



**भारतीय रिज़र्व बैंक**  
**RESERVE BANK OF INDIA**

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**Reserve Bank of India (Core Investment Companies) Directions, 2025**

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In exercise of the powers conferred by sections 45JA, 45L and 45M of the Reserve Bank of India Act, 1934 (2 of 1934), and of all the powers enabling it in this behalf, the Reserve Bank having considered that it is necessary and expedient in the public interest and being satisfied that for the purpose of enabling it to regulate the credit system to the advantage of the country so to do, hereby issues to every Core Investment Company (CIC), the Reserve Bank of India (Core Investment Companies) Directions, 2025 (the Directions) hereinafter specified for compliance of the same by every CIC.

## **Chapter-I – Preliminary**

### **A. Short Title and Commencement**

1. These Directions shall be called the Reserve Bank of India (Core Investment Companies) Directions, 2025.
2. These directions shall come into effect on the day they are placed on the website of the Reserve Bank.

### **B. Applicability**

3. These directions shall be applicable to every Core Investment Company (hereinafter collectively referred to as 'CICs' and individually as a 'CIC'), that is to say, a non-banking financial company carrying on the business of acquisition of shares and securities, and which satisfies the following conditions as on the date of the last audited balance sheet:

- (1) it holds not less than 90 percent of its net assets in the form of investment in equity shares, preference shares, bonds, debentures, debt or loans in group companies;
- (2) its investments in the equity shares (including instruments compulsorily convertible into equity shares within a period not exceeding 10 years from the date of issue) in group companies and units of Infrastructure Investment Trusts (InvITs) only as sponsor constitute not less than 60 percent of its net assets as mentioned in paragraph 11(17) below;
- (3) Provided that the exposure of such CICs towards InvITs shall be limited to their holdings as sponsors and shall not, at any point in time, exceed the minimum holding of units and tenor prescribed in this regard by SEBI (Infrastructure



Investment Trusts) Regulations, 2014, as amended from time to time. It does not trade in its investments in shares, bonds, debentures, debt or loans in group companies except through block sale for the purpose of dilution or disinvestment;

(4) It does not carry on any other financial activity referred to in Section 45I(c) and 45I (f) of the Reserve Bank of India Act, 1934 except

- (i) investment in
  - (a) bank deposits,
  - (b) money market instruments, including money market mutual funds that make investments in debt/money market instruments with a maturity of up to 1 year.
  - (c) government securities, and
  - (d) bonds or debentures issued by group companies,
- (ii) granting of loans to group companies and
- (iii) issuing guarantees on behalf of group companies.

*Note:*

- (1) 10 per cent of net assets of CIC shall include real estate or other fixed assets which are required for its effective functioning but shall not include other financial investments/loans in non-group companies.
- (2) All direct investments in group companies, as appearing in the CICs balance sheet will be taken into account for computing 90 percent of net assets. Investments made by subsidiaries in step down subsidiaries or other entities will not be taken into account for this purpose.
- (3) In the context of the Master Direction, a block sale would be a long term or strategic sale made for purposes of disinvestment or investment and not for short term trading.
- (4) Activities such as trading or rendering services to the group companies are not restricted for CICs, provided such activities are carried out purely in the nature of a non-financial activity, and they do not lead the CIC to carry on any other financial activity not permitted under the extant instructions within the group or on behalf of the group entities. Such activities should not ultimately render creation of any financial asset which the CICs are not permitted to hold within / outside the group. Further, CICs cannot enter into



commodity derivative contracts or hold any non-financial assets other than real estate or other fixed assets which are required for effective functioning of the CIC outside the group within the limit of 10 per cent of net assets.

4. These directions shall not be applicable to a CIC which is an 'Unregistered CIC' as defined at paragraphs 16 and 17 of these directions.
5. The Reserve Bank may, if it considers it necessary for avoiding any hardship for any other just and sufficient reason, grant extension of time to comply with or exempt any CIC from all or any of the provisions of these Directions either generally or for any specified period, subject to such conditions as the Reserve Bank may impose.
6. These Directions consolidate the regulations as issued by Department of Regulation, Reserve Bank of India. However, any other Directions/guidelines issued by any other Department of the Bank, as applicable to a CIC shall be adhered to, by it.

### **C. Applicability of other directions**

7. The guidelines given in the following Directions, where not contradictory to these Directions, shall also be applicable to the Core Investment Companies, based on the layer in which it is categorised.

- (1) [Reserve Bank of India \(Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation\) Directions, 2025.](#)
- (2) Paragraphs 13 to 15 of [Reserve Bank of India \(Non-Banking Financial Companies - Branch Authorisation\) Directions, 2025.](#)
- (3) Paragraphs 7 to 14, 20 to 22 and 34 to 39 of [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](#) except paragraph 6(3) and 6(4).
- (5) [Reserve Bank of India \(Non-Banking Financial Companies - Governance\) Directions.](#)
- (6) Paragraphs 15, 16 and 54 of [Reserve Bank of India \(Non-Banking Financial Companies – Prudential Norms on Capital Adequacy\) Directions, 2025.](#)



- (7) [Reserve Bank of India \(Non-Banking Financial Companies – Income Recognition, Asset Classification and Provisioning\) Directions, 2025.](#)

*Note:* For ample clarity, it is clarified that the instructions contained in these Directions shall prevail in the event of conflict, if any, with these Directions.

