

**GOVERNMENT OF INDIA
COMPANY AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:734
ANSWERED ON:28.07.2006
GRANT OF NIDHI COMPANIES STATUS
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Will the Minister of COMPANY AFFAIRS be pleased to state:

- (a) whether the Government proposes to declare certain special type of non-banking financial companies as Nidhi companies;
- (a) if so, the details thereof alongwith criteria for declaring Nidhi companies;
- (c) the names of the companies declared as Nidhi company during 2005-06;
- (d) the number of applications received during the year;
- (e) the number of applications pending for disposal as on date; and
- (f) the time by which pending cases are likely to be cleared?

Answer

MINISTER OF COMPANY AFFAIRS (SHRI PREM CHAND GUPTA)

(a) & (b) The Government has been granting Nidhi status to certain types of non-banking financial companies under Section 620 A of the Companies Act, 1956. As on date, 257 companies have been granted Nidhi status. Non-Banking Financial Companies that fulfill the criteria laid down in Notifications No. G. S.R. 241, dated 28.4.1995, 555(E) dated 26.7.2001, 308(E) & 309(E) dated 30.4.2002, 202(E) & 203(E) dated 31.3.2006 of this Ministry are considered for grant of Nidhi status. The applicable criteria are given in Annex- I.

(c) This information is given in Annex-II.

(d) 16 applications have been received during the year 2005-06.

(e) & (f) As on date, 150 applications are pending with the Ministry. In most of these cases, the applications are not complete. The applicant companies have been advised to remove those deficiencies. The applicant companies take their own time in removing the deficiencies, and till then the application is treated as pending. Once the application is complete, they are disposed within the time laid down in the Citizen Charter.

ANNEX-I

Annex referred to in part (a) & (b) of the answer to Lok Sabha Un-Starred Question No.734 for 28.7.2006 regarding Grant of Nidhi Companies Status.

Criteria for declaring Non-Banking Financial Companies as Nidhi Companies

- (a) The net owned fund should not be less than Rs.10 lakhs;
- (b) The companies should have earned reasonable profit after wiping off all preliminary expenses and brought forward losses;
- (c) The number of members should not be less than 500;
- (d) Borrowing and lending is restricted to the members only;
- (e) Companies can accept deposits up to twenty times of their respective net owned funds;
- (f) Companies can grant property loans up to 50% of the total loans granted and 50% of the value of the immovable property offered as security;
- (g) Companies should have invested 10% of its deposits in fixed deposit with a scheduled bank;
- (h) Have to be regular in filing returns etc. and no complaints should be pending against the company and its directors;

(i) Should furnish compliance certificate from its auditors regarding compliance of notifications issued by the Ministry of Company Affairs from time to time.

ANNEX-II

Annex referred to in part (c) of the answer to Lok Sabha Un-Starred Question No. 734 for 28.7.2006 regarding Grant of Nidhi Companies Status.

Names of the Companies declared as Nidhis during 2005-06 (vide Notification No.G.S.R.450 (E) dated 01.07.2005)

1. M/s Kasi Viswanathar (Chennai) Benefit Fund Ltd., Chennai.
2. M/s Raj Benefit Fund Ltd., Tamilnadu.
3. M/s Trisea Benefit Fund Ltd., Tamilnadu.
4. M/s Vilavancode Selfreliance Credit Services Ltd., Tamilnadu.
5. M/s Muthoot M. George Permanent Fund Ltd., Kerala.
6. M/s North West Madras Benefit Society Ltd., Chennai.
- 7 M/s Purasai Benefit Fund Ltd., Chennai.
8. M/s Dhana Chakra Permanent Fund (India) Ltd., Andhra Pradesh.
9. M/s Vijaya Krishna Permanent Fund Ltd., Andhra Pradesh.
10. M/s Rani Mangammal Benefit Fund Ltd., Tamilnadu.
11. M/s Sree Varadaraja Benefit Fund Ltd., Chennai.
12. M/s. Sri Kaalihambal Benefit Fund Ltd., Chennai.
13. M/s. Coastal Permanent Fund Ltd., Andhra Pradesh.