**Non-Banking Financial Companies**

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| **Sr.No.** | **RBI Notifications** |
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**Periodic Updation of KYC – Restrictions on Account Operations for Non-compliance**

RBI/2021-22/144
DOR.AML.REC.74/14.01.001/2021-22

December 30, 2021

The Chairpersons/ CEOs of all the Regulated Entities

Madam/Dear Sir,

**Periodic Updation of KYC – Restrictions on Account Operations for Non-compliance**

Please refer to our [circular DOR.AML.REC 13/14.01.001/2021-22 dated May 5, 2021](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12083&Mode=0), on the captioned subject.

2. In view of the prevalent uncertainty due to new variant of Covid-19, the relaxation provided in the aforementioned circular is hereby extended till March 31, 2022.

Yours faithfully,

(Prakash Baliarsingh)
Chief General Manager

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12213&Mode=0>

**Prompt Corrective Action (PCA) Framework for Non-Banking Financial Companies (NBFCs)**

RBI/2021-22/139
DoS.CO.PPG.SEC.7/11.01.005/2021-22

December 14, 2021

All Deposit Taking NBFCs
[Excluding Government Companies]
All Non-Deposit Taking NBFCs in Middle, Upper and Top Layers[1](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12208&Mode=0#F1)
[Excluding – (i) NBFCs not accepting/not intending to accept public funds[2](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12208&Mode=0#F2);
(ii) Government Companies, (iii) Primary Dealers and (iv) Housing Finance Companies]

Dear Sir / Madam,

**Prompt Corrective Action (PCA) Framework for Non-Banking Financial Companies (NBFCs)**

Reserve Bank of India had introduced a [Prompt Corrective Action Framework (PCA)](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=1014&Mode=0) for Scheduled Commercial Banks in 2002 and the same has been reviewed from time to time based on the experience gained and developments in the banking system. The objective of the PCA Framework is to enable Supervisory intervention at appropriate time and require the Supervised Entity to initiate and implement remedial measures in a timely manner, so as to restore its financial health. The PCA Framework is also intended to act as a tool for effective market discipline. The PCA Framework does not preclude the Reserve Bank of India from taking any other action as it deems fit at any time in addition to the corrective actions prescribed in the Framework.

2. NBFCs have been growing in size and have substantial interconnectedness with other segments of the financial system. Accordingly, it has now been decided to put in place a PCA Framework for NBFCs to further strengthen the supervisory tools applicable to NBFCs. The PCA Framework for NBFCs, as contained in the enclosed [Annex](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12208&Mode=0#AN), comes into effect from October 1, 2022, based on the financial position of NBFCs on or after March 31, 2022.

3. In terms of extant regulations, Government NBFCs have been provided time upto March 31, 2022 to adhere to the capital adequacy norms provided for NBFCs (Ref. Annex I of [Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=10586)). Accordingly, a separate circular would be issued in due course with regard to applicability of PCA Framework to Government NBFCs.

4. The PCA Framework will be reviewed after three years of being in operation.

Yours faithfully,

**(Ajay Kumar Choudhary)
Chief General Manager-in-Charge**

Enclosure: PCA Framework for NBFCs

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12208&Mode=0>

**Section 24 of the Banking Regulation Act, 1949 – Maintenance of Statutory Liquidity Ratio (SLR) – Marginal Standing Facility (MSF) - return to the normal dispensation**

RBI/2021-22/138
DOR.RET.REC.73/12.01.001/2021-22

December 10, 2021

All Scheduled Banks

Madam/Sir,

**Section 24 of the Banking Regulation Act, 1949 – Maintenance of Statutory Liquidity Ratio (SLR) – Marginal Standing Facility (MSF) - return to the normal dispensation**

Please refer to [circular DOR.RET.REC.36/12.01.001/2021-22 dated August 09, 2021](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12142&Mode=0) and paragraph 15(i) of the [Master Direction DOR.No.RET.REC.32/12.01.001/2021-22 dated July 20, 2021](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=12131), on Marginal Standing Facility (MSF), wherein the banks were allowed to avail of funds under the MSF by dipping into the Statutory Liquidity Ratio (SLR) up to three per cent of their net demand and time liabilities (NDTL) outstanding at the end of the second preceding fortnight. This facility, which was initially available up to June 30, 2020, was later extended up to December 31, 2021 vide [circular DOR.RET.REC.36/12.01.001/2021-22 dated August 09, 2021](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12142&Mode=0).

