

## **RBI Checking if RoC-Registered Firms are Involved in Non-Banking Business**

RBI is running a check on a large number of companies registered with the Registrars of Companies to see if they have directly or indirectly indulged in the 'activities' of non-banking finance companies.

Last year, RBI had asked the large pool of companies to file their balance sheets and activity related documents.

Various non-banking financial intermediaries could be registered with the RoCs without being registered with the RBI.

Documents being scrutinized

An RBI official confirmed that last year the apex bank undertook an exercise to find out whether RoC-registered companies under the sub-class of financial and related services undertook NBFC activities, including deposit collection.

“At present, the documents gathered are being scrutinised,” the official added on condition of anonymity. Early last year, the Union Ministry of Corporate Affairs had also identified and shared details of some 34,754 RoC-registered companies, which were “capable of functioning” as NBFCs, but not registered with the RBI.

After the Saradha furore, the MCA has been trying to plug the legal and regulatory loopholes to bring “illegal” money collecting entities under a regulatory framework or control mechanism. RBI is the regulator of the 12,157 non-banking finance companies, out of which, 257 are also licensed to take deposits.

NBFCs in Bengal

Interestingly, around 5,800 (registered with RBI) NBFCs operate in West Bengal.

However, only one (West Bengal Infrastructure Development and Finance Company, a State Government unit) retains the RBI licence for deposit collection.

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