

The Institute of Chartered Accountants of India
(Set up by an Act of Parliament)

RAIPUR BRANCH OF CIRC OF ICAI



Happy Father's Day



E - NEWS LETTER
JUNE 2021

INDEX

- BRANCH OFFICE BEARERS
- CHAIRMAN'S MESSAGE
- ARTICLES

A.SWETA JAIN - BUSINESSES TO
HAVE TOUGHER LUCK IN THE
WORLD OF COMPLIANCES FROM
01ST JULY

B.GAURAV AGRAWAL - FORM 10BD
STATEMENT & CERTIFICATE OF
DONATION

- OUT OF BOX

A.SEEMA TAYAL – WORK PRES-
SURE POSITIVITY

- CREATIVE PENS

A. ANKITA KRIPLANI – PINJRE KA
PARINDA

- ACTIVITY REPORT

- NEWS ITEMS

A. FINANCE MINISTER PRAISED
ICAI EFFORTS FOR NEW WEBSITE

B. GST CERTIFICATE COURSE

C. RBI TIGHTENS DIVIDEND

PAYOUT NORMS FOR NBFCS

- INVITING ARTICLES PAGE

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(CHAIRMAN)
- CA AMITABH DUBEY
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CHAIRMAN'S MESSAGE



Dear Professional colleagues

It always gives me immense pleasure to communicate with you all, through this e-news letter.

I would like to wish you a very happy CA Day. I pray to God to give strength and courage to everyone to fight this pandemic. Raipur branch has formed a Covid Task force group to help our CA Family in these pandemic times, which is working 24x7 to facilitate the CA members, their family, students and office staff by providing them the oxygen Cylinder, Bed, Concentrator machine, medicine to fight against this pandemic. Being a Chartered Accountants we all acknowledge that, today the Covid 19 Pandemic has not only affected the health system, but also the socio-economic life of every individual.

I would like to extend my gratitude to all the members of Task Force, who have shown their courage and helped the persons requiring any medical assistance. We have also taken initiative to set up a vaccination camp for our members and general public also.

I would like to inform, that, following VCM's and programs were organized by the branch during the month of JUNE 2021:-

- 1) VCM On Forensic Audit
- 2) VCM on GST – RCM
- 3) 3 Days National Conference jointly, hosted by Bilaspur Branch
- 4) VCM on GST jointly, hosted by Kishangarh Branch - Recent Amendments in GST
- 5) International Yoga Day
- 6) VCM on CSR provision
- 7) VCM - In depth analysis of exemption to Rice Millers on CMR and way forward for getting Refund of taxes paid earlier
- 8) VCM on CAs SWIFT RESPONDERS TO MSME NEEDS on International MSME Day
- 9) Vaccination Camp at Branch

Lastly, I would like to quote **LORD KRISHNA-**

"Always remember that, with every problem coming in your life, a solution to fight that problem is also born at the same time."

So BE POSITIVE, a new DAWN is waiting for all of us. I surely believe that joy and happiness will enrich our lives sooner.

CA SURESH KUMAR AGRAWAL
CHAIRMAN
RAIPUR BRANCH OF CIRC OF ICAI.

ARTICLES

A. BUSINESSES TO HAVE TOUGHER LUCK IN THE WORLD OF COMPLIANCES FROM 01ST JULY, 2021!

CA Sweta Jain – M No - 441490



The world was already not a great place to live in for businessmen with all the compliances, and with introduction of yet another TDS Section 194Q, it surely has become worse.

The Income Tax Act, 1961 known for its volume is now all set to adopt 194Q from 1st July, 2021. The section seems to be similar to Section 206C (1H) which was introduced on 1st October, 2020.

So, for a better understanding, let's analyse the two sections in tandem.

