

SETTING UP OF BUSINESS ENTITIES & CLOSURE
(AMENDMENTS FOR JUNE 2022 EXAM)

CHAPTER – 4 – MEMORANDUM & ARTICLES OF ASSOCIATION

PAGE NO. 36 – RECTIFICATION OF NAME [SECTION 16]

1. In the second para, the words “six months” shall be replaced by “three months”

2. **Following Para shall be added at the last of the Topic:**

If a company does not comply with the aforesaid direction of the Central Government within three months of the direction issued, the Central Government shall allot a new name to the company in such manner as may be prescribed. It may be noted that the letters “ORDNC” (which is an abbreviation of the words “Order of Regional Director Not Complied”), the year of passing of the direction, the serial number and the existing Corporate Identity Number (CIN) of the company shall become the new name of the company without any further act or deed by the company. However, this provision shall not prevent a company from subsequently changing its name in accordance with the provisions of Section 13.

***SETTING UP OF BUSINESS ENTITIES & CLOSURE
(AMENDMENTS FOR JUNE 2022 EXAM)***

**CHAPTER – 8 – FINANCIAL SERVICES ORGANISATION
AND ITS REGISTRATION PROCESS**

**PAGE NO. 104 – NON-BANKING FINANCIAL COMPANY - MICRO FINANCE
INSTITUTION (NBFC-MFI)**

The Entire Topic shall be replaced by the Following:

NBFC-MFI is a non-deposit taking NBFC having not less than 85% of its assets in the nature of qualifying assets which satisfy the following criteria:

- a. loan disbursed by an NBFC-MFI to a borrower with a rural household annual income not exceeding **Rs. 1,25,000/-** or urban and semi-urban household income not exceeding **Rs. 2,00,000/-**;
- b. loan amount does not exceed **Rs. 75,000/-** in the first cycle and **Rs. 1,25,000/-** in subsequent cycles;
- c. total indebtedness of the borrower does not exceed **Rs. 1,25,000/-**;
- d. tenure of the loan not to be less than 24 months for loan amount in excess of **Rs. 30,000/-** with prepayment without penalty;
- e. loan to be extended without collateral;
- f. aggregate amount of loans, given for income generation, is not less than 50 per cent of the total loans given by the MFIs;
- g. loan is repayable on weekly, fortnightly or monthly installments at the choice of the borrower.