

## **NDA Update on Master Direction by RBI relating to Supervisory Returns**

RBI has issued a master direction namely **MASTER DIRECTION- RESERVE BANK OF INDIA (FILING OF SUPERVISORY RETURNS) DIRECTIONS-2024** on 27.02.2024.

These directions have been issued in order to create a single reference for all Supervisory Returns and to harmonize the timelines for filing of returns. Various relevant instructions have been rationalised and consolidated into a single Master Direction.

These directions shall apply with immediate effect and shall apply to **all Supervised Entities (SEs)**. Following entities are considered as **SEs**:

1. All Commercial Banks excluding Regional Rural Banks. Commercial Banks include Public Sector Banks (PSBs), Private Sector Banks (PVBs), Small Finance Banks (SFBs), Payment Banks (PBs), Local Area Banks (LABs) and Foreign Banks (FBs).
2. All Primary (Urban) Co-operative Banks.
3. Select All India Financial Institutions (Exim Bank, NABARD, NHB, SIDBI and NABFID).
4. All Non-Banking Financial Companies [excluding Housing Finance Companies (HFCs)] and all Asset Reconstruction Companies (ARCs).

These Directions provide a broader framework to understand the purpose of the returns and harmonizes the timelines for their submission. These Directions remove certain instructions that have become obsolete and consolidate twenty existing instructions, including one Master Direction for Non Banking Financial Companies. These Directions shall create a single document for ensuring compliance related to submission of all supervisory data.

**Although these Directions are applicable to various categories of SEs, in this update we shall be covering the directions to the extent applicable to NBFCs only.**

## **NDA Update on Master Direction by RBI relating to Supervisory Returns**

**Earlier on 19.10.2023, RBI has issued Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 to regulate NBFCs under various layers. As per these new Directions, regulatory structure for NBFCs shall comprise of four layers based on their size, activity and perceived riskiness. NBFCs in the lowest layer shall be known as NBFCs-Base Layer (NBFCs-BL). NBFCs in middle layer and upper layer shall be known as NBFCs-Middle Layer (NBFCs-ML) and NBFCs Upper Layer (NBFCs-UL), respectively. The Top Layer is ideally expected to be empty and will be known as NBFCs-Top Layer (NBFCs-TL).**

The definition of four layers of NBFCs is as under:

- **NBFC-BL** shall comprise of (a) non-deposit taking NBFCs below the asset size of ₹1,000 crore and (b) NBFCs undertaking the following activities - (i) NBFC-Peer to Peer Lending Platform (NBFC-P2P), (ii) NBFC-Account Aggregator (NBFC-AA), (iii) NonOperative Financial Holding Company (NOFHC) and (iv) NBFC not availing public funds and not having any customer interface
- **NBFC-ML** shall consist of (a) all deposit taking NBFCs (NBFCs-D), irrespective of asset size, (b) non-deposit taking NBFCs with asset size of ₹1,000 crore and above and (c) NBFCs undertaking the following activities (i) Standalone Primary Dealer (SPD), (ii) Infrastructure Debt Fund-Non-Banking Financial Company (IDF-NBFC), (iii) Core Investment Company (CIC), (iv) Housing Finance Company (HFC) and (v) Non-Banking Financial Company-Infrastructure Finance Company (NBFC-IFC).
- **NBFC-UL** shall comprise of those NBFCs which are specifically identified by the Reserve Bank as warranting enhanced regulatory requirement based on a set of parameters and scoring methodology as provided in the Annex I to Directions dated 19.10.2023. The top ten eligible NBFCs in terms of their asset size shall always reside in the upper layer, irrespective of any other factor.

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- **NBFC-TL category** will ideally remain empty. This layer can get populated if the Reserve Bank is of the opinion that there is a substantial increase in the potential systemic risk from specific NBFCs in the Upper Layer. Such NBFCs shall move to the Top Layer from the Upper Layer.
- **Supervisory Returns** refer to all periodic / ad-hoc data submitted to RBI in formats prescribed from time to time, irrespective of the technology platform, periodicity and the mode of submission. The list of periodic returns can be obtained from the Bank's website.

