NBFC Clasiffication

Nature of Company	**C riteria to determine**	
	ASSETS PATTERN	**INCOME PATTERN**
INVESTMENT COMPANY Company which is a financial institution carrying on as its principal business the acquisition of securities;	**More than 50% of total assets** should be in form of investments **in Shares & Securities.**	**More than 50% of total income** derived **from investing activity.**
ASSETS FINANCE COMPANY Company which is a financial institution carrying on as its principal business financing of physical assets supporting productive/economic activity,	**Total financing in real/physical assets supporting economic activity is not less than 60%** of its total assets.	**Income arising from real/physical assets supporting economic activity is not less than 60%** of total income respectively.
LOAN COMPANY company which is a financial institution carrying on as its principal business the providing of finance whether by making loans or advances or otherwise for any activity other than its own.	**More than 50% of total assets** should be in form of loans and advances**.**	**More than 50% of total income** derived **from loans and advances.**
Core Investment Company	➢ It holds at least 90% of its total assets in the form of investments in equity and preference shares, debt or loans in group companies. ➢ Its investments in equity shares in group companies constitutes at least 60% of its total assets. ➢ It does not trade in the aforementioned investments except for the purpose of dilution or disinvestment through block sale. ➢ It does not carry on any other financial activities other than investment in bank deposits, money market instruments, government securities, loans to and investments in debt issuances of its group companies or guarantees issued on behalf of its group companies.	

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