

RBI

Additional Disclosures to be made in Financial Statements – Notes to Accounts of NBFCs

- Reserve Bank of India (RBI) has made amendments with respect to requirement of additional disclosures in Financial Statements – Notes to Accounts of NBFCs. The circular shall be applicable to all NBFCs. The guidelines shall be effective for annual financial statements for year ending March 31, 2023 and onwards.
- The amendment has been made with respect to NBFCs to disclose comparative information in respect of the previous period for all amounts reported in the current period's financial statements. Further, NBFCs shall include comparative information for narrative and descriptive information if it is relevant to understanding the current period's financial statements.

RBI issues Regulatory Restrictions on Loans and Advances for NBFCs

RBI has issued detailed guidelines on Regulatory Restrictions with respect to Loans and Advances for NBFCs. The guidelines shall be applicable to NBFC – Middle Layer (ML) and NBFC – Upper Layer (UL) from October 1, 2022.

Limits for investment in debt and sale of Credit Default Swaps by Foreign Portfolio Investors (FPIs)

RBI has set the following Investment Limits for the Financial Year (FY) 2022-23

- The limits for FPI investment in Government securities (G-secs), State Development Loans (SDLs) and corporate bonds shall remain unchanged at 6%, 2% and 15% respectively, of outstanding stocks of securities for FY 2022-23.
- all investments by eligible investors in the 'specified securities' shall be reckoned under the Fully Accessible Route (FAR)
- The allocation of incremental changes in the G-sec limit (in absolute terms) over the two sub-categories – 'General' and 'Long-term' – shall be retained at 50:50 for FY 2022-23.
- The entire increase in limits for SDLs (in absolute terms) has been added to the 'General' sub-category of SDLs.

RBI prescribes Guidelines on Compensation of Key Managerial Personnel (KMP) and Senior Management in NBFCs

- RBI has prescribed the guidelines on Compensation of Key Managerial Personnel (KMP) and Senior Management in NBFCs, which intends to provide the broad guidelines to NBFCs and Nomination and Remuneration Committee (NRCs) in formulating their Compensation Policy. While formulating the compensation policy, it has to be ensured that all Statutory mandates and the rules and directions issued under them are fully complied with.
- These guidelines will be applicable for fixing the compensation policy of KMP and members of Senior Management of all NBFCs under Scale Based Regulatory (SBR) Framework, except those categorized under Base Layer and Government owned NBFCs. The guidelines shall be effective from April 1, 2023.

SEBI

Amendment to SEBI (LODR) Regulations, 2015 with respect to Transfer and Transmission of Securities

The following amendments has been made-

Regulation 40(7)	(7) The Listed entity shall comply with all procedural requirements as specified in Schedule VII with respect to transfer and Transmission of Securities.
Regulation 61(4)	(4) The listed entity shall comply with requirements as specified in regulation 40 for transfer and transmission of securities including procedural requirements specified in Schedule VII.
	C. Documentation requirements in case of transmission of securities.



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Modification in the Operational Guidelines for Foreign Portfolio Investors (FPIs), Designated Depository Participants and Eligible Foreign Investors – SEBI to generate FPI Registration number and both the Depositories to host the Common Application Form (CAF)

- In March 2022, the Department of Economic Affairs, Ministry of Finance, Government of India amended the Common Application Form (CAF), wherein both the Depositories, viz NSDL and CDSL have been allowed to host the CAF for FPI Registration.
- The modification is made with respect to Certificate of Registration, the designated participant shall grant the certificate of registration, bearing registration number generated by SEBI.
- The provisions of the Circular shall be applicable with effect from May 9, 2022.

TAX

Additional conditions for compulsory Income Tax return filing notified

CBDT notifies Income Tax additional conditions under Section 139(1) of the Income Tax Act 1961 for compulsory return filing, which are as follows –

- If his total sales, turnover or gross receipts, as the case may be, in the business exceeds sixty lakh rupees during the previous year; or
- If his total gross receipts in profession exceeds ten lakh rupees during the previous year; or
- If the aggregate of tax deducted at source and tax collected at source during the previous year, in the case of the person, is twenty five thousand rupees or more; or
- The deposit in one or more savings bank account of the person, in aggregate, is rupees fifty lakh or more during the previous year.