

**2014
DECEMBER**

P. K. LUHARUKA & CO.
CHARTERED ACCOUNTANTS
MONTHLY NEWSLETTER
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THIS ISSUE GIVES AN UPDATE ON ASPECTS ON WHICH THE CBDT, CBEC, RBI, WEST BENGAL STATE GOVERNMENT AND MINISTRY OF CORPORATE AFFAIRS THINK NEED CHANGES OR CLARIFICATIONS, A FEW RELEVANT CASE LAWS RELATING TO INCOME TAX AND A DUE DATES CALENDAR FOR THE MONTH OF DECEMBER.

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DIRECT TAXES

Considering the devastation due to floods in the State of Jammu & Kashmir the CBDT hereby further extends the due date of furnishing return of income & report of audit from 30th November 2014 to 31st March 2015. (Attached order u/s. 119 of the Income Tax Act, 1961 dated, 28th November, 2014)

INDIRECT TAXES

- a. CBEC while clarifying regarding availment of CENVAT Credit after six months stated that the limitation of six months would apply when the credit is taken for the first time. The matter was related to cases – payment of invoice not made within 3 months but credit taken, credit of inputs & capital goods w/o without being put to use, inputs sent to job worker not received within 180 days. (Attached Circular No. 990/14/2014-CX dated, 19th November, 2014)
- b. CBEC hereby notifies the rate of exchange of conversion of each foreign currency effective from 21st November, 2014. (Attached Notification No. 111/2014-Customs (N.T.), dated, 20th November, 2014)

RESERVE BANK OF INDIA

- a. RBI, in its Notification dated 10.11.2014, has stated that an entire review of the regulatory framework for the NBFC sector has been undertaken in order to address the risks faced by this fast developing sector. Some of the important changes brought about include requirement of minimum Net Owned Funds of ₹ 200 Lacs etc. (Attached Notification Dated 10th November, 2014)
- b. RBI has introduced additional guidelines w.e.f. April, 1, 2015, for banks levying charges for non-maintenance of minimum balance in savings account. One of the guidelines instructs the banks to send an SMS informing the account holder to restore minimum balance in his account within a month or penal charges will be applicable. (Attached Notification dated 20th November, 2014)
- c. RBI, in its circular dated 20.11.2014, has informed that the period of realization and repatriation of export proceeds shall be nine months from the date of export for all exporters including Units in SEZs, Status Holders Exporters, EOUs, Units in EHTPs, STPs & BTPs. (Attached Circular dated 20th November, 2014)

COMPANY LAW

- a. The Union Cabinet, chaired by the Prime Minister Shri Narendra Modi, approved the introduction of the Companies (Amendment) Bill, 2014 in Parliament to make certain amendments in the Companies Act, 2013. The Companies Act, 2013 (Act) was notified on 29.8.2013. Out of 470 sections in the Act, 283 sections and 22 sets of Rules corresponding to such sections have so far been brought into force. In order to address some issues raised by stakeholders such as Chartered Accountants and professionals, following amendments in the Act have been proposed:
1. Omitting requirement for minimum paid up share capital, and consequential changes. (For ease of doing business)
 2. Making common seal optional and consequential changes for authorization for execution of documents. (For ease of doing business)
 3. Prescribing specific punishment for deposits accepted under the new Act. This was left out in the Act inadvertently. (To remove an omission)
 4. Prohibiting public inspection of Board resolutions filed in the Registry. (To meet corporate demand)
 5. Including provision for writing off past losses/depreciation before declaring dividend for the year. This was missed in the Act but included in the Rules.
 6. Rectifying the requirement of transferring equity shares for which unclaimed/unpaid dividend has been transferred to the IEPF even though subsequent dividend(s) has been claimed. (To meet corporate demand)
 7. Enabling provisions to prescribe thresholds beyond which fraud shall be reported to the Central Government (below the threshold, it will be reported to the Audit Committee). Disclosures for the latter category also to be made in the Board's Report. (Demand of auditors)
 8. Exemption u/s 185 (Loans to Directors) provided for loans to wholly owned subsidiaries and guarantees/securities on loans taken from banks by subsidiaries. (This was provided under the Rules but being included in the Act as a matter of abundant caution).
 9. Empowering Audit Committee to give omnibus approvals for related party transactions on annual basis. (Align with SEBI policy and increase ease of doing business)
 10. Replacing 'special resolution' with 'ordinary resolution' for approval of related party transactions by non-related shareholders. (Meet problems faced by large stakeholders who are related parties)
 11. Exempt related party transactions between holding companies and wholly owned subsidiaries from the requirement of approval of non-related shareholders. (corporate demand)
 12. Bail restrictions to apply only for offence relating to fraud u/s 447. (Though earlier provision is mitigated, concession is made to Law Ministry & ED)
 13. Winding Up cases to be heard by 2-member Bench instead of a 3-member Bench. (Removal of an inadvertent error)
 14. Special Courts to try only offences carrying imprisonment of two years or more. (To let magistrate try minor violations).
- b. The Central Government hereby amends the Company Law Board (Fees on Applications & Petitions) Rules, 1991. **Attached Notification, dated, 03rd November, 2014)**

- c. On consideration of requests received from various stakeholders, ministry hereby extends the CLSS Scheme upto 31st December, 2014. (Attached General Circular No. 44/2014 dated, 14th November, 2014)
- d. The Ministry hereby extends time for holding AGM upto 31/12/2014 for the Financial 2013-14 to those companies registered in the State of Jammu & Kashmir. (Attached General Circular No. 45/2014 dated, 18th November, 2014)

MEMBERS

ICAI issues a Guidance Note on Audit of Internal Financial Controls over Financial Reporting. The same may be downloaded from the Institute's website.

WEST BENGAL STATE LAWS

The Government of West Bengal hereby prescribes the procedure for electronic registration under the West Bengal State Tax on Professions, Trades, Callings and Employments Act, 1979. (Attached order dated, 19/11/2014)

CASE LAWS

- a. Though a firm is not a "person" under UK law, it is so under the Indian law. Consequently, the firm is eligible for exemption under the India-UK DTAA. The department's contention that the firm is not eligible for benefits under the DTAA is not acceptable – **P & O Nedlloyd Ltd. vs. ADIT. (Calcutta High Court)**
- b. CIT(A) cannot decline to condone delay in filing appeal and still decide it on merits- **Dr. Murari Mohan Kokey vs. ITO (ITAT Kolkata)**
- c. Penalty initiated under section 271(1)(c) without specifying whether it is for concealment or for furnishing inaccurate particulars is invalid- **DCIT vs. Nepa Limited (ITAT Indore)**

December 2014

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Details

06 December 2014



Subject Due Date of payment (latest by 8 P.M.) of Service Tax for services deemed to be provided as per rules in the month of November in case of assesseees, other than individual or proprietorship firm or partnership firm (GAR 7 Challan)



Subject Due Date of payment of Central Excise Duties for the previous month
- For non SSI Units - GAR-7 Challan

07 December 2014



Subject Due Date of deposit of TDS where income or amount is paid or credited in the month of November (Challan No./ ITNS. 281)



Subject Due Date of Monthly payment of TCS in November u/s 206C



Subject Submission of copy of declaration forms (Form 15G and form 15H) received for non deduction of TDS under section 197A before the Chief Commissioner or Commissioner

10 December 2014



Subject Due Date of ER-1 for Non-SSI assesseees and ER-2 for EOU units for the month of November

15 December 2014

Subject Second installment (in case of non company assessee) (60%) or third installment (in case of company assessee) (75%) of Advance Tax for current FY (Challan No./ ITNS. 280)



Subject Due Date of Payment of PF for the month of November (plus grace period of 5 days)

21 December 2014

Subject Due Date of Payment of ESI for the month of November

25 December 2014

Subject Merry Christmas


F.No. 225/268/2014/ITA.II
Government of India
Ministry of Finance
Department of Revenue
Central Board of Direct Taxes

North-Block, ITA.II Division
New Delhi, the 28th of November, 2014

Order under Section 119 of the Income-tax Act, 1961

Considering the devastation due to floods in the State of Jammu & Kashmir, the Central Board of Direct Taxes, in exercise of powers conferred under section 119 of the Income-tax Act, 1961 ('Act') and in continuation to the earlier order under section 119 of the Act dated 16.09.2014, hereby further extends the 'due date' of furnishing return of income from 30th November, 2014 to 31st March, 2015, in cases of Income-tax assesseees in the State of Jammu & Kashmir which are covered under clause (a) or clause (aa) of Explanation 2 to sub-section (1) of section 139 of the Act.

The 'due date' for obtaining and furnishing reports of audit for the assesseees in the State of Jammu and Kashmir under various provisions of the Act pertaining to such returns of income is also extended to 31st March, 2015.


(Richa Rastogi)

Under-Secretary to the Government of India

Copy to:-

1. PS to F.M./OSD to FM/PS to MOS(R)/OSD to MOS(R).
2. PS to Secretary (Revenue)
3. Chairperson (DT), All Members, Central Board of Direct Taxes
4. All Pr.CCsIT/CCsIT/Pr.DsGIT/DsGIT
5. All Joint Secretaries/CsIT, CBDT
6. Directors/Deputy Secretaries/Under Secretaries of Central Board of Direct Taxes
7. DIT (RSP&PR)/Systems, New Delhi, for appropriate publicity by putting it on departmental website
8. The C&AG of India (30 copies)
9. The JS & Legal Advisor, Min. of Law & Justice, New Delhi
10. The Institute of Chartered Accountants of India, IP Estate, New Delhi-110003
11. All Chambers of Commerce
12. Database Cell for putting it on departmental website
13. O/o Pr. DGIT(Systems) for putting the order on official website


(Richa Rastogi)

Under-Secretary to the Government of India

Circular No.: 990/14/2014-CX-8

F. No. 267/72/2013-CX.8 (Pt)
Government of India
Ministry of Finance
Department of Revenue
Central Board of Excise and Customs

New Delhi, the 19th of November, 2014

To,
Principal Chief Commissioners/Chief Commissioners of Central Excise (All)
Principal Chief Commissioners/Chief Commissioners of Central Excise of Central Excise & Customs (All)
Director General, Directorate General of Central Excise Intelligence
Principal Commissioners/Commissioners of Central Excise (All)
Principal Commissioners/Commissioners of Central Excise & customs (All)
Web-master, CBEC

Madam/Sir,

Sub: Clarification regarding availment of CENVAT credit after six months-reg.

