



NBFC

**-Returns & Disclosure
Quick Reference Guide
-For Private Circulation Only**

Foreword



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Candidate: WIRC of ICAI Election 2024
Humble Request for first preference Vote
at Ballot No. 23

The regulatory environment for Non-Banking Financial Companies (NBFCs) has evolved significantly, emphasizing financial stability, transparency, and robust compliance frameworks. Chartered Accountants (CAs) play a pivotal role in guiding NBFCs through these dynamic regulations and ensuring adherence to the stringent guidelines laid out by the Reserve Bank of India (RBI).

NBFCs, as defined under the RBI Act, 1934, are identified by meeting two key criteria—financial assets must constitute more than 50% of total assets, and income from these financial assets must exceed 50% of gross income. These institutions are vital in bridging financial gaps and driving economic growth by serving areas underserved by traditional banking.

The Master Direction: Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 categorizes NBFCs into four distinct layers—Base, Middle, Upper, and Top—according to their asset size and associated risks.

Additionally, the **Master Direction – RBI (Filing of Supervisory Returns) Directions – 2024** outlines that all Supervised Entities (SEs) are required to submit certain supervisory returns to the Reserve Bank as per various directions / circulars/ notifications issued by the Bank from time to time.





CA Vardhman Chhalani

I would like to extend my heartfelt thanks to **CA Vardhman Chhalani** for his invaluable support and contributions. Your assistance has been instrumental in bringing this publication to fruition.

Thank you for your commitment to excellence. Let us continue to seize new opportunities for growth and work collectively toward a brighter future for the profession and I look forward to any questions you may have.

To stay updated and connected, I invite you to join the following groups:

1. JK's Portfolio Enhancement Group:

<https://chat.whatsapp.com/FoG0Epx5sEb1dbZv0Q0XA9>

2. Professional Opportunities Updates by CA Jayesh Kala:

<https://chat.whatsapp.com/GwM3xOD65gS6hkOa8zYBP6>

3. NFRA Updates by CA Jayesh Kala:

<https://chat.whatsapp.com/FKfKsaMUCPrKfsKv7Ok8ok>

With Warm Regards,

CA Kala Jayesh Umedmal

Your Candidate for ICAI- WIRC Elections 2024

Ballot No. 23

Dedicated to Profession – Committed to Fraternity



Master Direction: Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023

RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24

Date of Issuance: October 19, 2023

(Updated as on October 10, 2024, Updated as on March 21, 2024, Updated as on November 10, 2023)

Classification of NBFC's	Description	Key Features/Activities
Base Layer (BL)	Non-deposit taking NBFCs below Rs. 1,000 crore asset size.	<ul style="list-style-type: none"> » NBFC-Peer to Peer Lending Platform (NBFC- P2P) » NBFC-Account Aggregator (NBFC- AA) » Non-Operative Financial Holding Company (NOFHC) » NBFC not availing public funds and not having any customer interface
Middle Layer (ML)	All deposit taking NBFCs and non-deposit taking NBFCs with asset size of ₹1,000 crore and above.	<ul style="list-style-type: none"> » Standalone Primary Dealer (SPD) » Infrastructure Debt Fund-NBFC (IDF-NBFC) » Core Investment Company (CIC) » Housing Finance Company (HFC) » NBFC-Infrastructure Finance Company (NBFC-IFC)
Upper Layer (UL)	NBFCs identified by the Reserve Bank for enhanced regulatory requirements based on set of parameters and scoring methodology as mentioned in the circular	<ul style="list-style-type: none"> » Top ten NBFCs by asset size always included irrespective of any other factor.
Top Layer (TL)	Ideally empty; populated only if RBI is of the opinion that there is a substantial increase in the potential systemic risk increases in specific Upper Layer NBFCs.	<ul style="list-style-type: none"> » NBFCs move from Upper to Top Layer if significant systemic risk is identified



Master Direction – Reserve Bank of India (Filing of Supervisory Returns) Directions – 2024
RETURNS APPLICABLE TO NBFCs
vide notification no. RBI/DoS.DSG / 2023-24/110 DoS.DSG.No.10/33.01.001/2023-24 dated February 27, 2024

