The Easiest way to Formation a Nidhi Company and its Features in India

Nidhi Company Registration Process and Consultant

Delhi, New Delhi, Feb 1, 2021 (Issuewire.com) - When it comes to the formation of a Nidhi Company in India, the procedures are extremely convoluted. You also need to follow some strict compliance rules and regulations to manage a Nidhi Limited Organization.

Unless people have a huge business and wish to make others invest in that company, it is not advisable to do so. In a Nidhi company maintaining transparency is one of the most important tasks that you need to accomplish.

The Alternate and Easy Solution

But there is an easy and alternate solution to address the issue. This is the best way you can get a legal Nidhi Company and maintain the same. And there are not many rigorous processes involved in getting the compliance done for the organization.

Many people do not know that there is a Public Limited Company category that existed on which is easy to form and maintain. It is widely known as the "Nidhi Limited Company" among the corporate circle.

What is Nidhi Limited?

It is one type of Micro Finance Company from the Non-banking Financial sectors in India. Nidhi Company has got recognition under 406 sections of the 2013 Companies Act. It is regulated by the Nidhi Rules 2014, by the Government of India.

The presence of Nidhi Companies can be seen mostly in South India. Nidhi Company does not offer its financial services (loans, Savings, etc.) to the masses/public. To avail of services from a Nidhi Company Registration, you need to be a certified member of that company.

The purpose of Nidhi Company

The main purpose of the Nidhi Company is to make its members save more money and utilize them productively. For this reason, it is also known as Mutual Benefit Company, Benefit Fund, Mutual Benefits Funds, and many more.

Features of Nidhi Company

If you closely check, you will find that Nidhi Companies have some unique features. Let’s check them:-

- By the members, of the members, for the members

Nidhi Company is formed by the members. The organization must be maintained and supervised by the members. It serves the benefits to its members only.

- **Minimum Number of Members Needed**

Nidhi Company can be started with 3 numbers of Directors including 7 numbers of members, only. Any Member can apply for the post of Director at the same time.

- **No License requirements from the RBI**

As a financial service providing company, Nidhi Companies are exempted from the regulations of RBI (Reserve Bank of India). Hence, you do not need to get a license from RBI.

- **Minimum Capital Requirement**

You need a minimum of ₹500,000 to start a Nidhi Company.

Documents Require Registering a Nidhi Company Limited:-

ID Proof -

It is necessary to submit ID proof of all the members and directors of the Nidhi Company. Any credential like Aadhar Card, Voter ID, PAN Card, Driving License, and Passport can be submitted as ID Proof.

Address Proof -

Like ID proof, Address proof is also mandatory for forming Nidhi Company for its members and directors. It can be Bank Statements, Telephone or Mobile bills, electricity Bill (not older than 2 months).

Office Address Proof -

Copy of Utility bill, Property tax receipt, and sales deed can be submitted as office address proof. If the land is rented, then a rent agreement or receipt copy is mandatory. Also, NOC from the landowner is a must.

DSC and DIN -

You need to obtain Digital Signature Certificate (DSC) and Directors Identification Number (DIN) from the respective authority.

CAA and MOA -

Prepare for the Company's Certificate of Association and Memorandum of Association and submit the same to the respective authority.

Documents of Incorporation -

The incorporation document for the company is also important.

Photographs -

Director's passport size photographs need to submit at the time of incorporation.

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