Attention is invited to the Notification of the Government of India in the Ministry of Finance, Department of Revenue No. 21/2014-CE (NT) dated 11.07.2014, vide which, inter alia, amendment was made in Rule 4(1) and 4(7) of CENVAT Credit Rules, 2004 (CCR, 2004) to prescribe that manufacturer or output service provider shall not take CENVAT credit after six months of the date of issue of any of the documents specified in sub-rule (1) of Rule 9.

2. Concerns have been expressed by trade that in view of above changes, the re-credit taken in following three situations may be hit by the time limit of six months prescribed:

- i. 3rd proviso to Rule 4(7) of CCR, 2004 prescribes that if the payment of value of input service and service tax payable is not made within three months of date of invoice, bill or challan, then the CENVAT Credit availed is required to be paid back by the manufacturer or service provider. Subsequently, when such payment of value of input service and service tax is made, the amount so paid back can be re-credited.
- ii. According to Rule 3(5B) of CCR, 2004, if the value of any input or capital goods before being put to use on which CENVAT Credit has been taken, is written off or such provisions made in Books of Account, the manufacturer or service provider is required to pay an amount equal to credit so taken. However, when the inputs or capital goods are subsequently used, the amount so paid can be re-credited in the account.
- iii. Rule 4(5)(a) of CCR, 2004 prescribes that in case inputs sent to job worker are not received back within 180 days, the manufacturer or service provider is required to pay an amount equal to credit taken on such inputs in the first instance. However, when the inputs are subsequently received back from job worker, the amount so paid can be re-credited in the account.

3. The matter has been examined. The purpose of the amendment made by Notification No. 21/2014-CE (NT) dated 11.07.2014 is to ensure that after the issue of a document under sub-rule (1) of Rule 9, credit is taken for the first time within six months of the issue of the document. Once this condition is met, the limitation has no further application. It is, therefore, clarified that in each of the three situations described above pertaining to Rule 4(7), Rule 3(5B) or Rule 4(5) (a) of CCR, 2004, the limitation of six months would apply when the credit is taken for the first time on an eligible document. It would not apply for taking re-credit of amount reversed, after meeting the conditions prescribed in these rules

4. Difficulties faced, if any, in implementation of this Circular may be brought to the notice

of the Board. Hindi version follows.

(Shankar Prasad Sarma)
OSD, CX.8

[TO BE PUBLISHED IN THE GAZETTE OF INDIA, PART-II, SECTION 3,
SUB-SECTION (ii), EXTRAORDINARY]

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
CENTRAL BOARD OF EXCISE AND CUSTOMS

Notification No.111/2014 - Customs (N.T.)

DATED THE 20th November, 2014
29 Kartika, 1936(SAKA)

S.O. (E). – In exercise of the powers conferred by section 14 of the Customs Act, 1962 (52 of 1962), and in super session of the notification of the Government of India in the Ministry of Finance (Department of Revenue) No.101/2014-CUSTOMS (N.T.), dated the 5th November, 2014 *vide* number S.O. 2830 (E), dated the 5th November, 2014, except as respects things done or omitted to be done before such super session, the Central Board of Excise and Customs hereby determines that the rate of exchange of conversion of each of the foreign currency specified in column (2) of each of Schedule I and Schedule II annexed hereto into Indian currency or *vice versa* shall, **with effect from 21st November, 2014** be the rate mentioned against it in the corresponding entry in column (3) thereof, for the purpose of the said section, relating to imported and export goods.

SCHEDULE-I

S.No.	Foreign Currency	Rate of exchange of one unit of foreign currency equivalent to Indian rupees	
(1)	(2)	(3)	
		(a)	(b)
		(For Imported Goods)	(For Export Goods)
1.	Australian Dollar	54.00	52.70
2.	Bahrain Dinar	169.45	160.20
3.	Canadian Dollar	55.40	54.05
4.	Danish Kroner	10.60	10.30
5.	EURO	78.90	77.00
6.	Hong Kong Dollar	8.10	7.95
7.	Kuwait Dinar	219.65	207.45
8.	New Zealand Dollar	49.30	48.05
9.	Norwegian Kroner	9.30	9.00
10.	Pound Sterling	98.45	96.25
11.	Singapore Dollar	48.25	47.10
12.	South African Rand	5.75	5.45
13.	Saudi Arabian Riyal	17.05	16.10
14.	Swedish Kroner	8.50	8.30
15.	Swiss Franc	65.75	64.00
16.	UAE Dirham	17.40	16.45
17.	US Dollar	62.60	61.60

SCHEDULE-II

S.No.	Foreign Currency	Rate of exchange of 100 units of foreign currency equivalent to Indian rupees	
(1)	(2)	(3)	
		(a)	(b)
		(For Imported Goods)	(For Export Goods)

1.	Japanese Yen	53.10	51.85
2.	Kenya Shilling	71.00	66.90

[F.No.468/01/2014-Cus.V]

(SATYAJIT MOHANTY)
DIRECTOR (ICD)
TELE: 2309 3380



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

RBI/2014-15/299

DNBR (PD) CC.No.002/03.10.001/2014-15

November 10, 2014

All NBFCs (excluding Primary Dealers)

Dear Sirs,

Revised Regulatory Framework for NBFC

The NBFC (Non-Banking Finance Company) sector has evolved considerably in terms of its size, operations, technological sophistication, and entry into newer areas of financial services and products. NBFCs are now deeply interconnected with the entities in the financial sector, on both sides of their balance sheets. Being financial entities, they are as exposed to risks arising out of counterparty failures, funding and asset concentration, interest rate movement and risks pertaining to liquidity and solvency, as any other financial sector player. At the same time there are segments within the sector that do not pose any significant risks to the system. There is therefore, a felt need to address the risks, without impeding the dynamism displayed by NBFCs in delivering innovation and last mile connectivity for meeting the credit needs of the productive sectors of the economy.

2. With the above background, a review of the entire regulatory framework for the NBFC sector has been undertaken with a view to transitioning, over time, to an activity based regulation of NBFCs. As a first step in this direction, certain changes to the regulatory framework are sought to be made to a) address risks wherever they exist, b) address regulatory gaps and arbitrage arising from differential regulations, both within the sector as well as vis-a-vis other financial institutions, c) harmonise and simplify regulations to facilitate a smoother compliance culture among NBFCs, and d) strengthen governance standards.

3. In doing so, certain important recommendations made by the Working Group on Issues and Concerns in the NBFC Sector (Chairperson: Smt. Usha Thorat) and the Committee on Comprehensive Financial Services for Small Businesses and Low Income Households (Chairman: Dr. Nachiket Mor), have been drawn upon. The changes now introduced to the regulatory framework are delineated below.

4. Requirement of Minimum NOF of Rs. 200 lakh

4.1 NBFCs are required to obtain a Certificate of Registration (CoR) from the Bank to commence/carry on business of NBFI in terms of Section 45-IA of the RBI Act, 1934. The said section also prescribes the minimum Net Owned Fund (NOF) requirement. In terms of Notification No.DNBS.132/CGM(VSNM)-99 dated April 21, 1999, the minimum NOF requirement for new companies applying for grant of CoR to commence business of an NBFC is stipulated at Rs. 200 lakh. Although the requirement of minimum NOF at present stands at Rs. 200 lakh, the minimum NOF for companies that were already in existence before April 21, 1999 was retained at Rs. 25 lakh. Given the need for strengthening the financial sector and technology adoption, and in view of the increasing complexities of services offered by NBFCs, it shall be mandatory for all NBFCs to attain a minimum NOF of Rs. 200 lakh by the end of March 2017, as per the milestones given below:

- Rs. 100 lakh by the end of March 2016
- Rs. 200 lakh by the end of March 2017

4.2 It will be incumbent upon such NBFCs, the NOF of which currently falls below Rs. 200 lakh, to submit a statutory auditor's certificate certifying compliance to the revised levels at the end of each of the two financial years as given above.

4.3 NBFCs failing to achieve the prescribed ceiling within the stipulated time period shall not be eligible to hold the CoR as NBFCs. The Bank will initiate the process for cancellation of CoR against such NBFCs.

5. Deposit Acceptance

5.1 As per extant NBFCs Acceptance of Public Deposit (Reserve Bank) Directions, 1998, an unrated Asset Finance Company (AFC) having NOF of Rs. 25 lakh or more, complying with all the prudential norms and maintaining capital adequacy ratio of not less than fifteen per cent, is allowed to accept or renew public deposits not exceeding one and half times of its NOF or up to Rs. 10 crore, whichever is lower. AFCs which are rated and complying with all the prudential regulations are allowed to accept deposits up to 4 times of their NOF.

5.2 In order to harmonise the deposit acceptance regulations across all deposit taking NBFCs (NBFCs-D) and move over to a regimen of only credit rated NBFCs-D accessing public deposits, existing unrated AFCs shall have to get themselves rated by March 31, 2016. Those AFCs that do not get an investment grade rating by March 31, 2016, will not be allowed to renew existing or accept fresh deposits thereafter. In the intervening period, i.e. till March 31, 2016, unrated AFCs or those with a sub-investment grade rating can only renew existing deposits on maturity, and not accept fresh deposits, till they obtain an investment grade rating.