NBFCs shall be required to report data on their domestic and overseas operations, wherever applicable.

### Timelines for filing of Return by various layers of NBFCs

The list of applicable Returns to be filed by different layers of NBFCs through designated online portal(s) as per prescribed frequency and timelines stipulated is given in table below:

#### Forms applicable to Upper & Middle Layer NBFs:

Sl. No.	Name of Return	Periodicity	Reference Date (RD)	Timeline prior to these directions	Revised timeline as per these directions	Remarks
<u>1</u>	DNBS01-Important Financial Parameters  DNBS03- Important Prudential Parameters	Quarterly	Last date of every calendar quarter (31/03, 30/06, 30/09 & 31/12)	Within 15 days from the RD	Within 21 days from the RD	Not applicable to NBFC-ML Core Investment Companies

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Sl. No.	Name of Return	Periodicity	Reference Date (RD)	Timeline prior to these directions	Revised timeline as per these directions	Remarks
2.	DNBS04A- Asset Liability Management Return - Short Term Dynamic Liquidity (STDL)	Quarterly	Last date of every calendar quarter (31/03, 30/06, 30/09 & 31/12)	Within 15 days from the RD	Within 21 days from the RD	Not applicable to Standalone Primary Dealers (SPDs) under NBFC-ML
3.	DNBS04B- Asset Liability Management Return - Structural Liquidity & Interest Rate Sensitivity	Monthly	Last date of every month (31/01, 28/02, 31/03, 30/04, 31/05, 30/06, 31/07, 31/08, 30/09, 31/10, 30/11, 31/12)	Within 10 days from the RD	Within 15 days from the RD	Not applicable to Standalone Primary Dealers (SPDs) under NBFC-ML
4.	DNBS08 – CRILC-Main (NBFCs)	Monthly	Last date of every month (31/01, 28/02, 31/03, 30/04, 31/05, 30/06, 31/07, 31/08, 30/09, 31/10, 30/11, 31/12)	Within 21 days from the RD	Within 15 days from the RD	Not applicable to NBFC-ML Core Investment Companies

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Sl. No.	Name of Return	Periodicity	Reference Date (RD)	Timeline prior to these directions	Revised timeline as per these directions	Remarks
5.	DNBS09-CRILC Weekly – Return of Defaulter Borrowers	Weekly	Friday of every week		On or before Wednesday of the following week	Not applicable to NBFC Core Investment Companies
6.	DNBS10-Statutory Auditor Certificate (SAC) Return	Yearly	31 <sup>st</sup> March	One month from date of signing of Balance Sheet but not later than 31 <sup>st</sup> December	Within 5 working days from date of signing of Balance Sheet but not later than 31 <sup>st</sup> December of same year	
7.	DNBS13 – Overseas Investment Details	Quarterly	Last date of every calendar quarter (31/03, 30/06, 30/09 & 31/12)	Within 15 days from the RD	Within 21 days from the RD	
8.	Form A Certificate	Annual	31 <sup>st</sup> March	-	Within 1 month of appointment of statutory auditors	

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9.	Financial Soundness Indicators (FSI)	Quarterly	Last date of every calendar quarter (31/03, 30/06, 30/09 & 31/12)		Within 21 days from the RD	
10.	FMR-I Report on Actual or Suspected Frauds	As and when	Date of detection of Fraud		Within 3 weeks of detection	
11.	FMR-III Update of Form FMR-I	As and when	Update date		Immediate	
12.	FMR-IV Report on Dacoity / Robberies/ Theft/ Burglary	Quarterly	Last date of every calendar quarter (31/03, 30/06, 30/09 & 31/12)		Within 15 days of the RD	

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### Forms applicable to Base Layer NBFs:

