



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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RBI releases the Report of the Working Group to Review the Regulatory and Supervisory Framework for Core Investment Companies

The Reserve Bank of India had constituted a Working Group (WG) to Review Regulatory and Supervisory Framework for Core Investment Companies (CICs), on [July 03, 2019](#), with Shri Tapan Ray, former Secretary, Ministry of Corporate Affairs, Government of India as the Chairperson.

The WG has submitted its [report](#) to the Governor. The key recommendations of the WG are as follows:

- i. Capital contribution by a CIC in a step-down CIC, over and above 10% of its owned funds, should be deducted from its Adjusted Networth, as applicable to other NBFCs. Further, step-down CICs may not be permitted to invest in any other CIC, while allowing them to invest freely in other group companies;
- ii. The number of layers of CICs in a group should be restricted to two. As such, any CIC within a group shall not make investment through more than a total of two layers of CICs, including itself;
- iii. Every Group having a CIC should have a Group Risk Management Committee (GRMC);
- iv. Constitution of the Board level committees viz., Audit Committee and Nomination and Remuneration Committee should be mandated ;
- v. Offsite returns may be designed by the Reserve Bank and may be prescribed for the CICs on the lines of other NBFCs. Annual submission of Statutory Auditors Certificates may also be mandated; and
- vi. Onsite inspection of CICs maybe conducted periodically.

The report is placed on the RBI website today for comments of stakeholders and members of the public. Comments on the report may be sent by November 30, 2019 through [email](#).

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(Yogesh Dayal)
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