Basis of Comparison	194Q	206C (1H)
Date of coming into effect	1 st July, 2021	1 st October, 2020
Casting liability on	Buyer (Payer of money)	Seller (Collector of money)
1 st condition for applicability	Turnover in preceding FY was more than 10 Crores	
2 nd condition for applicability (to be checked Party-wise) (only when 1 st condition apply)	Purchased goods worth more than 50 Lakhs in a FY (not applicable for any service)	Sold goods worth more than 50 Lakhs in a FY (not applicable for any service)
Over-riding effect	The section is not applicable when TDS/ TCS is applicable under any section except TCS u/S 206C (1H) i.e. the section is the weakest amongst all section but stronger than 206C (1H)	The section is not applicable when TDS/ TCS is applicable under any section i.e. the weakest section of all
Exemption	When seller is :- 1. Non- resident i.e the buyer has imported goods 2. A person notified	When buyer is :- 1. An importer 2. A Central/ State Govt, Local Authority, Embassy, etc 3. A person notified
Rate of Tax and value on which to be calculated	0.1% of sum (over and above 50 lakhs with a party in FY)	
	On excluding GST amount	On including GST amount
Rate of Tax (PAN not available)	5% of sum (over 50 lakhs)	1% of sum (over 50 lakhs)
<u>GENERAL TDS/ TCS PRINCIPLES AND PROVISIONS -</u>		
Point of Taxation	Date of Payment or Date of credit (Invoice) in the books of account, whichever is earlier	Date of Receipt of Money (For convenience, may add with invoice itself – Date of Debit)
Due Date of Payment	7 th day of the month succeeding the month to which relates (For March month – 30 th April)	7 th day of the month succeeding the month to which relates (No relaxation for March month)

Due Date of return filing	30 th day of the month succeeding the quarter (For March Quarter – 31 st May)	15 th day of the month succeeding the quarter (For March Quarter – 15 th May)
Interest and Late Fees	Interest on late payment - 1.5% per month or part thereof Return Late Fees - Rs. 200 per day (Max upto TDS/ TCS Amount)	

Let's draw a synopsis with some examples:

T/O Buyer in preceding FY	T/O Seller in preceding FY	Total Value of Transaction in FY	Applicability of Section	Rate of Tax
< 10 Crores	< 10 Crores	Neither of them is applicable (since 1 st condition of eligibility is not fulfilled)		
> 10 Crores	< 10 Crores	< 50 Lakhs	Neither of them is applicable (since 2 nd condition is not fulfilled)	
< 10 Crores	> 10 Crores	< 50 Lakhs	Neither of them is applicable (since 2 nd condition is not fulfilled)	
< 10 Crores	> 10 Crores	60 Lakhs	206C (1H) (since turnover of buyer is less than 10 crores and he is not liable to deduct TDS)	0.1% of (60-50)
> 10 Crores	< 10 Crores	80 Lakhs	194Q (since the 1 st and 2 nd condition for eligibility to Section 194Q has been fulfilled)	0.1% of (80-50)
> 10 Crores	> 10 Crores	90 Lakhs	194 Q (since the 1 st and 2 nd condition for eligibility to both Section 194Q and 206C(1H) has been fulfilled, 194Q overrides 206C (1H))	0.1 % OF (90-50)

When Other TDS/ TCS Sections are also applicable:

Applicable Sections	Prevailing Section
TCS <u>206C(1H)</u> [Goods] and TCS <u>206C(1F)</u> [Motor Vehicles]	TCS 206C(1F)
TCS <u>206C(1H)</u> [Goods] and TCS <u>206C(1F)</u> [Motor Vehicles] and <u>TDS 194Q</u>	TCS 206C(1F)
<u>TDS 194Q</u> and <u>TCS 206C(1H)</u>	TDS 194Q
<u>TDS 194Q</u> and <u>TDS 194O</u>	TDS 194O

