



Nidhi Companies

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Why in News

Recently, The Central Government has amended the provisions related to Nidhi companies under the Companies Act, 2013 and the Rules.

- The amendments have been made to make the regulatory regime for Nidhi Companies more effective.
- This will accomplish the objectives of transparency & investor friendliness in the corporate environment of the country.

Key Points

- **Nidhi Rules, 2014** receiving deposits from, and lending to, its members only, for their mutual benefit Under , Nidhi is a company which has been incorporated as a Nidhi with the object of cultivating the habit of thrift and saving amongst its members, .
- **registered Companies Act, 2013** It is a company under the .
- **Ministry of Corporate Affairs** It works on the principle of mutual benefits that are regulated by the .
- Non-Banking Financial Company(NBFC) Reserve Bank of India(RBI) Nidhi Company is a class of and has powers to issue directives for them related to their deposit acceptance activities.
- **shareholder-members only** However, since these Nidhis deal with their , RBI has exempted them from the core provisions of the RBI Act and other directions applicable to NBFCs.

Source: PIB