- (8) Paragraphs 105, 106 and 107 of [Reserve Bank of India \(Non-Banking Financial Companies – Credit Facilities\) Directions, 2025.](#)

- (9) [Reserve Bank of India \(Non-Banking Financial Companies – Treatment of Wilful Defaulters and Large Defaulters\) Directions, 2025.](#)

- (10) [Reserve Bank of India \(Non-Banking Financial Companies – Classification, Valuation and Operation of Investment Portfolio\) Directions, 2025.](#)

- (11) [Reserve Bank of India \(Non-Banking Financial Companies – Asset Liability Management\) Directions, 2025](#) except provisions contained in Chapter III.

- (12) [Reserve Bank of India \(Non-Banking Financial Companies – Managing Risks in Outsourcing\) Directions, 2025.](#)

- (13) [Reserve Bank of India \(Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures\) Directions, 2025.](#)

*Note:* For ample clarity, it is clarified that the instructions contained in these Directions shall prevail in the event of conflict, if any, with these Directions.

- (14) [Reserve Bank of India \(Non-Banking Financial Companies – Prudential Norms on Declaration of Dividends\) Directions, 2025.](#)

- (15) [Reserve Bank of India \(Non-Banking Financial Companies – Credit Information Reporting\) Directions, 2025.](#)

- (16) [Reserve Bank of India \(Non-Banking Financial Companies – Know Your Customer\) Directions, 2025.](#)

- (17) [Reserve Bank of India \(Non-Banking Financial Companies- Voluntary Amalgamation\) Directions, 2025.](#)

- (18) Paragraphs 6, 7, 9 to 20, and 25 to 27 of [Reserve Bank of India \(Non-Banking Financial Companies – Miscellaneous\) Directions, 2025.](#)

8. Notwithstanding the above, the instructions contained in these Directions shall be applicable to NBFC-CIC in addition and not in substitution to the other relevant instructions contained in the directions mentioned in paragraph 7 above.

9. A CIC may make use of 'Guidance Note on Operational Risk Management and Operational Resilience', as amended from time to time.



#### **D. Regulatory Structure under Scale Based Regulation for NBFCs**

10. A CIC will be included in Middle Layer or the Upper Layer (and not in the Base layer) depending on the parameters of the scale based regulatory framework specified in [Reserve Bank of India \(Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation\) Directions, 2025](#).

#### **E. Definitions**

11. For the purpose of these Directions, unless the context otherwise requires, the terms herein shall bear the meanings assigned to them below:

- (1) “adjusted net worth (ANW)” means –
- (i) the aggregate, as appearing in the last audited balance sheet as at the end of the financial year, of Owned Funds as defined at sub-paragraph (21) below.
  - (ii) as increased by:-
    - (a) 50 per cent of the unrealized appreciation in the book value of quoted investments as at the date of the last audited balance sheet as at the end of the financial year (such appreciation being calculated, as the excess of the aggregate market value of such investments over the book value of such investments); and
    - (b) the increase, if any, in the equity share capital since the date of the last audited balance sheet.
  - (iii) as reduced by:-
    - (a) the amount representing any direct or indirect capital contribution made by one CIC in another CIC, to the extent such amount exceeds ten per cent of Owned Funds of the investing CIC;
    - (b) the amount of diminution in the aggregate book value of quoted investments (such diminution being calculated as the excess of the book value of such investments over the aggregate market value of such investments), and;
    - (c) the reduction, if any, in the equity share capital since the date of the last audited balance sheet.



- (2) “breakup value” means the equity capital and reserves as reduced by intangible assets and revaluation reserves, divided by the number of equity shares of the investee company;
- (3) “carrying cost” means book value of the assets and interest accrued thereon but not received;
- (4) “Companies in the Group” means an arrangement involving two or more entities related to each other through any of the following relationships, viz. 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 per cent and above).
- (5) “Conduct of business regulations” means the directions issued by the Reserve Bank from time to time on Fair Practices Code and Know Your Customer guidelines.
- (6) "control" shall have the same meaning as is 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.
- (7) “Core Investment Company (CIC)” means a core investment company having total assets of not less than ₹100 crore either individually or in aggregate along with other CICs in the Group and which raises or holds public funds.
- (8) "current investment" means an investment which is by its nature readily realisable and is intended to be held for not more than one year from the date on which such investment is made;
- (9) “customer interface” means interaction between the CIC and its customers while carrying on its business.
- (10) “earning value” means the value of an equity share computed by taking the average of profits after tax as reduced by the preference dividend and adjusted for extraordinary and non-recurring items, for the immediately preceding three years and further divided by the number of equity shares of the investee company and capitalised at the following rate:
- (i) in case of predominantly manufacturing company, eight per cent;



- (ii) in case of predominantly trading company, 10 per cent; and
- (iii) in case of any other company, including non-banking financial company, 12 per cent;

*Note: If, an investee company is a loss making company, the earning value will be taken at zero;*

- (11) “fair value” is the mean of the earning value and the break up value;
- (12) “hybrid debt” means capital instrument which possesses certain characteristics of equity as well as of debt;
- (13) “investment” means investment in shares, stock, bonds, debentures or securities issued by the Government or local authority or other marketable securities of a like nature.
- (14) “Infrastructure Investment Trust” means a trust registered under SEBI (Infrastructure Investment Trusts) Regulations, 2014 and as amended from time to time.
- (15) “long term investment” means an investment other than a current investment;
- (16) “market value of quoted investments” means the average of the weekly highs and lows of the closing price of the investments, on a recognized stock exchange where the investment is most actively traded, during the period of 26 weeks immediately preceding the end of the financial year at which date the last audited balance sheet is available.
- (17) “net assets” means total assets excluding -
  - (i) cash and bank balances;
  - (ii) investment in money market instruments and money market mutual funds
  - (iii) advance payments of taxes; and
  - (iv) deferred tax payment.
- (18) “net asset value” means the latest declared net asset value by the mutual fund concerned in respect of that particular scheme;
- (19) “net book value” means:
  - (i) in the case of hire purchase asset, the aggregate of overdue and future instalments receivable as reduced by the balance of unmatured finance charges and further reduced by the provisions made as per paragraph 35 of these Directions;





(ii) in the case of leased asset, aggregate of capital portion of overdue lease rentals accounted as receivable and depreciated book value of the lease asset as adjusted by the balance of lease adjustment account.

