



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

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Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Second Amendment Directions, 2026

The Reserve Bank has issued the [Reserve Bank of India \(Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation\) Directions, 2025](#) dated November 28, 2025 (hereinafter referred to as 'Directions') in exercise of the powers conferred to it under the provisions of the Reserve Bank of India Act, 1934, the Factoring Regulation Act, 2011 and the National Housing Bank Act, 1987. There is a need to amend the Directions based on a review of instructions pertaining to methodology for identification of NBFCs in the Upper layer and placement of Government owned NBFCs in various layers as envisaged under the Scale Based Regulatory Framework for NBFCs.

2. Accordingly, in exercise of the powers conferred with the Reserve Bank under sections 45JA, 45K, 45L and 45M of the Reserve Bank of India Act, 1934 (Act 2 of 1934), section 3 read with section 31A and section 6 of the Factoring Regulation Act, 2011 (Act 12 of 2012), and sections 30, 30A, 32 and 33 of the National Housing Bank Act, 1987 (Act 53 of 1987), and all other laws enabling the Reserve Bank in this behalf, the Reserve Bank being satisfied that it is necessary and expedient in the public interest so to do, hereby issues the Amendment Directions hereinafter specified.

3. These Amendment Directions shall be called the Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Second Amendment Directions, 2026.

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हिंदी आसान है, इसका प्रयोग बढ़ाईये



4. These Amendment Directions shall come into force with effect from date of issuance.

5. These Amendment Directions modify the Directions as under:

(1) Paragraph 12 shall be substituted as under, namely:-

“The Upper Layer shall comprise of those NBFCs which are specifically identified annually by the Reserve Bank as warranting enhanced regulatory requirement based on the criteria provided in paragraph 24 of these Directions.”

(2) In paragraph 15, sub-paragraph (4) shall be deleted.

(3) Heading of sub-section A.8.1 of Chapter II shall be substituted as under, namely:-

“Criteria for identification of NBFCs in the Upper Layer”

(4) For paragraph 24, the following shall be substituted, namely:-

“The Upper Layer shall consist of NBFCs having asset size of ₹1,00,000 crore and above as per the latest audited balance sheet for the financial year.”

(5) The paragraph 25 to 26 shall be deleted.

(6) In paragraph 28, the word “*parametric*” shall be substituted by the word “*prescribed*”.

(7) The paragraph 30 shall be deleted.

(8) Heading of sub-section A.8.2.3 of Chapter II shall be substituted as under, namely:-

“Review of criteria for identification of NBFC-UL”

(9) Paragraph 31 shall be substituted as under, namely: -

“The criteria for identification of NBFC-UL shall be reviewed periodically. Further, the asset size threshold for identification of NBFC-UL specified in paragraph 24 shall be reviewed every three years.”

(10) After paragraph 36, a new sub-section shall be inserted as under, namely: -

“B5. Guidelines for NBFC Group entities of Scheduled Commercial Banks:

36A. NBFCs which are group entities of a Scheduled Commercial Bank should adhere to the applicable provisions stipulated under [Reserve Bank of India \(Commercial](#)



[Banks – Undertaking of financial services\) Directions, 2025](#), updated from time to time, in case a particular business/activity is being undertaking by both the NBFC as well as its parent bank.

Explanation: These provisions are applicable to the NBFCs which are Group entities of Scheduled Commercial Banks, irrespective of their layer-wise classification as per the provisions of these Directions. However, such NBFCs would continue to be classified in the Layer as per the regulatory structure under Scale Based Regulation i.e. section A of chapter II. For example, if an IDF-NBFC which is a group entity of a Scheduled Commercial Bank, the regulations as applicable to NBFC – Upper Layer, other than the requirement of listing, shall be applicable to the IDF-NBFC. However, the IDF-NBFC shall continue to be in middle layer as per the regulatory structure under Scale Based Regulation.”

(J P Sharma)
Chief General Manager-in-Charge