Draft Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025

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Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025

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Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025

Introduction

In exercise of the powers conferred under sections 45JA, 45K, 45L,45M and 45NC of the Reserve Bank of India Act, 1934 (Act 2 of 1934) and section 3 read with section 31A and section 6 of the Factoring Regulation Act, 2011 (Act 12 of 2012), the Reserve Bank having considered it necessary in the public interest, and being satisfied that, for the purpose of enabling the Reserve Bank to regulate the financial system to the advantage of the country and to prevent the affairs of any Non-Banking Financial Company (NBFC) from being conducted in a manner detrimental to the interest of investors and depositors or in any manner prejudicial to the interest of such NBFCs, hereby issues Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025 (the Directions) hereinafter specified to every NBFC..

Chapter-I – Preliminary

A. Short Title and Commencement

1. These Directions shall be called the Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025.

2. These directions shall come into effect on the day they are placed on the website of the Reserve Bank. .

B. Applicability as per categories of NBFCs

3. These Directions shall be applicable to the following:

(1) Every NBFC-D registered with the Reserve Bank under the provisions of the RBI Act, 1934;

(2) Every NBFC-ICC registered with the Reserve Bank under the provisions of the RBI Act, 1934;

(3) Every NBFC-Factor registered with the Reserve Bank under section 3 of the Factoring Regulation Act, 2011 and every NBFC-ICC registered with the Reserve Bank under section 3 of the Factoring Regulation Act, 2011;

(4) Every NBFC-MFI registered with the Reserve Bank under the provisions of the RBI Act, 1934;

(5) Every NBFC-IFC registered with the Reserve Bank under the provisions of the RBI Act, 1934;

(6) Every IDF-NBFC registered with the Reserve Bank under the provisions of the RBI Act, 1934.

4. These Directions shall be applicable to an NBFC being a Government company as defined under clause (45) of section 2 of the Companies Act, 2013 (Act 18 of 2013).

5. The following Directions shall not apply to NBFCs not availing public funds and not having any customer interface:

(1) 'Leverage Ratio' and 'Tier 1 Capital' prescribed in Reserve Bank of India (Non-Banking Financial Companies – Prudential Norms on Capital Adequacy) Directions, 2025;

(2) 'Accounting Standards', 'Disclosures in Financial Statements – Notes to Accounts', 'Accounting year' and 'Schedule to the balance sheet' prescribed in Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025;

(3) 'Accounting for Investments', 'Income from Investments', 'Investment Policy' and 'Investments in Alternative Investment Funds (AIFs)' prescribed in Reserve Bank of India (Non-Banking Financial Companies – Classification, Valuation and Operation of Investment Portfolio) Directions, 2025;

(4) 'Income Recognition', 'Asset Classification', 'Provisioning Requirements', and 'Standard asset provisioning' prescribed in Reserve Bank of India (Non-Banking Financial Companies – Income Recognition, Asset Classification and Provisioning) Directions, 2025;

(5) Reserve Bank of India (Non-Banking Financial Companies – Resolution of Stressed Assets) Directions, 2025;

(6) ‘Guidelines on Liquidity Risk Management Framework’ prescribed in Reserve Bank of India (Non-Banking Financial Companies – Asset Liability Management) Directions, 2025

(7) ‘Policy on Demand / Call Loans’, ‘Ceiling on IPO Funding’, ‘Loans against security of shares’ and ‘Loans against security of single product - Gold Jewellery’ prescribed in Reserve Bank of India (Non-Banking Financial Companies – Credit Facilities) Directions, 2025

(8) ‘Credit/investment concentration norms for NBFCs’ and ‘Strengthening credit standards’ prescribed in Reserve Bank of India (Non-Banking Financial Companies – Concentration Risk Management) Directions, 2025;

(9) ‘Declaration of dividends’ prescribed in Reserve Bank of India (Non-Banking Financial Companies – Prudential Norms on Declaration of Dividends) Directions, 2025;

(10) ‘Loans against NBFC’s own shares’ prescribed in Reserve Bank of India (Non-Banking Financial Companies – Credit Risk Management) Directions, 2025;

(11) ‘Fair Practices Code’ prescribed in Reserve Bank of India (Non-Banking Financial Companies – Responsible Business Conduct) Directions, 2025;

(12) Reserve Bank of India (Non-Banking Financial Companies – Know Your Customer) Directions, 2025;

(13) Reserve Bank of India (Non-Banking Financial Companies – Credit Information Reporting) Directions, 2025;

6. NBFCs availing public funds but not having any customer interface are exempt from the applicability of the following Directions:

(1) ‘Fair Practices Code’ prescribed in Reserve Bank of India (Non-Banking Financial Companies – Responsible Business Conduct) Directions, 2025;

(2) Reserve Bank of India (Non-Banking Financial Companies – Know Your Customer) Directions, 2025;

(3) Reserve Bank of India (Non-Banking Financial Companies – Credit Information Reporting) Directions, 2025;

7. NBFCs-BL having customer interface but not availing public funds are exempt from the applicability of the following Directions:

(1) 'Leverage Ratio' and 'Tier 1 Capital' prescribed in Reserve Bank of India (Non-Banking Financial Companies – Prudential Norms on Capital Adequacy) Directions, 2025;

(2) 'Accounting Standards', 'Disclosures in Financial Statements – Notes to Accounts', 'Accounting year' and 'Schedule to the balance sheet' prescribed in Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025;

(3) 'Accounting for Investments', 'Income from Investments', 'Investment Policy' and 'Investments in Alternative Investment Funds (AIFs)' prescribed in Reserve Bank of India (Non-Banking Financial Companies – Classification, Valuation and Operation of Investment Portfolio) Directions, 2025;

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(5) Reserve Bank of India (Non-Banking Financial Companies – Resolution of Stressed Assets) Directions, 2025;

(6) 'Guidelines on Liquidity Risk Management Framework' prescribed in Reserve Bank of India (Non-Banking Financial Companies – Asset Liability Management) Directions, 2025

(7) 'Policy on Demand / Call Loans', 'Ceiling on IPO Funding', 'Loans against security of shares' and 'Loans against security of single product - Gold Jewellery' prescribed in Reserve Bank of India (Non-Banking Financial Companies – Credit Facilities) Directions, 2025

(8) 'Credit/investment concentration norms for NBFCs' and 'Strengthening credit standards' prescribed in Reserve Bank of India (Non-Banking Financial Companies – Concentration Risk Management) Directions, 2025;

(9) 'Declaration of dividends' prescribed in Reserve Bank of India (Non-Banking Financial Companies – Prudential Norms on Declaration of Dividends) Directions, 2025;

(10) 'Loans against NBFC's own shares' prescribed in Reserve Bank of India (Non-Banking Financial Companies – Credit Risk Management) Directions, 2025;

8. The categories of NBFCs, mentioned below, shall be subject to extant regulations governing them, as under:

(1) NBFC-P2P - Reserve Bank of India (Non-Banking Financial Companies – Peer to Peer Lending Platform) Directions, 2025 , as amended from time to time.