Sl. No.	Name of Return	Periodicity	Reference Date (RD)	Timeline prior to these directions	Revised timeline as per these directions	Remarks
<u>1</u>	DNBS02 - Important Financial Parameters	Quarterly	Last date of every calendar quarter (31/03, 30/06, 30/09 & 31/12)	Within 60 days from the year end	Within 21 days from the RD	Not applicable to Peer-to-Peer Lending platform Companies NBFC-P2P
2.	DNBS04A- Short Term Dynamic Liquidity (STD L)	Quarterly	Last date of every calendar quarter (31/03, 30/06, 30/09 & 31/12)	Within 15 days from the RD	Within 21 days from the RD	Applies to NBFC-BL with asset size of ₹100 crore and above solely or at Group level, [excluding Type-I NBFCs, and Non-Operative Financial Holding Companies (NOFHCs), P2Ps, AAs, and Mortgage Guarantee Companies]
3.	DNBS04B-Structural Liquidity & Interest Rate Sensitivity	Monthly	Last date of every month (31/01, 28/02, 31/03, 30/04, 31/05, 30/06, 31/07, 31/08, 30/09, 31/10, 30/11, 31/12)	Within 10 days from the RD	Within 15 days from the RD	

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4.	DNBS08 – CRILC-Main (NBFCs)	Monthly	Last date of every month (31/01, 28/02, 31/03, 30/04, 31/05, 30/06, 31/07, 31/08, 30/09, 31/10, 30/11, 31/12)	Within 21 days from the RD	Within 15 days from the RD	Applies to NBFC-BL which are NBFC-ICC, NBFC-MFI, NBFC-Factors having asset size of ₹500 crore and above solely or at Group level
5.	DNBS09-CRILC Weekly – RDB return	Weekly	Friday of every week		On or before Wednesday of the following week	
6.	DNBS10-Statutory Auditor Certificate (SAC) Return	Yearly	31 <sup>st</sup> March	One month from date of signing of Balance Sheet but not later than 31 <sup>st</sup> December	Within 5 working days from date of signing of Balance Sheet but not later than 31 <sup>st</sup> December of same year	



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7.	DNBS13 – Overseas Investment Details	Quarterly	Last date of every calendar quarter (31/03, 30/06, 30/09 & 31/12)	Within 15 days from the RD	Within 21 days from the RD	
8.	Form A Certificate	Annual	31 <sup>st</sup> March		Within one month of appointment of statutory auditors	
9.	Financial Soundness Indicators (FSI)	Quarterly	Last date of every calendar quarter (31/03, 30/06, 30/09 & 31/12)		Within 21 days from the RD	
10.	FMR-I Report on Actual or Suspected Frauds	As and when	As and when the fraud is detected		Within 3 weeks of detection	Applies to NBFC-BL which are NBFC-ICC, NBFC-MFI, NBFC-Factors having asset size of ₹500 crore and above solely or at Group level
11.	FMR-III Update of Form FMR-I	As and when	As and when the fraud is detected		Immediate	

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12	FMR-IV Report on Dacoity / Robberies/ Theft/ Burglary	Quarterly	Last date of every calendar quarter (31/03, 30/06, 30/09 & 31/12)		Within 15 days of the RD	

## Forms applicable to certain specific NBFCs

1.	DNBS11-CICs - Important Financial Parameters  DNBS12-CICs - Important Prudential Parameters	Quarterly	Last date of every calendar quarter (31/03, 30/06, 30/09 & 31/12)	Within 15 days from the RD	Within 21 days from the RD	Applies to NBFC-CICs
2.	DNBS14- P2Ps Important Financial & Prudential Parameters	Quarterly	Last date of every calendar quarter (31/03, 30/06, 30/09 & 31/12)	Within 15 days from the RD	Within 21 days from the RD	Applies to NBFCs- Peer-to Peer Lending platform Companies (NBFCs-P2P)

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