5.3 It has been decided to harmonise the limit for acceptance of deposits across the sector by reducing the same for rated AFCs from 4 times to 1.5 times of NOF, with effect from the date of this circular. While AFCs holding deposits in excess of the revised limit should not access fresh deposits or renew existing ones till they conform to the new limit, the existing deposits will be allowed to run off till maturity. It must be mentioned here that the data available with the Reserve Bank indicates that most AFCs are already complying with the revised norms and very few NBFCs have deposits in excess of 1.5 times of the NOF. Also, in cases where this limit is exceeded, the excess is not substantial. It is therefore expected, that this harmonization measure will not be disruptive.

6. Systemic Significance

6.1 Currently, NBFCs are categorized into three groups for the purpose of administering prudential regulations namely, NBFCs-D, non-deposit taking NBFCs (NBFCs-ND) with assets less than Rs.100 crore and NBFCs-ND-SI with assets Rs.100 crore and above, (categorised as non-deposit taking systemically important NBFCs, vide [circular DNBS.PD/CC.No.86/03.02.089/2006-07, dated December 12, 2006](#)). The current prudential regulation mainly comprises the following elements: a) Norms relating to Income Recognition, Asset Classification and Provisioning norms; b) Capital to Risk Weighted Assets Ratio (CRAR); and c) Credit Concentration Norms [norms at b) and c) are applicable to only NBFCs-D and NBFCs-ND-SI].

6.2 The threshold for defining systemic significance for NBFCs-ND has been revised in the light of the overall increase in the growth of the NBFC sector. NBFCs-ND-SI will henceforth be those NBFCs-ND which have asset size of Rs. 500 crore and above as per the last audited balance sheet.

6.3 With this revision in the threshold for systemic significance, NBFCs-ND shall be categorized into two broad categories viz.,

- i. NBFCs-ND (those with assets of less than Rs. 500 crore) and
- ii. NBFCs-ND-SI (those with assets of Rs. 500 crore and above).

7. Multiple NBFCs

7.1 NBFCs that are part of a corporate group or are floated by a common set of promoters will not be viewed on a standalone basis. The total assets of NBFCs in a group including deposit taking NBFCs, if any, will be aggregated to determine if such consolidation falls within the asset sizes of the two categories mentioned in para 6.3 above. Regulations as applicable to the two categories will be applicable to each of the NBFC-ND within the group. For this purpose, Statutory Auditors would be required to certify the asset size of all the NBFCs in the Group.

However, NBFC-D, within the group, if any, will be governed under the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Direction 1998 and Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 and other applicable Directions.

7.2 The definition of the word “group” will be the same as per Accounting Standards. “Companies in the Group”, shall mean an arrangement involving two or more entities related to each other through any of the following relationships:

- Subsidiary – parent (defined in terms of AS 21),
- Joint venture (defined in terms of AS 27),
- Associate (defined in terms of AS 23),
- Promoter - promotee [as provided in the SEBI (Acquisition of Shares and Takeover) Regulations, 1997],
- For listed companies, a related party (defined in terms of AS 18), common brand name, and investment in equity shares of 20% and above.

8. Prudential Norms

8.1 One of the main objectives of prudential regulation is to address systemic risks. The systemic risks posed by NBFCs functioning exclusively out of their own funds and NBFCs accessing public funds cannot be equated and hence cannot be subjected to the same level of regulation. Hence, as a principle, enhanced prudential regulations shall be made applicable to NBFCs wherever public funds are accepted and conduct of business regulations will be made applicable wherever customer interface is involved.

8.2 In conformity with the above principles, the regulatory approach in respect of NBFCs-ND with an asset size of less than Rs. 500 crore will be as under:

(i) They shall not be subjected to any regulation either prudential or conduct of business regulations viz., Fair Practices Code (FPC), KYC, etc., if they have not accessed any public funds and do not have a customer interface.

- (ii) Those having customer interface will be subjected only to conduct of business regulations including FPC, KYC etc., if they are not accessing public funds.
- (iii) Those accepting public funds will be subjected to limited prudential regulations but not conduct of business regulations if they have no customer interface.
- (iv) Where both public funds are accepted and customer interface exist, such companies will be subjected both to limited prudential regulations and conduct of business regulations.
- (v) Irrespective of whichever category the NBFC falls in, registration under Section 45 IA of the RBI Act will be mandatory.
- (vi) All of the above will also be subjected to a simplified reporting system which shall be communicated separately.

8.3 All NBFCs-ND with assets of Rs. 500 crore and above, irrespective of whether they have accessed public funds or not, shall comply with prudential regulations as applicable to NBFCs-ND-SI. They shall also comply with conduct of business regulations if customer interface exists.

Note: For the purpose of this circular, the term 'public funds' includes "funds raised directly or indirectly through public deposits, commercial papers, debentures, inter-corporate deposits and bank finance, but excludes funds raised by issue of instruments compulsorily convertible into equity shares within a period not exceeding 5 years from the date of issue".

Prudential Regulations Applicable to NBFCs-ND with Assets less than Rs. 500 crore

8.4 Consequent to the redefining of 'systemic significance' the NBFCs-ND with asset size of less than Rs. 500 crore, are exempted from the requirement of maintaining CRAR and complying with Credit Concentration Norms.

8.5 A leverage ratio of 7 is being introduced for all such NBFCs-ND to link their asset growth with the capital they hold. For this purpose, leverage ratio is defined as Total Outside Liabilities / Owned Funds.

Prudential Regulations Applicable to NBFCs-ND-SI (asset of Rs. 500 crore and above) and all NBFCs-D

Tier 1 Capital

8.6 At present, all NBFCs-D and NBFCs-ND with asset size of Rs.100 crore and above are required to have minimum CRAR of 15%. Consequently, Tier 1 capital cannot be less than 7.5%. For Infrastructure Finance Companies (IFCs), however, Tier 1 capital cannot be less than 10%. Similarly, NBFCs primarily engaged in lending against gold jewellery have to maintain a minimum Tier 1 capital of 12% w.e.f. April 01, 2014.

8.7 Given the business activities of NBFCs, being generally 'niche' in nature, concentration risk associated with such businesses, and on account of the re-definition of systemic importance, all NBFCs-ND which have an asset size of Rs. 500 crore and above, and all NBFCs-D, shall maintain minimum Tier 1 Capital of 10%. The compliance to the revised Tier 1 capital will be phased in as follows:

- 8.5% by end of March 2016.
- 10% by end of March 2017.

Asset Classification

8.8 At present, an asset is classified as Non-Performing Asset when it has remained overdue for a period of six months or more for loans; and overdue for twelve months or more in case of lease rental and hire purchase instalments, as compared to 90 days for banks. In the interest of harmonisation, the asset classification norms for NBFCs-ND-SI and NBFCs-D are being brought in line with that of banks, in a phased manner, as given below.

8.9 Lease Rental and Hire-Purchase Assets shall become NPA:

- i. if they become overdue for 9 months (currently 12 months) for the financial year ending March 31, 2016;
- ii. if overdue for 6 months for the financial year ending March 31, 2017; and
- iii. if overdue for 3 months for the financial year ending March 31, 2018 and thereafter.

8.10 Assets other than Lease Rental and Hire-Purchase Assets shall become NPA:

- i. if they become overdue for 5 months for the financial year ending March 31, 2016;
- ii. if overdue for 4 months for the financial year ending March 31, 2017; and
- iii. if overdue for 3 months for the financial year ending March 31, 2018 and thereafter.

8.11 For all loan and hire-purchase and lease assets, sub-standard asset would mean:

- i. an asset that has been classified as NPA for a period not exceeding 16 months (currently 18 months) for the financial year ending March 31, 2016;
- ii. an asset that has been classified as NPA for a period not exceeding 14 months for the financial year ending March 31, 2017; and
- iii. an asset that has been classified as NPA for a period not exceeding 12 months for the financial year ending March 31, 2018 and thereafter.

8.12 For all loan and hire-purchase and lease assets, doubtful asset would mean:

- i. an asset that has remained sub-standard for a period exceeding 16 months (currently 18 months) for the financial year ending March 31, 2016;
- ii. an asset that has remained sub-standard for a period exceeding 14 months for the financial year ending March 31, 2017; and
- iii. an asset that has remained sub-standard for a period exceeding 12 months for the financial year ending March 31, 2018 and thereafter.

8.13 For the existing loans, a one-time adjustment of the repayment schedule, which shall not amount to restructuring will, however, be permitted.

Provisioning for Standard Assets

8.14 At present, every NBFC is required to make a provision for standard assets at 0.25% of the outstanding. On a review of the same, the provision for standard assets for NBFCs-ND-SI and for all NBFCs-D, is being increased to 0.40%. The compliance to the revised norm will be phased in as given below:

- 0.30% by the end of March 2016
- 0.35% by the end of March 2017
- 0.40% by the end of March 2018

Credit / Investment Concentration Norms for AFCs

8.15 As a step towards meeting the broad objective of harmonizing regulations to the extent possible within the NBFC sector, the credit concentration norms for AFCs are now being brought in line with other NBFCs. This will be applicable with immediate effect for all new loans excluding those already sanctioned. All existing excess exposures would be allowed to run off till maturity.

9. Corporate Governance and Disclosure norms for NBFCs

9.1 The need for adoption of good corporate governance practices continues to engage the regulator and stakeholder attention. In this connection, in continuation of previous [circulars DNBS\(PD\) CC. No.61/02.82/2005-06 dated December 12, 2005](#), [DNBS\(PD\) CC. No.94/03.10.042/2006-07 dated May 8, 2007](#) and [DNBS\(PD\) CC. No.104/03.10.042/2007-08 dated July 11, 2007](#) on Corporate Governance, certain amendments to the Corporate Governance guidelines are made as given below.

