

**GOVERNMENT OF INDIA
LAW , JUSTICE AND COMPANY AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:3848
ANSWERED ON:22.03.2001
NON PAYMENT OF DEPOSITS BY ESCORTS FINANCE
ADHIR RANJAN CHOWDHURY

Will the Minister of LAW , JUSTICE AND COMPANY AFFAIRS be pleased to state:

(a) whether the Government have received complaints against Escorts Finance Ltd., Faridabad /New Delhi for non-payment of interest on deposits and non-refund of the Principal amounts to Depositors during the last three years;

(b) if so, the details thereof; and

(c) the action taken by the Government against the said company for such malpractices and to safeguard the interests of the Depositors so far?

Answer

THE MINISTER OF LAW, JUSTICE & COMPANY AFFAIRS AND SHIPPING (SHRI ARUN JAITLEY)

(a), (b) & (c) : The affairs of the Non-Banking Financial Companies(NBFCs) are regulated by Reserve Bank of India.The Company Law Board has been given powers to pass orders, under Section 45QA of the Reserve Bank of India Act,where there is default by NBFCs in repayment of deposits.In case of non-compliance of CLB orders, the RBI has been authorised to take penal action against NBFCs under section 58E of the RBI Act.

In the last three years no complaint against M/s. Escorts Finance Limited has been received in the Company Law Board.