



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

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Reserve Bank of India (Non-Banking Financial Companies – Concentration Risk Management) Third Amendment Directions, 2026

The Reserve Bank has issued the [Reserve Bank of India \(Non-Banking Financial Companies – Concentration Risk Management\) Directions, 2025](#) dated November 28, 2025 (hereinafter referred to as 'Directions') in exercise of the powers conferred to it under Chapter IIIB of the Reserve Bank of India Act, 1934, and all other provisions / laws. There is a need to amend the Directions based on a review of regulations applicable to NBFCs in the Upper Layer under the Scale Based Regulatory Framework for NBFCs and regulations on Credit/ Investment Concentration norms applicable to Government owned 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 - Concentration Risk Management) Third Amendment Directions, 2026.

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

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हिंदी आसान है, इसका प्रयोग बढ़ाईये



5. These Amendment Directions modify the Directions as under:

(1) After sub-paragraph (1) of paragraph 3 in 'Chapter I – Preliminary' of the Directions, the following proviso shall be inserted:

Provided that a Government owned NBFC shall be guided by the concentration norms and limits applicable to it based on the layer in which it is classified. Consequently, the exemptions from concentration norms granted to Government owned NBFCs shall stand withdrawn.

Explanation: The breaches (including draw down of existing sanctioned limits), if any, of a Government owned NBFC as on the date of issuance of these Amendment Directions shall be allowed to run-off till maturity, subject to the condition that no further exposure is taken on such obligors. However, a Government owned NBFC in Middle Layer or Upper Layer can take exposure beyond the prudential limits, provided such additional exposures are fully covered by eligible credit risk transfer instruments resulting in zero net incremental exposures.

(2) Paragraph 19 in 'Chapter III - Guidelines Applicable to NBFC – Middle Layer' shall stand deleted.

(3) After paragraph 29(1) in 'Chapter IV – Guidelines Applicable to NBFC – Upper Layer', the following note shall be inserted:

Note: The exposures offset by State Government guarantees shall be recognised as an exposure to the guaranteeing State Government. Such exposures shall be exempted from prudential exposure limit. However, since the credit risk transfer instrument in this case would be a State Government guarantee, a risk weight of 20 per cent shall apply to such offset exposures.

(4) In paragraph 35 in 'Chapter IV – Guidelines Applicable to NBFC – Upper Layer', the first proviso shall be amended as under:

“Provided that an IFC may exceed the exposure limit by 20 per cent of its Tier 1 capital for exposure to a group of connected counterparties.”

(5) In the table under paragraph 39 in 'Chapter IV – Guidelines Applicable to NBFC – Upper Layer', the limits for group of connected counterparties for NBFC (IFC) shall stand amended to 45 per cent.



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