

ADLEGUS LAW CONSULTANTS LLP

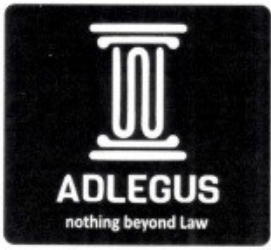
Advocates & Solicitors

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email: advanang@gmail.com

CHECKLIST FOR TRANSFER OF NBFC

Please provide copies of the indicated documents/information requested, as in NBFC transfer, you need to apply RBI for its approval in certain circumstances* for which an application is to be made on the letter head of the company along with the following documents:

S. No.	Documents Required	Remarks
1.	Details about the Sources of funds used for acquiring shares of the Target NBFC by the Acquirer	
2.	Information about the proposed Directors/shareholders, such as their ID proof, Address proof, Education, Qualifications and Experience proof.	
3.	Declaration by all the proposed Directors/shareholders declaring their non-association with any organization that has been denied a Certificate of Registration by the RBI	
4.	Declaration of not having a criminal background and Non-conviction under Section 138 of the Negotiable Instruments Act by all the proposed Directors/shareholders	
5.	Declaration by all the proposed Directors/shareholders affirming their non-association with any entity accepting deposits	
6.	Declaration by all the proposed Directors/shareholders affirming their	



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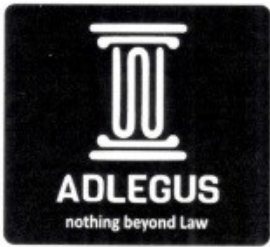
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	non-association with any entity accepting deposits	
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On getting the approval from RBI for the transfer, a public notice is to be given in one leading national and one leading local newspaper **at least 30 days** before such sale of shares, or transfer of control, is to take place.

7.	Public notice is to be issued at least 30 days before effecting the sale of, or transfer of the ownership by sale of shares, or transfer of control (whether with or without the sale of shares). Such public notice shall be given by the NBFCs and all other parties involved, after obtaining the permission of the RBI.	
8.	The proposal of selling or transferring ownership or control, the particulars of transferee and the reasons for such sale or transfer, must be indicated clearly in the public notice.	
9.	The public must be notified by getting this notice published in at least one leading national newspaper and another leading newspaper in the local language of the place where the registered office of the company is situated.	



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OTHER:

10.	All previous records, such as liabilities, last 3-years financial statements, cases pending against the company (if any), legal suit pending against the company (if any), etc.	
11.	Certificate of Incorporation (COI), PAN, GST, and other such registrations availed during the ongoing tenure of the company.	
12.	KYC of the Directors, investors, promoters, presently associated with the company.	

SITUATIONS WHERE RBI APPROVAL IS REQUIRED

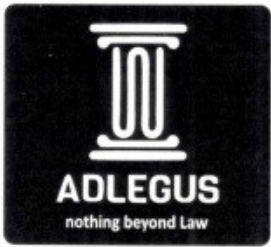
The situations are:

- Whenever an NBFC is taken-over. Whether any management changes have been made or not.
- Changes have occurred in the shareholding. When at least 26% of the paid-up equity capital of NBFC has been acquired or transferred. This may have happened over a period of time.
- Except a competent court has approved the buyback of the shares or reduction in the capital.
- The management structure has been modified. By changing more than 30% of the Directors.

30% is excluding Independent Directors. Approval from RBI is not required if the change is due to a rotation of Directors.

SITUATIONS WHERE RBI APPROVAL IS NOT REQUIRED

- If the shareholding of the company exceeds 26% resulting in buyback of shares or share reduction in the capital applies only after the approval of a competent court.



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- In case, there is a 30% change in management through the Independent Directors/the rotation of Board of Directors.