9.2 In terms of the above mentioned circulars, NBFCs-D with deposits of Rs. 20 crore and above, and NBFCs-ND with asset size of Rs. 50 crore and above are required to constitute an Audit Committee; NBFCs-D with deposits of Rs. 20 crore and above, and NBFCs-ND with assets of Rs. 100 crore and above are advised to consider constituting Nomination Committee to ensure 'fit and proper' status of proposed/ existing Directors and Risk Management Committee. Further, NBFCs-D with deposits of Rs. 50 crore and above were advised that it was desirable that they stipulate rotation of partners of audit firms appointed for auditing the company every three years.

Board Committees

9.3 As part of harmonisation, the constitution of the three Committees of the Board and instructions with regard to rotation of partners have now been made applicable to all NBFCs-ND-SI, as also all NBFCs-D. Other NBFCs are encouraged to observe such practices, if already being followed.

9.4 In addition, the Audit Committee of all NBFCs-ND-SI, as also all NBFCs-D must ensure that an Information Systems Audit of the internal systems and processes is conducted at least once in two years to assess operational risks faced by the company.

Fit and Proper Criteria for Directors

9.5 With the increasing integration of NBFCs in the financial sector and their growing systemic significance, it has become important that the Directors and shareholders who are responsible for steering the affairs of the companies are fit and proper, besides having the necessary qualifications. In view of this, the following additional requirements are being put in place, which shall be applicable to all NBFCs-ND-SI, as also all NBFCs-D, with effect from March 31, 2015.

- i. NBFCs shall ensure that there is a policy put in place for ascertaining the fit and proper criteria at the time of appointment of Directors and on a

continuing basis. The policy on the fit and proper criteria should be on the lines of the Guidelines contained in Annex 1.

- ii. A declaration and undertaking shall be obtained from the Directors by the NBFC, the draft of which is given in Annex 2.
- iii. In addition, the Directors shall sign a Deed of Covenant as given in Annex 3.
- iv. NBFCs shall furnish to the Reserve Bank a quarterly statement on change of Directors certified by the auditors and a certificate from the Managing Director that fit and proper criteria in selection of directors have been followed. The statement must reach the Regional Office concerned of the Reserve Bank within 15 days of the close of the quarter.

Disclosures in Financial Statements – Notes to Account

9.6 A reference is invited to [DNBS.\(PD\)C.C.No.25/ 02.02/ 2002-03 March 29, 2003](#) and [DNBS\(PD\).CC.No.125/ 03.05.002/ 2008-2009 August 1, 2008](#) under which NBFCs with assets of Rs. 100 crore and above were required to make additional disclosures in their balance sheets from the year ending March 31, 2009 relating to CRAR, exposure to real estate sector (both direct and indirect), and maturity pattern of assets and liabilities respectively. The above disclosures are now applicable for NBFCs-ND-SI (as redefined) and for all NBFCs-D. However, other NBFCs already disclosing the above are encouraged to continue to do so, in line with prudent practice.

9.7 The extant disclosures are however far from comprehensive. There is need for greater transparency to provide enhanced information to the market and retain stakeholder confidence. It has hence been decided that in addition to the above disclosures, all NBFCs-ND-SI (as redefined), as also all NBFCs-D shall additionally disclose the following in their Annual Financial Statements, with effect from March 31, 2015:

- i. Registration/ licence/ authorisation obtained from other financial sector regulators;

- ii. Ratings assigned by credit rating agencies and migration of ratings during the year;
- iii. Penalties, if any, levied by any regulator;
- iv. Information viz., area, country of operation and joint venture partners with regard to Joint Ventures and Overseas Subsidiaries; and
- v. Asset liability profile, extent of financing of parent company products, NPAs and movement of NPAs, details of all off-balance sheet exposures, structured products issued by them as also securitization/ assignment transactions and other disclosures as given in Annex 4.

10. Off-Site Reporting

In view of the revised regulations, NBFCs-ND, with assets less than Rs. 500 crore, including investment companies, shall henceforth be required to submit only a simplified Annual Return, the details of which shall be separately communicated. Till such time, they may continue to submit the existing Returns. NBFCs-ND-SI (as redefined), as also NBFCs-D, shall continue to submit the existing Returns.

11. Exemptions

11.1 In the circular dated March 21, 2014 on Early Recognition of Financial Distress, Prompt Steps for Resolution and Fair Recovery for Lenders: Framework for Revitalizing Distressed Assets in the Economy, 'Notified NBFCs' in the circular shall henceforth be defined as a) NBFCs with assets of Rs. 100 crore and above, b) NBFCs-D, and c) all NBFC-Factors.

11.2 The revisions brought through this circular shall be applicable to NBFCs-MFI also except wherever in conflict with the provision of Non-Banking Financial Company- Micro Finance Institutions (Reserve Bank) Directions, 2011, in which case the Directions *ibid* will be followed.

11.3 The minimum Tier 1 capital requirement for NBFCs primarily engaged in lending against gold jewellery remains unchanged for the present. This shall be reviewed for harmonization in due course.

11.4 The above revisions shall be applicable to registered Core Investment Companies except wherever contrary with the provisions of Core Investment Companies (Reserve Bank) Directions, 2011, in which case the Directions ibid will be followed.

Application of other Laws not barred

12. The provisions of these Directions shall be in addition to, and not in derogation of the provisions of any other law, rules, regulations or directions, for the time being in force.

13. The RBI may, if it considers necessary for avoiding any hardship or for any other just and sufficient reason, exempt any NBFC or class of NBFCs, from all or any of the provisions of these Directions either generally or for any specified period, subject to such conditions as the RBI may impose.

14. The Notifications in this regard shall follow.

Yours faithfully

(A Mangalagiri)
General Manager

'Fit and Proper' Criteria for Directors of NBFCs

Reserve Bank had issued a Directive in June 2004 to banks on undertaking due diligence on the persons before appointing them on the Boards of banks based on the 'Report of the Consultative Group of Directors of Banks / Financial Institutions'. Specific 'fit and proper' criteria to be fulfilled by the directors were also advised.

2. The importance of due diligence of directors to ascertain suitability for the post by way of qualifications, technical expertise, track record, integrity, etc. needs no emphasis for any financial institution. It is proposed to follow the same guidelines mutatis mutandis in case of NBFCs also. While the Reserve Bank does carry out due diligence on directors before issuing Certificate of Registration to an NBFC, it is necessary that NBFCs put in place an internal supervisory process on a continuing basis. Further, in order to streamline and bring in uniformity in the process of due diligence, while appointing directors, NBFCs are advised to ensure that the procedures mentioned below are followed and minimum criteria fulfilled by the persons before they are appointed on the Boards:

- (a) NBFCs should undertake a process of due diligence to determine the suitability of the person for appointment / continuing to hold appointment as a director on the Board, based upon qualification, expertise, track record, integrity and other 'fit and proper' criteria. NBFCs should obtain necessary information and declaration from the proposed / existing directors for the purpose in the format given at Annex- 2.
- (b) The process of due diligence should be undertaken by the NBFCs at the time of appointment / renewal of appointment.
- (c) The boards of the NBFCs should constitute Nomination Committees to scrutinize the declarations.

(d) Based on the information provided in the signed declaration, Nomination Committees should decide on the acceptance or otherwise of the Directors, where considered necessary.

(e) NBFCs should obtain annually as on 31st March a simple declaration from the directors that the information already provided has not undergone change and where there is any change, requisite details are furnished by them forthwith.

(f) The Board of the NBFC must ensure in public interest that the nominated/ elected directors execute the deeds of covenants in the format given in Annex-3.

(g) Independent /non-executive Directors nominated to the board of NBFC should be between 35 to 70 years of age.

Name of NBFC: _____

Declaration and Undertaking by Director (with enclosures as appropriate as on _____)

I. Personal details of director

- a. Full name
- b. Date of Birth
- c. Educational Qualifications
- d. Relevant Background and Experience
- e. Permanent Address
- f. Present Address
- g. E-mail Address / Telephone Number
- h. Permanent Account Number under the Income Tax Act and name and address of Income Tax Circle
- i. Relevant knowledge and experience
- j. Any other information relevant to Directorship of the NBFC

II Relevant Relationships of director

- a. List of Relatives if any who are connected with the NBFC (Refer Section 6 and Schedule 1A of the Companies Act, 1956 and corresponding provisions of New Companies Act, 2013)
- b. List of entities if any in which he/she is considered as being interested (Refer Section 299(3)(a) and Section 300 of the Companies Act, 1956 and corresponding provisions of New Companies Act, 2013)
- c. List of entities in which he/she is considered as holding substantial interest within the meaning of NBFC Prudential Norms Directions, 2007
- d. Name of NBFC in which he/she is or has been a member of the board (giving details of period during which such office was held)
- e. Fund and non-fund facilities, if any, presently availed of by him/her and/or by entities listed in II (b) and (c)

above from the NBFC

- f. Cases, if any, where the director or entities listed in II (b) and (c) above are in default or have been in default in the past in respect of credit facilities obtained from the NBFC or any other NBFC / bank.

III Records of professional achievements

- a. Relevant professional achievements

IV. Proceedings, if any, against the director

- a. If the director is a member of a professional association/body, details of disciplinary action, if any, pending or commenced or resulting in conviction in the past against him/her or whether he/she has been banned from entry into any profession/ occupation at any time.
- b. Details of prosecution, if any, pending or commenced or resulting in conviction in the past against the director and/or against any of the entities listed in II (b) and (c) above for violation of economic laws and regulations
- c. Details of criminal prosecution, if any, pending or commenced or resulting in conviction in the last five years against the director
- d. Whether the director attracts any of the disqualifications envisaged under Section 274 of the Companies Act 1956 and corresponding provisions of New Companies Act, 2013?
- e. Has the director or any of the entities at II (b) and (c) above been subject to any investigation at the instance of Government department or agency?
- f. Has the director at any time been found guilty of violation of rules/regulations/ legislative requirements by customs/ excise /income tax/foreign exchange /other revenue authorities, if so give particulars
- g. Whether the director has at any time come to the adverse notice of a regulator such as SEBI, IRDA, MCA.

