions are underway regarding possible enhancement of benefits, including raising the insurance cover to Rs. 5 lakh under PMJJBY.

Officials said scenario analysis is being conducted on affordability, premium pricing and intermediation costs before a final decision is taken.

The Jan Suraksha schemes — PMJJBY, PMSBY and Atal Pension Yojana — were launched in 2015 to expand social security coverage for the unorganised sector. Together, the schemes currently cover around 57 crore adults across India.

jUMPP enters insurance distribution business

jUMPP has received approval from the Insurance Regulatory and Development Authority of India to distribute insurance products through its platform, marking the company's entry into the insurance segment.

Founded in 2025 by Sarvjeet Singh Virk, the AI-driven conversational fintech platform aims to build an integrated financial ecosystem covering banking, investments, insurance and lending services.

The company said it plans to offer health, life, motor, home and business insurance products through partnerships with insurers. jUMPP currently focuses on users in Tier-2 and Tier-3 cities and provides personalised financial guidance in vernacular languages using AI and account aggregator frameworks.

The platform has already partnered with YES Bank for banking and BBPS services and holds a TPAP licence from the National Payments Corporation of India.

IRDAI withholds variable pay of some insurance CEOs

Insurance Regulatory and Development Authority of India has reportedly withheld the performance-linked pay of chief executives of certain insurance companies after they failed to meet targets related to Expense of Management (EoM) norms.

According to industry sources, the regulator reviewed insurers' FY25 performance and expense trends observed during the initial months of FY26 before taking the decision.

The action reflects IRDAI's increasing focus on improving operational efficiency and controlling high acquisition and management costs within the insurance sector. The regulator has repeatedly expressed concerns over elevated distribution expenses and their impact on profitability and policyholder value.

Industry observers believe the move could push insurers to strengthen cost management practices, improve digital distribution channels and adhere more closely to regulatory glide paths prescribed for expense reduction.

IRDAI may raise REIT and InvIT investment limit for insurers

Insurance Regulatory and Development Authority of India is considering a proposal to increase the combined investment limit for insurers in Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs) to 6 per cent.

Currently, insurance companies can invest up to 3 per cent each in REITs and InvITs. The proposed framework would provide insurers greater flexibility to allocate funds between the two asset classes depending on market opportunities.

The discussions have gained momentum following strong investor participation in infrastructure investment offerings such as the Rs. 6,000 crore Raajmarg InvIT issue backed by the National Highways Authority of India.

Industry experts said REITs and InvITs are becoming increasingly attractive for insurers because they provide relatively stable cash flows and long-term yield potential suited to insurance liabilities.

IRDAI asks insurers to link senior executives' performance with customer service

The Insurance Regulatory and Development Authority of India (IRDAI) has directed insurers to align the performance evaluation of senior management with customer service standards, reinforcing the regulator's increasing focus on policyholder protection and service quality.

According to reports, insurers have been asked to incorporate customer-centric parameters into the Key Performance Indicators (KPIs) of senior executives. The move is intended to ensure that leadership accountability extends beyond financial growth and profitability to include customer satisfaction, grievance resolution and service efficiency.

The regulator has been consistently emphasising the importance of fair treatment of policyholders, faster claims settlement and transparent communication across the insurance industry. Industry observers believe the latest direction reflects IRDAI's broader objective of strengthening governance standards and improving consumer trust in insurance products and services.

Experts noted that linking executive compensation and performance reviews with customer outcomes could encourage insurers to invest more in claims management, digital servicing platforms, grievance handling systems and operational efficiency. It may also push insurers to focus more closely on complaint trends, turnaround times and customer retention.

The development comes amid rising insurance penetration, growing digital adoption and increasing regulatory expectations regarding market conduct. Analysts believe customer experience is likely to emerge as a key competitive differentiator for insurers in the coming years.

The move is expected to strengthen accountability within insurance companies while supporting IRDAI's long-term vision of building a more transparent, customer-focused and trusted insurance ecosystem in India.

