

**ICAI Kottayam**

AMENDMENTS  
to  
SCHEDULE III  
of  
THE COMPANIES  
ACT 2013

**CA Jomon K George**

# The Ministry of Corporate Affairs (MCA) has amended Schedule III of the Companies Act, 2013

**Applicable from 01<sup>st</sup> April 2021**

The Schedule III is divided into 3 divisions as given below

**Division I - Financial Statements for a company whose Financial Statements are required to comply with Companies (Accounting Standards) Rules, 2006**

**Division II - Financial Statements for a company whose financial statements are drawn up in compliance of the Companies (Indian Accounting Standards) Rules, 2015**

**Division III - Financial Statements for Non-Banking Financial Company (NBFC) whose financial statements are drawn up in compliance of the Companies (Indian Accounting Standards) Rules, 2015**

# Balance Sheet Items

Particulars	Amendments
<p>Compulsory Rounding off figures based on <b>Total Income</b> instead of Turnover. ('May' substituted with 'Shall')</p>	<p><b>Total Income</b> less than Rs. 100 crores - Nearest hundreds, thousands, lakhs or millions</p> <p><b>Total Income</b> more than Rs. 100 crores - Nearest lakhs, millions or crores.</p> <p>Now companies have to round off the figures appearing in the financial statements, hitherto it was optional. Once selected it '<b>Should</b>' apply consistently</p> <p><b>Total Income - Not defined</b></p>
<p>Changes Part I Balance Sheet</p>	<p>- Addition/Deletion under sub head Non-Current Assets</p> <p>II. ASSETS Non-current assets (1)(a) <b>Property, Plant and Equipment and Intangible assets</b> (i) <b>Tangible assets PPE</b></p>

# Balance Sheet Items

## Share Capital

Shareholding of Promoters at the end of the Year in tabular form containing :

- Name
- No of Shares (separately for each class of shares)
- % of Total Shares (separately for each class of shares)
- % change during the year (computed with respect to the number at the beginning of the year or if issued during the year for the first time then with respect to the date of issue)

Promoters – means as defined u/s 2(69) "promoter" means a person—

who has been named as such in a prospectus or is identified by the company in the annual return referred to in section 92; or

who has control over the affairs of the company, directly or indirectly whether as a shareholder, director or otherwise; or

in accordance with whose advice, directions or instructions the Board of Directors of the company is accustomed to act:

Provided that nothing in sub-clause (c) shall apply to a person who is acting merely in a professional capacity;

# Balance Sheet Items



**Short-term borrowings**



Current maturities of Long-term borrowings shall be disclosed separately under STB

## Trade payables due for payment and the Ageing Schedule

### Trade Payables ageing schedule

(Amount in Rs.)

Particulars	Outstanding for following periods from due date of payment#				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i)MSME					
(ii)Others					
(iii) Disputed dues – MSME					
(iv) Disputed dues - Others					

# similar information shall be given where no due date of payment is specified in that case disclosure shall be from the date of the transaction.

Unbilled dues shall be disclosed separately;

# Balance Sheet Items



## Property, Plant and Equipment & Intangible Assets



A reconciliation of the gross and net carrying amounts of each class of assets at the beginning and end of the reporting period showing additions, disposals, acquisitions through business combinations.



Amount of change due to revaluation (if change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment) and other adjustments and the related depreciation and impairment losses/reversals shall be disclosed separately.

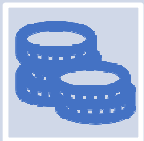
# Balance Sheet Items



## Security Deposits



Omitted from Long Term Loans Advances added under Other Non-Current Assets



## Utilisation of Borrowings



Where the company has not used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date, the company shall disclose the details of where they have been used.



# Balance Sheet Items

## Trade Receivables - Ageing Schedule

### Trade Receivables ageing schedule

(Amount in Rs.)

Particulars	Outstanding for following periods from due date of payment#					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good						
(ii) Undisputed Trade Receivables – considered doubtful						
(iii) Disputed Trade Receivables considered good						
(iv) Disputed Trade Receivables considered doubtful						

# similar information shall be given where no due date of payment is specified, in that case disclosure shall be from the date of the transaction.

Unbilled dues shall be disclosed separately.”;

# Balance Sheet Items

## Title deeds of Immovable Property not held in name of the Company

i) Details of all the Immovable Property (other than under lease and the agreement is in the name of the Co) whose title deeds are not held in name of the Company. If the same is held jointly with others, details to the extent of the company's shares shall be disclosed.

