

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:4545  
ANSWERED ON:23.12.2005  
NON- BANKING FINANCIAL COMPANIES  
Barman Shri Hiten

**Will the Minister of FINANCE be pleased to state:**

- (a) the names of non-banking companies/plantation companies against whom complaints regarding non-payment of hard earned money of investors have been received or noticed by Reserve Bank of India/Company Law Board during each of the last three years alongwith their locations;
- (b) the number of complaints received so far against each company and the details of financial implications thereof;
- (c) the action taken by the Government against these companies;
- (d) whether several such companies have changed their names or converted into Nidhi Companies and still running their business with the permission of Reserve Bank of India; and
- (e) if so, the reasons for permitting them to run their business by changing the names or to convert them into Nidhi Companies ?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a):- Reserve Bank of India (RBI) have reported that their regulation is confined to only deposit acceptance activities of non-banking financial companies under the provisions of RBI Act, 1934 and directions issued thereunder. The information available with RBI about the companies defaulting in payment of deposits is restricted to those companies where legal action has been initiated. So far RBI has filed winding up petition against 76 NBFCs and criminal proceedings in 58 cases. Further police complaints have been filed in 27 cases.

(b):- As and when complaints are received against companies, the matter is taken up with the company concerned. As the complaints are varied in nature, it cannot be translated into financial implications.

(c):- In case of default in repayment of deposits, the depositor has access to Company Law Board (CLB) for redressal. If the company does not comply with the order of CLB, RBI can initiate winding up petition and also file criminal complaint against the directors.

(d) & (e):- Nidhi companies are regulated by Ministry of Company Affairs (MCA) and they have to approach MCA for grant of nidhi status under Companies Act, 1956. The MCA has taken over complete regulation of nidhi companies. Every NBFC has to obtain prior permission of RBI before approaching the Registrar of Companies for change of name.