Tentative Action Plan –

1. Check whether you are "BIG" person - means your Turnover in previous FY was > 10 crore
2. If no, you don't have to worry for these sections (others may deduct your TDS/ collect TCS)
3. Make a list of your suppliers with whom yearly purchases exceeds 50 lacs - You will have to deduct their TDS @ 0.1% - Tell them to stop adding TCS in the invoices as 206C(1H) not apply
4. Make a list of your buyers and ask them if they will start deducting your TDS @ 0.1% - If yes, don't collect TCS from them. If no, then check if the yearly sales to them exceeds 50 lacs - you will have to collect TCS @0.1%

B. FORM 10BD STATEMENT & CERTIFICATE OF DONATION

CA Gaurav Agrawal – M No - 450326



As we are aware, section 80G of the income tax act, 1961 provides for deduction on payment of donations. Until the last financial year there was no way to counter check the accuracy of the donations paid. The income tax department allowed deduction based on the claim made by the assessee or at the most based on the copy of the donation receipt presented by the assessee. However, the CBDT through notification no. 19/2021 dt 26th March, 2021, has notified Form 10BD and Form 10BE to facilitate more transparency and

accuracy on the reconciliation of deductions claimed by the assessee and donation received by the Charitable Organizations.

WHAT IS FORM 10BD?

Form 10BD is a statement of donations containing the details of donations received by the Charitable Organizations during the financial year.

Procedure and time limit for filing form 10BD

The form is required to be filed electronically by donation receiving organizations. The form shall be signed through a digital signature of a person authorized to sign the return of the income. Alternatively, it can be filed through Electronic Verification Code (EVC). The form is required to be filed once in a financial year. The last date for filing the form for financial year 2021-22 is 31st May, 2022.

Details for filing form 10BD

Every Charitable Organization is required to collect requisite details/ information from donors while receiving the donations and maintain the list of the same. The details/ information required for filing the form are as follows:

Name of the donor

PAN/ Aadhaar number/ Tax Identification Number of the Donor

Address of the donor

Nature of donation

Mode of receipt

Amount of donation

Section code under which the donation is received

Issuance of certificate of donation

Post filing of statement of donations in Form 10BD, the Charitable Organization is required to download and issue Certificate of Donation in Form 10BE. The certificate shall contain details of Charitable Organization like Name of the organization, PAN, Address, approval number u/s 80G

& 35(1) along with details of donations and donor. For the financial year, 2021-22 Form 10BE is to be issued by 31st May 2022.

Procedure for correction of error in Certificate of Donation

In case of any inadvertent errors or mistakes in Form 10BE, there are provisions to rectify the errors or mistakes by filing a correction form (filing form 10BD again with corrections).

Consequences of non-filing of Form 10BD

The reporting entity is mandated to comply with the filing of Form 10BD and failure to comply will attract a fee of **Rs. 200/- per day** of delay as per newly inserted **section 234G**.

Apart from the fee for delay in furnishing statement of donation in Form 10BD, failure to file such statement will also attract penalty **u/s 271K, which shall not be less than Rs. 10,000/- but may extend up to Rs. 1,00,000/-**