S. No.	Forms	Particulars	Periodicity	Applicability (with reference to NBFC)	Description
1.	DNBS01	Important Financial Parameters	Quarterly	i. NBFC - Upper Layer (NBFC-UL), ii. NBFC - Middle Layer (NBFC-ML) [except NBFC-Core Investment Companies (CICs)]	Components of assets and liabilities, profit and loss account, exposure to sensitive sectors, sectoral credit etc.
2.	DNBS02	Important Financial Parameters (NBFCs – BL)	Quarterly	NBFCs in Base Layer [except Peer-to-Peer Lending platform Companies (NBFC – P2Ps)]	Contains financial details, viz. components of assets and liabilities, profit and loss account etc. as well as for complying with various Prudential norms.
3.	DNBS03	Important Prudential Parameters	Quarterly	i. NBFC-UL, ii. NBFC -ML [except NBFC-CICs]	Contains Prudential norms, e.g., capital adequacy, provisioning etc.
4.	a. DNBS04A	Short Term Dynamic Liquidity (STD L)	Quarterly	i. NBFC-UL, ii. NBFC-ML [except Standalone Primary Dealers (SPDs)], and iii. 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]	Data on Asset Liability Mismatches (ALM) and Interest Rate Sensitivity (IRS), liquidity risk of exposures.



S. No.	Forms	Particulars	Periodicity	Applicability (with reference to NBFC)	Description
4.	b. DNBS04B	Structural Liquidity & Interest Rate Sensitivity	Monthly	i. NBFC-UL, ii. NBFC-ML [except Standalone Primary Dealers (SPDs)], and iii. 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]	Data on Asset Liability Mismatches (ALM) and Interest Rate Sensitivity (IRS), liquidity risk of exposures.
5.	DNBS08	Central Repository of Information on Large Credits [CRILC-Main (NBFCs)]	Monthly	i. NBFC-UL, ii. NBFC -ML (except NBFC-CICs), and iii. NBFC-BL which are NBFC-ICC, NBFC-MFI, NBFC-Factors having asset size of ₹500 crore and above solely or at Group level	Contains certain credit information in respect of borrowers who are having aggregate exposure of ₹5 Crore and above with NBFCs. In case, any entity to whom the return is applicable does not have any borrower with aggregate exposure of ₹5 crores and above for a reporting month, it shall submit a 'NIL' return.



S. No.	Forms	Particulars	Periodicity	Applicability (with reference to NBFC)	Description
6.	DNBS09	Central Repository of Information on Large Credits on Defaulted Borrowers [C R I L C Weekly – RDB return]	Weekly	i. NBFC-UL, ii. NBFC -ML (except NBFC-CICs), and iii. NBFC-BL which are NBFC-ICC, NBFC-MFI, NBFC-Factors having asset size of ₹500 crore and above solely or at Group level	Certain information on large borrowers (having aggregate exposure of ₹5 crores and above with them), who have defaulted during a week or moved out of the default position, through this return on each Friday. In case, any entity to whom the return is applicable does not have any large borrower with default move-in/ move-out positions during the week, it shall submit a 'NIL' return.
7.	DNBS10	Statutory Auditor Certificate (SAC) Return	Yearly	All NBFCs	All NBFCs shall enable their Statutory Auditors to submit 'DNBS10 - Statutory Auditor's Certificate (SAC) Return' every year. The certificate shall be based on audited books of accounts of the applicable entity, for the preceding financial year. The Statutory Auditor shall compile, generate and file the return, using the secure login credentials created by the applicable entity.



S. No.	Forms	Particulars	Periodicity	Applicability (with reference to NBFC)	Description
8.	DNBS11-CICs	Important Financial Parameters	Quarterly	NBFC-CICs	Contains data on assets and liabilities, profit and loss account, exposure to sensitive sectors, sectoral credit, etc.
9.	DNBS12-CICs	Important Prudential Parameters	Quarterly	NBFC-CICs	Contains data on Adjusted Net Worth, Provisioning, etc.
10.	DNBS13	Overseas Investment Details	Quarterly	All NBFCs	All the NBFCs (irrespective of category, business classification and asset size) shall submit information on their overseas investment and returns on a quarterly basis. In case, there are no overseas investments during the reporting quarter, a 'NIL' return shall be submitted.
11.	DNBS14-P2Ps	Important Financial & Prudential Parameters	Quarterly	NBFCs- Peer-to-Peer Lending platform Companies (NBFCs-P2P)	Contains data on assets and liabilities, profit and loss account, prudential parameters etc.