(20) “outside liabilities” means total liabilities as appearing on the liabilities side of the balance sheet excluding 'paid up capital' and 'reserves and surplus', instruments compulsorily convertible into equity shares within a period not exceeding 10 years from the date of issue but including all forms of debt and obligations having the characteristics of debt, whether created by issue of hybrid instruments or otherwise, and value of guarantees issued, whether appearing on the balance sheet or not.

(21) “owned funds” means paid up equity capital, preference shares which are compulsorily convertible into equity, free reserves, 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;

*Note:* CIC 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.

(22) “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](#).

(23) “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 10 years from the date of issue.

(24) “substantial interest” means holding of a beneficial interest by an individual or his spouse or minor child, whether singly or taken together in the shares of a company, the amount paid up on which exceeds ten per cent of the paid up capital of the company; or the capital subscribed by all the partners of a partnership firm;

(25) “the Act” means the Reserve Bank of India Act, 1934 (Act 2 of 1934).



(26) “total assets” means the total of all assets appearing on the assets side of the balance sheet.

12. Words or expressions used and not defined in these directions but defined in the Act or the Master Directions issued by the Reserve Bank, shall have the meanings respectively assigned to them under the Act or Directions. Any words or expressions used and not defined in these directions or in the Act or any of the Directions issued by the Reserve Bank, shall have the meanings respectively assigned to them under the Companies Act, 2013 (18 of 2013).



## **Chapter-II – Role of Board of Directors and Registration**

### **A. Role of Board of Directors and Periodic Review**

13. A CIC shall put in place Board approved policies and establish periodic review mechanisms to ensure sound processes and systems. An illustrative list of such policies to be approved by the Board or a Committee(s) to which powers have been delegated is provided below. The specific aspects to be addressed in these policies are detailed in the relevant paragraphs of these Directions.

- (1) Internal Capital Adequacy Assessment Process (ICAAP)
- (2) Investment policy.
- (3) Policy for resource planning which, inter alia, shall cover the planning horizon and the periodicity of private placement of Non-Convertible Debentures (NCDs).

### **B. Registration**

14. A CIC shall apply to the Reserve Bank, through PRAVAAH Portal, for grant of Certificate of Registration, irrespective of any advice in the past, issued by the Bank, to the contrary.

15. A CIC shall apply to the Reserve Bank, through PRAVAAH Portal, for grant of Certificate of Registration within a period of three months from the date of becoming a CIC.

16. A CIC (a) with an asset size of less than ₹100 crore, irrespective of whether accessing public funds or not and (b) with an asset size of ₹100 crore and above and not accessing public funds are not required to register with the Reserve Bank under Section 45IA of the RBI Act, 1934, and will be termed as 'Unregistered CIC'. However, a CIC may be required to issue guarantees or take on other contingent liabilities on behalf of their group entities. Before doing so, a CIC must ensure that it can meet the obligations thereunder, as and when they arise. In particular, an Unregistered CIC must be in a position to do so without recourse to public funds in the event the liability devolves, else they it shall approach the Reserve Bank for registration before accessing public funds.



17. If an unregistered CIC with asset size above ₹100 crore accesses public funds without obtaining a Certificate of Registration (CoR) from the Reserve Bank, it shall be violating regulations contained in these Directions.

*Note:*

- (1) A group would like to set up a CIC to rationalize the set up. However, at that time the company would not be eligible in terms of the requirements for a CIC prescribed under paragraph 3 of these Directions, as it would not have 90% of net assets as investment in group companies. Such company would have to apply for COR to RBI, giving a satisfactory time-bound business plan within which, it would achieve CIC status.
- (2) A holding company not meeting the criteria for a CIC laid down in paragraph 3 would require to register as an NBFC. However, if such company wishes to register as CIC/ be exempted as CIC, it will have to apply to RBI with an action plan achievable within the specific period to reorganize its business as CIC. If it is not able to do so, it would need to comply with NBFC requirements and prudential norms.
- (3) CICs need not meet the principal business criteria for NBFCs as specified under paragraph 38 of Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions,
- (4) CICs presently registered with the Reserve Bank but fulfilling the criteria for ‘Unregistered CICs’ as defined under paragraph 16 can seek voluntary deregistration. Both audited balance sheet and auditor’s certificate are required to be submitted for the purpose.

**C. Investment from FATF non-compliant jurisdictions**

18. CICs shall adhere to paragraphs 47 and 48 of [Reserve Bank of India \(Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation\) Directions, 2025](#).

**D. Group Structure**

19. The number of layers of a CIC within a Group (including the parent CIC) shall be restricted to two, irrespective of the extent of direct or indirect holding/ control exercised



by a CIC in the other CIC. If a CIC makes any direct/ indirect equity investment in another CIC, it will be deemed as a layer for the investing CIC.

**Illustration:** If a group consists of a parent CIC namely HCo which is holding 100 per cent equity capital in three other CICs namely A, B and C, the layers in the group shall be as follows.

