

STOP --- THINK --- PROCEED

**BEFORE DEPOSITING IN
NBFCs PLEASE NOTE THE
FOLLOWING**

- **NBFCs REGISTERED WITH RBI ONLY CAN ACCEPT DEPOSITS.**
- **DEPOSITS NOT GUARANTEED BY RBI OR ANY OTHER AGENCY.**
- **DEPOSIT PERIOD VARIES FROM 1 YR TO 5 YRS**
- **MAXIMUM INTEREST 12.5% P.A.**
- **NBFCs CANNOT OFFER MORE THAN 2% BROKERAGE**
- **NBFCs CANNOT GIVE GIFTS / INCENTIVES**
- **PROPER RECEIPT FOR DEPOSITS TO BE COLLECTED.**
- **NBFCs SHOULD GIVE ADVANCE NOTICE TO DEPOSITORS ABOUT MATURITY DATE.**



RESERVE BANK OF INDIA



**DEPARTMENT OF NON-BANKING
SUPERVISION**

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RBI REGULATES

- **Compulsory Registration of NBFCs**
- **Minimum Entry point norm –**
Rs. 25 lakhs raised to Rs. 200 lakhs
wef April 21, 1999
- **Liquid Assets –**
Upto 25 % of PDs in unencumbered
approved securities (Presently – 15 %)
- **Reserve Fund -**
Creation and Contribution of 20%
of Profits.
- **Powers to take penal action
on delinquent NBFCs**
- **Powers to follow up on non-compliance
with CLB orders**
- **Powers to issue Directions on acceptance
of deposits, prudential norms etc.**
- **Powers to issue directions to auditors
and cause Special audit of the NBFCs.**
- **Powers to cause winding up of NBFCs**

Q. What is difference between banks & NBFCs?

A. NBFCs are doing functions akin to that of banks, however there are a few differences:

- i. NBFC cannot accept demand deposits;
- ii. it is not a part of the payment and settlement system and as such cannot issue cheques to its customers; and
- iii. deposit insurance facility of DICGC is not available for NBFC depositors unlike in case of banks.

Q. Can you give the address of the bench of the Company Law Board (CLB) in Tamilnadu

A. Bench Officer, Company Law Board, Southern Region Bench, Shastri Bhavan, 'A' Wing, 5th Floor, Block 8, No 26, Haddows Road, Chennai 600 006

Q. In case a NBFC defaults in repayment of deposit what course of action can be taken by depositors?

A. If NBFC defaults in repayment of deposit, the depositor can approach Company Law Board or Consumer Forum or file a civil suit to recover the deposits.

Q. Can one approach Consumer Forum, Civil Court, CLB simultaneously?

A. Yes, a depositor can approach any or all of them