2. As announced in the [Governor’s Statement dated December 08, 2021](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=52686), it is proposed to return to the normal dispensation. Accordingly, banks will be able to dip into the Statutory Liquidity Ratio (SLR) up to two percent of NDTL instead of three percent for overnight borrowing under the MSF with effect from January 1, 2022.

Yours faithfully,

(Thomas Mathew)
Chief General Manager

Reference link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12207&Mode=0>

**Appointment of Internal Ombudsman by Non-Banking Financial Companies**

RBI/2021-2022/126
CO.CEPD.PRS.No.S874/13-01-008/2021-2022

November 15, 2021

The Chairman/Managing Director & CEO
a) NBFCs-D with 10 or more branches, and
b) NBFCs-ND with asset size of Rs 5,000 crore and above (excluding NBFCs given in para 3 of this direction)

Madam/Dear Sir,

**Appointment of Internal Ombudsman by Non-Banking Financial Companies**

In exercise of the powers conferred by Section 45 (L) read with 45 (M) of the Reserve Bank of India Act, 1934, Reserve Bank of India (RBI) being satisfied that it is in public interest and in the interest of conduct of business relating to Non-Banking Financial Companies (NBFCs), directs NBFCs registered with RBI under Section 45-IA of the RBI Act, 1934, fulfilling the criteria given below, to appoint an Internal Ombudsman (IO).

**2.** NBFCs fulfilling the following criteria as on date would be required to appoint the IO:

a) Deposit-taking NBFCs (NBFCs-D) with 10 or more branches.

b) Non-Deposit taking NBFCs (NBFCs-ND) with asset size of Rs.5,000 crore and above and having public customer interface.

**3.** The following types of NBFCs will be excluded from the applicability of this direction:

1. Stand-alone Primary Dealer;
2. Non-Banking Financial Company - Infrastructure Finance Company (NBFC-IFC);
3. Core Investment Company (CIC);
4. Infrastructure Debt Fund - Non-Banking Financial Company (IDF-NBFC);
5. Non-Banking Financial Company – Account Aggregator (NBFC-AA);
6. NBFC under Corporate Insolvency Resolution Process;
7. NBFC in liquidation;
8. NBFC having only captive customers.

The circular also covers aspects on Appointment of the IO; Tenure of the IO; Secretariat and Cost of the IO; Roles and Responsibilities of IO; Board Oversight; Supervisory Oversight; Reporting to RBI etc.

These can be referred to in the link below:

Reference link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12195&Mode=0>

**Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Clarifications**

RBI/2021-2022/125
DOR.STR.REC.68/21.04.048/2021-22

November 12, 2021

All Commercial Banks (including Small Finance Banks, Local Area Banks and Regional Rural Banks) excluding Payments Banks
All Primary (Urban) Co-operative Banks/State Co-operative Banks/District Central Co-operative Banks
All-India Financial Institutions (Exim Bank, NABARD, NHB and SIDBI)
All Non-Banking Financial Companies (including Housing Finance Companies)

Madam/Dear Sir,

**Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances - Clarifications**

Please refer to the [Master Circular on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances (IRACP norms) dated October 1, 2021](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12171). With a view to ensuring uniformity in the implementation of IRACP norms across all lending institutions, certain aspects of the extant regulatory guidelines are being clarified and/or harmonized, which will be applicable *mutatis mutandis* to all lending institutions. Wherever references to circulars/instructions applicable to banks have been made, other lending institutions may refer to instructions as applicable to them. All the instructions in this circular cover aspects on:

**A. Specification of due date/repayment date**

**B. Classification as Special Mention Account (SMA) and Non-Performing Asset (NPA)**

**C. Clarification regarding definition of ‘out of order’**

**D. NPA classification in case of interest payments**

**E. Upgradation of accounts classified as NPAs**

**F. Income recognition policy for loans with moratorium on payment of interest**

**G. Consumer Education**

Details under each aspect may be referred from the below link

Reference link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12194&Mode=0>

**Reserve Bank - Integrated Ombudsman Scheme, 2021**

**DEPUTY GOVERNOR**

**Reserve Bank of India
Mumbai**

**Reserve Bank - Integrated Ombudsman Scheme, 2021**

**NOTIFICATION**

Ref. CEPD. PRD. No.S873/13.01.001/2021-22

November 12, 2021

In exercise of the powers conferred by Section 35A of the Banking Regulation Act, 1949 (10 of 1949), Section 45L of the Reserve Bank of India Act, 1934 (2 of 1934) and Section 18 of the Payment and Settlement Systems Act, 2007 (51 of 2007), and in supersession of its Notifications Ref. (i) CEPD. PRS. No. 6317/13.01.01/2016-17 dated June 16, 2017; (ii) [CEPD. PRS. No. 3590/13.01.004/2017-18 dated February 23, 2018](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=11220&Mode=0); and (iii) [CEPD. PRS. No. 3370/13.01.010/2018-19 dated January 31, 2019](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=11461&Mode=0), the Reserve Bank of India, being satisfied that it is in public interest to do so, and to make the alternate dispute redress mechanism simpler and more responsive to the customers of entities regulated by it, hereby integrates the three Ombudsman schemes – (i) [the Banking Ombudsman Scheme, 2006](https://rbidocs.rbi.org.in/rdocs/Content/PDFs/BOS2006_2302017.pdf), as amended up to July 01, 2017; (ii) [the Ombudsman Scheme for Non-Banking Financial Companies, 2018](https://rbidocs.rbi.org.in/rdocs/Content/PDFs/NBFC23022018.pdf); and (iii) [the Ombudsman Scheme for Digital Transactions, 2019](https://rbidocs.rbi.org.in/rdocs/Content/PDFs/OSDT31012019.pdf) into the Reserve Bank - Integrated Ombudsman Scheme, 2021 (the Scheme).

2. The Scheme covers the following regulated entities:

1. all Commercial Banks, Regional Rural Banks, Scheduled Primary (Urban) Co-operative Banks and Non-Scheduled Primary (Urban) Co-operative Banks with deposits size of Rupees 50 crore and above as on the date of the audited balance sheet of the previous financial year;
2. all Non-Banking Financial Companies (excluding Housing Finance Companies) which (a) are authorised to accept deposits; or (b) have customer interface, with an assets size of Rupees 100 crore and above as on the date of the audited balance sheet of the previous financial year;
3. all System Participants as defined under the Scheme.

3. The regulated entities shall comply with the Scheme from the date of its implementation.

4. The format for filing a complaint under the Scheme is [annexed](https://rbidocs.rbi.org.in/rdocs/content/pdfs/RBIOS2021_121121_A.pdf).

5. The [Scheme](https://rbidocs.rbi.org.in/rdocs/content/pdfs/RBIOS2021_121121.pdf) shall come into force from November 12, 2021.

(M. K. Jain)

Reference link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12192&Mode=0>

**Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs**

RBI/2021-22/112
DOR.CRE.REC.No.60/03.10.001/2021-22

October 22, 2021

All Non-Banking Financial Companies

Madam / Sir,

**Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs**

The contribution of NBFCs towards supporting real economic activity and their role as a supplemental channel of credit intermediation alongside banks is well recognised. Over the years, the sector has undergone considerable evolution in terms of size, complexity, and interconnectedness within the financial sector. Many entities have grown and become systemically significant and hence there is a need to align the regulatory framework for NBFCs keeping in view their changing risk profile.

**2.** Pursuant to the announcement made in the [Statement on Developmental and Regulatory Policies dated December 04, 2020](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=50748), a discussion paper titled ‘[Revised Regulatory Framework for NBFCs - A Scale-based Approach](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=51011)’ was issued for public comments on January 22, 2021. Based on the inputs received, it has now been decided to put in place a revised regulatory framework for NBFCs ([Annex](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12179&Mode=0#AN1)).

**3.** As the SBR framework encompasses different facets of regulation of NBFCs covering capital requirements, governance standards, prudential regulation, etc., it has been decided to first issue an integrated regulatory framework for NBFCs under SBR providing a holistic view of the SBR structure, set of fresh regulations being introduced and respective timelines. Detailed guidelines as delineated in the Annex, will be issued subsequently.

**4.** These guidelines shall be effective from October 01, 2022. The instructions relating to ceiling on IPO funding given vide para 3.1(d) of the Annex shall come into effect from April 01, 2022.

