

How to Start an NBFC in India: Registration and Compliance Guide

Starting a Non-Banking Financial Company (NBFC) in India is a great business opportunity, given the increasing demand for financial services beyond traditional banks.

However, the process to [register an NBFC in India](#) involves multiple steps and strict compliance with RBI regulations. This guide simplifies the registration process, compliance requirements, and licensing options, like the [NBFC account aggregator license](#), P2P lending license, and PPI license.



What is an NBFC?

An NBFC (Non-Banking Financial Company) is a financial institution that provides banking-like services such as loans, asset financing, investment, and money transfers but does not hold a banking license. Unlike banks, NBFCs cannot accept demand deposits.

Step-by-Step Process to Register an NBFC in India

To set up an NBFC in India, follow these steps:

1. Choose the Type of NBFC

NBFCs are classified into various categories, including:

- **Loan Company** (offering loans and credit facilities)
- **Investment Company** (investing in securities and stocks)
- **Microfinance Institution (MFI)** (offering small loans to individuals and businesses)
- **NBFC Account Aggregator** (facilitates data-sharing between financial institutions)
- **P2P Lending NBFC** (connects borrowers and lenders online)

2. Register a Company

Before applying for an NBFC license, you must register a private limited or public limited company under the Companies Act, 2013.

3. Meet the Capital Requirement

The Reserve Bank of India (RBI) mandates a minimum net owned fund (NOF) of ₹2 crore for most NBFCs. Some specialized NBFCs, like housing finance companies, require a higher capital amount.

4. Prepare Required Documents

Key documents required for NBFC registration include:

- Certificate of Incorporation of the company
- Memorandum & Articles of Association (MOA & AOA)
- Board resolution stating the company's intent to conduct NBFC business
- Detailed business plan (for the next five years)
- Directors' and shareholders' KYC documents
- Audited financial reports (if applicable)

5. Apply for NBFC License from RBI

Once the company is registered and capital requirements are met, apply online for an NBFC license through the RBI's COSMOS portal. After submitting the online application, a physical copy must be sent to the RBI regional office.

6. RBI Scrutiny and Approval

RBI verifies the application and documents thoroughly before granting the Certificate of Registration (CoR). Once approved, the company can start financial operations as an NBFC.

NBFC Compliance Requirements

After registration, NBFCs must follow several compliance norms:

- Quarterly and annual returns submission to RBI
- Adherence to fair lending practices
- Risk assessment and management
- Anti-money laundering (AML) and KYC compliance
- Statutory audits and reporting

NBFC Takeover Procedure – RBI Guidelines

If you plan to [take over an existing NBFC](#), follow these steps:

1. **Due diligence:** Analyze the NBFC's financials, past compliance, and liabilities.
2. **Sign an agreement:** Draft a share purchase agreement with the current NBFC owners.
3. **Apply for RBI approval:** Submit an NBFC takeover application to RBI.
4. **Obtain RBI clearance:** After approval, update statutory records and complete the ownership transfer.

How to Get an NBFC Account Aggregator License

An **NBFC Account Aggregator (NBFC-AA) license** allows financial institutions to collect and share customer financial data securely. Steps to obtain this license include:

1. Register as an NBFC and apply to RBI for the Account Aggregator license.
2. Meet RBI's technology and data security standards.
3. Obtain approval and start operations after verification.

How to Get a PPI License in India

A Prepaid Payment Instruments (PPI) license allows companies to issue digital wallets and payment services. Steps to get a [PPI license in India](#) include the following:

1. Register as a company under the Companies Act, 2013.
2. Have a minimum net worth of ₹5 crore.
3. Apply to RBI with the necessary documents and business plan.
4. Comply with KYC norms and cybersecurity guidelines.
5. Obtain RBI approval and launch payment services.

How to Get a P2P Lending License in India

Peer-to-peer (P2P) lending platforms connect borrowers with lenders online. To obtain an [NBFC P2P lending license](#):

1. Register a company with a minimum net worth of ₹2 crore.
2. Apply to RBI under the P2P lending framework.
3. Ensure compliance with RBI's digital lending norms.
4. Obtain RBI's approval and start P2P lending operations.

Conclusion

Starting an NBFC in India is a lucrative business opportunity but requires strict adherence to RBI regulations. Understanding the NBFC registration process, compliance norms, and special licenses like the NBFC Account Aggregator License, PPI License, and P2P Lending License is crucial for a successful financial business. If you need expert assistance, consulting a legal or financial expert can simplify the process.

Are you planning to register an NBFC in India? Get in touch with professionals to ensure smooth registration and compliance!

Corpbiz provides end-to-end support, ensuring a smooth NBFC registration process with complete compliance.

📞 Consult **Corpbiz** today to launch your NBFC successfully!

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