(Though it shall not be necessary for a candidate to mention in the column about orders and findings made by the regulators which have been later on reversed/set aside in toto, it would

be necessary to make a mention of the same, in case the reversal/setting aside is on technical reasons like limitation or lack of jurisdiction, etc and not on merit, If the order of the regulator is temporarily stayed and the appellate/ court proceedings are pending, the same also should be mentioned.)

- V. Any other explanation / information in regard to items I to III and other information considered relevant for judging fit and proper

Undertaking

I confirm that the above information is to the best of my knowledge and belief true and complete. I undertake to keep the NBFC fully informed, as soon as possible, of all events which take place subsequent to my appointment which are relevant to the information provided above.

I also undertake to execute the deed of covenant required to be executed by all directors of the NBFC.

Place :

Signature

Date :

VI. Remarks of Chairman of Nomination Committee/Board of Directors of NBFC

Place :

Signature

Date:

Form of Deed of Covenants with a Director

THIS DEED OF COVENANTS is made this _____ day of _____ Two thousand _____ **BETWEEN** _____, having its registered office at _____ (hereinafter called the 'NBFC') of the one part and Mr / Ms _____ of _____ (hereinafter called the "Director") of the other part.

WHEREAS

A. The director has been appointed as a director on the Board of Directors of the NBFC (hereinafter called "the Board") and is required as a term of his / her appointment to enter into a Deed of Covenants with the NBFC.

B. The director has agreed to enter into this Deed of Covenants, which has been approved by the Board, pursuant to his said terms of appointment.

NOW IT IS HEREBY AGREED AND THIS DEED OF COVENANTS WITNESSETH AS FOLLOWS :

1. The director acknowledges that his / her appointment as director on the Board of the NBFC is subject to applicable laws and regulations including the Memorandum and Articles of Association of the NBFC and the provisions of this Deed of Covenants.

2. The director covenants with the NBFC that :

(i) The director shall disclose to the Board the nature of his / her interest, direct or indirect, if he / she has any interest in or is concerned with a contract or arrangement or any proposed contract or arrangement entered into or to be entered into between the NBFC and any other person, immediately upon becoming aware of the same or at meeting of the Board at which the question of entering into such contract or arrangement is taken into consideration or if the director was not at the date of that meeting concerned or interested in such proposed contract or arrangement, then at the first meeting of the Board held after he / she becomes so concerned or interested and in case of any other contract or arrangement, the required disclosure shall be made at the first meeting of the Board held after the director becomes concerned or interested in the contract or arrangement.

(ii) The director shall disclose by general notice to the Board his / her other directorships, his / her memberships of bodies corporate, his / her interest in other entities and his / her interest as a partner or proprietor of firms and shall keep the Board apprised of all changes therein.

(iii) The director shall provide to the NBFC a list of his / her relatives as defined in the Companies Act, 1956 or 2013 and to the extent the director is aware of directorships and interests of such relatives in other bodies corporate, firms and other entities.

(iv) The director shall in carrying on his / her duties as director of the NBFC:

- (a) use such degree of skill as may be reasonable to expect from a person with his / her knowledge or experience;
- (b) in the performance of his / her duties take such care as he / she might be reasonably expected to take on his / her own behalf and exercise any power vested in him / her in good faith and in the interests of the NBFC;
- (c) shall keep himself / herself informed about the business, activities and financial status of the NBFC to the extent disclosed to him / her;
- (d) attend meetings of the Board and Committees thereof (collectively for the sake of brevity hereinafter referred to as "Board") with fair regularity and conscientiously fulfil his / her obligations as director of the NBFC;
- (e) shall not seek to influence any decision of the Board for any consideration other than in the interests of the NBFC;
- (f) shall bring independent judgment to bear on all matters affecting the NBFC brought before the Board including but not limited to statutory compliances, performance reviews, compliances with internal control systems and procedures, key executive appointments and standards of conduct;
- (g) shall in exercise of his / her judgement in matters brought before the Board or entrusted to him / her by the Board be free from any business or other relationship which could materially interfere with the exercise of his / her independent judgement; and
- (h) shall express his / her views and opinions at Board meetings without any fear or favour and without any influence on exercise of his / her independent judgement;

(v) The director shall have :

- (a) fiduciary duty to act in good faith and in the interests of the NBFC and not for any collateral purpose;
- (b) duty to act only within the powers as laid down by the NBFC's Memorandum and Articles of Association and by applicable laws and regulations; and
- (c) duty to acquire proper understanding of the business of the NBFC.

(vi) The director shall :

- (a) not evade responsibility in regard to matters entrusted to him / her by the Board;
- (b) not interfere in the performance of their duties by the whole-time directors and other officers of the NBFC and wherever the director has reasons to believe otherwise, he / she shall forthwith disclose his / her concerns to the Board; and
- (c) not make improper use of information disclosed to him / her as a member of the Board for his / her or someone else's advantage or benefit and shall use the information disclosed to him / her by the NBFC in his / her capacity as director of the NBFC only for the purposes of performance of his / her duties as a director and not for any other purpose.

3. The NBFC covenants with the director that:

- (i) the NBFC shall apprise the director about:

- (a) Board procedures including identification of legal and other duties of Director and required compliances with statutory obligations;
- (b) control systems and procedures;
- (c) voting rights at Board meetings including matters in which Director should not participate because of his / her interest, direct or indirect therein;
- (d) qualification requirements and provide copies of Memorandum and Articles of Association;
- (e) corporate policies and procedures;
- (f) insider dealing restrictions;
- (g) constitution of, delegation of authority to and terms of reference of various committees constituted by the Board;
- (h) appointments of Senior Executives and their authority;
- (i) remuneration policy,
- (j) deliberations of committees of the Board, and
- (k) communicate any changes in policies, procedures, control systems, applicable regulations including Memorandum and Articles of Association of the NBFC, delegation of authority, Senior Executives, etc. and appoint the compliance officer who shall be responsible for all statutory and legal compliance.

(ii) the NBFC shall disclose and provide to the Board including the director all information which is reasonably required for them to carry out their functions and duties as a director of the NBFC and to take informed decisions in respect of matters brought before the Board for its consideration or entrusted to the director by the Board or any committee thereof;

(iii) the disclosures to be made by the NBFC to the directors shall include but not be limited to the following :

- (a) all relevant information for taking informed decisions in respect of matters brought before the Board;
- (b) NBFC's strategic and business plans and forecasts;
- (c) organisational structure of the NBFC and delegation of authority;
- (d) corporate and management controls and systems including procedures;
- (e) economic features and marketing environment;
- (f) information and updates as appropriate on NBFC's products;
- (g) information and updates on major expenditure;
- (h) periodic reviews of performance of the NBFC; and
- (i) report periodically about implementation of strategic initiatives and plans;

(iv) the NBFC shall communicate outcome of Board deliberations to directors and concerned personnel and prepare and circulate minutes of the meeting of Board to directors in a timely manner and to the extent possible within two business days of the date of conclusion of the Board meeting; and

(v) advise the director about the levels of authority delegated in matters placed before the Board.

4. The NBFC shall provide to the director periodic reports on the functioning of internal control system including effectiveness thereof.

5. The NBFC shall appoint a compliance officer who shall be a Senior executive reporting to the Board and be responsible for setting forth policies and procedures and shall monitor adherence to the applicable laws and regulations and policies and procedures including but not limited to directions of Reserve Bank of India and other concerned statutory and governmental authorities.

6. The director shall not assign, transfer, sublet or encumber his / her office and his / her rights and obligations as director of the NBFC to any third party provided that nothing herein contained shall be construed to prohibit delegation of any authority, power, function or delegation by the Board or any committee thereof subject to applicable laws and regulations including Memorandum and Articles of Association of the NBFC.

7. The failure on the part of either party hereto to perform, discharge, observe or comply with any obligation or duty shall not be deemed to be a waiver thereof nor shall it operate as a bar to the performance, observance, discharge or compliance thereof at any time or times thereafter.

8. Any and all amendments and / or supplements and / or alterations to this Deed of Covenants shall be valid and effectual only if in writing and signed by the director and the duly authorised representative of the NBFC.

9. This Deed of Covenants has been executed in duplicate and both the copies shall be deemed to be originals.

IN WITNESS WHEREOF THE PARTIES HAVE DULY EXECUTED THIS AGREEMENT ON THE DAY, MONTH AND YEAR FIRST ABOVE WRITTEN.

For the NBFC

Director

By

Name:

Name:

Title:

In the presence of:

1.

2.

Indicative List of Balance Sheet Disclosure for NBFCs with Asset Size **Rs.500 Crore and Above and Deposit Taking NBFCs**

1. Minimum Disclosures

At a minimum, the items listed in this Annex should be disclosed in the NTA by all applicable NBFCs. The disclosures listed are intended only to supplement, and not to replace, other disclosure requirements as applicable.

2. Summary of Significant Accounting Policies

NBFCs should disclose the accounting policies regarding key areas of operations at one place along with NTA in their financial statements. A suggestive list includes - Basis of Accounting, Transactions involving Foreign Exchange, Investments - Classification, Valuation, etc, Advances and Provisions thereon, Fixed Assets and Depreciation, Revenue Recognition, Employee Benefits, Provision for Taxation, Net Profit, etc.

