

Checklist for NBFC-MFI- New Companies

Name of the applicant Company :

Name of the Regional Office :

	Items to be Checked	Confirm	Page No.
1	Is the Application of the Company duly stamped		
2	Is the Application accompanied by the following :		
a.	<p>Annexure I</p> <p>Is the Annexure duly signed by the Board authorized Director of the Company under company's stamp?</p> <p>Board Resolution to the effect that the company will be a member of at least one Credit Information Bureau/Company and will be a member of at least one SRO.</p>		
b.	<p>Annexure II duly certified by the Auditor.</p> <p>Are the particulars/information furnished in Annexure II based on figures of latest annual audited balance sheet. (For companies incorporated after March 31 of the particular year in which the application is being made, information being furnished should be with reference to a date not earlier than 30 days of date of application.</p>		
c.	<p>Annexure III as additional information for each of the Directors</p> <p>Are the DIN and PAN Nos indicated.</p> <p>Has the CIBIL data for all the directors submitted if company is already member of Credit Information Bureau</p> <p>If there are any foreign nationals as Directors, are the equivalent of PAN No issued by the authorities of the country of residence such as Social Security No., Passport No. and overseas bankers' report on them furnished?</p> <p>Do the names and addresses on such documents tally with DIN allotment letter. If not, are the reasons for variation provided? Or are the claims of genuineness supported by a magistrate's certificate.</p> <p>Are the current and past directorships held by the Directors and also the names and activities of the companies/firms where they are holding substantial interest (indicate percentage exceeding 10%) mentioned in each of the</p>		

	<p>Annexure III.</p> <p>Are the names of the regulators (RBI,SEBI,IRDA,PFRDA,NHB or any other foreign regulator) of the entities in which the Directors hold directorships mentioned? If yes, please provide the registration details.</p> <p>Are the entities unregulated? If so what is the nature of their activities?</p> <p>Financial Statements of Unincorporated Bodies, if any, in the group where the directors may be holding directorship with/without substantial interest of the last 2 years.</p>		
3	<p>Are any of the companies indicated against Item No. 15 of Annexure III, an NBFC registered with the Reserve Bank,?</p> <p>If yes, please provide the registration details.</p>		
4	<p>Has the applicant company changed its name earlier?</p> <p>If yes are the earlier held names and dates of change together with the names of Chief Executive Officer and Chairman at the time of change of name furnished?</p> <p>Has the applicant company furnished the reasoning for the change of name?</p>		
5	<p>Details of change in the management of the company during last financial year till date if any and reasons thereof.</p>		
6	<p>Has the applicant company ever defaulted in timely repayment of deposits and payment of interest?</p> <p>If yes, have they provided a list of all such pending cases and the action taken in respect of each case?</p>		
7	<p>Does the applicant company have any cases pending in any court including consumer forums?</p> <p>If yes, have they provided a list of such pending cases, including those pertaining to its deposit acceptance activities, if any?</p>		
8	<p>Are the certified and up-to date copy of the Memorandum of Association (MOA) and Articles of Association of the company submitted?</p> <p>Details of changes in the Memorandum and Articles of Association duly certified.</p> <p>Does the MOA of the applicant company have enabling clause/s for conducting MFI business by the company?</p>		

9	Has the applicant company, if a public limited company, provided a certified copy of Certificate of Incorporation (bearing the signature of the Registrar of Companies) with the initial name & fresh certificate of incorporation consequent upon change of name of the Company?		
10	Has the applicant company provided a copy of the PAN/CIN Nos. allotted to the Company?		
11	Has the company submitted certified copies of the audited Balance Sheet & Profit and Loss Account for the last three years? If the company is incurring losses, are the steps to wipe out loss indicated?		
12	Has the applicant company raised unsecured loans, including from the Directors during the year? If yes, do these fall under the definition of public deposits as per Section 2(1)(xii) of the APD Directions, 1998?		
13	Is the company engaged in any capital market activity? If so, whether there has been any non-compliance with SEBI Regulations? (Statement to be certified by Auditors).		
14	What is the latest shareholding pattern of the company and what percentages do they comprise? If there are any NBFC corporate share holders, have the certificates from their statutory auditors regarding the adequacy of statutory NOF of such NBFCs post investment been provided? What is the line of activity of other corporate stake holders?		
15	Does the applicant company hold FDI? If yes, has the FDI been brought in with FIPB approval? (Copy of approval to be submitted). What is the percentage holding? Has the company submitted FIRC and FC-GPR in support thereof? Does the company fulfill the minimum capitalization norms or not? (Statutory Auditor certificate to be submitted) Is the foreign entity contributing the FDI subject to supervision		