- (i) HCo shall be considered as first layer of CIC
- (ii) A, B and C shall be considered as second layer of CICs.
- (iii) Any cross holdings, directly or indirectly through other entities in the group, by CICs in the second layer in any other CIC in the group shall be considered as creation of third layer of CIC/s in the group structure which is a violation of the extant instructions. However, investment by second layer CICs in non-CIC group companies is not a violation to the extant CIC regulations. Further, no restriction is placed on number of CICs in a horizontal layer.



## Chapter-III – Capital Requirements

### A. Net Worth

20. Adjusted Net Worth of a CIC shall at no point of time be less than 30 percent of its aggregate risk weighted assets on balance sheet and risk adjusted value of off-balance sheet items as on the date of the last audited balance sheet as at the end of the financial year.

*Note:*

- (1) In cases where asset size is aggregated, all the CICs within the group will be registered as CIC and ANW will be applicable individually.

### B. On balance sheet assets

21. In these Directions, degrees of credit risk expressed as percentage weights have been assigned to balance sheet assets. Hence, the value of each asset / item requires to be multiplied by the relevant risk weights to arrive at risk adjusted value of assets. The aggregate shall be taken into account for reckoning the capital ratio. The risk weighted assets shall be calculated as the weighted aggregate of funded items as detailed hereunder:

<b>Weighted risk assets - On-Balance Sheet items</b>	<b>Percentage weight</b>
(i) Cash and bank balances including fixed deposits and certificates of deposits with banks	0
(ii) Investments	
(a) Approved Securities [Except at (c) below]	0
(b) Bonds of public sector banks	20
(c) Fixed deposits/certificates of deposits/bonds of public financial institutions	100
(d) Shares of all companies and debentures / bonds/commercial papers of all companies and units of all mutual funds	100
(iii) Current assets	
(a) Stock on hire (net book value)	100
(b) Intercompany loans/deposits	100



(c) Loans and advances fully secured against deposits held	0
(d) Loans to staff	0
(e) Other secured loans and advances considered good [Except at (vi) below]	100
(f) Bills purchased/discounted	100
(g) Others (To be specified)	100
(iv) Fixed Assets (net of depreciation)	
(a) Assets leased out (net book value)	100
(b) Premises	100
(c) Furniture & Fixtures	100
(v) Other assets	
(a) Income tax deducted at source (net of provision)	0
(b) Advance tax paid (net of provision)	0
(c) Interest due on Government securities	0
(d) Others (to be specified) including ROU assets	100
(vi) Domestic Sovereign	
(a) fund based claims on the Central Government	0
(b) Direct loan / credit / overdraft exposure and investment in State Government securities	0
(c) Central Government guaranteed claims	0
(d) State Government guaranteed claims, which have not remained in default / which are in default for a period not more than 90 days	20
(e) State Government guaranteed claims, which have remained in default for a period of more than 90 days	100

**Note:**

- (1) Netting shall be done only in respect of assets where provisions for depreciation or for bad and doubtful debts have been made.
- (2) Assets which have been deducted from owned funds to arrive at net owned funds shall have a weight of 'zero'.



(3) While calculating the aggregate of funded exposure of a borrower for the purpose of assignment of risk weight, such CIC shall net off the amount of cash margin/caution money/security deposits (against which right to set-off is available) held as collateral against the advances out of the total outstanding exposure of the borrower.

(4) The counterparty credit risk, arising out of exposure of CIC to CCIL on account of securities financing transactions (CBLOs) shall carry a risk weight of zero, as it is presumed that the CCP's exposures to their counterparties are fully collateralised on a daily basis, thereby providing protection for the CCP's credit risk exposures. The deposits / collaterals kept by CIC with CCIL shall attract a risk weight of 20 per cent.

### **C. Off-balance sheet items**

22. In these Directions, degrees of credit risk exposure attached to off-balance sheet items have been expressed as percentage of credit conversion factor. Hence, the face value of each item requires to be first multiplied by the relevant conversion factor to arrive at risk adjusted value of off-balance sheet item. The aggregate shall be taken into account for reckoning the minimum capital ratio. This shall have to be again multiplied by the risk weight of 100. The risk adjusted value of the off-balance sheet items shall be calculated as per the credit conversion factors of non-funded items as detailed hereunder: -

<b>Nature of item</b>	<b>Credit conversion factor Percentage</b>
i) Financial & other guarantees	100
ii) Share/debenture underwriting obligations	50
iii) Partly-paid shares/debentures	100
iv) Bills discounted/rediscounted	100
v) Lease contracts entered into but yet to be executed	100

### **D. Leverage Ratio**

23. The outside liabilities of a CIC shall at no point of time exceed 2.5 times its Adjusted Net Worth as on the date of the last audited balance sheet as at the end of the financial year.





### **E. Internal Capital Adequacy Assessment Process (ICAAP)**

24. A CIC is required to make a thorough internal assessment of the need for capital (as reflected in ANW and leverage ratio), commensurate with the risks in its business. The CIC shall be guided by paragraph 54 of [Reserve Bank of India \(Non-Banking Financial Companies – Prudential Norms on Capital Adequacy\) Directions, 2025](#), in this regard.



## Chapter-IV – Prudential Regulations

25. Prudential Regulations applicable to a CIC are as under:

### A. Income recognition

26. A CIC shall comply with paragraphs 37 and 38 of [Reserve Bank of India \(Non-Banking Financial Companies – Income Recognition, Asset Classification and Provisioning\) Directions, 2025](#).

