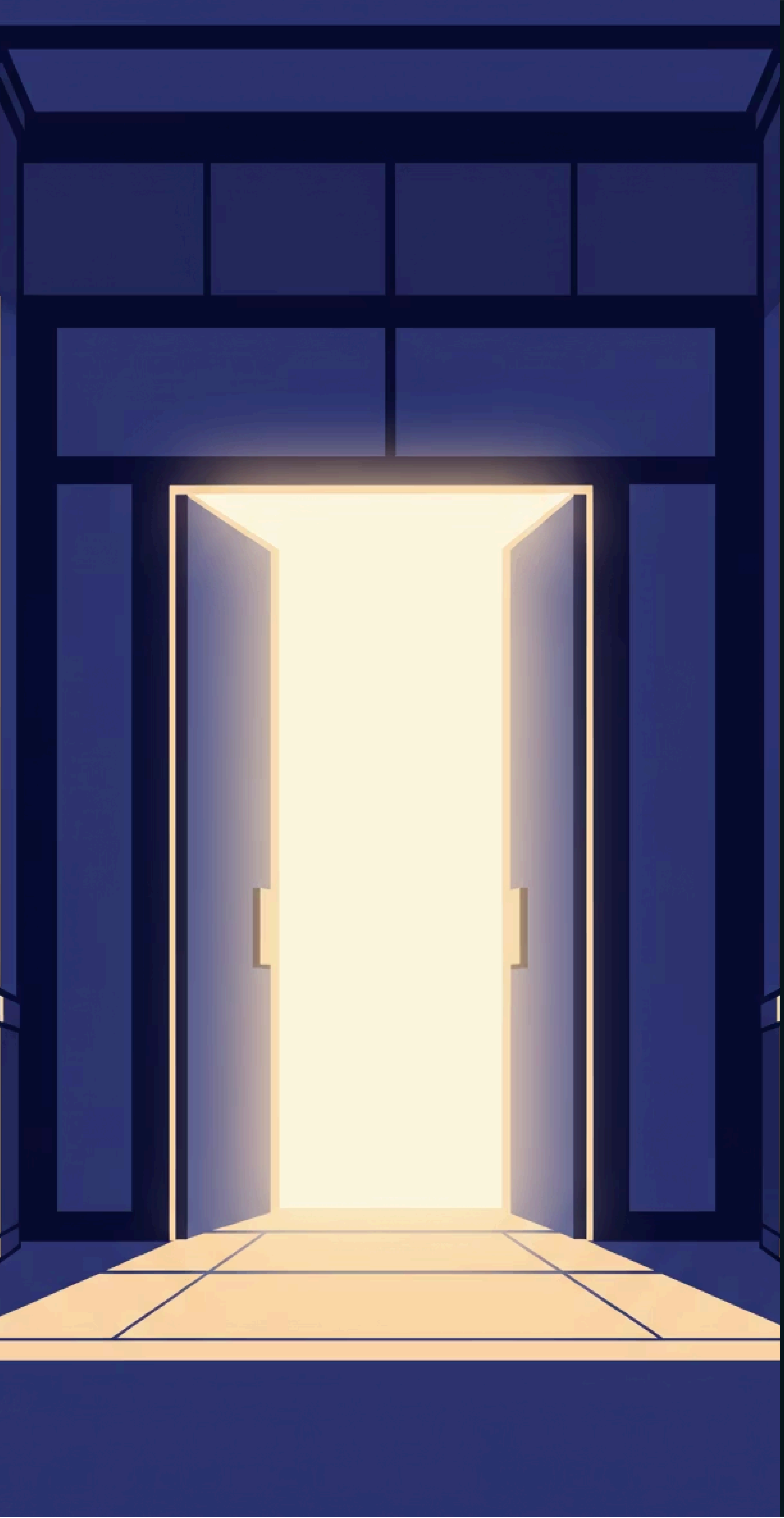
RBI NBFC Deregistration 2026

The One-Time Exit Window for Passive NBFCs Under Rs 1,000 Crore

A S Banka Advisors Private Limited

Applications close 31 December 2026 on PRAVAAH

RBI ACT 1934 | SCALE BASED REGULATION | TYPE I NBFC | HOLDING COMPANIES



What Changed, In One Line

> The RBI has told a whole class of companies they no longer need its licence.

The RBI NBFC Registration, Exemptions and Framework for Scale Based Regulation Amendment Directions, 2026, notified as RBI/2026-27/43, DOR.FIN.REC.No.67/03.10.001/2026-27 dated 29 April 2026, exempt qualifying passive NBFCs from registration.

In force from 1 July 2026. This is deliberate deregulation, not a crackdown.

Section 45-IA

Makes registration compulsory. Falls away for qualifying entities.

Section 45-IC

Forces a 20% statutory reserve transfer each year. Also falls away for qualifying entities.

The Three-Gate Qualifying Test

You must clear all three gates. Fail any one and you stay a fully registered NBFC.

1

No Public Funds

No deposits, commercial paper, debentures, inter-corporate deposits or bank finance. Even one bank loan disqualifies you. Instruments compulsorily convertible into equity within 10 years do not count.

2

No Customer Interface

No interaction with borrowers or customers from a financial business. Lending outside your own group likely fails this gate.

3

Asset Size Below Rs 1,000 Crore

Per the latest audited balance sheet. This threshold is the defining line between registered and exempt status.

The Rs 1,000 Crore Line: Three New Labels

The amendment inserts precise definitions. Know which one you are.

Type I NBFC

Paragraph 6(22). No public funds, no customer interface, but at or above Rs 1,000 crore. Stays registered on a lighter footing.