Yours faithfully,

(Manoranjan Mishra)
Chief General Manager

Reference link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12179&Mode=0>

**Data Format for Furnishing of Credit Information to Credit Information Companies**

RBI/2021-22/111
DoR.FIN.REC.59/20.16.056/2021-22

October 14, 2021

All Commercial Banks (including Small Finance Banks, Local Area Banks and Regional Rural Banks)
All Primary (Urban) Co-operative Banks/State Co-operative Banks/ District Central Co-operative Banks
All-India Financial Institutions (Exim Bank, NABARD, NHB and SIDBI)
All Non-Banking Financial Companies (including Housing Finance Companies)
All Credit Information Companies

Madam/Dear Sir,

**Data Format for Furnishing of Credit Information to Credit Information Companies**

Please refer to our [circular DBOD.No.CID.BC.127/20.16.056/2013-14 dated June 27, 2014](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=8968&Mode=0), inter alia setting out a Uniform Credit Reporting Format for reporting credit information to the Credit Information Companies (CICs). The Uniform Credit Reporting Format has two Annexes, Annex-I contains two formats for credit reporting, viz., Consumer Bureau and Commercial Bureau, whereas Annex-II contains credit reporting format for Micro Finance Institution (MFI) segment.

2. The Relationship Segment (RS) in the Commercial Bureau format inter alia captures information on relationship fields of the corporates, viz., business category and type of relationship (i.e. contains information on directors, shareholders, proprietors, partners, trustees, holding companies, subsidiary companies and associated companies related to the borrower). It is observed that there is a low level of RS details in the databases of CICs.

3. The RS details are very important in establishing cross-linkages across the three modules, viz., Consumer, Commercial and MFI Bureaus, while providing comprehensive credit information of a borrower to Credit Institutions (CIs) by CICs. Accordingly, it has now been decided that the reporting of RS data by CIs to CICs would henceforth be mandatory. In order to ensure implementation in a non-disruptive manner, the reporting requirement may be staggered in the manner indicated below.

(i) The reporting would be mandatory in respect of new loan accounts opened after July 1, 2022.

(ii) A phased approach shall be followed for reporting of legacy data as detailed below:

1. The accounts opened during the period (July 1, 2021 to June 30, 2022) have to be updated by January 1, 2023.
2. The accounts opened in past three years (July 1, 2018 to June 30, 2021) have to be updated by July 1, 2023.
3. A timeline for reporting of the remainder legacy data would be reviewed by the Technical Working Group and the CIs would be advised in due course.

4. The CIs are advised to commence reporting the aforesaid information as per the prescribed timelines to CICs.

Yours faithfully

(Sunil T S Nair)
Chief General Manager

Reference link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12178&Mode=0>

**Priority Sector Lending- Banks’ lending to NBFCs for on-lending – Extension of facility**

RBI/2021-22/110
FIDD.CO.Plan.BC.No.15/04.09.01/2021-22

October 8, 2021

The Chairman/ Managing Director
Chief Executive Officer
All Scheduled Commercial Banks
(Excluding Regional Rural Banks, Small Finance Banks, Urban Co-operative Banks and Local Area Banks)

Dear Sir/Madam,

**Priority Sector Lending- Banks’ lending to NBFCs for on-lending – Extension of facility**

Please refer to para 22 of [Master Directions (MD) on PSL dated September 04, 2020](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=11959) (updated as on June 11, 2021) wherein the facility of bank lending to NBFCs (other than MFIs) for on-lending was allowed to be classified as PSL up to September 30, 2021.

2. As announced in the ‘[Statement on Developmental and Regulatory Policies’ dated October 8, 2021](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=52368), the facility has been extended till March 31, 2022 keeping in view the increased traction observed in delivering credit to the underserved/unserved segments of the economy. Loans disbursed under the on-lending model will continue to be classified under Priority Sector till the date of repayment/maturity whichever is earlier. Further, bank loans to HFCs for on-lending for the purpose of housing, as prescribed in para 23 of our [MD on PSL dated September 4, 2020](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=11959), will continue as hitherto.

