



भारतीय रिजर्व बैंक  
RESERVE BANK OF INDIA  
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RBI/2025-26/\_\_\_

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

January 13, 2026

All Housing Finance Companies (HFCs)

Dear Sir / Madam,

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

The Reserve Bank had issued the [Reserve Bank of India \(Housing Finance Companies\) Directions, 2025](#) (hereafter referred as the ‘Master Directions’), 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 reckoned in the computation of Owned Fund.

2. Accordingly, in exercise of the powers conferred under sections 45L and 45MA of the Reserve Bank of India Act, 1934 and Sections 30, 30A, 32 and 33 of the National Housing Bank Act, 1987, and of all powers enabling it in this behalf, 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 so to do, and to prevent the affairs of any Housing Finance Company (HFC) from being conducted in a manner detrimental to the interest of investors and depositors or in any manner prejudicial to the interest of such HFC, hereby, issues to every HFC the following Amendment Directions.
3. These Directions shall be called the Reserve Bank of India (Housing Finance Companies) Amendment Directions, 2026.
4. These Amendment Directions shall come into force with immediate effect.
5. These Amendment Directions modify the Master Direction mentioned as under:

Paragraph 10(16) shall be replaced by:

“10(16) “Owned Fund” means paid up equity capital, preference shares which are compulsorily convertible into equity, free reserves including quarterly profits, balance in share premium account, and capital reserves representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of asset, as reduced by accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any.

Inclusion of quarterly profits shall be subject to the following conditions:

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

$$EP_t = NP_t - 0.25 * D * t$$

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.

The HFC 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.”

Yours faithfully,

Sunil T S Nair

Chief General Manager