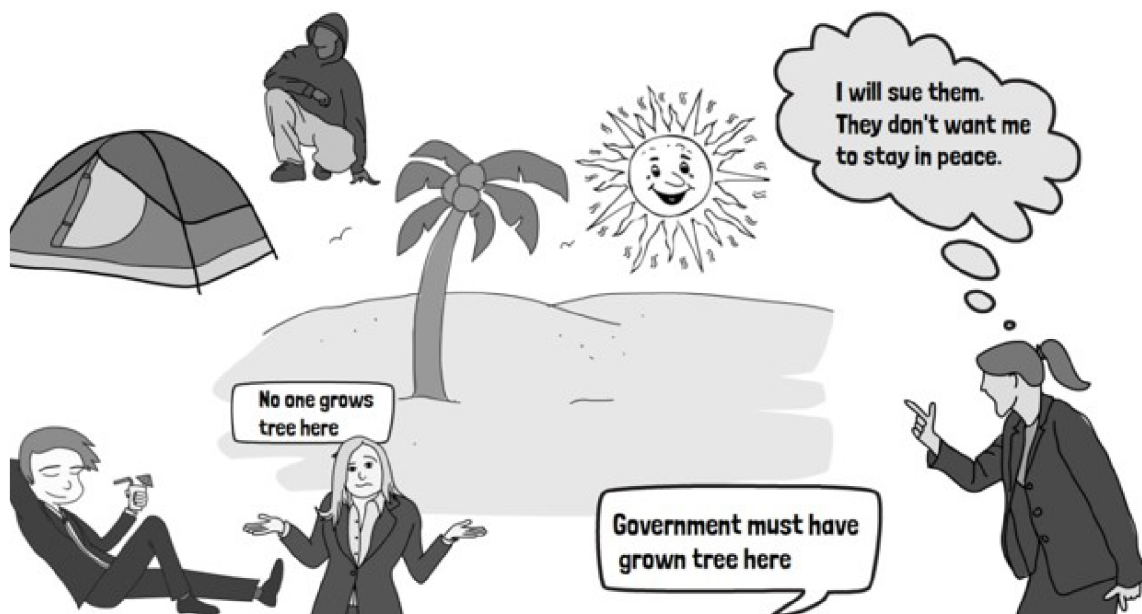
With the introduction of Form 10BD, it is now crucial for the donor to not only obtain a donation receipt but also Certificate of Donation in Form 10BE in order to claim deduction.

OUT OF BOX



WORK PRESSURE POSITIVITY

CA Seema Tayal – M No - 077211



Every human being deserves happiness or positive state of mind. Chartered Accountants are not the exceptions.

But

Our positivity is hacked by lot of work pressure, which is due to nature of our work. Every time we have to **make the ends meet**.

Client's money, our reputation and our mental health is always at stake. The pressure of meeting the due dates every time seems to be a factory of generating stress in our life. This stress must be taken in consideration as 85% of illness in the world is due to stress.

It is a big challenge for us to keep our mental health on track, so that we are able to enjoy the life as well.

We cannot remove work pressure. It will be there. However some persons are able to deal with it easily and some has to work for it. In any case it has to be dealt.

What can be done with the work pressure?

1. Do nothing and things will be as it is. (Same input for same output, just continue to live in stress)
2. We can blame client, government, system, internet, departments and so on for our problems, resulting in increased stress.
3. We can accept it and take actions to deal with it.

We can choose to take action, not the betterment of any others, but for betterment of our own mental health.

Here we are not talking about our professional competency. Every one of us is quite capable.

Here we are talking about the actions to maintain our peace of mind in addition to, while doing our professional work.

Lot of negative emotions are shown up when it feels like it is difficult to meet our ends in constraint of resources like time, human powers, internet, portals, support from clients and Government. Generally the emotions shown up are anger, worry, fear, frustration or regret etc. Non handling of these negative emotions cause stress.


To handle these emotions, 1st thing we have to do is recognize it's presence.

For dealing with anything we have to confirm its presence.

The next thing is to find its location. As to beat the enemy we must know its location. It will be surprise for many of us to know that emotions lie itself in our body. For that observe your body. You will feel the emotion anywhere in the body. Every emotion is felt somewhere in the body.

For eg. We feel bubbling in the stomach when going for exams, heart raises on roller coaster, face or fist gets tight when we get anger.

Whatever emotion is coming up like anger, worry, pressure etc, feel it in your body. Observe it and give attention to it, the emotion will start getting intensified. continue it for a minute or two and that emotion will get settled. Only caution is to not get indulge into new stories while experiencing the emotions. Otherwise it can trap you furthermore.



Then observe for another emotion and do the same.

Repeat the exercise for all other emotions too until you feel relax.

Once we get relax, ENJOY.

