

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

UNSTARRED QUESTION NO:7630

ANSWERED ON:15.05.2000

STATUS REPORT FROM RBF NIDHI LIMITED

A. VENKATESH NAIK;BHAVNA DEVRAJ CHIKHALIA;DR. KIRIT SOMAYA;GADDE RAMAMOCHAN;GORDHANBHAI JAVIA;M.V.V.S MURTHI;SHIVAJI MANE

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

- (a) whether the Company Law Board (CLB) has ordered the supersession of the Board of Directors of RBF Nidhi Limited;
- (b) if so, the details thereof;
- (c) whether CLB has also directed the new Board to file a status report on the affairs of the company and time bound scheme for repayment of deposits collected by the company;
- (d) if so, the details thereof;
- (e) whether CLB has taken such decision in other Nidhi Companies which are defaulters; and
- (f) if so, the details of such Companies thereof ?

Answer

MINISTER FOR LAW, JUSTICE & COMPANY AFFAIRS

(SHRI RAM JETHMALANI)

(a) to (f): A statement is annexed.

Statement referred in reply to Lok Sabha Unstarred Question No. 7630 for 15.05.2000 regarding Status Report from RBF Nidhi Limited.

(a) and (b): Yes Sir. The Company Law Board has appointed seven new directors including Chairman vide its order dated 12.01.2000 as indicated below: -

- (1) Shri A. M. Swaminathan, Retd. Secy. Government of Tamilnadu.
- (2) Shri N.R. Sridharan, Retd. Director, Government of India.
- (3) Shri K. J. Pappachen, President, RBF Nidhi Investors Association.
- (4) Shri R. Desikan, Consumer Activist.
- (5) Shri Arvind Datar, Advocate, Madras High Court.
- (6) Shri R. Rudrakumar, Chartered Accountant.
- (7) Shri A.R. Rao, Special Officer appointed by the Central Government has been appointed the Chairman of the Board.

(c) and (d): Yes Sir. The Company Law Board has directed the new Board of Directors to file a status report on the affairs of the company and also a time bound scheme for repayment of deposits by 31.03.2000. The Company Law Board vide its order dated 11.04.2000 has given directions for repayment of deposit as under:-

- (i) All deposits of Rs. 2000 and less will be paid in full so that largest segment of the deposits accounting to a mere Rs.6 crores will go out of the scheme, thus reducing the workload in the company.
- (ii) In respect of all other deposits, 10% of the deposits subject to a minimum of Rs.2000 will be paid. Further repayment of these deposits will be subject to the condition that not more than 50% of these deposits are paid by 31.03.2002.
- (iii) Interest on deposits will be frozen as on 01.11.1999.
- (iv) At the time of making the first payment, the company will also enclose a statement of the amount due to each depositor as on 30.11.1999 and also a summary of the CLB order.

(v) Since interest has been paid in respect of many fixed deposits for the month of November 1999, to ensure that there is uniformity, interest for the month of November 1999 be paid to those fixed deposits against which interest could not be paid for the month of November 1999. This payment should be done within 15 days from the date of receipt of the CLB order.

(vi) With a view to provide some comforts to old age depositors, CLB directed that deposits made by those of the age of over 75/80 years, as may be decided by the Board, be paid in full subject to a maximum of Rs.50, 000. Balance, if any, will be subject to the same terms of repayment as applicable to other depositors. Similar will be the case in respect of deceased depositors.

(e) and (f) Yes Sir. In the case of M/s. Alwarpet Benefit Fund Limited, a Nidhi company which is a defaulter in repayment of deposits on maturity, the Company Law Board has given direction to the Department of Company Affairs for appointment of three (3) directors on the Board of this company. As such the Central Government vide order dated 06.09.1999 has appointed 3 directors namely:

(1) Shri V. R. Lakshminarayanan

(2) Shri H. Venkataraman and

(3) Shri S. Radhakrishnan.