

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:4810  
ANSWERED ON:04.05.2012  
STRENGTHENING OF NBFCs  
Ponnam Shri Prabhakar;Siricilla Shri Rajaiah

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

- (a) whether the Union Government has appointed any committee to suggest measures to strengthen the recovery mechanism of the Non- Banking Financial Companies (NBFCs);
- (b) if so, the details thereof;
- (c) whether the said Committee has submitted its report to the Government;
- (d) if so, the details of the recommendations made by the Committee along with the action taken by the Government thereon; and
- (e) if not, the time by which the said Committee is likely to submit its report to the Government?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) and (b): A Key Advisory Group (KAG) on the Non-Banking Finance Companies (NBFCs) was constituted on 30th September, 2011, inter-alia, to-

- i. Review of existing legal / regulatory / institutional framework for NBFCs and its efficacy;
- ii. Action plan including policy initiatives for orderly growth of the Sector;
- iii. To recommend the legal / institutional / regulatory initiatives related measures required for orderly growth of the Sector.

The Group had representation from all the stakeholders from the sector including the Indian Banks` Association; FICCI, CM, FIDC, ASSOCHAM, etc. representing major NBFCs in the Country.

(c) to (e): The Group finalized its Report on 31st January, 2012, and has made recommendations to remove bottlenecks, introduce measures and create a prudential environment for effective functioning of the NBFCs in the Country; besides improving the supervisory and regulatory framework for the NBFCs. The detailed report of the Key Advisory Group on NBFCs has also been placed in public domain on the website of the Department of Financial Services at web-link <http://financialservices.gov.in/reports index.asp>.