Reserve Bank Of India (Non-Banking Financial Companies – Auditor's Report) Directions, 2026

The Directions have been issued under Section 45MA of the Reserve Bank of India Act, 1934 and are applicable to the statutory auditors of all NBFCs (excluding Housing Finance Companies). The revised framework strengthens the reporting responsibilities of auditors by prescribing additional reporting requirements to the Board of Directors and introducing an obligation to report significant non-compliances directly to RBI. These directions are effective from July 31, 2026.

In accordance with these Directions:

- Statutory auditors of all NBFCs are required to submit, in addition to the report under Section 143 of the Companies Act, 2013, a separate report to the Board of Directors covering prescribed regulatory compliance matters. (no change from 2016 framework)
- Auditors are required to verify whether the NBFC holds a valid Certificate of Registration (CoR), continues to satisfy the Principal Business Criteria, and complies with the minimum Net Owned Fund (NOF) requirement prescribed by RBI. (no change from 2016 framework)
- NBFCs must facilitate submission of the DNBS10 – Statutory Auditor's Certificate (SAC) by the statutory auditor through RBI's Centralised Information Management System (CIMS) within five working days of signing the audit report and not later than December 31 of the relevant year. (no change from 2016 framework)
- Additional reporting requirements have been prescribed for NBFCs accepting or holding public deposits, including compliance with public deposit limits, credit rating requirements, prudential norms, capital adequacy, liquid asset maintenance, submission of supervisory returns, and branch-related regulatory requirements.
- Auditors are also required to submit an Exception Report directly to the concerned office of RBI where they observe qualified or adverse findings or identify non-compliance with Chapter IIIB of the RBI Act, 1934 or applicable RBI directions.

Kindly refer to the RBI Notification – Reserve Bank of India (Non-Banking Financial Companies – Auditor's Report) Directions, 2026 (RBI/DoS/2026-27/468 dated July 31, 2026)