(2) NBFC-AA - Reserve Bank of India (Non-Banking Financial Companies - Account Aggregator) Directions, 2025 , as amended from time to time.

(3) CIC - Reserve Bank of India (Core Investment Companies) Directions, 2025 , as amended from time to time.

(4) SPD - Reserve Bank of India (Standalone Primary Dealers) Directions, 2025 , as amended from time to time.

(5) MGC - Reserve Bank of India (Mortgage Guarantee Companies) Directions, 2025, as amended from time to time.

(6) HFC - Reserve Bank of India (Housing Finance Companies) Directions, 2025 , as amended from time to time.

(7) MFI- Reserve Bank of India (Non-Banking Financial Companies – Microfinance Institution) Directions, 2025, as amended from time to time.

(8) NOFHC - Reserve Bank of India (Non-Operating Financial Holding Companies) Directions, 2025

C. Definitions

9. In these directions, unless the context otherwise requires:

(1) “Company” means a company registered under section 3 of the Companies Act, 1956 or the corresponding provision under the Companies Act, 2013;

(2) “Companies in the group” means an arrangement involving two or more entities related to each other through any of the following relationships: Subsidiary – parent (defined in terms of AS 21), Joint venture (defined in terms of AS 27), Associate (defined in terms of AS 23), Promoter–promotee [as provided in the SEBI (Acquisition of Shares and Takeover) Regulations, 1997] for listed companies, a related party (defined in terms of AS 18), common brand name, and investment in equity shares of 20 percent and above;

(3) "Control" shall have the same meaning as assigned to it under clause (e) of sub-regulation (1) of regulation 2 of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(4) “Customer interface” means interaction between the NBFC and its customers while carrying on its business;

(5) “IDF-NBFC” means a non-deposit taking NBFC which is permitted to

(i) refinance post commencement operations date (COD) infrastructure projects that have completed at least one year of satisfactory commercial operations; and

(ii) finance toll operate transfer (TOT) projects as the direct lender.

(6) “Infrastructure lending” means a credit facility extended by an NBFC to a borrower, by way of term loan, project loan subscription to bonds/debentures/preference shares/equity shares in a project company acquired as a part of the project finance package such that subscription amount to be “in the nature of advance” or any other form of long term funded facility for exposure in the infrastructure sub-sectors as notified by the Department of Economic Affairs, Ministry of Finance, Government of India, from time to time.

(7) “NBFC-Factor” means an NBFC as defined in clause (f) of section 45-I of the RBI Act, 1934, which has its principal business as specified in the Reserve Bank of India (Non-Banking Financial Companies – Miscellaneous) Directions, 2025 and has been granted a certificate of registration under section 3 of the Factoring Regulation Act, 2011.

(8) “NBFC-ICC” means any company which is a financial institution carrying on as its principal business - asset finance, the providing of finance whether by making loans or advances or otherwise for any activity other than its own and the acquisition of securities; and is not any other category of NBFCs as defined by the Reserve Bank in any of its Master Directions.

(9) “NBFC-IFC” means a non-deposit taking NBFC which has a minimum of 75 percent of its total assets deployed towards infrastructure lending.

(10) “NBFC-MFI” means a non-deposit taking NBFC which has a minimum of 60 percent of its total assets (netted off by intangible assets) deployed towards “microfinance loans” as defined under the Reserve Bank of India (Non-Banking Financial Companies – Credit Facilities) Directions, 2025.

(11) “NOFHC” means a non-deposit taking NBFC referred to in the Reserve Bank of India (Non-Operating Financial Holding Companies) Directions, 2025, issued by the Reserve Bank, which holds the shares of a banking company and the shares of all other financial services companies in its group, whether regulated by the Reserve Bank or by any other financial regulator, to the extent permissible under the applicable regulatory prescriptions.

(12) “Owned Fund” means aggregate of

- (i) paid up equity capital,
- (ii) preference shares which are compulsorily convertible into equity,
- (iii) free reserves,
- (iv) balance in share premium account and
- (v) capital reserves representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of asset;

as reduced by

- (vi) accumulated loss balance,
- (vii) book value of intangible assets and
- (viii) deferred revenue expenditure, if any.

NBFCs shall not be required to deduct a Right-of-Use (ROU) asset (created in terms of Ind AS 116-Leases) from Owned Fund, provided the underlying asset being taken on lease is a tangible asset.

(13) “Public Deposit” for the purpose of these Directions shall have the same meaning as defined in the Reserve Bank of India (Non-Banking Financial Companies – Acceptance of Public Deposits) Directions, 2025 ;

(14) “Public Funds” includes funds raised either directly or indirectly through public deposits, inter-corporate deposits, bank finance and all funds received from outside sources such as funds raised by issue of Commercial Papers, debentures etc. but excludes funds raised by issue of instruments compulsorily convertible into equity shares within a period not exceeding five years from the date of issue;

(15) "RBI Act, 1934" means the Reserve Bank of India Act, 1934 (Act 2 of 1934);

(16) "Reserve Bank" means the Reserve Bank of India constituted under section 3 of the RBI Act, 1934;

(17) "Subordinated Debt" means an instrument, which is fully paid up, is unsecured and is subordinated to the claims of other creditors and is free from restrictive clauses and is not redeemable at the instance of the holder or without the consent of the supervisory authority of the non-banking financial company. The book value of such instrument shall be subjected to discounting as provided hereunder:

Remaining Maturity of the instruments	Rate of discount (in percent)
Up to one year	100
More than one year but up to two years	80
More than two years but up to three years	60
More than three years but up to four years	40
More than four years but up to five years	20

to the extent such discounted value does not exceed fifty percent of Tier 1 capital;

(18) “Tier 1 capital” for NBFCs (except NBFCs-BL) is the sum of

(i) Owned fund as reduced by investment in shares of other NBFCs and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten percent of the owned fund; and

(ii) Perpetual debt instruments issued by a non-deposit taking NBFCs in each year to the extent it does not exceed 15 percent of the aggregate Tier 1 capital of such company as on March 31 of the previous accounting year.

