

The Reserve Bank of India, having considered it necessary in the 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 Companies Acceptance of Public Deposit (Reserve Bank) Directions, 1998, in exercise of the powers conferred by sections 45J, 45K, 45L and 45MA 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 contained in Notification No.DFC.118/DG(SPT)/98 dated January 31,1998 stand amended, with immediate effect, as follows, namely –

1. In paragraph 2, in sub-paragraph (1), in clause (xii), the existing sub-clauses after sub-clause (g) are re-numbered as (h) and (i) as under :

“(h) any amount received from a Mutual Fund which is governed by the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996;

(i) any amount received as hybrid debt or subordinated debt the minimum maturity period of which is not less than sixty months;”

2. In paragraph 2, in sub-paragraph (1), in clause (xii), the following new sub-clause shall be inserted, namely, -

“(j) any amount received from a relative of a director of an NBFC”

Note : The deposit shall be accepted only on an application made by the depositor containing therein that as on the date of deposit, he is related to the specific director in the capacity of a relative as defined under Companies Act, 1956 (1 of 1956)

3. First Schedule appended to the said Directions stands substituted by Return NBS 1 appended hereto.

Sd/-

( V.S.N. Murty )

Chief General Manager-In-Charge

Encls : NBS-1