

# **PROCEDURE FOR REGISTRATION OF NON-BANKING FINANCIAL COMPANY WITH THE RESERVE BANK OF INDIA**

9

*Section 7 read with Section 45(1A)*

## **Synopsis**

9.1	Procedure	284
<b>Appendix 9.1</b>	Format of declaration by each promoter and first directors	285
<b>Appendix 9.2</b>	Form of application for certificate of registration to commence/carry on the business of a Non-Banking Financial Company (NBFC) - under *section 45-IA of the RBI Act, 1934/*section 29A of the National Housing Bank Act, 1987/*section 3 of Factoring Regulation Act, 2011	286
<b>Appendix 9.3</b>	Additional information/DECLARATION required for NBFC-mfi applicant only	297
<b>Appendix 9.4</b>	Additional information/DECLARATION required for NBFC-Factor applicant only	298
<b>Appendix 9.5</b>	Additional information required for NBFC-IDF applicant only	298
<b>Appendix 9.6</b>	Form of application for certificate of registration to commence the business of an asset reconstruction company	299
<b>Appendix 9.7</b>	Documents required for registration as TYPE I - NBFC-ND	313
<b>Appendix 9.8</b>	Documents required for registration as Type II - NBFC-ND	314
<b>Appendix 9.9</b>	An indicative list of basic documents/information to be furnished along with the application	315
<b>Appendix 9.10</b>	Documents that may be required for Non-Banking Financial Company Registration	319
<b>Appendix 9.11</b>	Sample Board Resolutions	323

## **Relevant Sections, Rules and Forms at a Glance**

Particulars	Section(s), Rule(s) and Name of e-Form(s)
The Companies Act, 2013	Sections 3, 4, 5, 7, 10A, 12, 152, 153, 403 and Schedule-I
The Reserve Bank of India Act, 1934	Section 45(IA)
The Companies (Incorporation) Rules, 2014	Rules 8, 8A, 8B, 9, 9A, 12, 13, 14, 15, 16, 17, 18, 23A, 25, 27, 38 and 38A
The Companies (Appointment and Qualification of Directors) Rules, 2014	Rules 8, 9 and 17
The Companies (Registration Offices and Fees) Rules, 2014	Rules 7, 8 and 12
e-Forms to be filed	SPICe+ (INC 32), SPICe+ MOA (INC-33),

Particulars	Section(s), Rule(s) and Name of e-Form(s)
	SPICe+ AOA (INC-34), AGILE- PRO-S (INC 35) INC-22.
Forms to be filed as an attachment with respective forms	INC-9- {Mandatory where total number of subscribers and/or directors are greater than 20, and/or any subscriber and/or director does not have DIN/PAN} DIR-2 and DIR-8

### 9.1 PROCEDURE

S. No.	Particulars
1.	After formation of company under the Companies Act, 2013, complete the formalities to increase and maintain the minimum required net owned funds as Rs. 2 (two) Crores.
2.	Ensure that following major requirements has fulfilled before applying to the Reserve Bank of India for Non-Banking Financial Company Certificate/License: <ul style="list-style-type: none"> <li>• The company is registered as a company under the Companies Act, 2013 or any previous Company Law.</li> <li>• The minimum capital (Net Owned Fund) is Rs. 2 (two) crores.</li> <li>• The principal business is financial activities, and the financial flow of the business is more than 50% of the total capital asset.</li> <li>• It has at least 1 Director from the financial field or a senior banker as a Director.</li> <li>• The CIBIL (Credit Information Bureau Limited) records is clean, if it is an existing company.</li> </ul>
3.	Decide about the category of Non-Banking Financial Company for which registration is required as company may registered as deposit accepting company or Non deposit accepting company and arrange all the documents and information so that application form can be filed up online on the Reserve Bank website.
4.	Fill up an online application with the Reserve Bank of India on its website “www.rbi.org.in” for certificate of registration to commence/carry on the business of a non-banking financial company under section 45-1A of the Reserve Bank of India Act, 1934.
5.	The company then will be allotted Company Application Reference Number for making an enquiry about the current status of its application.
6.	After this, the applicant company requires to apply to the jurisdictional office of the Reserve Bank of India with duplicate copy of online application form in hard copy, along with the given company application reference number and prescribed documents.

S. No.	Particulars
	<p>The subscribers, who are individuals in the Memorandum of Association (MOA) shall be deemed as first directors until the directors are duly appointed by the members in accordance with Section 152 of the Companies Act, 2013 and rules made thereunder (Section 152 of the Act).</p> <ul style="list-style-type: none"> <li>• Not the person intended/proposed to be appointed a director of a company has a valid Director Identification Number (DIN) under section 174 or any other number as may be prescribed under section 174 of the Companies Act, 2013, however, in case of first directors of a new company, the DIN up to 3 (three) persons can be obtained through incorporation with integrated form SPICe-1 (INC-32) (Section 152 of the Act read with rule 152 of the Companies Incorporation Rules, 2014).</li> <li>• Not a total number of directors, at least one director has stayed in India for a total period of not less than 182 days during the financial year. Provided that in case of newly incorporated company, residential status shall be determined proportionately. However, it is not required in case the director is appointed by the Central Government or State Government (Section 152 of the Act).</li> <li>• A person, who is intended to be appointed, shall not be eligible for appointment, if he/she has any disqualification for appointment under section 164 of the Act (Section 164 of the Act read with companies provisions a government company and regulations in COA 2012 about COA 2012).</li> <li>• A person proposed to be appointed as a director in a company other than a company registered under Section 8 (non-profit company) of the Companies Act, 2013 (Section 152 of the Act)             <ul style="list-style-type: none"> <li>- shall not hold office as a director including any alternate directorship in more than 20 companies including directorship in dormant companies.</li> <li>- shall not hold office in more than 10 public companies including the private companies which are holding or subsidiary of public companies.</li> </ul> </li> </ul>
2.	In case of one person company, an individual being sole member is deemed to be the first director of the company, if the articles of association has not mentioned the names of first directors (Section 152 of the Act).
3.	Forms created in writing, on or before appointment, from the appointed director to act as director in the company as Form 208-2 (Part 2 of the Companies Incorporation and Qualification of Directors Rules, 2014).
4.	Forms an certificate in writing, on or before appointment, from the appointed director as Form 208-3 regarding that he/she is not disqualified under Section 164 of Companies Act, 2013, to act as a Director (Section 164 of the Act read with rule 17 of the Companies Incorporation and Qualification of <b>Directors</b> Rules, 2014).
5.	The particulars of first directors to be integrated with Form SPICe-1 (INC-32) at the time of incorporation of company.

For the detailed procedure, please refer Company Law Procedures & Compliances by Dr. Sanjeev Gupta, 2nd edn, 2021. You can buy from your bookseller or online at [www.bharatlaws.com](http://www.bharatlaws.com)

**[COMPANY LAW Procedures & Compliances \(in 2 vols.\)](#)**