Source: ***https://bimabazaar.com/2026-insurance-times/insurance-regulator-update-for-may-2026***

RBI Circulars June - 2026

Circular Number	Date Of Issue	Department	Subject	Meant For
RBI/2026-2027/175 A.P. (DIR Series) Circular No. 18	24.6.2026	Foreign Exchange Department	Review of Circulars issued under Foreign Exchange Management Act, 1999 (FEMA)	
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RBI/2026-2027/160 DOR.MRG.REC. No.146/21-01-002/2026-27	24.6.2026	Department of Regulation	Reserve Bank of India (Rural Co-operative Banks - Prudential Norms on Capital Adequacy) Amendment Directions, 2026	
RBI/2026-2027/159 DOR.MRG.REC. No.145/21-01-002/2026-27	24.6.2026	Department of Regulation	Reserve Bank of India (Urban Co-operative Banks - Prudential Norms on Capital Adequacy) Third Amendment Directions, 2026	
RBI/2026-2027/158 DOR.MRG.REC. No.144/21-01-002/2026-27	24.6.2026	Department of Banking Regulation	Reserve Bank of India (Regional Rural Banks - Prudential Norms on Capital Adequacy) Third Amendment Directions, 2026	

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RBI/2026-2027/157 DOR.MRG.REC. No.143/21-01-002/2026-27	24.6.2026	Department of Regulation	Reserve Bank of India (Local Area Banks - Prudential Norms on Capital Adequacy) Amendment Directions, 2026	
RBI/2026-2027/156 DOR.MRG.REC. No.142/21-01-002/2026-27	24.6.2026	Department of Regulation	Reserve Bank of India (Small Finance Banks - Prudential Norms on Capital Adequacy) Seventh Amendment Directions, 2026	
RBI/2026-2027/155 DOR.MRG.REC. No.141/21-01-002/2026-27	24.6.2026	Department of Regulation	Reserve Bank of India (Commercial Banks - Prudential Norms on Capital Adequacy) Tenth Amendment Directions, 2026	
RBI/2026-2027/154 CO.DGBA.GBD. No.S228/ 31.02. 007/2026-27	24.6.2026	Department of Government and Bank Accounts	Reserve Bank of India [Disbursement of Government Pension by Agency Banks (ABs)] First Amendment Directions, 2026	
RBI/2026-2027/153 A.P. (DIR Series) Circular No.16	23.6.2026	Financial Markets Regulation Department	Open positions of Authorised Dealer Category-I banks	All Authorised Dealer Category-I Banks
RBI/2026-2027/152 DOR.STR. REC.128/21-07-001/2026-27	23.6.2026	Department of Regulation	Reserve Bank of India (Commercial Banks – Credit Facilities) Fourth Amendment Directions, 2026	
RBI/2026-2027/151 DOR.STR. REC.129/21-07-001/2026-27	23.6.2026	Department of Regulation	Reserve Bank of India (Small Finance Banks – Credit Facilities) Third Amendment Directions, 2026	
RBI/2026-2027/150 FIDD.CO.LBS. BC.No.03/ 02.01.001/2026-27	19.6.2026	Financial Inclusion and Development Department	Lead Bank Scheme	The Chairman/ Managing Director / Chief Executive Officer All Commercial Banks excluding Foreign Banks (other than Wholly Owned Subsidiaries of Foreign Banks) All State Co-operative Banks All District Central Co-operative Banks

