



## Flipkart Gets NBFC Licence

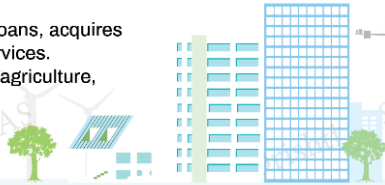
[Source: LM](#)

Flipkart has become the **first Indian e-commerce company to receive a [Non-Banking Financial Company \(NBFC\)](#)** licence from the [Reserve Bank of India \(RBI\)](#), enabling it to directly lend to its customers and sellers.

- **Requirements to get NBFC Licence:** To register as an **NBFC under the RBI Act, 1934**, a company must be **incorporated under the Companies Act, 1956 or 2013**.
  - It must maintain a minimum **Net Owned Fund (NOF)** of Rs 10 crore.
- **NBFC:** It is a company registered under the Companies Act, 1956 or 2013, primarily engaged in **lending, investments in securities, leasing, or hire-purchase**.
  - It excludes entities whose main business is **agriculture, industry, trade in goods/services, or real estate**.
  - Companies that primarily **receive deposits through schemes or arrangements**, either as **lump sums or installments**, are classified as Residuary Non-Banking Financial Companies (**Residuary NBFCs**).
- **NBFCs and Banks:** Unlike banks, **NBFCs cannot accept demand deposits**, are not part of the payment and settlement system (so they **cannot issue cheques**), and depositors under NBFCs are not protected by the [Deposit Insurance and Credit Guarantee Corporation \(DICGC\)](#).

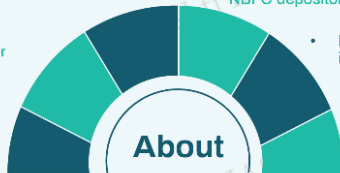
# Non-Banking Financial Companies (NBFCs)

A Non-Banking Financial Company (NBFC) provides loans, acquires financial securities, and offers leasing & insurance services. However, it excludes companies primarily engaged in agriculture, industrial activities, trading, or real estate.

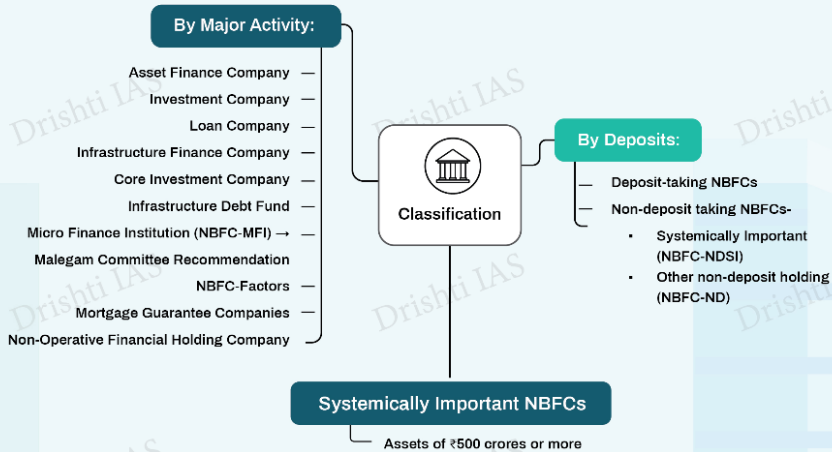


## About:

- Do not have a banking license; not part of the payment system; cannot issue cheques
- Can accept public deposits for 12-60 months (no demand deposits)
- Registration → Companies Act, 1956
- Insurance by Deposit Insurance & Credit Guarantee Corporation → not available for NBFC depositors
- NBFCs require an investment-grade credit rating
- Key Services Offered- Personal loans, Home loans, Vehicle Financing, Gold Loans, Microfinance, Infrastructure Financing, Insurance Services, Investment Management



## Classification:



## Regulation:

| Type of Institution  | Regulatory Authority   |
|--|--|
| NBFCs registered with RBI  | RBI  |
| Housing Finance Institutions   | National Housing Bank  |
| Merchant Banking Companies, Venture Capital Fund Companies, Stock Broking, Collective Investment Schemes (CIS) | SEBI   |
| Nidhi Companies, Mutual Benefit Companies  | Ministry of Corporate Affairs (MCA)  |
| Chit Fund Companies  | State Government   |
| Insurance Companies  | IRDAI  |
| Non-Banking Non-Financial Companies  | Statute- Companies Act 1956<br>Regulator- Ministry of Corporate Affairs<br>Enforcement Agency- State Governments |

## Benefits of NBFCs:

- Financial Inclusion
- Innovative Products
- Liquidity
- Support for MSMEs

## Challenges of NBFCs:

- Funding Constraints
- Asset Quality & Credit Risk
- Regulatory Compliance
- Corporate Governance



Read more: [RBI to Review NBFCs](#)

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