This settling of emotions or relaxation will provide the fresh insights, to deal with the situation better and along with the peace of mind too. Just like settled water allows us to see through it.

We live our life in emotions like happy, sad, positive or negative.

Just remember to get towards positive by


Recognizing mental state

Locating emotions

Observing to feel and intensify

Resulting PEACE OF MIND.

My mantra is to feel the emotions to heal the emotions.



CREATIVE PENS



PINJRE KA PARINDA

CA Ankita Kriplani – M No - 443771



Baaj si udaan bharne ki chahat
Har musibat se ladne ki fitrat
Isi aasha se bhara rehta
Pinjre me kaid har parinda

Bahar udte har panchi ko niharta
Mann hi mann apni kismat ko kosta
Yuhi mayusi se bhara rehta
Pinjre me kaid har parinda

Apni puri kaum se dur baitha
Chaahe ke bhi kisi se mil na pata
Yahi sochta ki kaash me yaha na rehta
Pinjre me kaid har parinda

Insano ne toh kho di hai insaniyat
Kese beparwaah jiye ek pashu jaat
Isi khauf se chhip k rehna chahta
Pinjre me kaid har parinda

RAIPUR BRANCH OF CIRC OF ICAI						
Reports of Activities carried out by RAIPUR BRANCH						
IN THE MONTH OF JUNE 2021						
SR. NO	DATE	PROGRAMME	TOPICS	GUEST/FACULTIES	Structured CPE	Attendance
1	04.06.2021	VCM On Forensic Audit Raipur Branch	New Professional Opportunity Forensic Audit Emerging Scope Including Case Studies	Speaker CA Rohit Narang - Amritsar	2	336
2	5.06.2021	Newsletter Publish April of Raipur Branch of CIRC of ICAI				
3	06.06.2021	VCM on New Labour laws	Impact on Business Financial Services & Relevance for CA's		2	500
4	07.06.2021 To 13.06.2021	Special Week - Hosts jointly with 85 branches of ICAI	Tabata Workout, Surprice Workout, Circuit Training (Body Weight) & Demonstration about Techniques and Exercise, Zumba Workout, Yoga & Pranayam Meditation,			
5	08.06.2021	VCM on GST	RCM on Goods and Services under GST laws	Speaker CA Rajendra Arora - New Delhi	2	
6	09.06.2021	50 Days free transformation (Zumba Session)	Dance off the calories with zumba fitness session	Ms.Shwetal Kandhari		
7	11.06.2021 To 13.06.2021	National Conference through virtual mode under the aegis of Continuing Professional Education Committee of ICAI Jointly Raipur, Bilaspur & Bhilai Branch of CIRC of ICAI	Changing dimensions of Natural Justice in faceless Assessment, Appeal and online proceedings under Income Tax Law, Provisions relating to Input Tax Credit under GST and recent development in ICAI, Registration of Charitable trust and other Institutions and examination of their exemption conditions under Income Tax Law, Recent amendments in companies act including preparation of Account, audit Reports and Directors Report, Acceptance of Deposit by companies and provisions related to loans to directors and related party disclosures & How to face enquiries and audit by GST Department	Chief Guest: Shri Bhupesh Baghel Ji, Hon'ble Chief Minister of Chhattisgarh, CA(Adv.)Kapil Goel, CA Jayesh Gogri, CA Rajiv Mehrotra, CA Manoj Fadnis, CS Amit Gupta & CA Madhukar Hirengange	12	
8	14.06.2021	Raipur Branch Managing Committee members met with the newly appointed State GST Commissioner Shri Sameer Vishnoi Ji, IAS.		State GST Commissioner Shri Sameer Vishnoi Ji, IAS.		
9	16.06.2021	Raipur Branch Chairman met with the Shri Kawasi Lakhma -Minister of Departement of Commerce and Industry Government of Chhatisgarh				