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative# of promoter*/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company**
PPE -	Land Building	-	-	-	-	**also indicate if in dispute
Investment property -	Land Building					
PPE retired from active use and held for disposal -	Land Building					
others						

#Relative here means relative as defined in the Companies Act, 2013.

\*Promoter here means promoter as defined in the Companies Act, 2013.

# Balance Sheet Items

Disclosure of revaluation of Property, Plant and Equipment - whether based on the valuation by a **registered valuer** as defined under rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017.

In case of Loans or Advances in the nature of loans are granted to **promoters, directors, KMPs and the related parties either severally or jointly with any other person**, that are: (a) repayable on demand or (b) **without specifying any terms or period of repayment.**

Type of Borrower	Amt of Loan or Adv o/s	% of total L & A
Promoters/ Directors/ KMPs/RP		

# Balance Sheet Items

## Capital Work In Progress (CWIP) & Intangible Assets- Ageing schedule

CWIP	Amount in CWIP for a period of				Total*
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					
Projects temporarily suspended					

\*Total shall tally with CWIP amount in the balance sheet.

For CWIP/ Intangible Assets, whose completion is overdue or has exceeded its cost compared to its original plan, CWIP completion schedule mandatory - (Projects where activity is Suspended to be given separately:

Intangible assets under development	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Project 1				
Project 2				

# Balance Sheet Items

## Details of Benami Property Held

Disclosure of any proceedings initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 with all details like **Details of such property, including year of acquisition, Amount, Beneficiaries, reference to the item in the Balance Sheet (if it is in Books of account).**

If property is not in the books, then the fact shall be stated with reasons, any proceedings against the company under this law as an abetter of the transaction or as the transferor then the details shall be provided, Nature of proceedings, status of same and company's view on same.

# Balance Sheet Items

## Enhanced Disclosure for borrowings from banks or financial institutions on the basis of security of current assets:

- Whether quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.
- if not, summary of reconciliation and reasons of material discrepancies, if any to be adequately disclosed

# Balance Sheet Items

Where a company is a declared wilful defaulter by any bank or financial Institution or other lender or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India :

- Date of declaration as wilful defaulter
- Details of defaults (amount and nature of defaults)

# Balance Sheet Items

Disclosure of any transactions with struck off Companies u/s 248 or 560

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding	Relationship with the Struck off company, if any, to be disclosed
	Investments in securities		
	Receivables		
	Payables		
	Shares held by struck off company		
	Other outstanding balances (to be specified)		



# Balance Sheet Items

- Where any charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period, details and reasons thereof shall be disclosed.
- Where Company has not complied with the no. of layers prescribed u/s 2(87) read with Rules, name and CIN of the companies beyond the specified layers and the relationship/extent of holding of the company in such downstream companies shall be disclosed.

# Balance Sheet Items

- Ratios with explanation for items included in numerator & denominator - Reasons for 25% or more variation as compared to Previous Year

**Current Ratio**

**Trade payables turnover ratio**

**Debt-Equity Ratio**

**Net capital turnover ratio**

**Debt Service Coverage Ratio**

**Net profit ratio**

**Return on Equity Ratio**

**Return on Capital Employed**

**Inventory turnover ratio**

**Return on Investment**

**Trade Receivables turnover ratio**

## Balance Sheet Items

In case Scheme of Arrangements has been approved in terms of sections 230 to 237, the Company shall disclose that the effect of such Scheme of Arrangements have been accounted for in the books of account of the Company 'in accordance with the Scheme' and 'in accordance with accounting standards' and deviation in this regard shall be explained.

# Balance Sheet Items

In case the company has advanced/loaned/invested or received funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) **that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;** the company shall disclose the following :

# Balance Sheet Items

- date and amount of fund advanced /loaned /invested/received with complete details of each Intermediary.  
(ii)
- date and amount of fund further advanced or loaned or invested by such Intermediaries to their intermediaries or Ultimate Beneficiaries alongwith complete details
- date and amount of guarantee, security or the like provided to or on behalf of the Ultimate Beneficiaries
- declaration that relevant provisions of the FEMA, Companies Act has been complied with for such transactions and the transactions are not violative of the Prevention of Money-Laundering Act, 2002

# Statement of Profit & Loss

Particulars	Amendments
Changes - Part 2 Statement Profit & Loss Face	a. Addition / Deletion under III is as below I. Revenue from Operations II. Other Income III. Total Revenue <del>Revenue</del> <b>Income</b> (I+II)
Additional disclosure under Notes Statement of Profit and Loss	1. <u>Revenue from Operations</u> <b>Grants or donations received</b> (relevant in case of section 8 companies only)  2. <u>Undisclosed Income</u> Co. shall give details of any <b>transaction not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments</b> under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961), unless there is immunity for disclosure under 11 any scheme and also shall state whether the previously unrecorded income and related assets have been properly recorded in the books of account during the year.

