

## **RBI clarifies on pending NBFC applications**

**November 30, 1999**

A section of the press had reported that 28,232 applications of non-banking finance companies (NBFCs) are pending for registration with the Reserve Bank and there is no immediate action plan for disposal of these applications.

The Reserve Bank of India has clarified that the Reserve Bank of India Act, 1934, as approved by the Parliament, NBFCs having Net Owned Funds below Rs.25 lakh have been given time up to three years to attain the norm of Rs.25 lakh. The time expires on January 9, 2000.

Applications of 26,671 NBFCs having NOF below Rs.25 lakh are kept pending to enable them to enhance their NOF to the minimum level as required by the Act. The remaining applications have been pending for compliance with various supervisory requirements.

It may be recalled that the Reserve Bank had earlier issued a press release on October 11, 1999 reminding all such NBFCs having NOF below Rs.25 lakh that they would have to attain the minimum prescribed NOF before January 9, 2000 and the Reserve Bank may not be in the normal course grant extension of time to those NBFCs which have not attained the prescribed minimum NOF.

**Alpana Killawala**  
**General Manager**

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