3.1 Capital

(Amount in Rs. crore)			
Particulars		Current Year	Previous Year
i)	CRAR (%)		
ii)	CRAR - Tier I Capital (%)		
iii)	CRAR - Tier II Capital (%)		
iv)	Amount of subordinated debt raised as Tier-II capital		
v)	Amount raised by issue of Perpetual Debt Instruments		

3.2 Investments

(Amount in Rs.crore)			
Particulars		Current Year	Previous Year
(1)	Value of Investments		

	(i)	Gross Value of Investments		
	(a)	In India		
	(b)	Outside India,		
	(ii)	Provisions for Depreciation		
	(a)	In India		
	(b)	Outside India,		
	(iii)	Net Value of Investments		
	(a)	In India		
	(b)	Outside India.		
(2)	Movement of provisions held towards depreciation on investments.			
	(i)	Opening balance		
	(ii)	Add : Provisions made during the year		
	(iii)	Less : Write-off / write-back of excess provisions during the year		
	(iv)	Closing balance		

3.3 Derivatives

3.3.1 Forward Rate Agreement / Interest Rate Swap

(Amount in Rs crore)			
Particulars		Current Year	Previous Year
(i)	The notional principal of swap agreements		
(ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements		
(iii)	Collateral required by the NBFC upon entering into swaps		
(iv)	Concentration of credit risk arising from the swaps \$		
(v)	The fair value of the swap book @		
Note :Nature and terms of the swaps including information on credit and market risk and the accounting policies adopted for recording the swaps should also be disclosed.			
\$ Examples of concentration could be exposures to particular industries or swaps with highly geared companies.			
@ If the swaps are linked to specific assets, liabilities, or commitments, the fair value would be the estimated amount that the NBFC would receive or pay to terminate the swap agreements as on the balance sheet date.			

3.3.2 Exchange Traded Interest Rate (IR) Derivatives

(Amount in Rs.crore)		
S. No.	Particulars	Amount
(i)	Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument-wise)	
	a)	
	b)	
	c)	
(ii)	Notional principal amount of exchange traded IR derivatives outstanding as on 31st March (instrument-wise)	
	a)	
	b)	
	c)	
(iii)	Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	
	a)	
	b)	
	c)	
(iv)	Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	
	a)	
	b)	
	c)	

3.3.3 Disclosures on Risk Exposure in Derivatives

Qualitative Disclosure

NBFCs shall describe their risk management policies pertaining to derivatives with particular reference to the extent to which derivatives are used, the associated risks and business purposes served. The discussion shall also include:

- a) the structure and organization for management of risk in derivatives trading,
- b) the scope and nature of risk measurement, risk reporting and risk monitoring systems,

- c) policies for hedging and / or mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges / mitigants, and
- d) accounting policy for recording hedge and non-hedge transactions; recognition of income, premiums and discounts; valuation of outstanding contracts; provisioning, collateral and credit risk mitigation.

Quantitative Disclosures

(Amount in Rs. crore)			
Sl. No.	Particular	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)		
	For hedging		
(ii)	Marked to Market Positions [1]		
	a) Asset (+)		
	b) Liability (-)		
(iii)	Credit Exposure [2]		
(iv)	Unhedged Exposures		

3.4 Disclosures relating to Securitisation

3.4.1 The NTA of the originating NBFCs should indicate the outstanding amount of securitised assets as per books of the SPVs sponsored by the NBFC and total amount of exposures retained by the NBFC as on the date of balance sheet to comply with the Minimum Retention Requirements (MRR). These figures should be based on the information duly certified by the SPV's auditors obtained by the originating NBFC from the SPV. These disclosures should be made in the format given below.

S. No.	Particulars	No. / Amount in ₹ crore
1.	No of SPVs sponsored by the NBFC for securitisation transactions*	
2.	Total amount of securitised assets as per books of the SPVs sponsored	
3.	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	
	a) Off-balance sheet exposures	

		First loss	
		Others	
	b)	On-balance sheet exposures	
		First loss	
		Others	
4.	Amount of exposures to securitisation transactions other than MRR		
	a)	Off-balance sheet exposures	
	i)	Exposure to own securitizations	
		First loss	
		Loss	
	ii)	Exposure to third party securitisations	
		First loss	
		Others	
	b)	On-balance sheet exposures	
	i)	Exposure to own securitisations	
		First loss	
		Others	
	ii)	Exposure to third party securitisations	
		First loss	
		Others	
*Only the SPVs relating to outstanding securitisation transactions may be reported here			

3.4.2 Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

(Amount in Rs. crore)			
Particulars		Current year	Previous Year
(i)	No. of accounts		
(ii)	Aggregate value (net of provisions) of accounts sold to SC / RC		
(iii)	Aggregate consideration		
(iv)	Additional consideration realized in respect of accounts transferred in earlier years		
(v)	Aggregate gain / loss over net book value		

3.4.3 Details of Assignment transactions undertaken by NBFCs

(Amount in Rs. crore)			
Particulars		Current year	Previous Year
(i)	No. of accounts		
(ii)	Aggregate value (net of provisions) of accounts sold		
(iii)	Aggregate consideration		
(iv)	Additional consideration realized in respect of accounts transferred in earlier years		
(v)	Aggregate gain / loss over net book value		

3.4.4 Details of non-performing financial assets purchased / sold

NBFCs which purchase non-performing financial assets from other NBFCs shall be required to make the following disclosures in the NTA to their Balance sheets:

A. Details of non-performing financial assets purchased :

(Amount in Rs.crore)				
Particulars			Current year	Previous Year
1.	(a)	No. of accounts purchased during the year		
	(b)	Aggregate outstanding		
2.	(a)	Of these, number of accounts restructured during the year		
	(b)	Aggregate outstanding		

B. Details of Non-performing Financial Assets sold :

(Amount in Rs. crore)			
Particulars		Current year	Previous Year
1.	No. of accounts sold		
2.	Aggregate outstanding		

3.	Aggregate consideration received		
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3.5 Asset Liability Management Maturity pattern of certain items of Assets and Liabilities

	Up to 30/31 days	Over 1 month upto 2 Month	Over 2 months upto 3 months	Over 3 month & up to 6 month	Over 6 Month & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits									
Advances									
Investments									
Borrowings									
Foreign Currency assets									
Foreign Currency liabilities									

3.6 Exposures

3.6.1 Exposure to Real Estate Sector

(Amount in Rs. crore)					
Category			Current Year	Previous Year	
a)	Direct Exposure				
	(i)	Residential Mortgages -			
		Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented			
	(ii)	Commercial Real Estate -			
		Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits			
	(iii)	Investments in Mortgage Backed Securities			

	(MBS) and other securitised exposures -		
a.	Residential		
b.	Commercial Real Estate		
Total Exposure to Real Estate Sector			

3.6.2 Exposure to Capital Market

(Amount in Rs. crore)			
Particulars		Current Year	Previous Year
(i)	direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;		
(ii)	advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;		
(iii)	advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;		
(iv)	advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;		
(v)	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;		
(vi)	loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;		
(vii)	bridge loans to companies against expected equity flows / issues;		
(viii)	all exposures to Venture Capital Funds (both registered and unregistered)		
Total Exposure to Capital Market			

3.6.3 Details of financing of parent company products

3.6.4 Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC

The NBFC should make appropriate disclosure in the NTA to the annual financial statements in respect of the exposures where the NBFC had exceeded the prudential exposure limits during the year. The sanctioned limit or entire outstanding, whichever is high, shall be reckoned for exposure limit.

3.6.5 Unsecured Advances

- a) For determining the amount of unsecured advances the rights, licenses, authorisations, etc., charged to the NBFCs as collateral in respect of projects (including infrastructure projects) financed by them, should not be reckoned as tangible security. Hence such advances shall be reckoned as unsecured.
- b) NBFCs should also disclose the total amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. has been taken as also the estimated value of such intangible collateral. The disclosure may be made under a separate head in NTA. This would differentiate such loans from other entirely unsecured loans.

4. Miscellaneous

4.1 Registration obtained from other financial sector regulators

4.2 Disclosure of Penalties imposed by RBI and other regulators

Consistent with the international best practices in disclosure of penalties imposed by the regulators, placing the details of the levy of penalty on the NBFC in public domain will be in the interests of the investors and depositors. Further, strictures or directions on the basis of inspection reports or other adverse findings should also be placed in the public domain. The penalties should also be disclosed in the NTA.

4.3 Related Party Transactions

- a) Details of all material transactions with related parties shall be disclosed in the annual report
- b) The company shall disclose the policy on dealing with Related Party Transactions on its website and also in the Annual Report.

4.4 Ratings assigned by credit rating agencies and migration of ratings during the year

4.5 Remuneration of Directors

All pecuniary relationship or transactions of the non-executive directors vis-à-vis the company shall be disclosed in the Annual Report.

4.6 Management

As part of the directors' report or as an addition thereto, a Management Discussion and Analysis report should form part of the Annual Report to the shareholders. This Management Discussion & Analysis should include discussion on the following matters within the limits set by the company's competitive position:

- a) Industry structure and developments.
- b) Opportunities and Threats.
- c) Segment-wise or product-wise performance.
- d) Outlook
- e) Risks and concerns.
- f) Internal control systems and their adequacy.
- g) Discussion on financial performance with respect to operational performance.
- h) Material developments in Human Resources / Industrial Relations front, including number of people employed.

4.7 Net Profit or Loss for the period, prior period items and changes in accounting policies

Since the format of the profit and loss account of NBFCs does not specifically provide for disclosure of the impact of prior period items on the current year's profit and loss, such disclosures, wherever warranted, may be made in the NTA.

4.8 Revenue Recognition

An enterprise should also disclose the circumstances in which revenue recognition has been postponed pending the resolution of significant uncertainties.

4.9 Accounting Standard 21 -Consolidated Financial Statements (CFS)

NBFCs may be guided by general clarifications issued by ICAI from time to time.

A parent company, presenting the CFS, should consolidate the financial statements of all subsidiaries - domestic as well as foreign. The reasons for not consolidating a subsidiary should be disclosed in the CFS. The responsibility of determining whether a particular entity should be included or not for consolidation would be that of the Management of the parent entity. In case, its Statutory Auditors are of the opinion that an entity, which ought to have been consolidated, has been omitted, they should incorporate their comments in this regard in the "Auditors Report".

