



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

RBI/2025-26/____

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

January 13, 2026

All Asset Reconstruction Companies (ARCs)

Dear Sir / Madam,

**Reserve Bank of India (Asset Reconstruction Companies) Amendment
Directions, 2026 – Draft for Comments**

The Reserve Bank had issued the [Reserve Bank of India \(Asset Reconstruction Companies\) Directions, 2025](#) (hereafter 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 provide clarification on the components being reckoned in the computation of Owned Fund.

2. Accordingly, in exercise of the powers conferred under Sections 3, 9, 10, 12 and 12A of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (54 of 2002), and of all the powers enabling it in this behalf, the Reserve Bank being satisfied that it is necessary and expedient in the public interest so to do, and in order to ensure prudent and efficient functioning of Asset Reconstruction Companies, hereby, issues the following Amendment Directions.

3. These Directions shall be called Reserve Bank of India (Asset Reconstruction Companies) Amendment Directions, 2026.

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

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

Paragraph 11(i)(c) shall be replaced by:

“(c) free reserves (excluding revaluation reserve) including quarterly profits.
Inclusion of quarterly profits shall be subject to the following conditions:

(i) The financial statements shall be subjected to limited review on a quarterly basis by the statutory auditors.

(ii) Such profits shall be reduced by average dividend paid in the last three years and the amount which can be reckoned for inclusion would be arrived at as under:

$$\underline{EP_t = NP_t - 0.25 * D * t}$$

Where:

EP_t = Eligible profit up to quarter 't' of the current financial year, t varies from 1 to 4

NP_t = Net profit up to quarter 't'

D = average dividend paid during the last three years

Losses in the current year shall be fully deducted from Owned Fund;"

Yours faithfully,

Sunil T S Nair

Chief General Manager