

# FIDC

## Finance Industry Development Council

*(A Self Regulatory Organisation for NBFCs in India)*

CIN: U91990MH2004NPL146931

101/103, Sunflower, 1<sup>st</sup> Floor, Rajawadi Road No.2, Ghatkopar (East), Mumbai – 400 077

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Date: 11<sup>th</sup> March 2026

**Mr. S.S.K Pradhan**

Chief General Manager  
Department of Supervision,  
Reserve Bank of India,  
Central Office  
Mumbai

Respected Sir,

**Subject: Suggestions on RBI's Supervision of NBFCs - Meeting held on 27<sup>th</sup> February 2026**

We hereby convey our most sincere thanks and appreciation for the meeting convened by you on 27<sup>th</sup> February 2026. Your kind words of appreciation and encouragement have boosted our efforts in making FIDC an effective SRO for the NBFC sector. Further, your most valued advice of laying emphasis on capacity building, especially for Base Layer NBFCs, by way of Webinars & in-person training programs shall guide us going forward.

As discussed during the meeting, we would like to share a few suggestions relating to RBI's supervision of NBFCs:

1. Request to Share a Compendium of Supervisory Concerns

FIDC believes that the level of compliance with regulations would improve significantly if knowledge about regulations and the do's and don'ts are disseminated to our members. FIDC is keen to partner with RBI to play this role to improve levels of governance among NBFCs and to ensure sustainable growth of the sector.

We would request the RBI to share with us a compendium of supervisory observations and concerns observed by the supervisory team across NBFCs (with adequate safeguards to preserve confidentiality) such that common observations could be shared with our members in the form of training programmes and information booklets.

2. Request for Nodal Officers

We would request the RBI to designate two nodal officers – one for Base Tier NBFCs and another for Middle and Upper Tier NBFCs as single points of contact (SPOC) for FIDC. This would facilitate easier

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information flow from the RBI to the industry and vice versa, such that any issues and concerns could be addressed in a constructive, meaningful and expeditious manner. The SPOCs could also participate in knowledge dissemination seminars for members that FIDC may organize to familiarize them on regulations and other matters of supervision.

### 3. RBI's Ombudspersons to Connect with NBFCs' Internal Ombudspersons

RBI has appointed ombudspersons for NBFC related matters. Some of members have mentioned to us that wherever any matter is escalated to such ombudspersons, they in turn call the CEO of the NBFC to seek resolutions. The request from our members is that wherever internal ombudspersons are appointed by NBFCs, the RBI ombudspersons may first reach out to the internal officers rather than the CEO. In many situations the CEO may not be aware of the issue or be available immediately to ensure expeditious resolution. Routing these calls/emails to internal ombudspersons would ensure appropriate level of attention and quick resolution of the issues/complaints. Escalation to the CEO would certainly be appropriate in case of non-resolution of the matter within the prescribed timeline or inadequate resolution.

### 4. Adequate Time for Reply to Matters Contained in the Draft Exit Report

Our request is that at least 72 hours' time be granted to NBFCs to reply to observations made in the draft Exit Report – currently only about 24 hours is being given for such replies. In most situations framing of a proper response would involve inter alia the following actions which may take time:

- Document retrieval
- System verification
- Confirmation to be obtained from the Board of Directors etc.

Our members request that more time be provided to ensure adequate, comprehensive and accurate replies are provided to such observations.

### 5. Creation of a "Regulatory Sandbox"

Creation of a Regulatory Sandbox where regulatory innovations could be tested in a consultative and controlled environment would benefit the NBFC sector immensely. FIDC would be very keen to partner with the RBI to create and sustain such a framework. Issues such as AI-driven credit monitoring, eKYC and other digital verification methods and automation of compliance systems etc. could be included in the sandbox.

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### 6. Interpretation and Impact of Regulations to be Analyzed Based on the Nature of Business of NBFCs

Overall, given the heterogeneity of NBFCs, our request would be for regulations to be interpreted and their impact on the business and on the NBFCs' customers be analyzed keeping in mind the nature of their business and the level of sophistication of the NBFC's customers. For instance, matters relating to over-charging of interest could be more relevant for BNPL or consumer lending businesses rather than mid-corporate or MSME lending. A tier-specific and sector-specific framework could be put in place whereby regulations could be interpreted and applied in a relevant, meaningful and impactful manner for sustainable development of the sector.

We hope that our above said suggestion shall be considered favorably. We look forward to your continued guidance and support in building a strong and resilient NBFC Sector.

Assuring you of your full cooperation always & thanking you in anticipation.

Yours Sincerely,

For **FINANCE INDUSTRY DEVELOPMENT COUNCIL**

**RAMAN AGGARWAL**

**Chief Executive Officer**

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