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RBI/2026-2027/149 DOR.RET.REC.125/12.01.001/2026-27	19.6.2026	Department of Regulation	Reserve Bank of India (Regional Rural Banks – Cash Reserve Ratio and Statutory Liquidity Ratio) Third Amendment Directions, 2026	
RBI/2026-2027/148 DOR.RET.REC.127/12.01.001/2026-27	19.6.2026	Department of Regulation	Reserve Bank of India (Rural Co-operative Banks – Cash Reserve Ratio and Statutory Liquidity Ratio) Third Amendment Directions, 2026	
RBI/2026-2027/147 DOR.RET.REC.126/12.01.001/2026-27	19.6.2026	Department of Regulation	Reserve Bank of India (Urban Co-operative Banks – Cash Reserve Ratio and Statutory Liquidity Ratio) Third Amendment Directions, 2026	
RBI/2026-2027/146 DOR.RET.REC.124/12.01.001/2026-27	19.6.2026	Department of Regulation	Reserve Bank of India (Small Finance Banks – Cash Reserve Ratio and Statutory Liquidity Ratio) Third Amendment Directions, 2026	
RBI/2026-2027/145 DOR.RET.REC.123/12.01.001/2026-27	19.6.2026	Department of Regulation	Reserve Bank of India (Commercial Banks – Cash Reserve Ratio and Statutory Liquidity Ratio) Third Amendment Directions, 2026	
RBI/2026-2027/144 A.P.(DIR Series) Circular No. 15	19.6.2026	Foreign Exchange Department	Reporting of FCNR (B) Deposits, ECB and OFCB mobilized under Reserve Bank's Swap Facility	All Authorised Dealer Category-I Banks
RBI/2026-2027/143 DOR.SOG(SPE).REC.122/13.03.00/2026-27	17.6.2026	Department of Regulation	Reserve Bank of India (Rural Co-operative Banks – Interest Rate on Deposits) Amendment Directions, 2026	
RBI/2026-2027/142 DOR.SOG(SPE).REC.121/13.03.00/2026-27	17.6.2026	Department of Regulation	Reserve Bank of India (Urban Co-operative Banks – Interest Rate on Deposits) Amendment Directions, 2026	
RBI/2026-2027/141 DOR.SOG(SPE).REC.118/13.03.00/2026-27	17.6.2026	Department of Regulation	Reserve Bank of India (Local Area Banks – Interest Rate on Deposits) Amendment Directions, 2026	

Circular Number	Date Of Issue	Department	Subject	Meant For
RBI/2026-2027/140 DOR.SOG(SPE).REC.120/13.03.00/2026-27	17.6.2026	Department of Regulation	Reserve Bank of India (Regional Rural Banks – Interest Rate on Deposits) Amendment Directions, 2026	
RBI/2026-2027/139 DOR.SOG(SPE).REC.119/ 13.03.00/2026-27	17.6.2026	Department of Regulation	Reserve Bank of India (Small Finance Banks – Interest Rate on Deposits) Amendment Directions, 2026	
RBI/2026-2027/138 DOR.SOG(SPE).REC.117/ 13.03.00/2026-27	17.6.2026	Department of Regulation	Reserve Bank of India (Commercial Banks – Interest Rate on Deposits) Amendment Directions, 2026	
RBI/2026-2027/137 DOR.STR.REC.116/21-01-002/2026-27	16.6.2026	Department of Regulation	Reserve Bank of India (Small Finance Banks – Prudential Norms on Capital Adequacy) Sixth Amendment Directions, 2026	
RBI/2026-2027/136 DOR.STR. REC.115/21-01-002/2026-27	16.6.2026	Department of Regulation	Reserve Bank of India (Non-Banking Financial Companies – Prudential Norms on Capital Adequacy) Third Amendment Directions, 2026	
RBI/2026-2027/135 DOR.STR. REC.114/ 21-01-002 / 2026-27	16.6.2026	Department of Regulation	Reserve Bank of India (Regional Rural Banks - Prudential Norms on Capital Adequacy) Second Amendment Directions, 2026	
RBI/2026-2027/134 DOR.STR.REC.113/09-18-201/2026-27	16.6.2026	Department of Regulation	Reserve Bank of India (Urban Co-operative Banks – Prudential Norms on Capital Adequacy) Second Amendment Directions, 2026	
RBI/2026-2027/ 133 DOR.STR.REC.112/21-01-002/ 2026-27	16.6.2026	Department of Regulation	Reserve Bank of India (All India Financial Institutions – Prudential Norms on Capital Adequacy) Third Amendment Directions, 2026	
RBI/2026-2027/132 DOR.STR.REC.111/21-01-002/2026-27	16.6.2026	Department of Regulation	Reserve Bank of India (Commercial Banks-Prudential Norms on Capital Adequacy) Ninth Amendment Directions, 2026	