10	19.06.2021	Students CICASA Webinar	Webinar in Significance of IND AS and overview of IND AS 16,40 & 105	CA Jay Chhaira - CCM ,Board of students ICAI, CA Vijay Kumar MP (Chairman ASB - ICAI ,CA Abhishek Pandey -Chairman CICASA CIRC of ICAI and CA Sachin Kumar Jain-RCM Jaipur		
11	20.06.2021	VCM on GST	Recent Amendments along With RCM,Inspection,Search and Seizure in GST	CA Ankit Somani		
12	20.06.2021	Students CICASA CA Final Revisionary Series Leap 2 Learn -July and November 21 Attempt	Indirect Tax Laws .Advance Auditing and Professional Ethics,Direct Tax Laws and Corporates and Economics Laws			
13	21.06.2021	International Yoga day	Yoga Session and Pranayama and Meditation	Ms Bhakti Patel CA Vikas Palsania		54
14	22.06.2021	Vcm on GST	In depth analysis of exemption to Rice Millers on CMR and way forward for getting Refund of taxes paid earlier	Speaker 1st- CA Madhukar N Hiregange, Speaker 2nd -CA Bhavesh Mittal	2	
15	23.06.2021	Vcm on CSR	CSR provision,important issues in code of ethics, professional opportunities for CA's and available benefits for CA's from ICAI	Speaker- CA Satish Gupta CCM,Jaipur and Moderator:- CA Deepak Batra,Raipur	3	
16	23.06.2021	Newsletter Publish May of Raipur Branch of CIRC of ICAI				
17	23.06.2021	3rd meeting of Sub-committee of State Level Coordination Committee (SC-SLCC) for the State of Chhattisgarh		CA. Babu Abraham Kallivayalil) Chairman, PDC		
18	24.06.2021 To 27.06.2021	Online Meditation & Breath Workshop		Dr Mohit Sharma		
19	25.06.2021	WEBINAR HOW TO CRACK THE INCOME TAX EXAMINATION AND DETAIL DISCUSSION ON CAPITAL GAINS		Dr.Ravi Gupta - Speaker Chairman,Audit Committee ICAI,		
20	27.06.2021	VCM on CAs SWIFT RESPONDERS TO MSME NEEDS” International MSME Day	Recent MSME Enablers Gem,TReDS,Samdhan,Udya m and Incentives and Benefits available to MSME, Professional Opportunities for CA in MSME	1st Speaker CA. Maheshwar M. Marathe 2nd Speaker CA.Samkit Bhandari	2	57
21	30.06.2021 To 3.07.2021	COVID Vaccination Camp				530

NEWS ITEMS

A. FINANCE MINISTER PRAISED ICAI EFFORTS FOR NEW WEBSITE

The Ministry of Finance, Government of India organized a meeting to review the glitches and issues related to the New Income Tax e-filing portal. The new IT portal has been facing Issues ever since its launch on June 7, 2021.

The meeting arranged was chaired by Smt. Nirmala Sitharaman, Hon'ble Minister of Finance & Corporate Affairs and graced by Shri Anurag Singh Thakur, Hon'ble Minister of State for Finance & Corporate Affairs. Also, present were Shri Tarun Bajaj, Revenue Secretary, Shri Jagannath Mahapatra, CBDT Chairman, and top Finance Ministry officials.

The Ministry of Finance had asked ICAI to constitute a task force of 7 representatives to look into the technical glitches/ issues being faced on the new Income Tax portal. Accordingly, taking cognizance of the matter, a team of 7 members was constituted by CA. Nihar N Jambusaria, President, ICAI to analyze the issues being faced reg. new portal.

We applaud the vision of the Income Tax department and a modern, seamless experience to taxpayers. Familiarization with the new system may take some time and it's good to know that the IT dept is considering all our suggestions to make this a taxpayer friendly website. - CA Harit Dhariwal, Chairman

The team of ICAI in the presence of CA. Nihar N Jambusaria, President, ICAI made presentations on different issues being faced on the New Income tax e-filing portal. The officials from CBDT and Infosys were very receptive to the issues being conveyed by ICAI. They assured me that the Issues will be taken care of and shall be resolved at the earliest.

