

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
LOK SABHA
UNSTARRED QUESTION NO- †3580
ANSWERED ON- 08/08/2022

INVESTMENT IN NBFCs

†3580. SHRIMATI QUEEN OJA
DR. BHARATIBEN DHIRUBHAI SHIYAL

Will the Minister of FINANCE be pleased to state:-

- (a) the details of the number of Non-Banking Financial Companies (NBFCs) operating presently in the country, State-wise;
- (b) the details of the rules followed during the registration of Payment Gateway and NBFCs;
- (c) whether the Government offers any guarantee to the investments in the said companies; and
- (d) if so, the details thereof?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(DR. BHAGWAT KARAD)

(a): As on 3.8.2022, as per Reserve Bank of India (RBI) data, 9,443 NBFCs are registered with RBI. The number of registered NBFCs under various Regional Offices of RBI, along with details of the States and Union Territories over which each Regional Office has jurisdiction, is at Annex 1.

(b): As informed by RBI, Payment Gateways (PGs) are considered 'technology providers' or 'outsourcing partners' of banks or non-banks, as the case may be, and as such do not need to apply to RBI for authorisation. In case of a bank PG, as per RBI's guidelines on Managing Risks and Code of Conduct in Outsourcing of Financial Services by banks dated 3.11.2006, a bank intending to outsource any of its financial activities should put in place a comprehensive outsourcing policy, approved by its Board, which incorporates, *inter alia*, criteria for selection of PGs, parameters for defining material outsourcing based on the broad criteria like the impact on the bank's reputation and brand value in case a PG fails to perform the service and the cost of outsourcing as a proportion of total operating costs of the bank amongst others. Further, NBFCs are granted Certificate of Registration (CoR) by RBI under Section-45-IA of RBI Act, 1934. The conditions stipulated in the said Act must be fulfilled by a company for getting CoR. RBI has notified detailed guidelines on the process of registration of NBFCs *vide* its press release

dated 17.6.2016 as per which a company seeking CoR is required to apply in the prescribed format to the RBI along with supporting documents. The RBI examines the application based on applicant company's Net Owned Fund, due diligence of its shareholders and board of directors, suitability of the board to carry out the proposed business, technological compliance (if applicable), etc. and based on merit, takes decision on grant of CoR to a particular applicant.

(c) and (d): As part of the Aatmanirbhar Bharat Abhiyan, the Partial Credit Guarantee Scheme was introduced on 20.5.2020 to provide partial Government Guarantee against purchase of portfolio of Bonds and Commercial Papers (CPs) of NBFCs (with a rating of AA and below including unrated papers) by Public Sector Banks (PSBs) to address their temporary liquidity/cashflow mismatch and to enable availability of additional liquidity. The amount of guarantee under the extended scheme was limited to first loss upto 20% of the face value at crystalized portfolio level. The portfolio to be eligible under the Scheme was to be built up by 31.12.2020. The one-time guarantee provided by the Government is co-terminus with the tenure of the instrument and can be invoked on the occurrence of default. Also, as a part of the Aatmanirbhar Bharat Abhiyan, the Government issued the Special Liquidity Scheme (SLS) on 29.5.2020 and valid upto 30.9.2020 for NBFCs to improve their liquidity position. Under the Scheme, a Special Purpose Vehicle (SPV) viz. SLS Trust was set up under SBICAP which issued special securities guaranteed by the Government, which were purchased by RBI. The proceeds thereof were used by the SPV to invest in CPs and Non-Convertible Debentures of NBFCs of short duration, upto 3 months with the option to rollover, as may be required. The overall guarantee was limited to Rs. 30,000 crore.

Lok Sabha Unstarred Parliament Question No. †3580, for 8.8.2022

Number of registered NBFCs under Regional Offices of RBI

Regional Office (jurisdiction over State/ Union territory (UT))	Number of registered NBFCs as on 3.8.2022
Ahmedabad (Gujarat, and UTs of Daman and Diu, Dadra and Nagar Haveli)	253
Bangalore (Karnataka)	143
Bhopal (Madhya Pradesh and Chhattisgarh)	116
Bhubaneswar (Odisha)	19
Kolkata (Sikkim, West Bengal and UT of Andaman and Nicobar Islands)	4,383
Chandigarh (Himachal Pradesh, Punjab and UT of Chandigarh)	176
Chennai (Tamil Nadu and UT of Puducherry)	332
New Delhi (Haryana and NCT Delhi)	1,931
Guwahati (Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland and Tripura)	106
Hyderabad (Andhra Pradesh and Telangana)	149
Jaipur (Rajasthan)	223
Jammu (Jammu and Kashmir)	27
Kanpur (Uttar Pradesh and Uttarakhand)	151
Mumbai (Maharashtra and Goa)	1,263
Patna (Bihar and Jharkhand)	27
Thiruvananthapuram (Kerala and UT of Lakshadweep)	144
Total	9,443

Source: RBI
