



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
www.rbi.org.in

RBI/2012-13/526

DNBS.PD/CC.No. 328 /03.02.002/2012-13

June 11 , 2013

All NBFCs

Dear Sir,

NBFCs not to be Partners in Partnership Firms- Clarifications

NBFCs were advised vide [CC No. 214/03.02.002/2010-11 dated March 30, 2011](#) that they are prohibited from contributing capital to any partnership firm or to be partners in partnership firms. In cases of existing partnerships, NBFCs were advised to seek early retirement from the partnership firms.

2. In this connection certain clarifications are being made as given below;
 - (a) Partnership firms mentioned above will also include Limited Liability Partnerships (LLPs).
 - (b) Further, the aforesaid prohibition will also be applicable with respect to Association of persons; these being similar in nature to partnership firms.
3. Non-Banking Financial Companies which had already contributed to the capital of a LLP/Association of persons or was a partner of a LLP/Association of persons are advised to seek early retirement from the LLP/Association of persons.
4. Copies of Amending Notifications Nos. DNBS (PD).255 /CGM (CRS)-2013 and DNBS (PD).256 /CGM (CRS)-2013 both dated June 11, 2013 are enclosed for meticulous compliance.

Yours sincerely,

(C.R. Samyuktha)
Chief General Manager-in-Charge

**RESERVE BANK OF INDIA
DEPARTMENT OF NON-BANKING SUPERVISION
CENTRAL OFFICE
CENTRE I, WORLD TRADE CENTRE,
CUFFE PARADE, COLABA,
MUMBAI, 400 005.**

Notification No.DNBS(PD). 255/ CGM (CRS) 2013 dated June 11 , 2013

The Reserve Bank of India, having considered it necessary in public interest and being satisfied that, for the purpose of enabling the Bank to regulate the credit system to the advantage of the country, it is necessary to amend the Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 (hereinafter referred to as the said Directions), contained in Notification No. DNBS.192/DG(VL)-2007 dated February 22, 2007, in exercise of the powers conferred by Section 45JA and Section 45L of the Reserve Bank of India Act, 1934 (2 of 1934) and of all the powers enabling it in this behalf, hereby directs that the said Directions shall be amended with immediate effect as follows,

2. In para 19A, of the said Directions under the title, "NBFCs not to be partners in partnership firms", after sub-para(2) the following sub-para shall be inserted, namely:-

“(3) In this connection it is further clarified that;

- (a) Partnership firms mentioned above will also include Limited Liability Partnerships (LLPs).
- (b) Further, the aforesaid prohibition will also be applicable with respect to Association of persons; these being similar in nature to partnership firms.”

3. NBFCs which had already contributed to the capital of a LLP/Association of persons or was a partner of a LLP/Association of persons are advised to seek early retirement from the LLP/Association of persons.

(C.R. Samyuktha)
Chief General Manager-in-Charge

**RESERVE BANK OF INDIA
DEPARTMENT OF NON-BANKING SUPERVISION
CENTRAL OFFICE
CENTRE I, WORLD TRADE CENTRE,
CUFFE PARADE, COLABA,
MUMBAI, 400 005.**

Notification No.DNBS (PD). 256/ CGM (CRS) 2013 dated June 11 , 2013

The Reserve Bank of India, having considered it necessary in public interest and being satisfied that, for the purpose of enabling the Bank to regulate the credit system to the advantage of the country, it is necessary to amend the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 (hereinafter referred to as the said Directions), contained in Notification No. DNBS.193/DG(VL)-2007 dated February 22, 2007, in exercise of the powers conferred by Section 45JA and Section 45L of the Reserve Bank of India Act, 1934 (2 of 1934) and of all the powers enabling it in this behalf, hereby directs that the said Directions shall be amended with immediate effect as follows,

2. In para 20A, of the said Directions under the title, "NBFCs not to be partners in partnership firms", after sub-para (2) the following sub-para shall be inserted, namely:-

“(3) In this connection it is further clarified that;

- (a) Partnership firms mentioned above will also include Limited Liability Partnerships (LLPs).
- (b) Further, the aforesaid prohibition will also be applicable with respect to Association of persons; these being similar in nature to partnership firms.”

3. NBFCs which had already contributed to the capital of a LLP/Association of persons or was a partner of a LLP/Association of persons are advised to seek early retirement from the LLP/Association of persons.

(C.R. Samyuktha)
Chief General Manager-in-Charge