B. NEW BATCHES OF VIRTUAL CERTIFICATE COURSE ON GST

The GST & Indirect Taxes Committee of ICAI is organizing its flagship Certificate Course on GST virtually through the Digital Learning Hub (DLH) of ICAI. The decision to organise virtual classes has been taken to ensure safety and well-being of our members in view of the COVID-19 outbreak. The Course aims to build the capacities of the members in the area of GST and equips them to take up new opportunities in the field of GST.

Please note that the applicant should have ACTIVE login in SSP Portal else he/she will not be able to attend the online classes of the Certificate Course at Digital Learning Hub of ICAI.

The Course will run for 10 days as under:

Sl. No.	Batch No.	Batch Size	Days	Scheduled Dates	Timings
1.	Batch – 26	150 participants	3 days in a week (Tuesday, Thursday & Saturday)	17 th , 20 th , 22 nd , 24 th , 27 th , 29 th , 31 st July and 3 rd , 5 th & 7 th August, 2021	Morning (2 Hours): 7.30 am to 9.30 am & Evening (2 Hours): 7.00 pm to 9.00 pm
2.	Batch - 27	150 participants	3 days in a week (Monday, Wednesday & Friday)	19 th , 23 rd , 26 th , 28 th , 30 th July and 2 nd , 4 th , 6 th , 9 th & 11 th August, 2021	Morning (2 Hours): 7.30 am to 9.30 am & Evening (2 Hours): 7.00 pm to 9.00 pm

Link to register	https://idtc.icai.org/cc/student/
Fees	Rs. 6,000 /- plus GST i.e., Total Rs. 7080 /-
Course Schedule	https://idtc-icai.s3.ap-southeast-1.amazonaws.com/download/pdf20/VCCongGST.pdf
FAQs on registration & other aspects of Course	https://idtc-icai.s3.ap-southeast-1.amazonaws.com/download/pdf21/FAQs-on-Registration-and-other-aspects-of-the-Course.pdf
FAQs on viewing online classes of the Course at ICAI DLH	https://idtc-icai.s3.ap-southeast-1.amazonaws.com/download/pdf21/FAQs-on-viewing-the-Virtual-Certificate-Course-on-GST-at-DLH.pdf

Structured CPE hours	30 hours 25 hours (After completion of classes) + 5 hours (After passing the Assessment Test)
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Registration window for the above batches will open on **6th July, 2021 at 11:00 am** for ICAI members and the same shall be on first-come-first-serve basis. Registration will be closed once the batch size reaches its full capacity.

It is mandatory to attend live classes at the aforesaid time to be eligible to appear in the Assessment Test. Recorded lectures will be made available on DLH within a week from the date of the session. The same will continue to be available for a period of 2 months from the end of the Course

C. RBI TIGHTENS DIVIDEND PAYOUT NORMS FOR NBFCS, LINKS THEM TO BAD DEBT

Source: Business Standard - Abhijit Lele and Anup Roy

NBFCS CAN GIVE DIVIDEND ONLY IF ACCOUNTS ARE CLEAN, NPAS NOT HIDDEN, AND ARE BELOW 6 PER CENT FOR THE LAST THREE YEARS

The Reserve Bank of India (RBI) on Thursday tied down a non-banking financial company's (NBFC's) ability to pay dividends to certain factors, including how much bad debt it has in its books and whether it has declared it correctly.


The dividend ratio, which is the ratio between the amount of the dividend payable in a year and net profit, is now capped at 50 to 60 per cent, depending upon the nature of the business. Any extraordinary income in the year has to be excluded from profits to arrive at the dividend ratio, the RBI said.

However, there will be no such cap on NBFCs that do not take public deposits and also do not have a customer interface. The RBI said the new norms would "infuse greater transparency and uniformity in practice."