Note – NBFCs-BL are not eligible to include perpetual debt instruments in their Tier 1 capital.

(19) **“Underlying asset / obligation”** means the asset which a protection buyer is seeking to hedge.

10. Words or expressions used in these Directions but not defined herein and defined in the RBI Act, 1934 shall have the same meaning as assigned to them in the RBI Act, 1934. Any other words or expressions not defined in the RBI Act, 1934 shall have the same meaning as assigned to them in the Factoring Regulation Act, 2011. Any other words or expressions used and not defined in these directions or in the RBI Act, 1934 or

Factoring Regulation Act, 2011 or any of the Directions issued by the Reserve Bank, shall have the meanings respectively assigned to them under the Companies Act, 1956 or the Companies Act, 2013 (Act 18 of 2013) as the case may be.

D. Regulatory Structure under Scale Based Regulation

11. Regulatory structure for Non-Banking Financial Companies (NBFCs) shall comprise of four layers based on their size, activity and perceived riskiness. NBFCs in the lowest layer shall be known as NBFCs-Base Layer (NBFCs-BL). NBFCs in middle layer and upper layer shall be known as NBFCs-Middle Layer (NBFCs-ML) and NBFCs Upper Layer (NBFCs-UL), respectively. The Top Layer is ideally expected to be empty and will be known as NBFCs-Top Layer (NBFCs-TL).

12. Details of NBFCs populating the various layers shall be as prescribed in paragraphs 13 to 21 below:

D.1 Base Layer

13. The Base Layer shall comprise of (a) non-deposit taking NBFCs below the asset size of ₹1,000 crore and (b) NBFCs undertaking the following activities - (i) NBFC-Peer to Peer Lending Platform (NBFC-P2P), (ii) NBFC-Account Aggregator (NBFC-AA), (iii) Non-Operative Financial Holding Company (NOFHC) and (iv) NBFC not availing public funds and not having any customer interface.

Explanation: Public funds and customer interface as defined in these Directions.

D.2 Middle Layer

14. The Middle Layer shall consist of :

(i) all deposit taking NBFCs (NBFCs-D), irrespective of asset size,

(ii) non-deposit taking NBFCs with asset size of ₹1,000 crore and above and

(iii) NBFCs undertaking the following activities

- (a) Standalone Primary Dealer (SPD),
- (b) Infrastructure Debt Fund-Non-Banking Financial Company (IDF-NBFC),
- (c) Core Investment Company (CIC),
- (d) Housing Finance Company (HFC) and
- (e) Non-Banking Financial Company-Infrastructure Finance Company (NBFC-IFC).

D.3 Upper Layer

15. The Upper Layer shall comprise of those NBFCs which are specifically identified by the Reserve Bank as warranting enhanced regulatory requirement based on the following set of parameters and scoring methodology:

16. Upper Layer shall be populated with NBFCs, identified by way of a parametric scoring methodology, comprising of quantitative and qualitative parameters / supervisory judgment. The quantitative and qualitative parameters shall have weightage of 70 percent and 30 percent respectively. Scoring methodology for identification of an NBFC as NBFCUL shall be based on the set of NBFCs fulfilling the following criteria:

(i) Top 50 NBFCs (excluding top ten NBFCs based on asset size, which automatically fall in the Upper Layer) based on their total exposure including credit equivalent of off-balance sheet exposure.

(ii) NBFCs designated as NBFC-UL in the previous year.

(iii) NBFCs added to the set by supervisors using supervisory judgment.

17. The computation of scores of all NBFCs in the above set shall be performed annually based on their position as on March 31 each year.

Components of the parametric analysis				
	Parameter	**Sub-Parameters**	**Sub-Para Weights**	**Parameter Weights**
Quantitative Parameter (70%)	**1. Size & Leverage**	Total exposure (on and off-balance sheet) and Leverage (total debt to total equity)	20 + 15	35
	2. Interconnectedness	*(i) Intra-financial system assets* • Lending to financial institutions (including undrawn committed lines); • Holdings of securities issued by other financial institutions. • Net mark-to-market reverse repurchase agreements with other financial institutions. • Net mark-to-market OTC derivatives with financial institutions	10	25
		(ii) Intra-financial system liabilities • Borrowings from financial institutions (including undrawn committed lines)	10	

		• All marketable securities issued by the finance company to financial institutions; • Net mark-to-market repurchase agreements with other financial institutions; • Net mark-to-market OTC derivatives with financial institutions		
		(iii) Securities outstanding with nonfinancial institutions (issued by an NBFC)	5	
	3. Complexity	*(i) Notional Amount of Over-the-Counter (OTC) Derivatives* • OTC derivatives cleared through a central counterparty • OTC derivatives settled bilaterally	5	10
		(ii) Trading and Available-for-Sale Securities	5	
Qualitative Parameter / Supervisory Inputs (30%)	**4. Nature and type of liabilities**	• The amount and type of liabilities, including the degree of reliance on short-term funding • Liquid asset ratios, which are intended to indicate an NBFC's ability to repay its short-term debt. • The ratio of unencumbered and highly liquid assets to the net cash outflows that an NBFC could encounter in a short-term stress scenario. • Callable debt as a fraction of total debt, which provides one measure of an NBFC's ability to manage its funding position in response to changes in interest rates. • Asset-backed funding versus other funding, to determine an NBFC's susceptibility to distress in particular credit markets. • Asset-liability duration and gap analysis, which is intended to indicate how well an NBFC is matching the re-pricing and maturity of an NBFC's assets and liabilities.	10	30

		• A study on the borrowings split by type, i.e., secured debt securities; subordinated debt securities; preferred shares/ CCPS; CPs; unsecured debt; securitisation and any other		
	5. Group Structure	• Total Number of entities • Total number of layers • Total Intra group exposure	10	
	6. Segment Penetration	• The importance of an NBFC as a source of credit to a specific segment or area.	10	
		Total Score		**100**

18. The top ten eligible NBFCs in terms of their asset size shall always reside in the upper layer, irrespective of any other factor.