### B. Income from Investments

27. A CIC shall comply with paragraphs 22 to 24 of [Reserve Bank of India \(Non-Banking Financial Companies – Classification, Valuation and Operation of Investment Portfolio\) Directions, 2025](#).

### C. Accounting standards

28. A CIC, that is required to implement Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015, shall prepare its financial statements in accordance with Ind AS notified by the Government of India and shall comply with the regulatory guidance prescribed vide the [Reserve Bank of India \(Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures\) Directions, 2025](#). Other CICs shall comply with the requirements of notified Accounting Standards (AS) insofar as they are not inconsistent with any of these directions.

29. A CIC required to comply with Ind AS standards shall also comply with paragraphs 34 to 36 of [Reserve Bank of India \(Non-Banking Financial Companies – Income Recognition, Asset Classification and Provisioning\) Directions, 2025](#).

30. A CIC required to comply with Ind AS standards shall follow the principles specified in paragraph 15 and 16 of [Reserve Bank of India \(Non-Banking Financial Companies – Prudential Norms on Capital Adequacy\) Directions, 2025](#) for computing owned fund and adjusted net worth.

### D. Accounting of investments

31. A CIC shall follow paragraphs 7 to 10 and 14 to 21 of [Reserve Bank of India \(Non-Banking Financial Companies – Classification, Valuation and Operation of Investment Portfolio\) Directions, 2025](#).



#### **E. Need for policy on demand / call loans**

32. The Board of Directors of a CIC granting / intending to grant demand / call loans shall frame a policy for the company and implement the same.

33. Such policy shall, inter alia, stipulate the conditions specified in paragraph 107 of [Reserve Bank of India \(Non-Banking Financial Companies – Credit Facilities\) Directions, 2025](#)

#### **F. Asset classification**

34. A CIC shall comply with the asset classification norms prescribed under paragraphs 11(1), 11(3), 21, 22, 50 to 53 and 56 of [Reserve Bank of India \(Non-Banking Financial Companies – Income Recognition, Asset Classification and Provisioning\) Directions, 2025](#).

#### **G. Provisioning requirements**

35. A CIC shall follow the directions specified in paragraphs 28, 29, 32 to 36, 49, 55 and 57 to 60 of [Reserve Bank of India \(Non-Banking Financial Companies – Income Recognition, Asset Classification and Provisioning\) Directions, 2025](#) for making provision against substandard assets, doubtful assets and loss assets.

#### **H. Provision for Standard Assets**

36. A CIC in Middle Layer shall follow paragraphs 28 and 55 of [Reserve Bank of India \(Non-Banking Financial Companies – Income Recognition, Asset Classification and Provisioning\) Directions, 2025](#).

#### **I. Guidelines on Liquidity Risk Management Framework**

37. A CIC shall adhere to the set of liquidity risk management guidelines as detailed in [Reserve Bank of India \(Non-Banking Financial Companies – Asset Liability Management\) Directions, 2025](#), except provisions in Chapter III, as applicable. It will be the responsibility of the Board of each CIC to ensure that the guidelines are adhered to. The internal controls required to be put in place by a CIC as per these guidelines shall be subject to supervisory review.



**J. Accounting year**

38. A CIC shall comply with paragraph 9 of [Reserve Bank of India \(Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures\) Directions, 2025](#).

**K. Schedule to the balance sheet**

39. A CIC shall append to its balance sheet prescribed under the Companies Act, 2013, the particulars in the schedule as set out in paragraph 20 of [Reserve Bank of India \(Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures\) Directions, 2025](#).

**L. Declaration of dividends**

40. A CIC shall comply with [Reserve Bank of India \(Non-Banking Financial Companies – Prudential Norms on Declaration of Dividends\) Directions, 2025](#) to declare dividends.

**M. Transactions in Government securities**

41. A CIC shall follow paragraph 11 of [Reserve Bank of India \(Non-Banking Financial Companies – Classification, Valuation and Operation of Investment Portfolio\) Directions, 2025](#).

**N. Loans against CIC own shares prohibited**

42. A CIC shall comply with the provisions of paragraph 105 of [Reserve Bank of India \(Non-Banking Financial Companies – Credit Facilities\) Directions, 2025](#).

**O. Information with respect to change of address, directors, auditors, etc. to be submitted**

43. A CIC shall communicate change of address, directors, auditors, etc., as prescribed in paragraphs 6 and 7 of [Reserve Bank of India \(Non-Banking Financial Companies – Miscellaneous\) Directions, 2025](#).

**P. CIC not to be partners in partnership firms**

44. A CIC shall comply with instructions prescribed in paragraphs 16 to 19 of [Reserve Bank of India \(Non-Banking Financial Companies – Miscellaneous\) Directions, 2025](#).



**Q. Loans against security of shares**

45. CIC lending against the collateral of listed shares shall comply with the Paragraph 107 of [Reserve Bank of India \(Non-Banking Financial Companies – Credit Facilities\) Directions](#), 2025.

**R. Investments in Alternative Investment Funds (AIFs)**

46. Investments by CICs in AIFs shall be guided by paragraphs 7 to 14 of [Reserve Bank of India \(Non-Banking Financial Companies – Undertaking of Financial Services\) Directions](#), 2025.



## **Chapter-V – Shareholding and Corporate Governance**

### **A. Acquisition / Transfer of Control**

47. A CIC shall comply with the provisions of [Reserve Bank of India \(Non-Banking Financial Companies – Acquisition of Shareholding or Control\) Directions, 2025](#), except paragraphs 6(3) and 6(4).