	<p>in its home country?</p> <p>If yes, what is the name, address and email id of the regulator?</p> <p>If not, what is the legal status of the foreign investor? Under what statutes was it established? Is it a listed or an unlisted entity? Was any approval given by FED, RBI? If yes, a certified copy of the approval may be attached.</p> <p>Activities undertaken, details of regulator of group/associate companies doing financial activities which are regulated either in the home country or elsewhere, if any.</p> <p>If any group/ associate company is operating in India, details such as its activities, its partners or associates, regulator/s etc. may be furnished.</p>		
16	Whether the company was granted any permission by FED to function as Full-fledged Money Changers? If so, copy of the RBI letter granting the permission.		
17	Has the applicant company submitted a certified copy of Board Resolution approving the submission of application and its contents for COR as NBFC-MFI and also authorizing a Director to submit the application?		
18	Has the applicant company submitted a certified copy of the Board Resolution that the company has not accepted any public deposits in the past/ does not hold any public deposits as on date and will not accept the deposits in future without prior approval of the Bank?		
19	Has the applicant company submitted a copy of the board resolution certifying fixing internal exposure limits to avoid any undesirable concentration in specific geographical locations?		
20	Has the applicant company submitted a certified copy of the Board Resolution that the company will adhere to the other regulations regarding pricing of credit, Fair Practices in lending and non-coercive method of recovery as specified in DNBS.CC.PD.No.250/03.10.01/2011-12 dated December 2, 2011?		
21	Has the applicant company submitted a certified copy of Board resolution stating the company is not licensed under Section 25 of the Companies Act, 1956?		
22	<p>Does the Auditors Certificate certify the following :</p> <p>(a) The company is not holding any public deposits as on date</p> <p>(b) The company is not carrying on any NBF1 activity as on date.</p> <p>(c) The company's NOF is ...</p>		

	(d) As per the projected figures given in the business plan of the company will meet the qualifying asset criteria		
23	Has the applicant company given a declaration to the effect that it is capable of electronic submission of Returns through the internet as and when required by Reserve Bank of India? Has the email of the company been provided?		
24	Have all the Directors of the applicant company given a declaration individually that they are not associated with un-incorporated bodies and that they are in compliance to the provisions of Section 45S of the RBI Act, 1934?		
25	<p>Is the Application accompanied by a certificate by a Chartered Accountant on the details including percentage shareholding of group/associate/subsidiary/holding/related companies.</p> <p><i>("Companies in the group" have been exhaustively defined in para 3(1) b of Notification No. DNBS.(PD) 219/CGM (US)-2011 dated January 05, 2011 as an arrangement involving two or more entities related to each other through any of the following relationships, viz; subsidiary-parent (defined in terms of AS-21), Joint Venture (defined in terms of AS 27), Associate (defined in terms of AS 23), promoter-promotee (as provided in the SEBI-Acquisition of shares and takeover) Regulations, 1997) for listed companies, a related party (defined in terms of AS 18) Common brand name, and investment in equity shares of 20% and above.)</i></p> <p>Do the details include names of the company, their activity, their regulators?</p> <p>If they are unregulated, have the details of their activities, provided?</p> <p>Are the names of the above companies/entities appearing in the balance sheet of the applicant company? If not, has the applicant company stated the reasons thereof?</p> <p>Is there any group companies located overseas?</p> <p>If yes, were these established under general permission route or under approval from appropriate authority?</p> <p>Are there any NBFCs from among the group companies? If so, the supervisory findings as observed in the last inspection conducted.</p>		
26	Are there any other NBFC-MFIs/pending NBFC-MFIs in the		

	group? If yes, has the applicant company provided any justification in having another NBFC-MFI within the Group?		
27	Has the applicant Banker's report in r/o applicant company been furnished?		
28	Has the company furnished the Bankers' Report in r/o companies in which the Directors of the applicant company have substantial interest as indicated against Items Nos. 14 & 15 of Annexure –III?		
29	Has the company submitted Bankers' Reports in r/o group/subsidiary/holding companies if any, of the applicant company?		
30	Has the company submitted overseas Bankers' Reports in r/o foreign directors, if any?		
31	Has the applicant company submitted the Business Plan for the next three years giving details of its thrust of business, market segment & projected balance sheets, Cash flow statement, asset/income pattern statement without any element of public deposits		
32	The Projected business plan for 3 years must indicate the following as well(year wise): i. Amount of loan assets to be originated ii. Amount of loan assets to be extended for income generation iii. Break up of amount of assets to be originated in rural areas and semi-urban and urban areas iv. Activities the company intends to support in rural and semi-urban areas and urban areas v. Projected profits vi. Average cost of borrowings vii. Average Return on Assets(ROA) viii. Qualifying Assets is more than 85% of the Net Assets. ix. Expected capital expenditure in a. land and buildings and b. IT resources x. Locations where the company intends to operate xi. Allocation of resources to training and skill development of SHGs/JLGs		
33	Is the number of directorships held by the company in compliance with Sections 274 - 278 of the Companies Act? If not, give detailed reasons for the same.		
34	Is the company or its Directors involved in any criminal case including Section 138 of Negotiable Instruments Act?		
35	Has the company provided details of infusion of capital if any		

	during last financial year together with the copy of return of allotment filed with Registrar of Companies?		
36	What is the source of funds contributing to the initial capital of the applicant NBFC-MFI? Has the company produced documentary proof in this regard?		
37	Are there are any incidents of non-compliance with the directions of Revenue Authorities or any other statutory authority by the applicant company, its holding company/ subsidiaries, If yes, give particulars, else report "Nil"		

Note: (1) The Above Checklist is indicative and not exhaustive. Bank can,if necessary, call for any further documents to satisfy themselves on the eligibility for obtaining registration as NBFC-MFI.

(2) In the event of the Bank calling for further documents in addition to those mentioned above, the applicant company is supposed to respond within a stipulated time of one month failing which the original CoR application may be returned to the company for resubmission afresh with the required information/documents.