D.4 Top Layer

19. The Top Layer will ideally remain empty.

20. This layer can get populated if the Reserve Bank is of the opinion that there is a substantial increase in the potential systemic risk from specific NBFCs in the Upper Layer. Such NBFCs shall move to the Top Layer from the Upper Layer.

D.5 Categorisation of NBFCs carrying out specific activity

21. As the regulatory structure envisages scale based as well as activity-based regulation, the following prescriptions shall apply in respect of the NBFCs:

(1) NBFC-P2P, NBFC-AA, NOFHC and NBFC not availing public funds and not having any customer interface will always remain in the Base Layer of the regulatory structure.

(2) NBFC-D, CIC, NBFC-IFC and HFC will be included in Middle Layer or the Upper Layer (and not in the Base layer), as the case may be. SPD and IDF-NBFC will always remain in the Middle Layer.

(3) The remaining NBFCs, viz., NBFC-Investment and Credit Companies (NBFC-ICCs), NBFC-Micro Finance Institutions (NBFC-MFIs), NBFC-Factors and Mortgage Guarantee Companies (MGCs) could lie in any of the layers of the regulatory structure depending on the parameters of the scale based regulatory framework.

(4) Government owned NBFCs shall be placed in the Base Layer or Middle Layer, as the case may be. They will not be placed in the Upper Layer till further notice.

D.6 References to NBFC-ND, NBFC-ND-SI and NBFC-D

22. From October 01, 2022, all references to NBFC-ND (i.e., non-systemically important non-deposit taking NBFC) shall mean NBFC-BL and all references to NBFC-D (i.e., deposit taking NBFC) and NBFC-ND-SI (systemically important non-deposit taking NBFC) shall mean NBFC-ML or NBFC-UL, as the case may be.

> ***Provided that*** existing NBFC-ND-SI having asset size of ₹500 crore and above but below ₹1000 crore (except that necessarily featuring in Middle Layer) will be known as NBFC-BL.

D.7 Multiple NBFCs in a Group - Classification in Middle Layer

23. NBFCs that are part of a common Group or are floated by a common set of promoters shall not be viewed on a standalone basis. The total assets of all the NBFCs (including NBFCs which will always remain in Base Layer – NBFC-P2P, NBFC-AA, NOFHC and NBFC without public funds and customer interface) in a Group shall be consolidated to determine the threshold for their classification in the Middle Layer.

24. If the consolidated asset (consolidation as per paragraph 23 above) size of the NBFCs in the Group is ₹1000 crore and above, then each NBFC-ICC, NBFC-MFI, NBFC-Factor and MGC lying in the Group shall be classified as an NBFC in the Middle Layer and consequently, regulations as applicable to the Middle Layer shall be applicable to them. However, NBFC-D, within the Group, if any, shall also be governed under the Reserve Bank of India (Non-Banking Financial Companies – Acceptance of Public Deposits) Directions, 2025.

25. Illustrative examples on treatment for multiple NBFCs in the Group-Classification in Middle Layer are provided below:

(1) **Example 1:** There are six NBFCs in a Group – an NBFC-ICC with asset size of ₹300 crore, an HFC with asset size of ₹300 crore, an NBFC-IFC with asset size of ₹500 crore, an NBFC-MFI with asset size of ₹100 crore, an NBFC-P2P with asset size of ₹50 crore and NBFC without public funds and customer interface with asset size of ₹70 crore.

Explanation on classifying NBFCs in various layers

On a standalone basis, as per SBR Regulatory Framework,

- HFCs and IFCs will, by default, be included in the Middle Layer but may move to the Upper Layer based on the supervisory filtering process.

• NBFC-ICC and NBFC-MFI will be classified in Base Layer (as their asset size constitutes less than ₹1000 crore in the example).

• NBFC-P2P and NBFC without public funds and customer interface will, by default, be included in the Base Layer.

Based on consolidation of assets of all the NBFCs in the Group, the consolidated asset size of NBFCs in the Group becomes ₹1320 crore (higher than the asset size threshold of ₹1000 crore for classification in Middle Layer). As such, NBFC-ICC and NBFC-MFI will now be classified in the Middle Layer. HFC and IFC will continue to be classified in the Middle Layer in this example. However, NBFC-P2P and NBFC without public funds and customer interface will continue to be classified in the Base Layer.

(2) **Example 2: If the asset size of NBFC-ICC in the above example is ₹10 crore, then would it be still classified in Middle Layer?**

Explanation - Yes, both NBFC-ICC and NBFC-MFI would still be classified in Middle Layer as the consolidated asset size of NBFCs in the Group at ₹1030 crore is higher than the asset size threshold of ₹1000 crore for Middle Layer.

26. Statutory Auditors are required to certify the asset size (as on March 31) of all the NBFCs in the Group every year. The certificate shall be furnished to the Department of Supervision of the Reserve Bank under whose jurisdiction the NBFCs are registered.

27. Provisions contained in paragraphs 23 to 26 shall not be applicable for classifying an NBFC in the Upper Layer.

D.8 Criteria for deciding NBFC-ML status

28. Once an NBFC reaches an asset size of ₹1,000 crore or above, it shall be subject to the regulatory requirements as per paragraph 1 to 45 of these Directions, despite not having such assets as on the date of last balance sheet.

29. All such non-deposit taking NBFCs shall comply with the regulations / directions issued to NBFCs-ML from time to time, as and when they attain an asset size of ₹1,000 crore, irrespective of the date on which such size is attained.

30. In a dynamic environment, the asset size of a NBFCs can fall below ₹1,000 crore in a given month, which may be due to temporary fluctuations and not due to actual downsizing. In such a case the NBFC shall continue to meet the reporting requirements and shall comply with the extant directions as applicable to NBFC-ML, till the submission of its next audited balance sheet to the Reserve Bank and a specific dispensation from the Reserve Bank in this regard.

