

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:871
ANSWERED ON:01.03.2013
THORAT COMMITTEE REPORT ON NBFC
Krishnaswamy Shri M.

Will the Minister of FINANCE be pleased to state:

- (a) whether the Usha Thorat Panel / Committee set up by the Government to study Non-Banking Finance Companies (NBFCs) has submitted its report;
- (b) if so, the recommendations made by the said Panel/Committee and the reaction of the Government thereto; and
- (c) the time by which the recommendations made by the Panel / Committee are likely to be implemented?

Answer

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

(a) & (b): The Reserve Bank of India (RBI) constituted a Working Group under Mrs. Usha Thorat, Director, Centre for Advanced Financial Research and Learning (CAFRAL) to study the issues and concerns in the Non-Banking Financial Companies (NBFCs) Sector. The Working Group submitted its Report to RBI on 23.08.2011 making recommendations on "Entry Norms", "Principal Business criteria", "Categorization of NBFCs", "Regulatory Convergence between Banks and NBFCs", "Corporate Governance", etc. RBI hosted this Report on its website on 29.08.2011. Government has suggested to RBI that changes in regulatory and supervisory framework for the sector should not be abrupt, may not result in policy uncertainties, and also not create a vacuum in the financial space for the financially excluded sections of the society.

(c): Vide its Press Release dated 12.12.2012, RBI issued draft guidelines proposing changes in the regulatory framework for NBFCs based on recommendations made by the RBI Working Group, and invited comments. RBI is expected to issue the final guidelines after the comments received by it in this regard are examined.