

## Categorizing NBFCs

NBFCs are regulated by MCA by virtue of their birth as a Company under Companies Act, 1956 / 2013 and by RBI by virtue of their conducting financial activities as their principal business. SEBI becomes the regulator for an NBFC in case of tapping funds from capital markets or in case of dealing in marketable securities or being a listed entity or providing investment advise etc. IRDA is a regulator when the NBFC undertakes insurance related activities. There could however be areas where there could be a possibility of dual/multiple regulators.

Therefore from the perspective of RBI, we shall categorize the NBFCs as being Fully Regulated, Partly regulated or as being exempted from Regulations of RBI. Though only the Deposit accepting/holding NBFCs were initially regulated by RBI, the scenario has changed now and even those NBFCs which are non deposit accepting are regulated by RBI. Therefore we shall also indicate the same in the list below.

<b>Category of NBFC</b>	<b>Fully Regulated (FR) / Partly Regulated (PR) / Exempted from RBI Regulations (EX)</b>	<b>Deposit Accepting (D) / Non Deposit Accepting (ND) / Both</b>
Asset Finance Company	FR	Both
Loan Company	FR	Both
Investment Companies	FR	Both
Residuary Non Banking Finance Companies	FR	D
Miscellaneous Non Banking NBFC/Chit Funds	FR	ND
NBFC – Factors	FR	ND
Infrastructure Finance Companies	FR	ND
Micro Finance Institutions	FR	ND
Mortgage Guarantee Companies	FR	ND

Securitisation Company or Restructuring Companies	PR	ND
Infrastructure Debt Funds	PR	ND
Core Investment Companies	PR	ND
Government Companies	PR	Both
Housing Finance Companies	EX	ND
Merchant Banking Companies	EX	ND
Mutual Benefit Companies / Nidhi Companies	EX	ND
Venture Capital Fund Companies	EX	ND
Insurance Companies	EX	ND
Stock Exchanges/Stock Brokers	EX	ND