### **B. Change in Directors and / or Management**

48. A CIC shall adhere to paragraphs 10 and 11 of [Reserve Bank of India \(Non-Banking Financial Companies – Governance\) Directions, 2025](#).



## Chapter-VI – Corporate Governance and Disclosure requirements

### A. Corporate Governance Requirements

49. Corporate governance requirements will be as per the Companies Act, 2013.

50. A CIC shall adhere to the provisions of [Reserve Bank of India \(Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures\) Directions, 2025](#). Additional disclosure requirements will be applicable to a CIC as per the guidelines contained at [Annex I](#) of these Directions.

51. A CIC is required to make disclosures in its financial statements in accordance with existing prudential guidelines, applicable accounting standards, laws and regulations.

52. The disclosures outlined in [Annex I](#) are in addition to and not in substitution of the disclosure requirements specified under other laws, regulations, or accounting and financial reporting standards.

53. It may be noted that disclosure requirements applicable to lower layers of CICs will be applicable to CICs in higher layers. The guidelines indicate basic minimum requirements and a CIC shall strive to achieve higher standards of governance and disclosure, especially if such disclosures significantly aid in understanding of the financial position and performance.

54. A CIC may omit those line items / disclosures from [Annex I](#) which are not applicable / not permitted or with no exposure / no transaction both in the current year and previous year.

55. It may be noted that mere mention of an activity, transaction or item in the disclosure template does not imply that it is permitted, and a CIC shall refer to the extant statutory and regulatory requirements while determining the permissibility or otherwise of an activity or transaction.

56. Further, a CIC shall include comparative information for narrative and descriptive information, if it is relevant to understanding the current period's financial statements.

57. A CIC shall put in place a policy for ascertaining the 'fit and proper' status of directors as prescribed in paragraph 12 of [Reserve Bank of India \(Non-Banking Financial Companies – Governance\) Directions, 2025](#).



58. A CIC shall

(1) ensure that a policy is put in place with the approval of the Board of Directors for ascertaining the fit and proper criteria of the directors at the time of appointment, and on a continuing basis. The policy on the fit and proper criteria shall be on the lines of the Guidelines contained in paragraphs 59 and 60 below;

(2) furnish to the Reserve Bank a quarterly statement as specified in paragraph 14 of [Reserve Bank of India \(Non-Banking Financial Companies – Governance\) Directions, 2025](#).

#### **B. ‘Fit and Proper’ Criteria for directors of CICs - Guidelines**

59. Reserve Bank had issued a Directive in June 2004 to banks on undertaking due diligence on the persons before appointing them on the Boards of banks based on the ‘Report of the Consultative Group of directors of Banks / Financial Institutions’. Specific ‘fit and proper’ criteria to be fulfilled by the directors were also advised.

60. The importance of due diligence of directors to ascertain suitability for the post by way of qualifications, technical expertise, track record, integrity, etc. needs no emphasis for any financial institution. It is proposed to follow the same guidelines mutatis mutandis in case of a CIC also. While the Reserve Bank does carry out due diligence on directors before issuing Certificate of Registration to a CIC, it is necessary that a CIC puts in place an internal supervisory process on a continuing basis. Further, in order to streamline and bring in uniformity in the process of due diligence, while appointing directors, CIC shall ensure that the procedures mentioned in paragraph 13 of [Reserve Bank of India \(Non-Banking Financial Companies – Governance\) Directions, 2025](#) are followed and minimum criteria fulfilled by the persons before they are appointed on the Boards.

61. The board of the CIC shall constitute Nomination and Remuneration Committee (Nomination Committee for Government owned CICs) as stipulated in paragraph 18 of [Reserve Bank of India \(Non-Banking Financial Companies – Governance\) Directions, 2025](#)

#### **C. Experience of the Board**

62. A CIC shall be guided by paragraph 8 of [Reserve Bank of India \(Non-Banking Financial Companies – Governance\) Directions, 2025](#).





#### **D. Key Managerial Personnel**

63. A CIC shall comply with paragraph 26 of [Reserve Bank of India \(Non-Banking Financial Companies – Governance\) Directions, 2025](#).

#### **E. Independent Director**

64. A CIC shall ensure compliance with paragraphs 27 and 28 of [Reserve Bank of India \(Non-Banking Financial Companies – Governance\) Directions, 2025](#).

#### **F. Guidelines on Compensation of Key Managerial Personnel (KMP) and Senior Management in CICs**

65. A CIC shall be guided by paragraphs 29 to 37 of [Reserve Bank of India \(Non-Banking Financial Companies – Governance\) Directions, 2025](#).

66. These guidelines shall be for fixing the compensation policy of Key Managerial Personnel and members of senior management of all CICs.



## Chapter-VII – Risk Management

### A. Appointment of Chief Risk Officer

67. A CIC shall appoint a Chief Risk Officer in accordance with paragraphs 19 to 24 of [Reserve Bank of India \(Non-Banking Financial Companies - Governance\) Directions, 2025](#).

### B. Risk Management Committee

68. A CIC shall constitute a Risk Management Committee in accordance with paragraph 9 of [Reserve Bank of India \(Non-Banking Financial Companies - Governance\) Directions, 2025](#).

### C. Constitution of Group Risk Management Committee

69. The parent CIC in the group or the CIC with the largest asset size, in case there is no identifiable parent CIC in the group, shall constitute a Group Risk Management Committee (GRMC). The GRMC shall report to the Board of the CIC that constitutes it and shall meet at least once in a quarter. The composition of GRMC shall be as under:

- (1) The GRMC shall comprise minimum of five members, including executive members.
- (2) At least two members shall be independent directors, one of whom shall be the Chairperson of the GRMC.
- (3) Members shall have adequate and commensurate experience in risk management practices.

