भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
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RBI/2026-27/197
DOR.STR.REC.162/21-04-048/2026-27 July 16, 2026

Reserve Bank of India (Non-Banking Financial Companies Income Recognition, Asset Classification and Provisioning) Third Amendment Directions, 2026

Please refer to Reserve Bank of India (Non-Banking Financial Companies – Resolution of Stressed Assets) Second Amendment Directions, 2026 dated July 16, 2026.

2. Consequent to the aforesaid Amendment Directions, in exercise of the powers conferred by the sections 45JA, 45L and 45M of the Reserve Bank of India Act, 1934; sections 30A and 32 of the National Housing Bank Act, 1987 and section 3 read with section 31A and section 6 of the Factoring Regulation Act, 2011, and all other laws enabling the Reserve Bank of India (hereinafter called the Reserve Bank) in this regard, 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 modify the Directions as under:

(i) The following shall be inserted in Chapter II - Prudential Norms applicable to all NBFCs:

> ***"D1. Income Recognition in case of acquisition of Specified Non-Financial Assets (SNFA)***
>
> *40C. Any accrued but unrealised interest and / or charges from the extinguished exposure pertaining to periods prior to acquisition of an SNFA, shall not be recognised as income upon acquisition of the SNFA. Where such income has been recognised in respect of any SNFA outstanding in the books of a NBFC as on September 30, 2026, it shall be reversed through Profit and Loss account, latest by September 30, 2027, to the extent remaining unrealised as on that date.*

40D. Any income received from an SNFA shall be recognised in the income statement as ‘non-interest / other income’, in the financial year in which it is realised. Similarly, any expense incurred towards upkeep of an SNFA shall be accounted for in the income statement in the financial year in which it is incurred.”

4. The above amendment would come into force with effect from October 01, 2026.

(Vaibhav Chaturvedi)
Chief General Manager