

# UNIT 3 - Types of Non-Banking financial Companies(NBFCs)



## Types of NBFCs by their Principle Business

Non- Banking financial Companies (NBFCs)	Principal Business
Equipment Leasing Company (EL)	Equipment leasing of financing of such activity
Hire Purchase Finance Company (HP)	Hire purchase transaction or purchasing or such transaction.
Investment Company (IC)	Acquisition of securities and trading in such securities to earn a profit
Loan Company (LC)	Making loans or advances for any activity other than its own; EL/HP; housing Finance
Residuary Non- Banking Companies (RNBCs)	Receives deposits under any scheme or arrangement , by whatever name called, in one lump-sum or in installment by way of contributions or subscriptions or by sale or units or certificates or other instruments , or in any manner
Mutual Benefit Financial Companies (MBFC) i.e. Nidhi Company	Any company which is notified by the central Government as a Nidhi Company under section 620A of the companies Act, 1956. It is a NBFC doing the business of lending and borrowing with its members or shareholders.
Miscellaneous Non- Banking Company	Managing . conducting or supervising as a promoter , foreman or agent of any transaction or arrangement by which the company enters

(MNBC) i.e. Chit fund Company

into an agreement with a specified number of subscribers that every one of them shall subscribe a certain amount in installments over a definite period and that every one such subscribers shall in turn, as determined by lot or by auction or by tender or in such manner as may be provided for in the arrangement . be entitled to the prize amount.