3. All other guidelines as issued vide MD on PSL ibid will continue to apply.

Yours faithfully,

(Sonali Sen Gupta)
Chief General Manager-in-Charge

Reference link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12177&Mode=0>

**Master Circular - Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances**

RBI/2021-2022/104
DOR.No.STR.REC.55/21.04.048/2021-22

October 1, 2021

All Commercial Banks (excluding RRBs)

Madam/Dear Sir

**Master Circular - Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances**

Please refer to the [Master Circular No. DBR.No.BP.BC.2/21.04.048/2015-16 dated July 1, 2015](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=9908) consolidating instructions / guidelines issued to banks till June 30, 2015 on matters relating to prudential norms on income recognition, asset classification and provisioning pertaining to advances.

2. This [Master Circular](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12171&Mode=0#MD) consolidates instructions on the above matters issued as on date. A list of circulars consolidated in this Master Circular is contained in the [Annex 6](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12171&Mode=0#AN6).

Yours faithfully

(Manoranjan Mishra)
Chief General Manager

Encl.: As above

Reference link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12171&Mode=0>

**Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021**

RBI/DOR/2021-22/86
DOR.STR.REC.51/21.04.048/2021-22

September 24, 2021

All Commercial Banks (including Small Finance Banks, Local Area Banks and Regional Rural Banks)
All Primary (Urban) Co-operative Banks/State Co-operative Banks/ District Central Co-operative Banks
All All-India Financial Institutions
All Non-Banking Financial Companies (including Housing Finance Companies)

**Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021**

Please refer to the Draft Comprehensive Framework for Sale of Loan Exposures that was released on [June 8, 2020](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=49920) for comments from various stakeholders.

2. Based on the examination of the comments received, the Reserve Bank has issued the Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021, which are [enclosed](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12166&Mode=0#MD). These directions have been issued in exercise of the powers conferred by the Sections 21 and 35A of the Banking Regulation Act, 1949 read with Section 56 of the Banking Regulation Act, 1949; Chapter IIIB of the Reserve Bank of India Act, 1934; and Sections 30A, 32 and 33 of the National Housing Bank Act, 1987.

3. These directions come into immediate effect replacing the existing instructions on the matter of sale / transfer of loan exposures. All lending institutions are advised to take necessary steps to ensure compliance with these directions.

Yours faithfully,

(Manoranjan Mishra)
Chief General Manager

Reference link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12166&Mode=0>

**Section 24 of the Banking Regulation Act, 1949 – Maintenance of Statutory Liquidity Ratio (SLR) – Marginal Standing Facility (MSF) - Extension of Relaxation**

RBI/2021-22/82
DOR.RET.REC.36/12.01.001/2021-22

August 09, 2021

All Scheduled Banks

Madam/Sir

**Section 24 of the Banking Regulation Act, 1949 – Maintenance of Statutory Liquidity
Ratio (SLR) – Marginal Standing Facility (MSF) - Extension of Relaxation**

Please refer to [circular DOR.No.Ret.BC.36/12.01.001/2020-21 dated February 05, 2021](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12021&Mode=0), on Marginal Standing Facility (MSF), wherein the banks were allowed to avail of funds under the MSF by dipping into the Statutory Liquidity Ratio (SLR) up to an additional one per cent of their net demand and time liabilities (NDTL), i.e., cumulatively up to three per cent of NDTL. This facility, which was initially available up to June 30, 2020, was later extended in phases up to September 30, 2021, providing comfort to banks on their liquidity requirements and also to enable them to meet their Liquidity Coverage Ratio (LCR) requirements.

2. As announced in the [Statement on Developmental and Regulatory Policies of August 06, 2021](https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=52010), with a view to providing comfort to banks on their liquidity requirements, banks are allowed to continue with the MSF relaxation for a further period of three months, i.e., up to December 31, 2021.

Yours faithfully

(Thomas Mathew)
Chief General Manager

Reference link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12142&Mode=0>

**Rating of Deposits of HFCs – Approved Credit Rating Agencies and Minimum Investment Grade Credit Rating**

RBI/2021-22/74
DOR.FIN.REC.No.34/03.10.136/2021-22

July 29, 2021

All deposit taking Housing Finance Companies (HFCs)

Madam/ Dear Sir,

**Rating of Deposits of HFCs – Approved Credit Rating Agencies and Minimum Investment Grade Credit Rating**

A reference is invited to Para 25.2 of [Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=12030), wherein the names of five approved credit rating agencies and their minimum investment grade credit rating for the purpose of accepting public deposits have been listed.