# Statement of Profit & Loss

## Corporate Social Responsibility (CSR)

*When the company is covered under section 135 :*

- a. Amount required to be spent during the year
- b. Amount of expenditure incurred
- c. shortfall at the end of the year
- d. total of previous years shortfall
- e. reason for shortfall
- f. nature of CSR activities
- g. details of related party transactions, - contribution to trust controlled by Co as per AS
- h. Where a provision is made w.r.t liability incurred, the movement in provision during the year should be shown separately.

# Statement of Profit & Loss

## Details of Crypto Currency or Virtual Currency

Where the Company has traded or invested in Crypto currency or Virtual Currency during the financial year, the following shall be disclosed :-

- profit or loss on transactions involving Crypto currency or Virtual Currency
- amount of currency held as at the reporting date,
- deposits or advances from any person for the purpose of trading or investing in Crypto Currency/ virtual currency.





# **CARO 2020**

**Notified on 25<sup>th</sup> February, 2020**

**Applicable from FY 2021-22**

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## Overview of the Order

<b>New Clauses (incl 2 re-introduced)</b>	<b>7</b>
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<b>Modified Clauses</b>	<b>7</b>
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<b>Retained Clauses</b>	<b>7</b>
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<b>Total</b>	<b>21</b>
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<b>Sub Clauses</b>	<b>47</b>
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# Summary of Changes

Newly Added (Clauses) ( 7 )	Modified (Clauses) ( 7 )	Retained (Clauses) ( 7 )
Transaction Not recorded in Books	Fixed assets	Acceptance of deposits
Ability of Company to meet its Liabilities	Inventory	Maintenance of cost records
CSR - Transfer of Unspent Amount to Fund	Repayment of Loans granted by company	Loans ,Investments, securities & guarantee's - Sec 185 & 186
Statutory Auditor Resignation	Default in repayment of dues	Application of funds raised
CFS : reference to negative remarks in Subsidiary CARO	Reporting of frauds	Related Party Transactions
Internal Audit System (CARO 2003)	Nidhi Company	Non-Cash Transactions
Cash Loss (CARO 2003)	Registration with RBI	Payment of statutory dues

APPLICABLE FROM	APPLICABLE TO	NOT APPLICABLE TO
Financial year commencing on or after <b>1st April, 2021</b> .	Every company including a foreign company as defined in section 2(42)of the Companies Act,2013.	Banking company
		Insurance company
		Section 8 company
		One person company
	Government Company	Small company under section 2(85) of Companies Act,2013*
	Branches	Private companies(subject to conditions)

**CFS : Report on negative remarks of Auditors Report (CARO) of Subsidiaries.**

**\*Small Company under the Act shall be exempt even if it falls under any other eligible category.**

Private Company Non-Applicability

Not being a subsidiary  
/holding of a public company



- a. Total borrowings not exceeding Rs. 1 Cr at anytime during the year **and**
- b. Total revenue as per Schedule III not exceeding Rs. 10 Crs , **and**

As At the Balance sheet date

- c. Paid up capital and Reserves & Surplus not more than Rs. 1 Cr,

## Definitions

**Paid up capital** includes Equity and Preference Shares and Shares forfeited, but does not include unpaid calls and share application money.

**Reserves and Surplus** includes Capital Reserve and Revenue Reserve including Revaluation Reserve adjusted for debit balance in the P&L Account.

## Definitions

**Borrowings** shall include short-term, long-term, Non-fund based borrowing, bills discounted, term loans, credit cards, borrowing from scheduled banks, Co-operative banks, foreign banks, Financial institutions (including NBFCs).

**Revenue** is the total revenue disclosed in Schedule III of the Act, including other income and income from discontinuing operations.

