

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:202
ANSWERED ON:25.02.2000
REFUND OF SERVICE CHARGES BY PGFIL
CHADA SURESH REDDY

Will the Minister of FINANCE be pleased to state:

- (a) whether following a judgement by the Supreme Court in 1996, the R.B.I has directed Peerless General Finance and Investment Limited (PGFIL) to refund the service charges to the depositors which was collected against RBI guidelines:
- (b) if so, whether the Company complied this directive and if so, the total amount paid so far: and
- (c) the time by which the balance amount is likely to be paid in full?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

- (a) RBI have reported that following the judgement of the Hon`ble Supreme Court, companies like PFGIL were allowed to collect a one time non-refundable maximum amount of Rs.80/- only towards the cost of expenses for issuing brochures etc. and servicing the depositors` accounts. Accordingly, the depositors were to be repaid on maturity the aggregate amount of deposits along with contracted returns after adjustments of the service charges applicable.
- (b) In pursuance of the instructions of RBI, Peerless General Finance and Investment Ltd. (PGFIL) has written back an amount of Rs 771.47 crores appropriated earlier from the deposits after adjustments of the allowable service charge in its balance sheet as on 31st March, 1996 towards liabilities to the depositors.
- (c) RBI have reported that the provision for the additional liability in respect of the deposits appropriated earlier will be made in the company`s books in phases and the entire amount will be fully provided for by March, 2001.