5. Additional Disclosures

5.1 Provisions and Contingencies

To facilitate easy reading of the financial statements and to make the information on all Provisions and Contingencies available at one place, NBFCs are required to disclose in the NTA the following information:

(Amount in Rs. crore)		
Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	Current Year	Previous Year
Provisions for depreciation on Investment		
Provision towards NPA		
Provision made towards Income tax		
Other Provision and Contingencies (with details)		
Provision for Standard Assets		

5.2 Draw Down from Reserves

Suitable disclosures are to be made regarding any draw down of reserves in the NTA.

5.3 Concentration of Deposits, Advances, Exposures and NPAs

5.3.1 Concentration of Deposits (for deposit taking NBFCs)

(Amount in Rs. crore)	
Total Deposits of twenty largest depositors	
Percentage of Deposits of twenty largest depositors to Total Deposits of the NBFC	

5.3.2 Concentration of Advances

(Amount in Rs. crore)	
Total Advances to twenty largest borrowers	
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	

5.3.3 Concentration of Exposures

(Amount in Rs. crore)	
Total Exposure to twenty largest borrowers / customers	
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	

5.3.4 Concentration of NPAs

(Amount in Rs. crore)	
Total Exposure to top four NPA accounts	

5.3.5 Sector-wise NPAs

Sl. No.	Sector	Percentage of NPAs to Total Advances in that sector
1.	Agriculture & allied activities	
2.	MSME	
3.	Corporate borrowers	
4.	Services	
2.	Unsecured personal loans	
3.	Auto loans	
4.	Other personal loans	

5.4 Movement of NPAs

(Amount in Rs. crore)			
Particulars		Current Year	Previous Year
(i)	Net NPAs to Net Advances (%)		
(ii)	Movement of NPAs (Gross)		
	(a) Opening balance		
	(b) Additions during the year		
	(c) Reductions during the year		
	(d) Closing balance		
(iii)	Movement of Net NPAs		
	(a) Opening balance		
	(b) Additions during the year		
	(c) Reductions during the year		
	(d) Closing balance		
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance		
	(b) Provisions made during the year		
	(c) Write-off / write-back of excess provisions		
	(d) Closing balance		

5.5 Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)

Name of the Joint Venture/ Subsidiary	Other Partner in the JV	Country	Total Assets

5.6 Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

Name of the SPV sponsored	
Domestic	Overseas

6. Disclosure of Complaints

6.1 Customer Complaints

(a)	No. of complaints pending at the beginning of the year	
(b)	No. of complaints received during the year	
(c)	No. of complaints redressed during the year	
(d)	No. of complaints pending at the end of the year	



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

RBI/2014-15/308

DBR.Dir.BC.No.47/13.03.00/2014-15

November 20, 2014

All Scheduled Commercial Banks
(Excluding RRBs)

Dear Sir/Madam

Levy of penal charges on non-maintenance of minimum balances in savings bank accounts

Please refer to our [circular DBOD.Dir.BC.53/13.10.00/2002-03 dated December 26, 2002](#) on 'Minimum Balance in Savings Bank Accounts' advising banks to inform customers, in a transparent manner, regarding the requirement of minimum balance in savings bank account and levy of penal charges for non-maintenance of the same at the time of opening the account.

2. In this connection, a reference is invited to [paragraph 30](#) of Part B of First Bi-monthly Monetary Policy Statement, 2014-15 announced on April 1, 2014, regarding 'Developmental and Regulatory Policies' proposing certain measures towards consumer protection. One of the proposals contained therein was that banks should not take undue advantage of customer difficulty or inattention. Instead of levying penal charges for non-maintenance of minimum balance in ordinary savings bank accounts, banks should limit services available on such accounts to those available to Basic Savings Bank Deposit Accounts and restore the services when the balances improve to the minimum required level. A reference is also invited to the recommendations of Damodaran Committee on customer service in banks which, inter-alia, recommended that '*banks should inform the customer immediately on the balance in the account breaching minimum balance and the applicable penal charges for not maintaining the balance by SMS/Email/letter. Further, the penal charges levied should be in proportion to the shortfall observed*'.

बैंकिंग विनियमन विभाग, केंद्रीय कार्यालय, 13 माला, शहीद भगतसिंह मार्ग, मुम्बई 400001

Department of Banking Regulation, Central Office, 13th floor, NCOB, Shahid Bhagat Singh Marg, Mumbai - 400001
Tel No: 91-22-22601000 /Fax No: 91-22-22701241 Email ID:cgmicdbodco@rbi.org.in

हिंदी आसान है, इसका प्रयोग बढ़ाइए

3. The policy announcement has been reviewed after extensive consultation with banks. Consequent to these deliberations and after taking into consideration the recommendation of Damodaran Committee, it has been decided that while levying charges for non-maintenance of minimum balance in savings bank account, banks shall adhere to the additional guidelines given in **Annex**. The guidelines come into effect from **April 1, 2015**.

4. These guidelines should be brought to the notice of all customers apart from being disclosed on the bank's website.

5. In the meantime, all banks are advised to take immediate steps to update customer information so as to facilitate sending alerts through electronic modes (SMSs/emails etc) for effective implementation of the guidelines.

Yours faithfully

(Lily Vadera)
Chief General Manager

Annex

Levy of charges for non-maintenance of minimum balance in savings bank account shall be subject to the following additional guidelines:

- (i) In the event of a default in maintenance of minimum balance/average minimum balance as agreed to between the bank and customer, the bank should notify the customer clearly by SMS/ email/ letter etc. that in the event of the minimum balance not being restored in the account within a month from the date of notice, penal charges will be applicable.
- (ii) In case the minimum balance is not restored within a reasonable period, which shall not be less than one month from the date of notice of shortfall, penal charges may be recovered under intimation to the account holder.
- (iii) The policy on penal charges to be so levied may be decided with the approval of Board of the bank.
- (iv) The penal charges should be directly proportionate to the extent of shortfall observed. In other words, the charges should be a fixed percentage levied on the amount of difference between the actual balance maintained and the minimum balance as agreed upon at the time of opening of account. A suitable slab structure for recovery of charges may be finalized.
- (v) It should be ensured that such penal charges are reasonable and not out of line with the average cost of providing the services.
- (vi) It should be ensured that the balance in the savings account does not turn into negative balance solely on account of levy of charges for non-maintenance of minimum balance.



RESERVE BANK OF INDIA
Foreign Exchange Department
Central Office
Mumbai - 400 001

RBI/2014-15/306
A.P. (DIR Series) Circular No. 37

November 20, 2014

To,

All Category - I Authorised Dealer Banks

Madam / Sir,

**Export of Goods / Software / Services – Period of Realisation and Repatriation
of Export Proceeds – For exporters including Units in SEZs, Status Holder
Exporters, EOUs, Units in EHTPs, STPs and BTPs**

Attention of Authorised Dealer Category-I (AD Category-I) banks is invited to [A.P. \(DIR Series\) Circular No. 52 dated November 20, 2012](#) extending the enhanced period for realization and repatriation to India, of the amount representing the full value of exports, from six months to twelve months from the date of export. This relaxation was available up to March 31, 2013. Thereafter, in terms of [A.P. \(DIR Series\) Circular No. 105 dated May 20, 2013](#), this period was brought down from twelve months to nine months from the date of export, valid till September 30, 2013. Further, in terms of [A.P. \(DIR Series\) Circular No. 35 dated April 01, 2002](#), [A.P. \(DIR Series\) Circular No. 25 dated November 01, 2004](#) and [A.P. \(DIR Series\) Circular No. 108 dated June 11, 2013](#), the Units located in SEZs, Status Holder Exporters, EOUs, Units in EHTPs, STPs & BTPs shall realize and repatriate full value of goods/software/services, to India within a period of twelve months from the date of export.

2. The issue has since been reviewed and it has been decided, in consultation with the Government of India, that henceforth the period of realization and repatriation of export proceeds shall be nine months from the date of export for all exporters including Units in SEZs, Status Holder Exporters, EOUs, Units in EHTPs, STPs & BTPs until further notice.

3. The provisions in regard to period of realization and repatriation to India of the full exports made to warehouses established outside India remain unchanged.

4. AD Category-I banks may bring the contents of this circular to the notice of their constituents and customers concerned.

5. The directions contained in this circular have been issued under sections 10 (4) and 11(1) of the Foreign Exchange Management Act (FEMA), 1999 (42 of 1999) and are without prejudice to permissions / approvals, if any, required under any other law.

Yours faithfully,

(C. D. Srinivasan)
Chief General Manager



भारत का राजपत्र The Gazette of India

असाधारण

EXTRAORDINARY

भाग II—खण्ड 3—उप-खण्ड (i)

PART II—Section 3—Sub-section (i)

प्राधिकार से प्रकाशित

PUBLISHED BY AUTHORITY

सं. 566]

नई दिल्ली, सोमवार, नवम्बर 3, 2014/कार्तिक 12, 1936

No. 566]

NEW DELHI, MONDAY, NOVEMBER 3, 2014/KARTIKA 12, 1936

कारपोरेट कार्य मंत्रालय

अधिसूचना

नई दिल्ली, 3 नवम्बर, 2014

सा.का.नि 772(अ).—केंद्रीय सरकार, कंपनी अधिनियम, 1956 (1956 का 1) की धारा 637क की उपधारा (2) के साथ पठित धारा 642 और कंपनी अधिनियम, 2013 की धारा 470 के अंतर्गत केंद्रीय सरकार द्वारा जारी कठिनाइयों को हटाने संबंधी आदेशों द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए एतद्वारा कंपनी विधि बोर्ड (आवेदन और अर्जी पर फीस) नियम, 1991 में आगे और संशोधन करने के लिए निम्नलिखित नियम बनाती है, नामतः:

- (1) इन नियमों का नाम कंपनी विधि बोर्ड (आवेदन और अर्जी पर फीस) संशोधन नियम, 2014 है।
- (2) ये नियम राजपत्र में प्रकाशन की तारीख से प्रवृत्त होंगे।
- कंपनी विधि बोर्ड (आवेदन और अर्जी पर फीस) नियम, 1991 में अनुसूची में क्रम संख्या 33 के पश्चात् निम्नलिखित अंतःस्थापित की जाएगी अर्थात्:

