

**RESERVE BANK OF INDIA**

PRESS RELATIONS DIVISION, Central Office, Post Box 406, Mumbai 400001
Phone: 2266 0502 Fax: 2266 0358, 2270 3279

www.rbi.org.in
www.rbi.org.in/hindi
e-mail: helpprd@rbi.org.in

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RBI releases Draft Guidelines on Fair Practices Code for NBFCs

The Reserve Bank of India (RBI) has today posted the draft Guidelines on Fair Practices Code for Non-Banking Financial Companies (NBFCs) on its web-site.

Non-Banking Financial Companies (NBFCs) which are a part of the financial system contribute to the economic growth by increasing the outreach of credit delivery mechanism. To provide for transparency in transactions between the institutions and the end users and also to provide for well informed business relationship some broad guidelines were considered necessary. The Reserve Bank of India, in this backdrop, has framed the said draft guidelines on Fair Practices Code to serve as a part of best corporate practices. This will go a long way in providing transparency in business practices.

To adopt a consultative approach, the said guidelines have been placed on the Reserve Bank of India's website (www.rbi.org.in) for study by a wider audience. Comments/suggestions may please be sent to ccmitra@rbi.org.in or pratapahuja@rbi.org.in at the earliest but not later than June 9, 2006 for consideration of the Bank.

P.V.Sadanandan
Manager

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