2. On a review, it has been decided to align the aforesaid provisions for HFCs with provisions on the subject prescribed for NBFCs which are contained in Para 9 of [Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=10563). Accordingly, the names of credit rating agencies and their minimum investment grade ratings for the purpose of accepting public deposits by HFCs are listed in the [Annex](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12134&Mode=0#AN_1).

3. The [Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=12030) is being modified accordingly.

Yours faithfully,

(J.P. Sharma)
Chief General Manager

Reference link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12134&Mode=0>

**Loans and Advances – Regulatory Restrictions**

RBI/2021-22/72
DOR.CRE.REC.No.33/13.03.00/2021-22

July 23, 2021

All Scheduled Commercial Banks (excluding RRBs)
All Small Finance Banks
All Local Area Banks

Madam / Dear Sir,

**Loans and Advances – Regulatory Restrictions**

Please refer to paragraphs 2.2.1.2, 2.2.1.4 and paragraph 2.2.1.5 of [Master Circular on Loans and Advances - Statutory and Other Restrictions dated July 01, 2015](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=9902).

2. On a review, it has been decided that

i) For personal loans granted to any director of other banks, the threshold of Rupees twenty-five lakh, as mentioned in para 2.2.1.2, stands revised to Rupees five crore.

ii) Paragraph 2.2.1.4 has been revised as under –

Unless sanctioned by the Board of Directors/Management Committee, banks should not grant loans and advances aggregating Rupees five crore and above to -

(a) any relative other than spouse (spouse as specified in para 2.2.1.3 above) and minor / dependent children of their own Chairmen/Managing Directors or other Directors;

(b) any relative other than spouse (spouse as specified in para 2.2.1.3 above) and minor / dependent children of the Chairman/Managing Director or other directors of other banks\*;

(c) any firm in which any of the relatives other than spouse (spouse as specified in para 2.2.1.3 above) and minor / dependent children as mentioned in (a) & (b) above is interested as a partner or guarantor; and

(d) any company in which any of the relatives other than spouse (spouse as specified in para 2.2.1.3 above) and minor / dependent children as mentioned in (a) & (b) above is interested as a major shareholder or as a director or as a guarantor or is in control.

Provided that a relative of a director shall also be deemed to be interested in a company, being the subsidiary or holding company, if he/she is a major shareholder or is in control of the respective holding or subsidiary company.

\*including directors of Scheduled Co-operative Banks, directors of subsidiaries/trustees of mutual funds/venture capital funds.

iii) Paragraph 2.2.1.5 has been revised as under -

The proposals for credit facilities of an amount less than Rupees twenty-five lakh or Rupees five crores (as the case may be) to these borrowers may be sanctioned by the appropriate authority in the financing bank under powers vested in such authority, but the matter should be reported to the Board.

Reference link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12132&Mode=0>

**Master Direction - Reserve Bank of India [Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR)] Directions – 2021**

RBI/DOR/2021-22/80
DOR.No.RET.REC.32/12.01.001/2021-22

July 20, 2021

**Master Direction - Reserve Bank of India
[Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR)] Directions - 2021**

In exercise of the powers conferred by Section 35 A of the Banking Regulation Act, 1949 and pursuant to Section 42 of the Reserve Bank of India Act, 1934 and Sections 18, 24 and 56 of the Banking Regulation Act, 1949 as amended from time to time, the Reserve Bank of India being satisfied that it is necessary and expedient in the public interest so to do, hereby, issues the Directions hereinafter specified.

The direction details on the following:

**CHAPTER – I - PRELIMINARY**

**CHAPTER – II - APPLICABILITY**

**CHAPTER – III - DEFINITIONS**

**CHAPTER – IV - CASH RESERVE RATIO (CRR)**

**CHAPTER – V - STATUTORY LIQUIDITY RATIO (SLR)**

**CHAPTER – VI - PROCEDURE FOR COMPUTATION OF SLR**

**CHAPTER – VII REPORTING - FORTNIGHTLY CRR RETURN IN FORM A / FORM B/ FORM I**

**CHAPTER – VIII - PENALTIES**

**CHAPTER – IX - REPEAL AND OTHER PROVISIONS**

Details under each of the above chapters can be read from the below link

Reference link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12131&Mode=0>