“34	कंपनी अधिनियम, 2013 की धारा 2 (41)	अप्रैल से मार्च से भिन्न किसी अन्य अवधि को वित्तीय वर्ष के रूप में अनुज्ञात करना	5,000
35	कंपनी अधिनियम, 2013 की धारा 58 और 59	सदस्यों के रजिस्टर का शुद्धिकरण	500
36	कंपनी अधिनियम, 2013 की धारा 76 के साथ पठित धारा 73 (4)	ऐसे भुगतान न करने के परिणामस्वरूप किसी देय धनराशि अथवा किसी हानि अथवा नुकसानी के भुगतान के लिए कंपनी को निर्देश देना	100
37	कंपनी अधिनियम, 2013 की धारा 74 (2)	कंपनी को जमा राशि की वापसी के लिए युक्तियुक्त विचार किए गए समय को बढ़ाने के लिए अनुज्ञात करना	5,000”

[फा. सं. 1/19/2014—सीएल-V]

अमरदीप सिंह भाटिया, संयुक्त सचिव

टिप्पण : मूल अधिसूचना सा.का.नि. 290 (अ) तारीख 31.5.1991 के द्वारा प्रकाशित की गई थी और जिसके पश्चात् निम्नलिखित द्वारा संशोधित किया गया :

क्रम संख्या	अधिसूचना संख्या	अधिसूचना की तारीख
1.	सा.का.नि. 787 (अ)	29.9.1992
2.	सा.का.नि. 219 (अ)	6.3.2000
3.	सा.का.नि. 510 (अ)	22.7.2002
4.	सा.का.नि. 547 (अ)	10.7.2012

MINISTRY OF CORPORATE AFFAIRS

NOTIFICATION

Nw Delhi, the 3rd November, 2014

G.S.R. 772(E).—In exercise of the powers conferred by section 642 read with sub-section (2) of section 637A of the Companies Act, 1956 (1 of 1956) and the removal of difficulty Orders issued by the Central Government under section 470 of the Companies Act, 2013, the Central Government hereby makes the following rules further to amend the Company Law Board (Fees on Applications and Petitions) Rules, 1991 namely:-

1 (1) These rules may be called the Company Law Board (Fees on Applications and Petitions) Amendment Rules, 2014.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. In the Company Law Board (Fees on Applications and Petitions) Rules, 1991, in the Schedule, after serial number 33 the following shall be inserted, namely:

“34	2(41) of the Companies Act, 2013	Allowing any period other than April to March as financial year.	5,000
35	58 and 59 of the Companies Act, 2013	Rectification of register of members	500
36	73(4) of the Companies Act, 2013 read with section 76	Directing the company to pay the sum due or for any loss or damage incurred as a result of such non-payment.	100
37	74(2) of the Companies Act, 2013	Allow further time as considered reasonable to the company to repay the deposit.	5,000.”.

[F. No. 1/19/2014-CL-V]

AMARDEEP SINGH BHATIA, Jt. Secy.

Note: The Principal Notification was published vide No: GSR 290(E) dated 31.5.1991 and subsequently amended by:

Serial Number	Notification Number	Notification Date
1.	GSR 787(E)	29-9-1992
2.	GSR 219(E)	6-3-2000
3.	GSR 510(E)	22-7-2002
4.	GSR 547(E)	10-7-2012

General Circular No. 44/2014

No. 2/13/2014-CL-V
Government of India
Ministry of Corporate Affairs

5th Floor, 'A' Wing, Shastri Bhawan,
Dr. R.P. Road, New Delhi.

Dated: 14.11.2014

To
All Regional Directors,
All Registrars of Companies,
All Stakeholders.


Subject: COMPANY LAW SETTLEMENT SCHEME, 2014 (CLSS-2014)

Sir,

In continuation to the Ministry's General Circular No. 34/2014 dated 12.08.2014 and 40/2014 dated 15/10/2014 on the subject cited above, this Ministry has, on consideration of requests received from various stakeholders, has decided to extend the Company Law Settlement Scheme (CLSS 2014) upto 31st December, 2014.

2. This issues with the approval of the competent authority.

Yours faithfully,


(KMS Narayanan)
Assistant Director (Policy)
23387263

Copy to: - 1. E-Governance Section and Web Contents Officer to place this circular on the Ministry's website.
2. Guard File

**F.No. 02/13/2014 CL-V
Government of India
Ministry of Corporate Affairs**

**'A' Wing, 5th Floor, Shastri Bhawan,
Dr. Rajendra Prasad Road,
New Delhi-110001.**

Dated: 18.11.2014

All Regional Directors,
All Registrar of Companies,
All Stakeholders.

Subject: Extension of time for holding Annual General Meeting (AGM) under section 96(1) of the Companies Act, 2013-Companies registered in State of Jammu and Kashmir.

Sir,

The State of Jammu and Kashmir faced unprecedented floods, particularly in the Kashmir valley in September 2014. Kashmir Chamber of Commerce and Industry and others have represented that due to the devastation caused by the floods, companies registered in the State could not convene AGMs for the financial year 2013-2014 within the stipulated time as required under the provisions of Companies Act, 2013.

2. In view of the exceptional circumstances, Registrar of Companies Jammu and Kashmir is advised to exercise powers conferred on him under the third proviso to section 96(1) of the Companies Act, 2013 to grant extension of time upto 31/12/2014 to those companies registered in the State of Jammu and Kashmir who could not hold their AGMs (other than first AGM) for the financial year 2013-14 within the stipulated time.

3. This issues with the approval of the competent authority.

Yours faithfully,


(KMS Narayanan)
Assistant Director
23387263

Copy to:- 1. ROC Jammu and Kashmir

2. E-Governance Section and Web Contents Officer to place this circular on the Ministry's website.

3. Guard File.

GOVERNMENT OF WEST BENGAL
DIRECTORATE OF COMMERCIAL TAXES
OFFICE OF THE COMMISSIONER OF COMMERCIAL TAXES & PROFESSION TAX
JALASAMPAD BHABAN, SALT LAKE, KOLKATA-700091

ORDER

Dated: 19.11.2014

Subject: e-Registration, e-Enrolment, e-Amendment of Certificates, etc., under the West Bengal State Tax on Professions, Trades, Callings and Employments Act, 1979.

In exercise of the power conferred upon me under sub-rule (1) of rule 6A of the West Bengal State Tax on Professions, Trades, Callings and Employments Rules, 1979, it is, now, ordered that:

1. An employer who is liable to pay tax shall apply for registration in Form-I electronically only through the web site of the Directorate, namely, www.wbcomtax.gov.in (here-in-after referred to as 'the web site') to the prescribed authority. An applicant having place of work within the jurisdiction of different prescribed authorities shall make application electronically for registration separately in respect of his places of work. Any application for registration made electronically in this manner shall be deemed to have been received from the applicant on the date on which the application is successfully submitted through the web site. If the applicant has correctly given all required information in the application which is submitted electronically, the registration number shall be assigned under intimation to the applicant electronically and the applicant shall be eligible to generate the certificate of registration in Form-IA from the web site. A certificate of registration in Form-IA obtainable in this manner shall be deemed to have been granted by the concerned prescribed authority;
2. A person who is liable to pay tax shall apply for enrolment in Form-II electronically only through the web site, along with the proof of payment of tax through GRIPS, to the prescribed authority. Any application for enrolment made electronically in this manner shall be deemed to have been received from the applicant on the date on which the application is successfully submitted through the web site. If the applicant has correctly given all required information in the application which is submitted electronically, the enrolment number shall be assigned under intimation to the applicant electronically and the applicant shall be eligible to generate the certificate of enrolment in Form-IIA from the web site. A certificate of enrolment in Form-IIA obtained in this manner shall be deemed to have been granted by the concerned prescribed authority;
3. A holder of a certificate of registration or certificate of enrolment issued, at any time, in a manner other than the manner as mentioned here-in-before in this order, shall update his registration records or enrolment records, as the case may be, through the web site

in order to obtain an updated certificate, in form-IA or Form-IIA, as the case may be, with twelve digit new certificate number having reference of the old certificate number;

4. Where the holder of a certificate of registration or certificate of enrolment desires the certificate to be amended, he shall submit electronically an application for amendment of the existing certificate of registration or certificate of enrolment, as the case may be, through the web site giving particulars in respect of which he desires amendment. The applicant shall also submit copies of evidences electronically for this purpose. If the applicant has correctly given all required information in the application which is submitted electronically, holder of the certificate shall be informed electronically of the amendment made and shall be eligible to generate the amended certificate in Form- IIA from the web site. An amended certificate obtained in this manner shall be deemed to have been amended by the concerned prescribed authority;
5. The procedure, in details, relating to the manners of registration, enrolment, amendment and updation shall be as per the 'User Manual' & 'FAQ' that will be available in respective module in the web site;
6. As the certificate, obtained in any of the manners mentioned in this order, shall reflect such information provided by the applicant, without verification of any or few or all there-of, such certificate may not be accepted to be an evidence as proof of approval or document of like nature in any suit, prosecution or other legal proceeding(s) in any court of law or before any authority.

Any application, for certificate of registration or certificate of enrolment or amendment of certificate or updation of certificate, made online, through the web site on or after 7th of August, 2014, shall be deemed to have been made in the manner enumerated in this order.

Sd/- 19/11/14
(Binod Kumar)
Commissioner,
Commercial Taxes & Profession Tax, W.B.

Memo. No. 1000 CT/PRO
3C/PRO/2012

Date: 19.11.2014

Copy forwarded to the Addl. CCT/ ISD for information and for uploading it on the official website of the Directorate for information of all concerned.


19/11/2014
(Adesh Kumar)
Sr.JCCT & PRO