

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**RAJYA SABHA
UNSTARRED QUESTION NO. 1817
ANSWERED ON TUESDAY, 05th AUGUST 2025**

Frauds in Nidhi Companies

1817. Shri Derek O' Brien:

Will the Minister of **Corporate Affairs** be pleased to state:

- a) the details of frauds (in Rupees) in Nidhi companies during the last five years, year-wise;
- b) whether it is a fact that there has been an increase in violations of company law by Nidhi companies, if so, the details thereof;
- c) the manner in which Government is protecting depositors, especially from rural areas, from misgovernance and irregularities in Nidhi companies since they are not covered under the Deposit Insurance and Credit Guarantee Corporation; and
- d) the reason for not including Nidhi companies under RBI regulations?

ANSWER

**THE MINISTER OF STATE OF THE MINISTRY OF CORPORATE AFFAIRS AND
MINISTRY OF ROAD TRANSPORT AND HIGHWAYS.**

(SHRI.HARSH MALHOTRA)

(a) to(c): No such verified information regarding increase in violations of company law and frauds by Nidhi companies in the last five years have been noticed by this Ministry. The Ministry of Corporate Affairs takes action against Nidhi Companies for frauds as defined under section 447 of the Companies Act, 2013 read with Nidhi Rules 2014. The information regarding prosecutions filed u/s 447 against Nidhi Companies in the last five years is at Annexure.

However, during the examination of NDH-4 applications (for declaration as a Nidhi company), on finding violations of various provisions of Companies Act, 2013 read with Nidhi rules, 2014 appropriate penal action as per law is taken against the concerned Nidhi Companies.

Further, the Central Government is continuously sensitizing general public to prudently invest in Nidhi Companies and has also written to State DGPs, Chief Secretaries to take necessary action against such companies which are functioning without obtaining declaration. In addition this issue has been taken up in State Level Coordination Committee (SLCC) for inter-agency action against defaulting companies.

(d): There is no such proposal before the Central Government.

Annexure

The details of prosecutions filed u/s 447 of the Companies Act, 2013 in Nidhi Companies in the last five years are as follows:

	2020-21	2021-22	2022-23	2023-24	2024-25
Total	0	0	2	1	3