

# GRC BULLETIN

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## RBI

Master Direction – Reserve Bank of India (Non-Banking  
Financial Company – Scale Based Regulation)  
Directions, 2023

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## Authority

Reserve Bank of India  
(RBI)

## Circular Date

Jul 17, 2025

## Circular Number

RBI/DoR/2023-24/106  
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## Effective Date

Jul 17, 2025

# RBI UPDATES MASTER DIRECTION – RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANY – SCALE BASED REGULATION) DIRECTIONS, 2023

### *Applicability:*

- *All registered NBFCs, including NBFC-ICC, NBFC-D, NBFC-MFI, NBFC-IFC, IDF-NBFC, NBFC-Factor*
- *Government-owned NBFCs*
- *NBFCs registered under the Factoring Regulation Act, 2011*

As outlined in the RBI's Master Direction on Non-Banking Financial Company Scale Based Regulation (SBR) dated 17th July 2025, the Reserve Bank of India has integrated and refined the regulations governing the Non-Banking Financial Companies (NBFCs) sector. The framework classifies NBFCs into four layers—Base Layer (BL), Middle Layer (ML), Upper Layer (UL), and Top Layer (TL)—based on size, activity, and systemic risk.

NBFCs and ICCs, MFI sectors, Factors, and Infrastructure finance companies (IFCs), along with IDF-NBFCs, are all included in the NBFCs category and are therefore subject to the all-encompassing Directions. Each of these categories is subjected to different compliance requirements, which include governance, activity-based compliance, and prudential norms.

### *Key features include-*

- Sliced fairly within previous regulations, spacing for definitional innovation, including fair practice governance, outsourcing, deferment, and compliance to fit and proper criteria is heightened.
- Graduate and proportionate compliance with several other RBI master directions on KFC, credit, and digital lending.
- Increased disclosure along with compliance fit for KMPs and governing members.
- Recognizable Non-Performing Assets glide path moving to shift to 90-day overdue by March 2026.
- Capital requirements on TAE, especially for gold-oriented lending, as well as NOF on 10 crores. 300 for IDF and IFCs. Grant basic compliance permissions.

This modification supersedes the earlier NBFC regulations from 2016 and consolidates compliance within the industry for both line and level regulations, taking into account the size and risk profile of each NBFC. Additionally, the directions aim to reinforce the protection of investors, financial stability, and global-standard supervisory oversight.

**SOURCE:** [Click Here for more details](#)



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