70. The GRMC will have the following responsibilities:

- (1) Analyse the material risks to which the group, its businesses and subsidiaries are exposed. It must discuss all risk strategies both at an aggregated level and by type of risk and make recommendations to the Board in accordance with the group's overall risk appetite.
- (2) Identify potential intra-group conflicts of interest.
- (3) Assess whether there are effective systems in place to facilitate exchange of information for effective risk oversight of the group.
- (4) Assess whether the corporate governance framework addresses risk management across the group.



- (5) Carry out periodic independent formal review of the group structure and internal controls.
- (6) Articulate the leverage of the Group and monitor the same.

71. Based on the analyses and recommendations of the GRMC, a CIC shall initiate corrective action, where necessary. Chief Risk Officers (CROs) appointed in a CIC as per paragraphs 67 above, shall initiate such corrective action.

72. A CIC shall submit to the Board, a quarterly statement of deviation certified by the Chief Executive Officer/ Chief Financial Officer, indicating deviations in the use of proceeds of any funding obtained by the CIC from creditors and investors from the objects/ purpose stated in the application, sanction letter or offer document for such funding.



## **Chapter-VIII - Overseas Investment**

73. These directions are in addition to those prescribed by Foreign Exchange Department for overseas investment.

### **A. Investment in financial and non-financial sector overseas and opening of WOS / JV Abroad by CIC**

74. A CIC shall be guided by paragraphs 20 to 22 of [Reserve Bank of India \(Non-Banking Financial Companies – Undertaking of Financial Services\) Directions, 2025](#).

### **B. Opening of Branches / Representative Offices Abroad by CIC**

75. A CIC shall not, in the normal course, be allowed to open branches overseas. A CIC shall adhere to paragraphs 13 to 15 of [Reserve Bank of India \(Non-Banking Financial Companies – Branch Authorisation\) Directions, 2025](#).



## Chapter-IX – Miscellaneous Instructions

### A. Participation in Currency Options / Futures

76. A CIC shall be guided by paragraphs 28 and 33 of [Reserve Bank of India \(Non-Banking Financial Companies – Classification, Valuation and Operation of Investment Portfolio\) Directions, 2025](#).

### B. Operative instructions relating to relaxation / modification in Ready Forward Contracts, Settlement of Government Securities Transactions and Sale of securities allotted in Primary Issues

77. A CIC shall follow the guidelines given in paragraph 12 of [Reserve Bank of India \(Non-Banking Financial Companies – Classification, Valuation and Operation of Investment Portfolio\) Directions, 2025](#).

### C. Introduction of Interest Rate Futures

78. A CIC shall follow the guidelines given in paragraph 29 of [Reserve Bank of India \(Non-Banking Financial Companies – Classification, Valuation and Operation of Investment Portfolio\) Directions, 2025](#).

### D. Raising Money through Private Placement of Debentures etc. by CIC

79. A CIC shall follow the guidelines prescribed in paragraphs 9 to 13 of [Reserve Bank of India \(Non-Banking Financial Companies – Miscellaneous\) Directions, 2025](#).

### E. Applicability of Know Your Customer (KYC) Direction, 2016

80. A CIC shall be required to follow the [Reserve Bank of India \(Non-Banking Financial Companies – Know Your Customer\) Directions, 2025](#), issued and as amended from time to time by the Reserve Bank.

### F. Rounding off transactions to the Nearest Rupee by CICs

81. A CIC shall comply with instructions contained paragraph 27 of [Reserve Bank of India \(Non-Banking Financial Companies – Miscellaneous\) Directions, 2025](#).

### G. Ratings for CIC

82. A CIC shall comply with instructions prescribed in paragraph 20 of [Reserve Bank of India \(Non-Banking Financial Companies – Miscellaneous\) Directions, 2025](#).



#### **H. Guidelines on Investment in Insurance - Entry into insurance business**

83. The aspirant CIC shall be guided by paragraphs 34 to 39 of [Reserve Bank of India \(Non-Banking Financial Companies – Undertaking of Financial Services\) Directions, 2025](#).

#### **I. Managing Risks and Code of Conduct in Outsourcing of Financial Services by CICs**

84. A CIC shall conduct a self-assessment of its existing outsourcing arrangements and bring these in line with the directions on 'Managing Risks and Code of Conduct in Outsourcing of Financial Services' as provided at [Reserve Bank of India \(Non-Banking Financial Companies – Managing Risks in Outsourcing\) Directions, 2025](#).

#### **J. Technical Specifications for all participants of the Account Aggregator ecosystem**

85. A CIC shall comply with the instructions contained in paragraphs 14 and 15 of [Reserve Bank of India \(Non-Banking Financial Companies – Miscellaneous\) Directions, 2025](#).

#### **K. Submission of data to Credit Information Companies - Format of data to be submitted by Credit Institutions**

86. CICs shall comply with the instructions contained in [Reserve Bank of India \(Non-Banking Financial Companies – Credit Information Reporting\) Directions, 2025](#).

#### **L. Data Format for Furnishing of Credit Information to Credit Information Companies and other Regulatory Measures**

87. CICs shall comply with the instructions contained in [Reserve Bank of India \(Non-Banking Financial Companies – Credit Information Reporting\) Directions, 2025](#).

