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**14<sup>th</sup> March 2020 – Issue 274**

***The Reserve Bank of India vide circular no.109/22.10.106/2019-20 dated 13.03.2020 has notified for the implementation of Indian Accounting Standards for NBFCs***

- RBI vide circular No.109/22.10.106/2019-20 dated 13.03.2020 has notified the implementation of Indian Accounting Standards for NBFCs.
- Non-Banking Financial Companies (NBFCs) covered by Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 are required to comply with Indian Accounting Standards (Ind AS) for the preparation of their financial statements. In order to promote a high quality and consistent implementation as well as facilitate comparison and better supervision, the Reserve Bank has framed regulatory guidance on Ind AS given in the Annex which will be applicable on Ind AS implementing NBFCs and Asset Reconstruction Companies (ARCs) for preparation of their financial statements from financial year 2019-20 onwards.
- The annexed instructions and guidelines relate to specific prudential aspects of Ind AS implementation by NBFCs/ARCs and are not meant to provide a comprehensive commentary on the accounting standards or comprehensive technical interpretation of the standards, nor intended to cover all possible situations. Accordingly, with respect to matters not dealt with in the Annex, NBFCs/ARCs are required to refer to the notified accounting standards, application guidance, educational material and other clarifications issued by the Institute of Chartered Accountants of India (ICAI).



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<https://rbidocs.rbi.org.in/rdocs/notification/PDFs/NOTI170F341D8DE49C04D4B8382D855A9858583.PDF>

***The Reserve Bank of India vide circular no. 10/13.05.000/2019-20 issued for Urban Co-operative Banks (UCBs)***

- RBI vide circular no. 10/13.05.000/2019-20 limits the exposure to single and group borrowers/parties and large exposures and Revision in the target for priority sector lending- UCBs.
- In terms of our circular UBD.DS. Cir.No.44/13.05.00/2004-05 dated April 15, 2005, Primary (Urban) Co-operative Banks (UCBs) were permitted to have exposures up to 15 per cent and 40 per cent of their capital funds to a single borrower and a group of borrowers, respectively. On a review, it has been decided that, henceforth, the prudential exposure limits for UCBs for a single borrower/party and a group of connected borrowers/parties shall be 15 per cent and 25 per cent, respectively, of their tier-I capital.
- The revised exposure limits shall apply to all types of fresh exposures taken by UCBs. UCBs shall bring down their existing exposures which are in excess of the revised limits to within the aforesaid revised limits by March 31, 2023. However, where the existing exposure comprises only term loans and non-fund-based facilities, while no further exposure shall be taken on such borrowers, these facilities may be allowed to continue as per their respective repayment schedule / till maturity.

<https://rbidocs.rbi.org.in/rdocs/notification/PDFs/NT17144DF8BCA29824951B879D5B34668767A.PDF>



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***The Ministry of Corporate Affairs vide notification dated 11.03.2020 under section 45 of the Banking Regulation Act, 1949***

- MCA vide notification dated 11.03.2020 under section 45 of the Banking Regulation Act, 1949 hereby exempts a Banking Company from the application of the provisions of Sections 5 and 6 of the Competition Act, 2002 in public interest for a period of five years from the date of publication of this notification in the Official Gazette.

[http://www.mca.gov.in/Ministry/pdf/BankingNotification\\_11032020.pdf](http://www.mca.gov.in/Ministry/pdf/BankingNotification_11032020.pdf)

***The Securities Exchange Board of India vide circular no. SEBI/HO/DDHS/DDHS/CIR/P/2020/36 dated 13.03.2020 has issued guidelines for Right Issue, Preferential Issue and Institutional Placement of units by a listed InvITs***

- SEBI vide circular no. SEBI/HO/DDHS/DDHS/CIR/P/2020/36 Has issued guidelines for Right Issue, Preferential Issue and Institutional Placement of units by a listed InvITS.

<https://www.sebi.gov.in/legal/circulars/mar-2020/amendments-to-guidelines-for-rights-issue-preferential-issue-and-institutional-placement-of-units-by-a-listed-invite-46311.html>

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