

RESERVE BANK OF INDIA
DEPARTMENT OF FINANCIAL COMPANIES
CENTRAL OFFICE
15, NETAJI SUBHAS ROAD
POST BOX No. 571
CALCUTTA - 700 001

Regulations relating to Maintenance of Liquid Assets by NBFCs/RNBCs

(Master Notification amended upto July 1, 2004)

RBI/2004-05/91

August 3, 2004

Notification DFC(COC) No.108.ED(JRP)/97 dated April 30, 1997

In exercise of the powers conferred under the sub-section (2) of section 45IB of the Reserve Bank of India Act, 1934, (2 of 1934) for the purpose of ensuring the compliance with the maintenance of percentage of assets by non-banking financial companies, the Reserve Bank specifies the forms, the manner and the period of submission of the return as under -

1. These specifications are called Reserve Bank of India (Non-Banking Financial Companies) Returns Specifications 1997.

[2 (a) Every residuary non-banking company governed by the provisions of Residuary Non-Banking Companies (Reserve Bank) Directions, 1987 contained in Notification No. DFC.55/ DG(O)-87 dated 15th May 1987 shall submit a return every quarter as per Form of [NBS-3A]¹; and

(b) every non-banking financial company, other than a residuary non-banking company as stated in clause (a) above, shall submit a return every quarter as per the Form of [NBS-3.]²

3. The Quarterly Return shall be submitted in duplicate within a period of fifteen days of the month succeeding the quarter to which it relates.

4. The contents of the Quarterly Return shall be certified and signed by the authorised official of the company to be true and correct.

5. The Quarterly Return shall be submitted to the Regional Office of Department of Supervision (Financial Companies Wing) of Reserve Bank of India under whose jurisdiction the Registered Office of the non-banking financial company is situated.

Sd/-

¹ Amended vide notification No. 144 dated June 30, 2000

² Amended vide notification No. 144 dated June 30, 2000

(J. R. PRABHU)
EXECUTIVE DIRECTOR

(@) Amended vide notification No. 122 dated January 31, 1998 and further amended vide notification No. 131 dated December 18, 1998.

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(Master Notification amended upto July 1, 2004)
Regulations relating to Maintenance of Liquid Assets by NBFCs/RNBCs

Notification No. DFC.120/ED(G)-98 dated January 31, 1998

In exercise of the powers conferred under sub-section (1) of section 45IB of the Reserve Bank of India Act, 1934 (2 of 1934), and in supersession of the Notification No.DFC(COC).107.ED(JRP)/97 dated April 30, 1997 the Reserve Bank of India hereby specifies that from this day, the percentage of assets to be maintained by a residuary non-banking company governed by the provisions of Residuary Non-Banking Companies (Reserve Bank) Directions, 1987 contained in notification No. DFC.55/DG(O)-87 dated the 15th May 1987, shall be ten percent of the deposits outstanding at the close of business on the last working day of the second preceding quarter.

Sd/-

(S.Gurumurthy)
Executive Director

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(Master Notification amended upto July 1, 2004)

Regulations relating to Maintenance of Liquid Assets by NBFCs/RNBCs

Notification No.DFC.121/ED(G)-98 dated January 31, 1998

In exercise of the powers conferred under Section 45NC read with sub-section (1) of Section 45IB of the Reserve Bank of India Act, 1934 (2 of 1934) and in supersession of the Notification No.DFC..116/DG(SPT)-98 dated January 2, 1998, the Reserve Bank of India having considered and being satisfied that it is necessary so to do, hereby declares that all the non-banking financial companies other than residuary non-banking companies governed by the provisions of Residuary Non-Banking Companies (Reserve Bank) Directions, 1987 contained in Notification No.DFC.55/DG(O)-87 dated 15th May 1987 are exempt from the requirement to invest in unencumbered approved securities an amount, which at the close of business on any day, shall be not less than 5 per cent of deposits outstanding at the close of business on the last working day of the second preceding quarter as contemplated under sub-section (1) of Section 45IB of the said Act, subject to the conditions that -

(1) every non-banking financial company, other than a residuary non-banking company governed by the provisions of Residuary Non-Banking Companies (Reserve Bank) Directions, 1987 contained in Notification No.DFC.55/DG(O)-87 dated 15th May, 1987 shall invest and continue to invest in India in unencumbered approved securities valued at the price not exceeding the current market price of such securities an amount which shall, at the close of business on any day -

<i>[(i) on and from 1st April 1998</i>	<i>be not less than 12.5 percent;</i>
<i>(ii) on and from 1st April 1999</i>	<i>be not less than 15 percent; and</i>
<i>(iii) on and from January 1, 2000</i>	<i>be not less than ten percent in approved securities and the remaining in unencumbered term deposits in any scheduled commercial bank, the aggregate of which shall not be less than 15 percent</i>

of the "public deposit", as defined under paragraph 2(1) (xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998, outstanding at the close of business on the last working day of second preceding quarter; and]³

(2) all other provisions of Section 45IB shall mutatis-mutandis be applicable to the above requirement as if the expression "public deposit" is the same as the expression "deposit" as contemplated under the said provision.

³ Inserted vide Notification No.139 dated January 13, 2000

(S. Gurumurthy)
Executive Director