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RBI/DoR/2026-2027/131 DOR.RAUG. AUT. REC.No.110/ 24.01.041/2026-27	15.6.2026	Department of Regulation	Reserve Bank of India (Non-Banking Financial Companies – Undertaking of Financial Services) Second Amendment Directions, 2026	
RBI/DoR/2026-2027/130 DOR.RAUG. AUT. REC.No.109/ 24.01.041/ 2026-27	15.6.2026	Department of Regulation	Reserve Bank of India (Rural Co-operative Banks – Undertaking of Financial Services) Second Amendment Directions, 2026	
RBI/DoR/2026-2027/129 DOR.RAUG.AUT. REC.No.108/ 24.01.041/ 2026-27	15.6.2026	Department of Regulation	Reserve Bank of India (Urban Co-operative Banks – Undertaking of Financial Services) Second Amendment Directions, 2026	
RBI/DoR/2026-2027/128 DOR.RAUG.AUT. REC.No.107/ 24.01.041/2026-27	15.6.2026	Department of Regulation	Reserve Bank of India (Regional Rural Banks – Undertaking of Financial Services) Second Amendment Directions, 2026	
RBI/DoR/2026-2027/127 DOR.RAUG.AUT. REC.No.106/ 24.01.041/2026-27	15.6.2026	Department of Regulation	Reserve Bank of India (Payments Banks – Undertaking of Financial Services) Amendment Directions, 2026	
RBI/DoR/2026-2027/126 DOR.RAUG.AUT. REC.No.105/ 24.01.041/2026-27	15.6.2026	Department of Regulation	Reserve Bank of India (Small Finance Banks – Undertaking of Financial Services) Second Amendment Directions, 2026	
RBI/DoR/2026-2027/125 DOR.RAUG.AUT. REC.No.104/ 24.01.041/2026-27	15.6.2026	Department of Regulation	Reserve Bank of India (Commercial Banks – Undertaking of Financial Services) Third Amendment Directions, 2026	
RBI/2026-2027/124 DOR.MCS.REC. No.103/ 01-01-039/2026-27	15.6.2026	Department of Regulation	Reserve Bank of India (Housing Finance Companies) Second Amendment Directions, 2026	
RBI/2026-2027/123 DOR.MCS.REC. No.102/01-01-039/ 2026-27	15.6.2026	Department of Regulation	Reserve Bank of India (Non-Banking Financial Companies – Responsible Business Conduct) Second Amendment Directions, 2026	

Circular Number	Date Of Issue	Department	Subject	Meant For
RBI/2026-2027/122 DOR.MCS.REC. No.101/01-01-040/ 2026-27	15.6.2026	Department of Regulation	Reserve Bank of India (All India Financial Institutions - Responsible Business Conduct) Second Amendment Directions, 2026	
RBI/2026-2027/121 DOR.MCS.REC. No.100/01-01-038/ 2026-27	15.6.2026	Department of Regulation	Reserve Bank of India (Rural Co-operative Banks - Responsible Business Conduct) Second Amendment Directions, 2026	
RBI/2026-2027/120 DOR.MCS.REC. No.99/01-01-037/2026-27	15.6.2026	Department of Regulation	Reserve Bank of India (Urban Co-operative Banks - Responsible Business Conduct) Second Amendment Directions, 2026	
RBI/2026-2027/119 DOR.MCS.REC. No.98/01-01-036/2026-27	15.6.2026	Department of Regulation	Reserve Bank of India (Regional Rural Banks - Responsible Business Conduct) Second Amendment Directions, 2026	
RBI/2026-2027/118 DOR.MCS.REC. No.97/01-01-035/2026-27	15.6.2026	Department of Regulation	Reserve Bank of India (Local Area Banks - Responsible Business Conduct) Second Amendment Directions, 2026	
RBI/2026-2027/117 DOR.MCS.REC. No.96/01-01-034/2026-27	15.6.2026	Department of Regulation	Reserve Bank of India (Payments Banks - Responsible Business Conduct) Second Amendment Directions, 2026	
RBI/2026-2027/116 DOR.MCS.REC. No.95/01-01-033/2026-27	15.6.2026	Department of Regulation	Reserve Bank of India (Small Finance Banks - Responsible Business Conduct) Second Amendment Directions, 2026	
RBI/2026-2027/115 DOR.MCS.REC. No.94/01-01-032/2026-27	15.6.2026	Department of Regulation	Reserve Bank of India (Commercial Banks - Responsible Business Conduct) Second Amendment Directions, 2026	
RBI/2026-2027/114 A.P.(DIR Series) Circular No. 14	15.6.2026	Foreign Exchange Department	Liberalisation of Foreign Portfolio Investment under Schedule III of the Foreign Exchange Management (Non-debt Instruments) Rules, 2019	All Category – I Authorised Dealer Banks
RBI/2026-2027/ 113 DOR.CRE.REC.93/ 07.01.007/2026-27	10.6.2026	Department of Regulation	Reserve Bank of India (All India Financial Institutions – Credit Facilities) Amendment Directions, 2026	

