



Ministry of Corporate Affairs

## MCA advises investors to verify status of Nidhi companies before investment

Posted On: 25 FEB 2021 11:40AM by PIB Delhi

Under the amended Companies Act, 2013 and the Nidhi Rules, 2014, companies need to get themselves updated (those companies which were earlier declared as Nidhi company under the Companies Act, 1956) or declared as Nidhi company (those companies which were incorporated as Nidhi company after 01.04.2014) by applying to the Ministry of Corporate Affairs (MCA) in form NDH-4. While examining the applications in form NDH-4, it has been observed by the Central Government that these companies have not been complying with the provisions of the rules in-toto. This has resulted in rejection of applications filed by the companies for declaration since they have not been found fit to be declared as Nidhi Company.

Investors are advised to verify the antecedents / status of a Nidhi Company especially their declaration of their status as Nidhi Company by the Central Government before becoming its member and investing their hard earned money in such companies.

\*\*\*\*

RM/KMN

(Release ID: 1700679) Visitor Counter : 105

Read this release in: Hindi , Marathi