Before declaring the dividend, the board has to ensure that the regulator has not found any underreporting of non-performing assets (NPAs) by the NBFC. The NPAs, satisfied by the RBI and auditors, have to be below 6 per cent for three consecutive years. The NBFC should have the minimum capital adequacy ratio, which would be at least 15 per cent, in those three years. For standalone primary dealers, which deal in government business, the minimum capital adequacy will be 20 per cent.

Any NBFC that does not meet the criteria will also be eligible for dividend payout subject to a cap of 10 per cent. However, it must have a net NPA ratio of less than 4 per cent at the end of the financial year for which it is paying the dividend, the RBI said.

The auditors' qualifications on the accounts and long-term growth plans of the NBFC have to be taken into consideration too before the board approves dividend, the RBI said. The dividend ratio has to be calculated on equity shares and compulsorily convertible preference shares that add up to the core capital.



est for ad-hoc dispensation on the declaration of dividends,” the central bank said. NBFCs registered as a core investment company, which hold 90 per cent of its investment in group companies, can transfer dividends of up to 60 per cent. The same is the case for standalone primary dealers, while for the rest, which make up the bulk of the nearly 10,000 NBFC universe, the cap will be 50 per cent.

The tightening in dividend payout rules comes within a few weeks of the central bank’s norms on auditor appointments. NBFCs are against the auditor appointment move, but the central bank has remained adamant.

However, on the dividend payment front, there may not be much resistance, as there is no reason not to link dividends with future goals and having a clean account, experts say. It is a matter of hygiene for any firm, they say.


According to Jinay Gala, associate director at India Ratings, the tighter norms should not come as a burden for NBFCs.

“Most large firms meet prescribed norms for capital adequacy and bad loan ratio. They have improved provision cover for stressed assets plus many have raised capital during pandemic times,” Gala said, adding that the cap of 50 per cent on the dividend payout ratio is reasonable. Most NBFCs have a ratio below 40 per cent, he said.

A senior sector expert, who did not wish to be named, explained that the RBI has brought in the guidelines to harmonise the dividend payout rules for NBFCs. There are 11 kinds of NBFCs registered with the RBI, and each one has other sub categories. In total, there are nearly 10,000 NBFCs registered with the RBI. Every day, the central bank cancels some licences due to norm violations, and also gives fresh licences to others.

The dividend norms were not rationalised. For example, “housing finance companies did not have provision for dividend. Therefore, along the lines of banks, the circular for NBFCs has been issued,” said the sector expert.

The capital adequacy norms for each kind of NBFCs also vary. For example, gold loan companies must have tier-1 capital, or core capital, adequacy ratio of at least 12 per cent, which is higher than others’ 10 per cent. There are also varied restrictions on leverage. And so, harmonisation of rules is often difficult



New and Updated Newsletter

We will be revamping the ICAI Raipur Newsletter, to present it to you in a new and improved avatar !

Some of the upcoming content and features include -

- Interviews with speakers and subject-experts to solve your specific queries
- Digitisation of the newsletter
- Quiz, puzzles and infotainment
- Info about new opportunities
- Details about the achievement of the members of our branch
- Info of Websites, tools and apps that may be useful for us in profession

Vacancies

Please do share your ideas and suggestions to improve our newsletter and to make it more interesting !

We are also looking for members interested to join the newsletter team. If you are interested in making the ICAI Raipur Newsletter better, we would appreciate if you pitch in your time and efforts!

Invitation for Contributing Articles and other content

Articles are invited for inclusion in the E-Newsletter for the month of July 2021.

Other writings such as Poems/ short stories/ any other professional or non-professional writeup also invited.

If you want to share your artwork, you can send us a good quality Pic of it and we will share with our CA community!

Let us participate pro-actively to make this E-Newsletter an effective and excellent platform for knowledge sharing and updation.

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