#### **M. Treatment of Wilful Defaulters and Large Defaulters**

88. CICs shall be guided by [Reserve Bank of India \(Non-Banking Financial Companies – Treatment of Wilful Defaulters and Large Defaulters\) Directions, 2025](#) on procedures for classification of borrowers as wilful defaulters, large defaulters and related aspects.



## Chapter-X – Reporting Requirements

89. The reporting requirements in respect of CICs as prescribed by Department of Supervision shall be adhered to.

90. **Consolidation of Financial Statement (CFS)** : CICs shall prepare CFS as per provisions of Companies Act, 2013, so as to provide a clear view of the financials of the group as a whole. However, it is possible that entities that meet the definition of group as per extant regulations are not covered under consolidation due to exemptions granted as per statutory provisions/ applicable accounting standards. For such entities which are not included in the consolidation, disclosures shall be made in the indicative format mentioned at paragraph 2 of the [Annex I](#). In the process of consolidation, the auditor of a CIC, as the 'principal auditor', shall use the work of other auditors with respect to the financial information of other respective entities, subject to auditing standards as also guidance notes issued by the Institute of Chartered Accountants of India from time to time.

*Note:* Standard on Auditing (SA) 600 - "Using the Work of Another Auditor" and Guidance Note on Audit of Consolidated Financial Statements.



## Chapter-XI – Repeal and Other Provisions

### A. Repeal and saving

91. With the issue of these Directions, the existing Directions, instructions, and guidelines relating to Core Investment Companies stand repealed, as communicated vide [circular DOR.RRC.REC.302/33-01-010/2025-26 dated November 28, 2025](#). The Directions, instructions, and guidelines repealed prior to the issuance of these Directions shall continue to remain repealed.

92. 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. Further, the repeal of these directions, instructions, or guidelines shall not in any way prejudicially affect:

- (1) any right, obligation or liability acquired, accrued, or incurred thereunder;
- (2) any, penalty, forfeiture, or punishment incurred in respect of any contravention committed thereunder;
- (3) any investigation, legal proceeding, or remedy in respect of any such right, privilege, obligation, liability, penalty, forfeiture, or punishment as aforesaid; and any such investigation, legal proceedings or remedy may be instituted, continued, or enforced and any such penalty, forfeiture or punishment may be imposed as if those directions, instructions, or guidelines had not been repealed.

### B. Application of other laws not barred

93. 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

94. 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.





(J P Sharma)

Chief General Manager



## Annex I - Additional Disclosure Requirements

### (Para 50)

1. A CIC shall maintain a functional website containing basic information about itself and about its group. It should further contain:
  - (i) The Annual Report of the CIC
  - (ii) Corporate Governance Report
  - (iii) Management Discussion & Analysis covering, inter alia, industry structure and developments, risks and concerns for the group and adequacy of internal controls.
  - (iv) Other significant information, if any
2. The following shall be disclosed by the CIC with regard to group entities that are not consolidated in the CFS:
  - (i) Name of the entity, type of business, size of its assets, debt-equity ratio, and profitability for the last two years
  - (ii) Nature and type of exposure on each entity: i) Investments in equity ii) investments in convertible instruments, iii) investments in bonds/ debentures/ other instruments, iv) loans and advances, v) any other
  - (iii) Total exposure of the CIC towards non-financial business (entity-wise)
  - (iv) Loans and advances to firms/companies in which directors are interested
  - (v) Investments by the loanee of the CIC in the shares of parent company and group companies

### 3. Disclosures to be made in the Annual Financial Statements:

#### 3.1 Components of ANW and other related information

(Amount in ₹ crore)			
Particulars		Current Year	Previous Year
i)	ANW as a % of Risk Weighted Assets		
ii)	unrealized appreciation in the book value of quoted investments		
iii)	diminution in the aggregate book value of quoted investments		
vi)	Leverage Ratio		



### 3.2 Investment in other CICs

- a) Total amount representing any direct or indirect capital contribution made by one CIC in another CIC (including name of CICs)
- b) Number of CICs with their names wherein the direct or indirect capital contribution exceeds 10 per cent of Owned Funds
- c) Number of CICs with their names wherein the direct or indirect capital contribution is less than 10 per cent of Owned Funds

### 3.3 Off Balance Sheet Exposure

	Particulars	Current Year	Previous Year
i)	Off balance sheet exposure		
ii)	Financial Guarantee as a % of total off-balance sheet exposure		
iii)	Non-Financial Guarantee as a% of total off-balance sheet exposure		
iv)	Off balance sheet exposure to overseas subsidiaries		
v)	Letter of Comfort issued to any subsidiary		

### 3.4 Business Ratios

Particular	Current Year	Previous Year
Return on Equity (RoE)		
Return on Assets (RoA) Net profit per employee		

### 3.5 Concentration of NPAs

	(Amount in ₹ crore)	Exposure as a % of total assets
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Total Exposure to top five NPA accounts		
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#### **4. Disclosure on provisioning in the Balance Sheet**

- (i) A CIC with total assets ₹500 crore and above shall disclose the following particulars in the Balance Sheet:
- (a) Exposure to real estate sector, both direct and indirect; and
  - (b) Maturity pattern of assets and liabilities.

#### **5. Miscellaneous disclosures**

- (i) If the auditor has expressed any modified opinion(s) or other reservation(s) in his audit report or limited review report in respect of the financial results of any previous financial year or quarter which has an impact on the profit or loss of the reportable period, with notes on -
- (a) How the modified opinion(s) or other reservation(s) has been resolved; or
  - (b) If the same has not been resolved, the reason thereof and the steps which the CIC intends to take in the matter.