

Notification No. DNBS. 160/CGM(CSM)- 2002 dated October 1, 2002

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

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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 Prudential Norms (Reserve Bank) Directions, 1998, in exercise of the powers conferred by section 45JA 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.119/DG(SPT)/98 dated January 31, 1998 shall stand amended with immediate effect as follows, namely -

1. For clause (iv) in sub-paragraph (3), Paragraph 1, the following shall be substituted, namely, -

"(iv) These directions except the provisions of Paragraph 13A shall not apply to an NBFC being a Government company as defined under section 617 of the Companies Act, 1956 (1 of 1956)."

2. After paragraph 9B, a new paragraph 9C shall be inserted as follows, namely, -

"9C. Transactions in Government securities

(1) Every NBFC

(i) shall hold its investments in approved securities in a Constituent's Subsidiary General Ledger (CSGL) account opened with a scheduled commercial bank or the Stock Holding Corporation of India Ltd. or in a dematerialised account opened with a depository through a depository participant registered with the Securities and Exchange Board of India; and

(ii) shall transact in these securities only through its CSGL account or its dematerialised account.

(2) No NBFC shall undertake transactions in these securities in physical form with any broker."

3. After paragraph 13, new paragraphs 13A and 13B shall be inserted as follows, namely,
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**"Information in regard to change of address,
directors, auditors, etc. to be submitted
by NBFCs not accepting/holding public deposit**

13A. Every NBFC not accepting/holding public deposits shall, not later than one month from the occurrence of any change in the following matters, intimate :

- (a) the complete postal address, telephone number/s and fax number/s of the registered/corporate office;
- (b) the names and residential addresses of the directors of the company;
- (c) the names and the official designations of its principal officers; and
- (d) the names and office address of the auditors of the company;

and furnish the specimen signatures of the officers authorised to sign on behalf of the company to the Regional Office of the Department of Non-Banking Supervision of the Reserve Bank of India as indicated in the Second Schedule to the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.

Exposure to Capital Market

13B. Every NBFC holding public deposits of Rs. 50 crore and above and RNBC having aggregate liabilities to the depositors of Rs. 50 crore and above as on March 31, 2002 or thereafter, shall submit a quarterly return within one month of the expiry of the relative quarter commencing from the quarter ending December 31, 2002 in the format NBS-6 annexed hereto to the Regional Office of the Department of Non-Banking Supervision of the Reserve Bank of India as indicated in the Second Schedule to the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998 and Schedule B to the Residuary Non-Banking Companies (Reserve Bank) Directions, 1987."

Sd/-
(C. S. Murthy)
Chief General Manager - in - Charge