Circular Number	Date Of Issue	Department	Subject	Meant For
RBI/2026-2027/112 DOR.CRE.REC.92/ 07.01.002/2026-27	10.6.2026	Department of Regulation	Reserve Bank of India (Small Finance Banks – Credit Facilities) Second Amendment Directions, 2026	
RBI/2026-2027/111 DOR.CRE. REC.91/21-01-002/2026-27	10.6.2026	Department of Regulation	Reserve Bank of India (Commercial Banks - Prudential Norms on Capital Adequacy) Eighth Amendment Directions, 2026	
RBI/2026-2027/110 DOR.CRE.REC.90/ 07.03.001/2026-27	10.6.2026	Department of Regulation	Reserve Bank of India (Commercial Banks – Concentration Risk Management) Third Amendment Directions, 2026	
RBI/2026-2027/109 DOR.CRE.REC.89/ 07.01.001/2026-27	10.6.2026	Department of Regulation	Reserve Bank of India (Commercial Banks – Credit Facilities) Third Amendment Directions, 2026	
RBI/2026-2027/108 DCM(Plg) No.S737/ 10.02.060/2026-27	09.6.2026	Department of Currency Management	Withdrawal of old series of banknotes issued prior to 2005: Consolidation of instructions	The Chairman / Managing Director / Chief Executive Officer All Banks
RBI/2026-2027/107 DCM(Plg) No.S736/ 10.02.060/2026-27	09.6.2026	Department of Currency Management	Withdrawal of ₹2000 Denomination Banknotes from circulation: Consolidation of instructions	The Chairman / Managing Director / Chief Executive Officer All Banks
RBI/2026-2027/106 DOR.RET.REC.88/ 12.01.001/2026-27	08.6.2026	Department of Regulation	Reserve Bank of India (Regional Rural Banks – Cash Reserve Ratio and Statutory Liquidity Ratio) Second Amendment Directions, 2026	
RBI/2026-2027/105 DOR.RET.REC.87/ 12.01.001/2026-27	08.6.2026	Department of Regulation	Reserve Bank of India (Rural Co-operative Banks – Cash Reserve Ratio and Statutory Liquidity Ratio) Second Amendment Directions, 2026	
RBI/2026-2027/104 DOR.RET.REC.86/ 12.01.001/2026-27	08.6.2026	Department of Regulation	Reserve Bank of India (Urban Co-operative Banks – Cash Reserve Ratio and Statutory Liquidity Ratio) Second Amendment Directions, 2026	
RBI/2026-2027/103 DOR.RET.REC.85/ 12.01.001/2026-27	08.6.2026	Department of Regulation	Reserve Bank of India (Small Finance Banks – Cash Reserve Ratio and Statutory Liquidity Ratio) Second Amendment Directions, 2026	

Circular Number	Date Of Issue	Department	Subject	Meant For
RBI/2026-2027/102 DOR.RET.REC.84/ 12.01.001/2026-27	08.6.2026	Department of Regulation	Reserve Bank of India (Commercial Banks – Cash Reserve Ratio and Statutory Liquidity Ratio) Second Amendment Directions, 2026	
RBI/2026-2027/101 A.P. (DIR Series) Circular No. 13	08.6.2026	Financial Markets Regulation Department	NOP-INR position of Authorised Dealer Category-I banks	All Authorised Dealer Category-I Banks
RBI/2026-2027/100 FMOD.MAOG. No.S-57/01.06.016/ 2026-27	08.6.2026	Financial Markets Operation Department	Swap Facility for External Commercial Borrowings and Overseas Foreign Currency Borrowings	All Authorised Dealer Category-I Banks
RBI/2026-2027/99 FMOD.MAOG. No.S-56/01.06.016/ 2026-27	08.6.2026	Financial Markets Operation Department	Swap Facility for FCNR (B) Deposits	All Authorised Dealer Category-I Banks
RBI/2026-2027/98 A.P. (DIR Series) Circular No. 12	05.6.2026	Foreign Exchange Department	Submission of statement/ return on Centralized Information Management System (CIMS)	All Category - I Authorised Dealer Banks
RBI/2026-2027/97 A.P. (DIR Series) Circular No. 11	05.6.2026	Financial Markets Regulation Department	Investments by Foreign Portfolio Investors in Government Securities – Amendments to the regulatory framework	All Authorised Persons
RBI/2026-2027/96 FIDD.CO.LBS. BC.No.02/ 02.08.001/ 2026-27	03.6.2026	Financial Inclusion and Development Department	Formation of new district in the State of Assam – Assignment of Lead Bank Responsibility	The Chairman / Managing Director & Chief Executive Officer Lead Banks Concerned