Chapter-II – Registration requirements applicable to NBFC-BL

A. Principal Business Criteria

31. Any company which carries on the business of a non-banking financial institution as its principal business as defined in section 45I(c) read with section 45I(f) of the RBI Act, 1934 shall be treated as an NBFC and would be requiring registration under Section 45IA of the Act.

32. The term principal business has not been defined in the RBI Act, 1934. Hence, in order to identify a company as an NBFC, the following Principal Business Criteria as set forth in Press Release 1998-99/1269 dated April 08, 1999 shall be referred, which considers both the assets and the income pattern as evidenced from the last audited balance sheet of the company, and the same is as under:
A company will be treated as an NBFC, if its financial assets are more than 50 per cent of its total assets (netted off by intangible assets) and income from financial assets is more than 50 per cent of its gross income. Both these tests are required to be satisfied as the determinant factor for determining principal business of a company.

B. Net Owned Fund Requirement

33. In exercise of the powers conferred under clause (b) of sub-section (1) of section 45IA of the RBI Act,1934 and all the powers enabling it in that behalf, the Reserve Bank, hereby specifies ₹10 crore as the Net Owned Fund (NOF) required for an NBFC-ICC, NBFC-MFI and NBFC-Factor to commence or carry on the business of non-banking financial institution.

34. For NBFC-P2P, NBFC-AA, and NBFC not availing public funds and not having any customer interface, the NOF shall be ₹2 crore.

35. For NBFC-IFC and IDF-NBFC, the NOF shall be ₹300 crore.

36. The following glide path is provided for the existing NBFCs, viz., NBFC-ICC, NBFC-MFI (without distinction in the NOF requirement for NBFCs registered in the North East Region) and NBFC-Factor to achieve the NOF of ₹10 crore:

NBFCs	Current NOF	By March 31, 2025	By March 31, 2027
NBFC-ICC	₹2 crore	₹5 crore	₹10 crore
NBFC-MFI	₹5 crore	₹7 crore	₹10 crore

	(₹2 crore in NE Region)	(₹5 crore in NE Region)	
NBFC-Factor	₹5 crore	₹7 crore	₹10 crore

37. NBFCs failing to achieve the prescribed level within the stipulated period shall not be eligible to hold the Certificate of Registration (CoR) as NBFCs.

C. Investment through Alternative Investment Funds - Calculation of NOF of an NBFC

38. In terms of section 45IA of the RBI Act, 1934, the investments / loans / exposures to the subsidiaries, companies in the same group and other NBFCs, in excess of 10 percent of aggregate of the paid-up equity capital and free reserves are deducted to arrive at NOF.

39. In the context of arriving at the NOF figure, investment made by the NBFC in entities of the same group, either directly or indirectly, through an Alternative Investment Fund (AIF), shall be treated alike, provided the funds in the AIF (in company form) have come from NBFC to the extent of 50 percent or more; or where the beneficial owner in the case of AIF (in trust form) is the NBFC and 50 percent of the funds in the trust have come from the NBFC.

> ***Explanation:*** For this purpose, "beneficial ownership" shall mean holding the power to make or influence decisions in the trust and being the recipient of benefits arising out of the activities of the trust. In arriving at the NOF, the substance would take precedence over form.

D. Investment from FATF non-compliant jurisdictions

40. Investments in NBFCs from FATF non-compliant jurisdictions shall not be treated at par with those from the compliant jurisdictions. New investors from or through non-compliant FATF jurisdictions, whether in existing NBFCs or in companies seeking CoR, should not be allowed to directly or indirectly acquire ‘significant influence’ in the investee, as defined in the applicable accounting standards. In other words, fresh investors (directly or indirectly) from such jurisdictions in aggregate should be less than the threshold of 20 percent of the voting power (including potential voting power) of the NBFC.

Notes:

(i) The Financial Action Task Force (FATF) periodically identifies jurisdictions with weak measures to combat money laundering and terrorist financing (AML/CFT) in its following publications: i) High-Risk Jurisdictions subject to a Call for Action, and ii) Jurisdictions under Increased Monitoring. A jurisdiction, whose name does not appear in the two aforementioned lists, shall be referred to as a FATF compliant jurisdiction.

(ii) Potential voting power could arise from instruments that are convertible into equity, other instruments with contingent voting rights, contractual arrangements, etc. that grant investors voting rights (including contingent voting rights) in the future. In such cases, it should be ensured that new investments from FATF non-compliant jurisdictions are less than both (i) 20 percent of the existing voting powers and (ii) 20 percent of existing and potential voting powers assuming those potential voting rights have materialised.

41. Investors in existing NBFCs holding their investments prior to the classification of the source or intermediate jurisdiction/s as FATF non-compliant, may continue with the investments or bring in additional investments as per extant regulations so as to support continuity of business in India.

Chapter-III – Regulations applicable to NBFC-ML

42. Regulatory instructions specified in paragraphs 43 to 45 shall be applicable to NBFC-ML. In addition, regulatory instructions applicable to NBFC-BL as specified in paragraphs 31 to 41 shall also be applicable to NBFC-ML, unless stated otherwise.

A. Licensing as Authorised Dealer- Category II

43. In order to increase the accessibility and efficiency of forex services extended to the members of the public for their day-to-day non-trade current account transactions, non-deposit taking NBFC-ICC shall be eligible for Authorized Dealer- Category II (AD Cat II) license, subject to meeting the following conditions:

(1) a NBFC offering such services shall have a 'minimum investment grade rating'.

(2) a NBFC offering such services shall put in place a board approved policy on:

- (i) managing the risks, including currency risk, if any, arising out of such activities; and
- (ii) handling customer grievances arising out of such activities.

44. A monitoring mechanism, at least at monthly intervals, shall be put in place for such services.

45. The eligible NBFC desirous of undertaking AD-Cat II activities shall approach the Reserve Bank, Foreign Exchange Department, Central Office, Mumbai for the AD-Cat II licence.

Chapter-IV – Regulations applicable to NBFC-UL

46. Regulatory instructions specified in paragraphs 47 to 51 shall be applicable to NBFC-UL. In addition, regulatory instructions applicable to NBFC-BL as specified in paragraphs 31 to 41 and applicable to NBFC-ML as specified in paragraphs 43 to 45 shall also be applicable to NBFC-UL, unless stated otherwise.

