

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
LOK SABHA

UNSTARRED QUESTION NO. 2393

ANSWERED ON MONDAY, 4th AUGUST, 2025/ 13 SRAVANA 1947 (SAKA)

FRAUD BY HOUSING FINANCE COMPANIES

†2393. SHRI ARUN KUMAR SAGAR:

Will the Minister of FINANCE be pleased to state:

- (a) whether a number of housing finance companies with questionable credibility are operating and defrauding people in the country;
- (b) if so, the details thereof;
- (c) whether the Government has conducted any inquiry in this regard; and
- (d) if so, the action taken by the Government against such companies?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) to (d): Housing Finance Companies (HFCs) are required to obtain Certificate of Registration (CoR) from the Reserve Bank of India (RBI) before commencing/ carrying on the business of housing finance in India. Presently, 91 HFCs are functioning in the country which are regulated by RBI in terms of powers vested under the Reserve Bank of India Act, 1934 and the National Housing Bank Act, 1987. However, NHB exercises supervisory powers over HFCs which include onsite inspections of HFCs as well as collecting returns and various information from HFCs.

Action against defaulting HFCs is taken by RBI from time to time and includes levy of penalties, issuance of warnings, prohibitory orders, cancellation of CoR, etc.

As informed by NHB, a fraud was reported in one HFC alleging manipulation of Books of Accounts and mis-statement of financial statements of the company with involvement of staff. NHB conducted a Snap Audit and a Forensic Audit of the HFC and reported to RBI. Subsequently, RBI superseded the board of directors of the HFC and appointed Administrator. Thereafter, RBI filed petition for insolvency resolution process before the Hon'ble National Company Law Tribunal (NCLT) against the HFC which is under adjudication. However, the HFC has not been prevented from recovering their loans/ instalments of loans from the borrowers and payment of liabilities and expenses.
