



भारतीय रिजर्व बैंक
RESERVE BANK OF INDIA
www.rbi.org.in

RBI/2025-26/227

DOR.CAP.REC.No.417/21.01.002/2025-26

March 10, 2026

All Non-Banking Financial Companies (NBFCs)

Dear Sir / Madam,

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

The Reserve Bank had issued the [Master Direction – Reserve Bank of India \(Non-Banking Financial Companies - Concentration Risk Management\) Directions, 2025](#) (hereinafter referred as the 'Master Direction'), on November 28, 2025, as amended from time to time. There is a need to further amend the same to review the definition of Tier 1 capital being reckoned for complying with extant credit / investment concentration norms for NBFCs.

2. Accordingly, in exercise of the powers conferred by Chapter III B of the Reserve Bank of India Act, 1934, and all other provisions / laws enabling the Reserve Bank of India ('RBI') in this regard, RBI being satisfied that it is necessary and expedient in the public interest so to do, hereby, issues the following Amendment Directions.

3. Reserve Bank of India (Non-Banking Financial Companies - Concentration Risk Management) Second Amendment Directions, 2026.

4. These Amendment Directions shall come into force from immediate effect.

5. These Amendment Directions modify the Master Direction as under:

(1) Paragraph 4 (7) shall be replaced by:

"Owned Fund" shall have the same meaning as given in Chapter II of the Reserve Bank of India (Non-Banking Financial Companies – Prudential Norms on Capital Adequacy) Directions, 2025.

(2) Paragraph 4 (8) shall be replaced by:

"Tier 1 capital" shall have the same meaning as given in Chapter II of the Reserve Bank of India (Non-Banking Financial Companies – Prudential Norms on Capital Adequacy) Directions, 2025. However, for the purpose of concentration norms, the NBFC shall obtain an external auditor's certificate on completion of the augmentation of capital and submit the same to the Department of Supervision of the RBI before reckoning the additions to capital funds.

(3) The following paragraphs shall be inserted after paragraph 14(2):

"14(3) The applicable Tier 1 Capital for compliance with the norms stated in paragraphs 13 and 14 above, shall be determined based on the NBFC's latest available financial statements (audited or subject to limited review).

14(4) The term "Tier 1 Capital" in this context shall be as defined in paragraph 10 of the Reserve Bank of India (Non-Banking Financial Companies – Prudential Norms on Capital Adequacy) Directions, 2025."

Yours faithfully,

Sunil T S Nair

Chief General Manager