A. Transition Path

A.1 Transition Plan

47. Once a NBFC is identified for inclusion as NBFC-UL, the NBFC shall be advised about its classification by the Department of Regulation, the Reserve Bank and it will be placed under regulation applicable to the Upper Layer. For this purpose, the following timelines shall be adhered to:

(1) Within three months of being advised by the Reserve Bank regarding its inclusion in the NBFC-UL, the NBFC shall put in place a Board approved policy for adoption of the enhanced regulatory framework and chart out an implementation plan for adhering to the new set of regulations.

(2) The Board shall ensure that the stipulations prescribed for the NBFC-UL are adhered to within a maximum time-period of 24 months from the date of advice regarding classification as a NBFC-UL from the Reserve Bank. During the period of transition, calibrated increment to business may be allowed through supervisory engagement. The period of three months provided for charting out the plan for implementation shall be subsumed within the 24-months' time-period referred to above.

(3) The roadmap as approved by the Board towards implementation of the enhanced regulatory requirement shall be submitted to the Reserve Bank and shall be subject to supervisory review.

A.2 Transition of NBFCs to the Upper Layer

48. Once an NBFC is categorised as NBFC-UL, it shall be subject to enhanced regulatory requirement, at least for a period of five years from its classification in the layer, even in case it does not meet the parametric criteria in the subsequent year/s. In other words, it will be eligible to move out of the enhanced regulatory framework only if it does not meet the criteria for classification for five consecutive years.

49. NBFC-UL may however move out of the enhanced regulatory framework before the period of five years if the movement is on account of voluntary strategic move to readjust operations as per a Board approved policy. This stipulation shall not apply if the scaling down of operations is on account of adverse situations specific to the NBFC and its deteriorating financial conditions.

50. An NBFC which is close to meeting the parameters and benchmarks that would render them eligible for classification as NBFC-UL shall be intimated about the same to enable them to readjust their operations, in case they intend to continue to function as NBFC-ML on a long-term basis and do not want to graduate to NBFC-UL.

A.3 Review of Assessment Methodology

51. The methodology for assessing the NBFC-UL shall be reviewed periodically.

Chapter-V – Regulations applicable to NBFC-TL

52. NBFCs falling in the Top Layer of the regulatory structure shall, *inter alia*, be subject to higher capital charge. Such higher requirements shall be specifically communicated to the NBFC at the time of its classification in the Top Layer. There will be enhanced and intensive supervisory engagement with these NBFCs.

Chapter-VI – Exemptions from the provisions of the RBI Act, 1934

A. Exemption from provisions of Chapter III B of the RBI Act, 1934 to the following:

53. A Non-Banking institution which is authorized to operate a payment system and to issue prepaid payment instruments under the Payment and Settlement Systems Act, 2007 (Act 51 of 2007).

54. This exemption shall be limited and restricted to money received by such non-banking institution for issue of prepaid payment instruments.

B. Exemption from sections 45-IA, 45-IB and 45-IC of the RBI Act, 1934 to the following:

55. Any non-banking financial company which is

(1) providing only microfinance loans as defined under Reserve Bank of India (Non-Banking Financial Companies – Microfinance Institution) Directions, 2025, provided the monthly loan obligations of a household does not exceed 50 per cent of the monthly household income; and

(2) licensed under Section 25 of the Companies Act, 1956 or Section 8 of the Companies Act, 2013; and

(3) not accepting public deposits as defined under Reserve Bank of India (Non-Banking Financial Companies – Acceptance of Public Deposits) Directions, 2025; and.

(4) having asset size of less than ₹100 crore.

56. **Securitisation and Reconstruction Companies** i.e. a non-banking institution which is a Securitisation company or Reconstruction company registered with the Reserve Bank under section 3 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.

57. **Nidhi Companies,** i.e., a non-banking financial company notified under section 620A of the Companies Act, 1956 (Act 1 of 1956), as Nidhi Company.

58. **Mutual Benefit Companies** i.e. a non-banking financial company being a mutual benefit company as defined in Reserve Bank of India (Non-Banking Financial Companies – Acceptance of Public Deposits) Directions, 2025 .

59. **Chit Companies** i.e. a non-banking financial company doing the business of chits, as defined in clause (b) of section 2 of the Chit Funds Act, 1982 (Act 40 of 1982).

60. **Mortgage Guarantee Companies** i.e. notified as non-banking financial company in terms of section 45 I (f)(iii) of the RBI Act, 1934 with the prior approval of the Central Government, and a company registered with the Reserve Bank under the scheme for registration of Mortgage Guarantee Companies.

61. **Merchant Banking Companies** i.e. a non-banking financial company subject to compliance with the following conditions:

(1) It is registered with the Securities and Exchange Board of India as a Merchant Banker under section 12 of the Securities and Exchange Board of India Act, 1992 and is carrying on the business of merchant banker in accordance with the Securities and Exchange Board of India Merchant Banking (Rules) 1992 and Securities and Exchange Board of India Merchant Banking (Regulations) 1992;

(2) acquires securities only as a part of its merchant banking business;

(3) does not carry on any other financial activity referred to in section 45I(c) of the RBI Act, 1934; and

(4) does not accept or hold public deposits as defined in Reserve Bank of India (Non-Banking Financial Companies – Acceptance of Public Deposits) Directions, 2025.