CORPORATE BOND MARKET NEWS

Govt, RBI's June 5 bond measures working; pull 8 months of foreign money in two weeks

The measures announced by the government and the Reserve Bank of India (RBI) on June 5 to attract foreign capital into Indian sovereign bonds have started to work as hoped — debt falling under the fully accessible route (FAR) category has seen inflows to the tune of $2 billion in the subsequent two weeks, almost equal to the money that had come in the previous eight months combined.

Data from the National Securities Depository Ltd (NSDL) showed that foreign portfolio investors (FPIs) have net bought FAR bonds on all but one day since capital gain taxes on government bonds were done away with and the pool of securities in this category expanded. This has led to net inflows in these bonds in June rising to $2.2 billion — the highest in 15 months.

In March 2025, FPIs had invested $3.34 billion in FAR bonds — a category of government bonds that foreigners can invest in without any restrictions.

According to Radhika Rao, Senior Economist at DBS Bank, foreign investors have "turned constructive" on rupee debt. "Sentiment has been supported in part by expectations that Indian government bonds could be considered for inclusion in Bloomberg's global bond indices," Rao said on Wednesday.

The removal of long- and short-term capital gains as well as the withholding tax on investment by foreign investors in government bonds was aimed at spurring their inclusion in the Bloomberg Global Aggregate Bond Index, which economists predict could pull in anywhere between $20 billion to $30 billion of passive foreign funds over a period of 10 months post inclusion.

In January, Bloomberg Index Services Ltd (BISL) had deferred the inclusion of Indian government bonds into its flagship global index, saying it will provide another update by mid-2026. Over the last couple of years, Indian government debt has been added to bond indices of JPMorgan, Bloomberg's Emerging Market Local Currency Index and that of FTSE Russell.

On Thursday, yield on the benchmark 10-year Indian government bond was 6.77% in the secondary market, 22 basis points (bps) lower than on June 4.

One basis point is one-hundredth of a percentage point. Bond yields move opposite to their prices. So, a fall in yields means prices have risen, which is profitable for bond holders.

The decline in bond yields has also been aided by comments by RBI Governor Sanjay Malhotra, who in an interview this week argued against expectations of interest rate hikes.

Next triggers

While foreign investors are now putting more money into government bonds, they continue to dump stock, with net share sales increasing to $5.55 billion so far this month from $3.45 billion in May.

Consequently, net FPI investment in Indian shares and debt across all categories has still seen an outflow of $562 million so far in June, as per NSDL data. As a result, the Indian rupee is trading not too far from its June 5 level of 94.94 per dollar, having closed at 94.40 on Thursday.

Economists, though, expect the Indian currency and bonds to climb once money flows into the country thanks to the RBI's two temporary schemes that encourage public sector companies to borrow from abroad and non-resident Indians to deposit their foreign currency money with Indian banks at higher-than-usual interest rates.

As per latest available data, deposits in Foreign Currency Non-Resident (Bank) accounts stood at $33.92 billion at the end of April, having increased by just $166 million in the first month of 2026-27. The same scheme had attracted $26 billion in the last few months of 2013 and is expected to pull around double that figure this time around.

Meanwhile, registrations for external commercial borrowings (ECBs) by Indian companies stood at $3.77 billion in April, having fallen to $42.97 billion in 2025-26 from $61.18 billion in 2024-25.

According to Aditi Gupta, an economist at Bank of Baroda, while the share of PSUs in total ECB registrations in 2025-26 was only 15-20%, "there is a huge, untapped potential".

Source: https://indianexpress.com/article/business/fpi-inflows-far-bonds-rbi-government-measures-india-10757666/

Upcoming Activities for

Department of Banking & Financial Services

ASSOCHAM
9th National Summit & Awards on Corporate Bond Market

20th August 2026

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