## New Clause 1

### Internal Audit System (xiv)

(a) whether the company has an internal audit system commensurate with the size and nature of its business; *(Re-introduced from CARO 2003)*

New\*

(b) whether the reports of the Internal Auditors for the period under audit were considered by the statutory auditor



## New Clause 2

### Cash Loss (xvii)

Whether the company has incurred cash losses in the financial year and in the immediately preceding financial year, if so, state the amount of cash losses *(Re-introduced from CARO 2003)*

## New Clause 3

### Unrecorded Income (viii)

**Whether any transactions not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961), if so, whether the previously unrecorded income has been properly recorded in the books of account during the year**

## New Clause 4

### Resignation of Statutory Auditor (xviii)

**Whether there has been any resignation of the statutory auditors during the year, if so, whether the auditor has taken into consideration the issues, objections or concerns raised by the outgoing auditors:**

***Document :***

- Concerns raised by the Outgoing Auditor – In the Audit Report and otherwise, communication before accepting engagement, discussions and communication with TCWG.
- **Include specifically in MRL (LoR)** - All the material concerns/objections discussed by the outgoing auditor are shared by the Management/BOD/AC.

## New Clause 5

### Capability of meeting its liabilities (xix)

On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, whether the auditor is of the opinion that **no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date;**

## Action Points

### *Written representation from Management on*

- Verify the realisability of Receivables and other financial assets
- Board's documentation of review of Liability position (payable within one year) and payment Plans
- **Include specifically** that all material events/transactions post balance sheet date but before Report date that could impact the **Paying Capacity** in the knowledge of the Management/Board has been communicated to the Auditor.

## New Clause 6

### Transfer of unspent CSR amounts to fund (xx)

(a) whether, in respect of **other than ongoing projects**, the company has transferred unspent amount to a Fund specified in Schedule VII to the Companies Act, **within a period of six months** of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act;

(b) whether any amount remaining unspent under sub-section (5) of section 135 of the Companies Act, pursuant to **any ongoing project**, has been **transferred to special account** in compliance with the provision of sub-section (6) of section 135 of the said Act

## New Clause 7

### CARO remarks of other auditors – CFS (xxi)

**Whether there have been any qualifications or adverse remarks by the respective auditors in the CARO reports of the *companies included* in the **consolidated financial statements**, if yes, indicate the details of the companies and the paragraph numbers of the CARO report containing the qualifications or adverse remarks.**

## Modified Clause 1

### Fixed Assets

(a) (A) whether the company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;

New\*

(B) whether the company is maintaining proper records showing full particulars of intangible assets;



# Modified Clause 1

## Fixed Assets

- (b) whether these Property, Plant and Equipment have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;
- (c) whether the title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company, if not, provide the details thereof in the **format below** :

## Fixed Assets

New\*

(d) whether the company has **revalued** its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year and, if so, whether the revaluation is based on the **valuation by a Registered Valuer**; specify the amount of change, if **change is 10% or more in the aggregate** of the net carrying value of each class of Property, Plant and Equipment or intangible assets

New\*

(e) whether any proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder, if so, whether the company has appropriately disclosed the details in its financial statements

## Modified Clause 2

CARO 2020

### Inventory (ii)

(a) whether physical verification of inventory has been conducted at reasonable intervals by the management and whether, **in the opinion of the auditor, the coverage and procedure of such verification by the management is appropriate; whether any discrepancies of 10% or more in the aggregate for each class of inventory were noticed and if so, whether they have been properly dealt with in the books of account;**

New\*

## Inventory (ii)

**(b) whether during any point of time of the year, the company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets; whether the quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company, if not, give details;**

New\*

## Modified Clause 3

### Repayment of Loans granted by company

New\*

**Whether during the year the company has made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships or any other parties. If so,**

## Repayment of Loans granted by company

(a) whether during the year the company has provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity **[not applicable to companies whose principal business is to give loans]**, if so, indicate-

New\*

(A) the aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances and guarantees or security to subsidiaries, joint ventures and associates.

(B) the aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances and guarantees or security to parties other than subsidiaries, joint ventures and associates.

