

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:1587  
ANSWERED ON:02.12.2005  
NON- BANKING FINANCIAL INSTITUTIONS  
Nikhil Kumar Shri

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

- (a) whether the Government proposes to modify regulations for the non-banking financial institutions;
- (b) if so, the details thereof;
- (c) whether the various irregularities have been increasing in the non-banking financial institutions and RBI guidelines/instructions are grossly violated by them; and
- (d) if so, the extent to which the modifications by Government in regulations of non-banking financial institutions are going to check such irregularities ?

**Answer**

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

- (a) & (b) :- Reserve Bank of India (RBI) have reported that at present there is no such proposal to modify the regulations for Non-Banking Financial Companies (NBFCs).
- (c):- RBI have not come across any irregularities/violations of their guidelines/instructions by Non-Banking Financial Institutions.
- (d):- As stated in reply to parts (a) and (b) above, there is no such proposal under consideration of RBI at present.