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NBFC stands for Non-Banking Financial Company. It is a financial institution that provides various banking services without meeting the legal definition of a bank. NBFCs play a crucial role in the financial system by complementing the banking sector and catering to the diverse financial needs of individuals and businesses.

The functions of NBFCs include:

1. Providing loans and advances: NBFCs offer various types of loans and advances to individuals and businesses, such as personal loans, vehicle loans, home loans, business loans, and working capital loans. They have more flexibility in lending criteria compared to banks.
2. Investment activities: NBFCs invest in various financial instruments such as stocks, bonds, debentures, and government securities. They also provide services