## Repayment of Loans granted by company

**(b) whether the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the company's interest;**

**(c) in respect of loans and advances in the nature of loans, whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular;**

**(d) if the amount is overdue, state the total amount overdue for more than ninety days, and whether reasonable steps have been taken by the company for recovery of the principal and interest;**

## Clause on Repayment of Loans granted by company

New

\*

(e) whether any loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties, if so, specify the aggregate amount of such dues renewed or extended or settled by fresh loans and the percentage of the aggregate to the total loans or advances in the nature of loans granted during the year [not applicable to companies whose principal business is to give loans]

New

\*

(f) whether the company has granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment, if so, specify the aggregate amount, percentage thereof to the total loans granted, aggregate amount of loans granted to Promoters, related parties as defined in clause (76) of section 2 of the Companies Act, 2013



## Past due reporting

**If the amount is overdue, state the total amount overdue for more than 90 days, and whether reasonable steps have been taken by the company for recovery of the principal and interest.**

**verify repayments compliance with agreement**

**disclose the aggregate of the total amount of overdue for more than 90 days in respect of loans granted to such parties**

**reasonable steps taken by the company**

consider the facts and circumstances of each case, including the amounts involved  
not necessary that steps to be taken must necessarily be legal steps  
ask the management to give in writing, the steps which have been taken

## Modified Clause 4

CARO 2020

### Default in repayment of dues (ix)

- (a) whether the company has defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender, if yes, the period and the amount of default to be reported as per the format below :- (table specified).
- (b) Whether the company is a declared wilful defaulter by any bank or financial institution or other lender?
- (c) Whether term loans were applied for the purpose for which the loans were obtained; if not, the amount of loan so diverted and the purpose for which it is used may be reported. (re-introduced)
- (d) whether funds raised on short term basis have been utilised for long term purposes? If yes, the nature and amount to be indicated. (re-introduced)

New\*

## Default in repayment of dues (ix)

(e) whether the Company has taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures? If so, details thereof with nature of such transactions and the amount in each case

New\*

(f) whether the company has raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies, if so, give details thereof and also report if the company has defaulted in repayment of such loans raised;

New\*

## Modified Clause 5

### Reporting of frauds (xi)

(a) whether any fraud by the company or any fraud on the company has been noticed or reported during the year, if yes, the nature and the amount involved is to be indicated

New\*

(b) whether any report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;

New\*

(c) whether the auditor has considered whistle-blower complaints, if any, received during the year by the company

## Some relevant aspects

- Auditor to report on frauds noticed or reported during the year
- Auditor to consider whether frauds reported under sec 143(12) to the CG also to be reported here- only noticed frauds and not suspected frauds
- Fraud committed during the year and rectified during the year also to be reported
- Fraud **committed by third parties / vendors** on the company **need NOT be** reported if there is no involvement of officers or employees of the company
- GN provides that materiality of fraud to be considered while reporting

## Modified Clause 6

### Nidhi Company (xii)

- (a) whether the Nidhi Company has complied with the Net Owned Funds to Deposits in the ratio of 1:20 to meet out the liability
- (b) whether the Nidhi Company is maintaining ten per cent. unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability
- (c) whether there has been any default in payment of interest on deposits or repayment thereof for any period and if so, the details thereof;

A small callout box with a blue border and a white background, containing the text "New\*" in black. The box is positioned to the right of the text in item (b).

## Modified Clause 7

CARO 2020

### Registration with RBI

**(a) whether the company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and if so, whether the registration has been obtained.**

New\*

**(b) whether the company has conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.**

# Registration with RBI

New\*

- © Whether the company is a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, if so, whether it continues to fulfil the criteria of a CIC, and in case the company is an exempted or unregistered CIC, whether it continues to fulfil such criteria;
- (d) whether the Group has more than one CIC as part of the Group, if yes, indicate the number of CICs which are part of the Group;

New\*



# RBI Directives

## **NBFC/ HF need to obtain the certificate of registration.**

If Registration is not obtained, the reasons should be sought from the management and documented

Report existence or absence of registration as the case may be

## **Examine the transactions of the company with relation to the activities covered under the RBI Act and directions related to the Non-Banking Finance companies**

### **Examine FS to ascertain whether:**

Company's financial assets constitute more than 50 per cent of the total assets and income from financial assets constitute more than 50 per cent of the gross income.

company has net owned funds as required for the registration as NBFC

## **Amendments in Rule 11 of Companies (A&A) Rules 2014**

**Whether the management has represented that NO FUNDS other than what is disclosed in the FS, have been advanced/received to/by the company with an understanding that, such amount be lent/invested on behalf of the funding party to/in any person (Ultimate Beneficiaries)**

**That there is nothing that has caused him to believe that the representations are mis-stated .**

## **Amendments in Rule 11 of Companies (A&A) Rules 2014**

**Whether the dividend declared/paid during the year is in accordance with Sections 123 of The Act.**



**Jomon**