

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:2392  
ANSWERED ON:23.07.2004  
SINGLE REGULATORY AUTHORITY FOR NON-BANKING COMPANIES  
Rawat Prof. Rasa Singh

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Government proposes to set up a Single Regulatory Authority to monitor the activities of non-banking finance companies, chit funds and mutual funds etc. to safeguard the interest of small investors;
- (b) if so, the time by which this Single Regulatory Authority is likely to start its functioning; and
- (c) the powers bestowed to this Authority ?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a), (b) & (c) :- The matter has been examined in the Government. The Non-Banking Financial Companies (NBFCs) are essentially companies incorporated under the Companies Act, 1956 and the registration with Reserve Bank of India (RBI) is only a functional registration.

Chit Fund Companies are regulated by the State Governments under Chit Fund Act read with State Chit Fund Rules. Mutual Funds and Plantation Companies are regulated by Securities and Exchange Board of India (SEBI).

The regulatory and supervisory functions exercised by the Department of Company Affairs/SEBI and the RBI in so far as the NBFCs are concerned are complimentary and do not overlap. As such, Government does not consider the need for a single regulator for NBFCs.