Unregistered Type I NBFC

Paragraph 6(24), with relief in paragraph 65A. Same profile but below Rs 1,000 crore. Exempt from registration and free to surrender the Certificate of Registration.

Type II NBFC

Paragraph 6(23). Every other registered NBFC. Full Scale Based Regulation continues.

The exempt entity is the **Unregistered Type I NBFC**. That is who this window is for.

Key Dates and Numbers

29 Apr

Notification Date

Reference RBI/2026-27/43

1 Jul

Exemption Effective

2026 onwards

31 Dec

Deregistration Deadline

2026. A six-month window.

1,000

Asset Threshold (Crore)

Per latest audited balance sheet

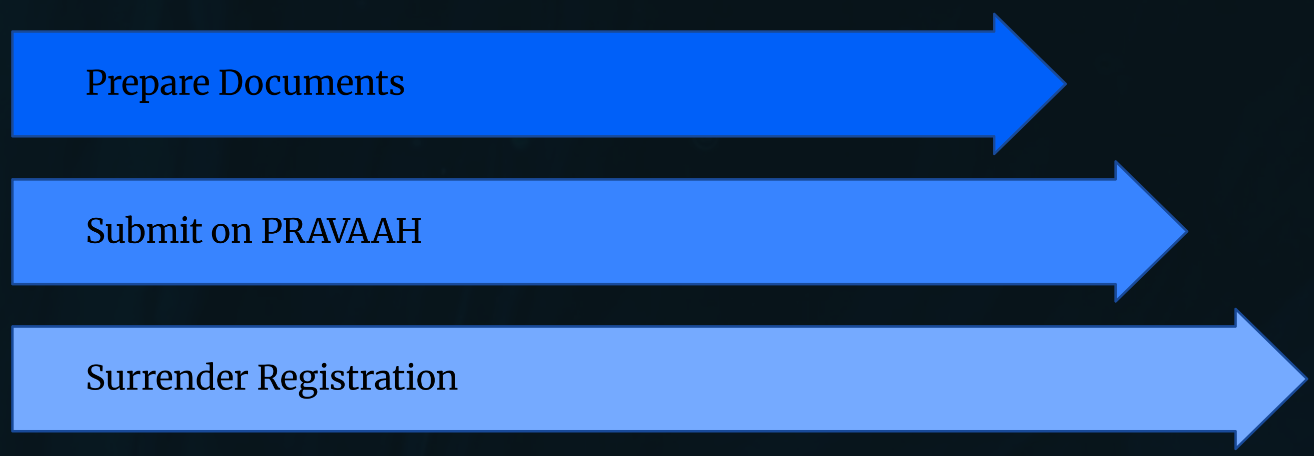
Additional Details

- Sections switched off: 45-IA and 45-IC of the RBI Act 1934
- Filing channel: the PRAVAAH portal
- Revised application form notified by RBI Press Release on 30 June 2026

⚠ Some secondary write-ups quote 30 September 2026. The RBI notification itself states **31 December 2026.**

How to File on PRAVAAH

Deregistration is made on company letterhead through the PRAVAAH portal. Be ready with:



1. **Board Resolution**

   Confirming no public funds, no customer interface, and no intention to have either in future.

2. **Audited Financial Statements**

   For the last three financial years.

3. **Status Statement**

   On public-fund and customer-interface status for each of those three years.

4. **Statutory Auditor Certificate**

   Supporting the position taken.

5. **Undertaking**

   On continuing disclosure and the consequence of any future change in status.

6. **Physical Surrender**

   Of the original Certificate of Registration to the RBI.

Because the relief hinges on a three-year clean record, the diligence is retrospective.

The Group Aggregation Trap

> A single-entity view is not enough. This is the point most summaries miss.

The Rule

Where a group holds multiple Unregistered Type I NBFCs, the RBI aggregates the asset size of all of them.

If the aggregate reaches Rs 1,000 crore or more, every one of those entities must register as a Type I NBFC. Not just the largest one.

The Action Required

For promoter families and holding structures with several investment vehicles, run the test at group level before certifying any single company as exempt.

Group-level aggregation can disqualify entities that appear individually compliant. Always test at the consolidated group level first.

If You Do Nothing, or Miss the Window

Missing the Deadline

Missing 31 December 2026 creates no penalty. You simply keep the Certificate of Registration and stay inside the full Scale Based Regulation net, including the Section 45-IC reserve fund, returns, and the rest of the stack.

The Safety Valve

An entity that does not qualify today but comes to qualify later can still apply for deregistration at that point. The date is the window for those who already qualify, not a last chance forever.

The Flip Side

⚠ Deregister, then later take public funds or acquire a customer interface, and you fall back under 45-IA and 45-IC and must register afresh. The relief is conditional and continuing.

No Penalty for Missing

Stay registered, stay compliant.

Future Qualification

Apply later if you qualify later.

Conditional Relief

Breach conditions and re-registration is mandatory.

Who Should Act Now: The Advisory Read

This is a live decision for entities registered as NBFCs only by arithmetic, not by business model.

Group Holding Companies

Registered only because most assets are shares in group companies.

Promoter and Family Investment Vehicles

Holding financial assets but taking no public money.

Passive Treasury or SPV Entities

Below Rs 1,000 crore with no external borrowing.

CFOs and Company Secretaries

Weighing annual NBFC compliance cost against a one-time clean exit.

Action Plan

Identify why you are an NBFC. Run the three-gate test on three years of audited accounts. Line up the auditor certificate. File on PRAVAAH well before December.

> **Talk to an Expert.** CA Adityavikram Banka, Founder, A S Banka Advisors Private Limited. Book a strategy session at calendly.com/asbanka-info/30min