

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1856
ANSWERED ON:17.07.2009
MONEY OF SMALL DEPOSITS
Nagorao Shri Dudhgaonkar Ganeshrao

Will the Minister of FINANCE be pleased to state:

- (a) whether some of the private financial companies refused to return the money of small depositors on maturity;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether the Government is formulating any regulatory body to control the activities of such companies; and
- (d) if so, the details thereof and the time by which regulatory body is likely to be set up?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) & (b): The details on Non - Banking Finance Companies (NBFCs) who have defaulted in repayment specifically to small depositors on maturity is not available with Reserve Bank of India (RBI). RBI has stated that some of the NBFCs who failed to get registration certificate or whose registration has been cancelled, as they failed to comply with RBI regulations, are still to repay the deposits. Besides, a few companies registered with RBI have also not been able to repay fully the money received as deposits. The non-repayment of deposits was largely due to non-realization of the assets on due dates and also due to mismatches in the asset-liability pattern. RBI has been taking action against NBFCs such as prohibiting the companies from carrying on activities of a the Non - Banking Finance Company and from accepting deposits and alienating assets. RBI has, so far, filed 84 winding up petitions, 70 criminal complaints and 27 police complaints against such NBFCs.

(c) & (d): Necessary regulatory initiatives have already been undertaken by RBI to address the concerns relating to deposit taking NBFCs within the existing legal framework.