



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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Reserve Bank of India (Non-Banking Financial Companies – Branch Authorisation) Directions, 2025

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In exercise of the powers conferred by Chapter IIIB of the Reserve Bank of India Act, 1934, and Sections 30A, 32 and 33 of the National Housing Bank Act, 1987 and all other provisions / laws enabling the Reserve Bank of India ('RBI') in this regard, RBI being satisfied that it is necessary and expedient in the public interest so to do, hereby issues the Directions hereinafter specified.

Chapter-I Preliminary

A. Short Title and Commencement

1. These Directions shall be called the Reserve Bank of India (Non-Banking Financial Companies - Branch Authorisation) Directions, 2025.
2. These directions shall come into force with immediate effect.

B. Applicability

3. (1) These Directions shall be applicable to the following Non-Banking Financial Companies (hereinafter collectively referred to as 'NBFCs' and individually as an 'NBFC'), for all layers:
 - (i) The provisions contained in paragraphs 5 to 6 and 12 shall be applicable to deposit taking NBFCs registered with the RBI under the provisions of the RBI Act, 1934 and deposit taking HFCs registered with RBI under the provisions of the NHB Act, 1987;
 - (ii) The provisions contained in paragraphs 7 to 8, 11 and 13 to 15 shall be applicable to HFCs registered with the RBI under the provisions of the NHB Act, 1987;
 - (iii) The provisions contained in paragraphs 13 to 15 shall be applicable to CIC registered with the RBI under the provisions of the RBI Act, 1934;
 - (iv) The provisions contained in paragraph 9 shall be applicable to NBFC-ICCs which are in business of lending against collateral of gold jewellery;
 - (v) The provisions contained in paragraphs 10 to 11 and 13 to 15 shall be applicable to the following categories of NBFCs:
 - (a) NBFC-D registered with the RBI under the provisions of the RBI Act, 1934;
 - (b) NBFC-ICC registered with the RBI under the provisions of the RBI Act, 1934;



- (c) NBFC-Factor registered with the RBI under the provisions of the Factoring Regulation Act, 2011;
- (d) NBFC-MFI registered with the RBI under the provisions of the RBI Act, 1934;
- (e) NBFC-IFC registered with the RBI under the provisions of the RBI Act, 1934;
- (f) IDF-NBFC registered with the RBI under the provisions of the RBI Act, 1934;

(2) These Directions are not applicable to the following:

- (i) MGC registered with RBI under the scheme of Registration of Mortgage Guarantee Companies;
- (ii) SPD registered with the RBI as NBFC under the provisions of the RBI Act, 1934;
- (iii) NBFC-P2P registered with the RBI under the provisions of the RBI Act, 1934;
- (iv) NBFC-AA registered with the RBI under the provisions of the RBI Act, 1934;
- (v) NOFHC registered with the RBI as NBFC under the provisions of the RBI Act, 1934.

Note: The applicability under these Directions is in line with the regulatory structure for NBFCs as set out in [Reserve Bank of India \(Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation\) Directions, 2025](#).

C. Definitions

4. All expressions, unless defined herein, shall have the same meaning as have been assigned to them under the Banking Regulation Act, 1949 or the Reserve Bank of India Act, 1934 or any statutory modification or re-enactment thereto, or Glossary of Terms published by RBI or as used in commercial parlance, as the case may be.



Chapter II – Branch Authorisation

A. Opening of branches

A1. Deposit taking NBFCs

5. A deposit-taking NBFC registered with RBI and otherwise entitled to accept public deposits as per the [Reserve Bank of India \(Non-Banking Financial Companies – Acceptance of Public Deposits\) Directions, 2025](#), shall be permitted as under:
 - (i) If its NOF is up to Rs. 50 crore or has a credit rating below AA then it may open a branch or appoint agents within the State where its registered office is situated; and
 - (ii) If its NOF is more than Rs. 50 crore and its credit rating is AA or above, then it may open a branch or appoint agents anywhere in India.
6. For the purpose of opening a branch, a deposit taking NBFC shall notify to RBI of its intention to open the proposed branch. On receipt of such advice, RBI may, on being satisfied that in the public interest or in the interest of the concerned NBFC or for any other relevant reasons to be recorded, reject the proposal and communicate the same to NBFC. If no advice of rejection of the proposal is communicated by RBI within 30 days from the receipt of such advice, the NBFC may proceed with its proposal. Such applications shall be made using the *PRAVAAH* portal (<https://pravaah.rbi.org.in>).

A2. Housing Finance Companies (HFC)

7. A Housing Finance Company (HFC) shall, before opening a branch or an office in India, inform the National Housing Bank (NHB) in writing, of its intention to open a branch or an office.
8. An HFC shall not open a branch outside India.

A3. Investment and Credit Companies (NBFC-ICC)

9. A Non-Banking Financial Company - Investment and Credit Company (NBFC-ICC) which is in the business of lending against gold collateral, shall obtain prior approval of RBI to open branches exceeding 1,000. Further, an NBFC-ICC which



already has more than 1000 branches shall approach RBI for prior approval for any further branch expansion. Besides, no new branches shall be allowed to be opened without the facilities for storage of gold collateral and minimum-security facilities for the pledged gold collateral. Such applications shall be made using the *PRAVAAH* portal (<https://pravaah.rbi.org.in>).

A4. Opening of Branch abroad

10. As a general policy, an NBFC shall not be allowed to open a branch abroad. However, the NBFC which has already set up branch(es) abroad for undertaking financial business and has intimated RBI of the same before, shall be allowed to continue to operate them subject to complying with the [Reserve Bank of India \(Non-Banking Financial Companies – Undertaking of Financial Services\) Directions, 2025](#), as applicable.

B. Closure of branches

11. NBFCs shall give at least three months public notice prior to the date of closure of any of its branches/offices in, at least, one leading national newspaper and a leading local (covering the place of branch/ office) vernacular newspaper indicating therein the purpose and arrangements being made to service the depositors, etc.
12. A deposit taking NBFC shall send intimation along with a copy of the notice in respect of above within seven days of its publication in the newspapers to the Regional Office of RBI/ NHB under whose jurisdiction the registered office of the company is located.

C. Opening of representative offices abroad

13. Prior approval of RBI shall be obtained in cases of opening of representative office abroad by an NBFC (including CICs and HFCs). Such applications shall be made using the *PRAVAAH* portal (<https://pravaah.rbi.org.in>).
14. The representative offices can be set up abroad for the purpose of liaison work, undertaking market study and research but not for undertaking any activity which involves outlay of funds. The representative offices shall also comply with regulations, if any, in this regard stipulated by a regulator in the host country. As



it is not envisaged that such offices would be carrying on any activity other than liaison work, no line of credit shall be extended.

15. The parent NBFC shall obtain periodical reports about the business undertaken by the representative offices abroad. If the representative offices have not undertaken any activity or such reports are not forthcoming, RBI may advise the CIC to wind up the establishment.



Chapter III – Repeal and other Provisions

A. Repeal and saving

16. With the issue of these Directions, the existing Directions, instructions, and guidelines relating to branch authorisation as applicable to Non-Banking Financial Companies stand repealed, as communicated vide notification dated [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.
17. 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

18. 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

19. 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.

(Manoranjan Padhy)

Chief General Manager