



भारतीय रज़वर् बक  
RESERVE BANK OF INDIA

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संचार िवभाग, कीय कार्यालय, शहीद भगत सिंह मार्ग, फोर्ट, मबुं ई -  
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Department of Communication, Central Office, Shahid Bhagat Singh Marg, Fort,  
Mumbai - 400 001 फ़ोन/Phone: 022 - 2266 0502

April 10, 2026

## RBI invites public comments on the draft Amendment Directions on review of methodology for identification of NBFC-UL and inclusion of Government owned NBFCs in NBFC-UL

The Reserve Bank has issued today the following draft Amendment Directions relating to review of methodology for identification of NBFCs in Upper Layer (NBFCUL), inclusion of Government owned NBFCs as NBFC-UL and other related aspects.

(i) The draft '[Reserve Bank of India \(Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation\) Second Amendment Directions, 2026](#)'; and

(ii) The draft '[Reserve Bank of India \(Non-Banking Financial Companies - Concentration Risk Management\) Third Amendment Directions, 2026](#)'

2. The feedback / comments on the draft Amendment Directions are invited from the NBFCs, members of public and all other relevant stakeholders till May 04, 2026. The feedback / comments may be submitted through the link under the 'Connect 2 Regulate' Section available on RBI's website or may alternatively be forwarded to:

Chief General Manager - in - Charge  
Department of Regulation (SIG-NBFCs)  
Reserve Bank of India  
12<sup>th</sup> Floor, Central Office Building  
Shahid Bhagat Singh Marg, Fort, Mumbai – 400 001

Or

by [email](#)

With the subject line 'Feedback on the draft Amendment Directions on review of methodology for identification of NBFC-UL and inclusion of Government NBFCs in NBFC-UL'.

### Background and Objective

The Scale Based Regulatory (SBR) Framework for NBFCs prescribes a twopronged methodology for identification of NBFC-UL viz., top ten eligible NBFCs by

asset size and parametric scoring methodology. With a view to adopt a transparent, simple and absolute criteria for identification of NBFC-UL, it is proposed to replace the existing methodology with asset size criteria, which is currently proposed as ₹1,00,000 crore and above. Further, the SBR Framework currently places Government owned NBFCs in the Base Layer or Middle Layer and not in the Upper Layer. In pursuance of the principle of ownership neutral regulatory regime for NBFCs, it is now proposed to consider eligible Government owned NBFCs also for inclusion in the list of NBFCUL based on the revised criteria. Additionally, it is proposed to allow all NBFC-UL to use State Government guarantees as credit risk transfer instrument without any limit subject to the specified conditions.

**Release: 2026-2027/65**

**(Brij Raj) Press**  
Chief General Manager



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RBI/2026-27/\_\_\_\_\_

DOR.FIN.REC.No. /03.10.001/2026-27

\_\_\_\_\_, 2026

**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 (NonBanking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Second Amendment Directions, 2026.

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, for the word *“parametric”*, the word *“prescribed”* shall be substituted.

(7) 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”***

(8) 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 five years.”*

(J P Sharma)

Chief General Manager-in-Charge

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**RBI/2026-27/**

**DOR.FIN.REC.No. /03.10.001/2026-27**

**\_\_\_\_\_, 2026**

**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.

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 (NonBanking Financial Companies - Concentration Risk Management) Third Amendment Directions, 2026.

विनियमन विभाग, केंद्रिय कार्यालय, दुसरी मंजिल, मु कार्यालय भवन, शहीद भगत सिंह मार्ग, फोर्ट, मुंबई 400 001 दूरनी:022-22603000, ई मेल:[cgmicdor@rbi.org.in](mailto:cgmicdor@rbi.org.in)

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Department of Regulation, Central Office, 2<sup>nd</sup> Floor, Main Office Building, Shahid Bhagat Singh Marg, Fort, Mumbai – 400 001 Tel No: 022-22603000, Email: [cgmicdor@rbi.org.in](mailto:cgmicdor@rbi.org.in) 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:

In paragraph 30, sub-paragraph (3) shall be substituted as under, namely: -

*“State Government guarantees which attract 20 per cent risk weight for capital computation. To the extent that a State Government guarantee is used for offsetting exposures by NBFC-UL, the exposure shall shift to the State Government with applicable risk weight of 20 per cent. No cap has been fixed for shifting of exposure on the State Government; and”*

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