S. No.	Forms	Particulars	Periodicity	Applicability (with reference to NBFC)	Description
12.	Form A Certificate	Information to be submitted by the NBFCs regarding Appointment of Statutory Central Auditor (SCA) / Statutory Auditor (SA).	Annual	All NBFCs	This certificate to be submitted by NBFCs regarding appointment of Statutory Central Auditor (SCA)/ Statutory Auditor (SA) in prescribed format as mentioned in the RBI's notification on 'Appointment of Statutory Central Auditors (SCAs)/ Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs)'
13.	FSI	Financial Soundness Indicators	Quarterly	NBFCs	A special return for furnishing consolidated FSIs: 1. Balance Sheet 2. Income and Expense Statement 3. Select financials, 4. Loans by sectoral distribution.
14.	FMR-I	Report on Actual or Suspected Frauds	As and when	NBFC-UL, NBFC -ML, and NBFC-BL which are NBFC-ICC, NBFC-MFI, NBFC-Factors having asset size of ₹500 crore and above	Report on Actual or Suspected Frauds.
15.	FMR-III	Update of Form FMR-I	As and when	NBFC-UL, NBFC -ML, and NBFC-BL which are NBFC-ICC, NBFC-MFI, NBFC-Factors having asset size of ₹500 crore and above	This return captures progress report on frauds of large value and it is to be filed as and when any development occurs in FMR-I details.



S. No.	Forms	Particulars	Periodicity	Applicability (with reference to NBFC)	Description
16.	FMR-IV	Report on Dacoities / Robberies / Theft / Burglaries	Quarterly	NBFC-UL, NBFC -ML, and NBFC-BL which are NBFC-ICC, NBFC-MFI, NBFC-Factors having asset size of ₹500 crore and above	This return captures consolidated information on dacoities/robberies/theft/ burglaries.

Return Filing Timelines:

Periodicity	Reference Date	Type of Return	Timeline for Return submission
Weekly	Friday of the week	DNBS09	On or before Wednesday of the following week
Monthly	Last day (28th/ 29th/ 30th/ 31st) of a respective month	DNBS04B, DNBS08	Within 15 days from the Reference Date.
Quarterly	Last day of the Calendar Quarter (i.e., March 31st, June 30th, September 30th, and December 31st)	FMR IV	Within 15 days from the Reference Date.
		DNBS01, DNBS02, DNBS03, DNBS04A, DNBS11, DNBS12, DNBS13, DNBS14	Within 21 days from the Reference Date
Yearly	March 31st	DNBS10 (SAC)	Within 5 working days from the date of signing of the Auditor's report in terms of section 134 of the Companies Act, 2013, but not later than December 31st of same year, in any case.
		Form A Certificate	Within one month from the date of appointment of Statutory Central Auditor (SCA) / Statutory Auditor (SA).
As and When	Date of detection of Fraud (As and when the fraud is detected)	FMR - I	Within three weeks from the Reference Date.
	Update Date/ Progress Date (As and when any development occurs in FMR-1 details)	FMR III	Immediate.



