

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

UNSTARRED QUESTION NO:590
ANSWERED ON:28.02.2000
DEFAULTING NON-BANKING FINANCIAL COMPANIES
DR. KIRIT SOMAIYA;RAVINDRA KUMAR PANDEY

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

- (a) whether the Government have any plan to speed up the machinery to solve the problems of small investors in Non-Banking Financial Companies;
- (b) if so, the details thereof;
- (c) the number of cases pending with the Department of Company Affairs against the defaulting Non-Banking Financial Companies throughout the country alongwith the names of such companies, State-wise;
- (d) whether many of these Non-Banking Financial Companies are not traceable and have vanished;
- (e) if so, the steps taken by the Government to trace them;
- (f) the total amount of deposits collected by each of these defaulting Non-Banking Financial Companies;
- (g) the time by which the outstanding amount of the investors is likely to be repaid by these defaulting Non-Banking Financial Companies;
- (h) whether all the defaulting Non-Banking Financial Companies are promptly honouring there-scheduled repayment of deposits as has been ordered by the Company Law Board; and
- (i) if not, the further steps suggested in this direction?

Answer

THE MINISTER OF LAW, JUSTICE & COMPANY AFFAIRS (SHRI RAM JETHMALANI)

Parts (a) to (i) : The affairs of the Non-Banking Financial Companies (NBFCs) are regulated by the 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 Company Law Board orders, the RBI has been authorised to take penal action against NBFCs under section 58E of the RBI Act.

The information about measures regarding NBFCs, deposits collected by them and cases pending against them is being collected and will be laid on the Table of the House.