62. Further the entities at paragraph 55 to 61 above shall be exempt from the applicability of the provisions of Reserve Bank of India (Non-Banking Financial Companies – Acceptance of Public Deposits) Directions, 2025 and the following directions:

(1) Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025

(2) Reserve Bank of India (Non-Banking Financial Companies – Branch Authorisation) Directions, 2025

(3) Reserve Bank of India (Non-Banking Financial Companies – Undertaking of Financial Services) Directions, 2025

(4) Reserve Bank of India (Non-Banking Financial Companies – Acquisition of Shareholding or Control) Directions, 2025

(5) Reserve Bank of India (Non-Banking Financial Companies – Governance) Directions, 2025

(6) Reserve Bank of India (Non-Banking Financial Companies – Prudential Norms on Capital Adequacy) Directions, 2025

(7) Reserve Bank of India (Non-Banking Financial Companies – Acceptance of Public Deposits) Directions, 2025

(8) Reserve Bank of India (Non-Banking Financial Companies – Climate Finance and Management of Climate Change Risks) Directions, 2025

(9) Reserve Bank of India (Non-Banking Financial Companies – Credit Risk Management) Directions, 2025

(10) Reserve Bank of India (Non-Banking Financial Companies – Credit Facilities) Directions, 2025

(11) Reserve Bank of India (Non-Banking Financial Companies – Concentration Risk Management) Directions, 2025

(12) Reserve Bank of India (Non-Banking Financial Companies – Transfer and Distribution of Credit Risk) Directions, 2025

(13) Reserve Bank of India (Non-Banking Financial Companies – Securitisation Transactions) Directions, 2025

(14) Reserve Bank of India (Non-Banking Financial Companies – Income Recognition, Asset Classification and Provisioning) Directions, 2025

(15) Reserve Bank of India (Non-Banking Financial Companies – Resolution of Stressed Assets) Directions, 2025

(16) Reserve Bank of India (Non-Banking Financial Companies – Treatment of Wilful Defaulters and Large Defaulters) Directions, 2025

(17) Reserve Bank of India (Non-Banking Financial Companies – Classification, Valuation and Operation of Investment Portfolio) Directions, 2025

(18) Reserve Bank of India (Non-Banking Financial Companies – Asset Liability Management) Directions, 2025

(19) Reserve Bank of India (Non-Banking Financial Companies – Managing Risks in Outsourcing) Directions, 2025

(20) Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025

(21) Reserve Bank of India (Non-Banking Financial Companies – Prudential Norms on Declaration of Dividends) Directions, 2025

(22) Reserve Bank of India (Non-Banking Financial Companies – Credit Information Reporting) Directions, 2025

(23) Reserve Bank of India (Non-Banking Financial Companies – Know Your Customer) Directions, 2025

(24) Reserve Bank of India (Non-Banking Financial Companies – Credit Cards: Issuance and Conduct) Directions, 2025

(25) Reserve Bank of India (Non-Banking Financial Companies – Responsible Business Conduct) Directions, 2025

(26) Reserve Bank of India (Non-Banking Financial Companies – Voluntary Amalgamation) Directions, 2025

(27) Reserve Bank of India (Non-Banking Financial Companies – Miscellaneous) Directions, 2025

63. Housing Finance Institutions i.e. a non-banking financial company which is a housing finance institution as defined in Section 2 (d) of the National Housing Bank Act, 1987.

C. Exemption from sections 45-IA, 45-IB, 45-IC, 45-MB and 45-MC of the RBI Act, 1934 to the following:

64. Insurance Companies i.e. a non-banking financial company doing the business of insurance, holding a valid certificate of **registration** issued under section 3 of the Insurance Act, 1938 (IV of 1938); and not holding or accepting public deposit as defined in Reserve Bank of India (Non-Banking Financial Companies – Acceptance of Public Deposits) Directions, 2025

65. Stock Exchanges i.e. a non-banking financial company being a stock exchange, recognised under section 4 of the **Securities** Contracts (Regulation) Act, 1956 (42 of

1956) and not holding or accepting public deposit as defined in Reserve Bank of India (Non-Banking Financial Companies – Acceptance of Public Deposits) Directions, 2025.

66. **Stock brokers or sub-brokers** i.e. a non-banking financial company doing the business of a stock-broker or sub-broker holding a valid certificate of registration obtained under section 12 of the Securities and Exchange Board of India Act, 1992 (Act 15 of 1992) and not holding or accepting public deposit as defined in Reserve Bank of India (Non-Banking Financial Companies – Acceptance of Public Deposits) Directions, 2025.

67. Further, the entities at paragraph 64 to 66 above shall be exempt from the provisions of Reserve Bank of India (Non-Banking Financial Companies – Acceptance of Public Deposits) Directions, 2025 and the following directions:

(1) Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025

(2) Reserve Bank of India (Non-Banking Financial Companies – Branch Authorisation) Directions, 2025

(3) Reserve Bank of India (Non-Banking Financial Companies – Undertaking of Financial Services) Directions, 2025

(4) Reserve Bank of India (Non-Banking Financial Companies – Acquisition of Shareholding or Control) Directions, 2025

(5) Reserve Bank of India (Non-Banking Financial Companies – Governance) Directions, 2025

(6) Reserve Bank of India (Non-Banking Financial Companies – Prudential Norms on Capital Adequacy) Directions, 2025

(7) Reserve Bank of India (Non-Banking Financial Companies – Acceptance of Public Deposits) Directions, 2025

(8) Reserve Bank of India (Non-Banking Financial Companies – Climate Finance and Management of Climate Change Risks) Directions, 2025

(9) Reserve Bank of India (Non-Banking Financial Companies – Credit Risk Management) Directions, 2025

(10) Reserve Bank of India (Non-Banking Financial Companies – Credit Facilities) Directions, 2025

(11) Reserve Bank of India (Non-Banking Financial Companies – Concentration Risk Management) Directions, 2025

(12) Reserve Bank of India (Non-Banking Financial Companies – Transfer and Distribution of Credit Risk) Directions, 2025

(13) Reserve Bank of India (Non-Banking Financial Companies – Securitisation Transactions) Directions, 2025

(14) Reserve Bank of India (Non-Banking Financial Companies – Income Recognition, Asset Classification and Provisioning) Directions, 2025

(15) Reserve Bank of India (Non-Banking Financial Companies – Resolution of Stressed Assets) Directions, 2025

(16) Reserve Bank of India (Non-Banking Financial Companies – Treatment of Wilful Defaulters and Large Defaulters) Directions, 2025

(17) Reserve Bank of India (Non-Banking Financial Companies – Classification, Valuation and Operation of Investment Portfolio) Directions, 2025

(18) Reserve Bank of India (Non-Banking Financial Companies – Asset Liability Management) Directions, 2025

(19) Reserve Bank of India (Non-Banking Financial Companies – Managing Risks in Outsourcing) Directions, 2025

(20) Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025

(21) Reserve Bank of India (Non-Banking Financial Companies – Prudential Norms on Declaration of Dividends) Directions, 2025