Indicative list of disclosures for NBFCs

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Section I (Applicable for annual financial statements of NBFC-BL, NBFC-ML and NBFC-UL)	
1.	Exposure to real estate sector
2.	Exposure to capital market
3.	Sectoral exposure
4.	Intra-group exposures
5.	Unhedged foreign currency exposure
6.	Related Party Disclosure
7.	Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman
8.	Top five grounds of complaints received by the NBFCs from customers
9.	Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid
10.	Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid)
11.	Break-up of Loans and Advances including bills receivables [other than those included in (4) below]
12.	Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities
13.	Break-up of Investments
14.	Borrower group-wise classification of assets financed as in (3) and (4) above
15.	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)
16.	Other information
17.	Details of dividend declared during the financial year
18.	Data on Pledged Securities
19.	Loans to Directors, Senior Officers and Relatives of Directors
20.	Provisions made as per these Directions without netting them from the income
21.	Loans against security of single product - Gold Jewellery
22.	Disclosures shall be made in the balance sheet relating to transactions undertaken in the currency futures market, in accordance with the guidelines issued by SEBI.
23.	Capital to Risk Assets Ratio (CRAR)
24.	Exposure to real estate sector, both direct and indirect
25.	Maturity pattern of assets and liabilities
26.	Disclosures shall be made in the balance sheet regarding transactions undertaken in the currency options market, in accordance with the guidelines issued by SEBI.



Section I (Applicable for annual financial statements of NBFC-BL, NBFC-ML and NBFC-UL)	
27.	A comparison between provisions required under IRACP and impairment allowances made under Ind AS 109 should be disclosed by NBFCs
28.	Disclosure of Restructured Accounts
29.	Public disclosure on liquidity risk
30.	Credit Default Swaps - NBFCs as users
31.	LCR Disclosure Standards

Section II (Applicable for annual financial statements of NBFC-ML and NBFC-UL)	
1.	Corporate governance
2.	Composition of the Board
3.	Committees of the Board and their composition
4.	General Body Meetings
5.	Details of non-compliance with requirements of Companies Act, 2013
6.	Details of penalties and strictures
7.	Breach of covenant
8.	Divergence in Asset Classification and Provisioning
9.	Summary of Significant Accounting Policies
10.	Capital
11.	Investments
12.	Derivatives 1. Forward Rate Agreement/Interest Rate Swap 2. Exchange Traded Interest Rate (IR) Derivative 3. Disclosures on Risk Exposure in Derivatives
13.	Assets Liability Management (Maturity pattern of certain items of Assets and Liabilities)
14.	Exposure 1. Exposure to Real Estate Sector 2. Exposure to Capital Market 3. Details of financing of parent company products 4. Details of Single Borrower Limit (SGL)/Group Borrower Limit (GBL) exceeded by the NBFC 5. Unsecured Advances
15.	Registration obtained from other financial sector regulators
16.	Disclosure of Penalties imposed by the Reserve Bank and other regulators
17.	Related Party Transactions
18.	Ratings assigned by Credit Rating Agencies and migration of ratings during the year
19.	Remuneration of Directors
20.	Management
21.	Net Profit or Loss for the period, prior period items and changes in accounting policies
22.	Revenue Recognition



Section II (Applicable for annual financial statements of NBFC-ML and NBFC-UL)	
23.	Consolidated Financial Statements (CFS)
24.	Provisions and Contingencies
25.	Draw Down from Reserves
26.	Concentration of Deposits (for deposit taking NBFCs)
27.	Concentration of Advances
28.	Concentration of Exposures
29.	Concentration of NPAs
30.	Sector-wise NPAs
31.	Movement of NPAs
32.	Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)
33.	Off-balance Sheet SPVs sponsored
34.	Disclosure of Customer Complaints

Section III (Applicable for annual financial statements of non-deposit taking NBFC issuing Perpetual Debt Instrument)	
1.	Amount of funds raised, outstanding, Percentage of the amount of PDI of the amount of its Tier 1 capital etc.

Notes:

- » Individual NBFCs **may omit** those line items/disclosures which are not applicable/not permitted or with no exposure/no transaction both in the current year and previous year.
- » NBFCs **shall disclose comparative information** in respect of the previous period for all amounts reported in the current period's financial statements. Further, NBFCs shall include comparative information for narrative and descriptive information if it is relevant to understanding the current period's financial statements.
- » It may be noted that disclosure requirements **applicable to lower layers of NBFCs will be applicable to NBFCs in higher layers.**
- » **Only** the disclosures specified in the master directions is included in the table above.





CA Kala Jayesh Umedmal

Candidate: WIRC of ICAI Election 2024
Humble Request for 1st Preference Vote at Ballot No.: **23**
Dedicated to Profession - Committed to Fraternity