(22) Reserve Bank of India (Non-Banking Financial Companies – Credit Information Reporting) Directions, 2025

(23) Reserve Bank of India (Non-Banking Financial Companies – Know Your Customer) Directions, 2025

(24) Reserve Bank of India (Non-Banking Financial Companies – Credit Cards: Issuance and Conduct) Directions, 2025

(25) Reserve Bank of India (Non-Banking Financial Companies – Responsible Business Conduct) Directions, 2025

(26) Reserve Bank of India (Non-Banking Financial Companies – Voluntary Amalgamation) Directions, 2025

(27) Reserve Bank of India (Non-Banking Financial Companies – Miscellaneous) Directions, 2025

D. Exemption from sections 45-IA and 45-IC of the RBI Act, 1934 to the following:

68. Alternative Investment Fund (AIF) Companies i.e. a non-banking financial company, which is an Alternative Investment Fund holding a certificate of registration obtained under section 12 of the Securities and Exchange Board of India Act, 1992 (Act 15 of 1992) and not holding or accepting public deposit as defined in Reserve Bank of India (Non-Banking Financial Companies – Acceptance of Public Deposits) Directions, 2025.

69. Further, such companies shall be exempt from the provisions of Reserve Bank of India (Non-Banking Financial Companies – Acceptance of Public Deposits) Directions, 2025 and the following directions:

(1) Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025

(2) Reserve Bank of India (Non-Banking Financial Companies – Branch Authorisation) Directions, 2025

(3) Reserve Bank of India (Non-Banking Financial Companies – Undertaking of Financial Services) Directions, 2025

(4) Reserve Bank of India (Non-Banking Financial Companies – Acquisition of Shareholding or Control) Directions, 2025

(5) Reserve Bank of India (Non-Banking Financial Companies – Governance) Directions, 2025

(6) Reserve Bank of India (Non-Banking Financial Companies – Prudential Norms on Capital Adequacy) Directions, 2025

(7) Reserve Bank of India (Non-Banking Financial Companies – Acceptance of Public Deposits) Directions, 2025

(8) Reserve Bank of India (Non-Banking Financial Companies – Climate Finance and Management of Climate Change Risks) Directions, 2025

(9) Reserve Bank of India (Non-Banking Financial Companies – Credit Risk Management) Directions, 2025

(10) Reserve Bank of India (Non-Banking Financial Companies – Credit Facilities) Directions, 2025

(11) Reserve Bank of India (Non-Banking Financial Companies – Concentration Risk Management) Directions, 2025

(12) Reserve Bank of India (Non-Banking Financial Companies – Transfer and Distribution of Credit Risk) Directions, 2025

(13) Reserve Bank of India (Non-Banking Financial Companies – Securitisation Transactions) Directions, 2025

(14) Reserve Bank of India (Non-Banking Financial Companies – Income Recognition, Asset Classification and Provisioning) Directions, 2025

(15) Reserve Bank of India (Non-Banking Financial Companies – Resolution of Stressed Assets) Directions, 2025

(16) Reserve Bank of India (Non-Banking Financial Companies – Treatment of Wilful Defaulters and Large Defaulters) Directions, 2025

(17) Reserve Bank of India (Non-Banking Financial Companies – Classification, Valuation and Operation of Investment Portfolio) Directions, 2025

(18) Reserve Bank of India (Non-Banking Financial Companies – Asset Liability Management) Directions, 2025

(19) Reserve Bank of India (Non-Banking Financial Companies – Managing Risks in Outsourcing) Directions, 2025

(20) Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025

(21) Reserve Bank of India (Non-Banking Financial Companies – Prudential Norms on Declaration of Dividends) Directions, 2025

(22) Reserve Bank of India (Non-Banking Financial Companies – Credit Information Reporting) Directions, 2025

(23) Reserve Bank of India (Non-Banking Financial Companies – Know Your Customer) Directions, 2025

(24) Reserve Bank of India (Non-Banking Financial Companies – Credit Cards: Issuance and Conduct) Directions, 2025

(25) Reserve Bank of India (Non-Banking Financial Companies – Responsible Business Conduct) Directions, 2025

(26) Reserve Bank of India (Non-Banking Financial Companies – Voluntary Amalgamation) Directions, 2025

(27) Reserve Bank of India (Non-Banking Financial Companies – Miscellaneous) Directions, 2025

E. Exemption from section 45-IA of the RBI Act, 1934 to the following:

70. Unregistered Core Investment Companies i.e. a non-banking financial company in the nature of a Core Investment Company as stated in Reserve Bank of India (Core Investment Companies) Directions, 2025 .

F. Exemption from section 45-IA(1)(b) of the RBI Act, 1934 to the following:

71. Core Investment Companies i.e. a non-banking financial company being a Core Investment Company as defined in the Reserve Bank of India (Core Investment Companies) Directions, 2025 , subject to the condition that it meets with the capital requirements and leverage ratio as specified in the said directions.

Chapter-VII – Reporting Requirements

A. Reporting Requirements

72. The reporting requirements as prescribed by Department of Supervision of the Reserve Bank shall be adhered to by all NBFCs

Chapter-VIII – Repeal and Other Provisions

A. Repeal and saving

73. With the issue of these Directions, the existing Directions, instructions, and guidelines relating to Registration, Exemptions and Framework for Scale Based Regulation as applicable to Non-Banking Financial Companies stand repealed, as communicated vide notification dated XX, 2025. The Directions, instructions and guidelines repealed prior to the issuance of these Directions shall continue to remain repealed.

74. Notwithstanding such repeal, any action taken or purported to have been taken, or initiated under the repealed Directions, instructions, or guidelines shall continue to be governed by the provisions thereof. All approvals or acknowledgments granted under these repealed lists shall be deemed as governed by these Directions.

B. Application of other laws not barred

75. The provisions of these Directions shall be in addition to, and not in derogation of the provisions of any other laws, rules, regulations, or directions, for the time being in force.

C. Interpretations

76. For the purpose of giving effect to the provisions of these Directions or in order to remove any difficulties in the application or interpretation of the provisions of these Directions, the RBI may, if it considers necessary, issue necessary clarifications in respect of any matter covered herein and the interpretation of any provision of these Directions given by the RBI shall be final and binding.