

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
LOK SABHA
UNSTARRED QUESTION NO. 1952

ANSWERED ON MONDAY, 19th DECEMBER, 2022/ AGRAHAYANA 28, 1944 (SAKA)

FRAUD FINANCIAL COMPANIES

1952. SHRI GNANATHIRAVIAM S.:

Will the Minister of FINANCE be pleased to state:

- a) whether some private companies in the country especially in Tamil Nadu are trapping people on the pretext of doubling/increasing their money;
- b) if so, the details thereof;
- c) whether the Government is aware of such fraud companies and if so, whether the Government has taken any action against these companies and helped people in recovering their money; and
- d) if so, the details thereof including the amount usurped by these companies and name of these companies, State-wise?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(DR. BHAGWAT KARAD)

(a) to (d): As per information received from enforcement agencies and regulatory bodies, following are the details:

- **Central Bureau of Investigation (CBI):** CBI has registered 102 cases during the years 2019, 2020, 2021 and 2022 (up to 30.11.2022) involving 135 private companies/ firms/ individuals in the country for trapping people on the pretext of doubling/ increasing their money. The State-wise details of cases registered by CBI are as follows:

SN	Name of State	No. of cases registered
1	Jharkhand	05
2	Karnataka	01
3	Kerala	01
4	New Delhi	03
5	Tripura	03
6	West Bengal	88
7	Madhya Pradesh Tamil Nadu	01 (CBI has registered 01 case against 05 different companies)
	Total cases	102

Note: There are instances where one company has operated in more than one State.

- **Reserve Bank of India (RBI):** State Level Coordination Committee (SLCC) is a joint forum formed in all States to facilitate information sharing among the regulators viz. RBI, SEBI, IRDA, NHB, PFRDA, Registrar of Companies (RoCs) etc. and Enforcement Agencies of the States viz Home Department, Finance Department, Law Department, Economic Offences Wing (EOW) etc., with the objective to control the incidents of unauthorized acceptance of deposits by unscrupulous entities. 5 cases of entities promising high investment returns were discussed in

the State Level Coordination Committee (SLCC) meetings in the State of Tamil Nadu from 01.01.2022 to 30.11.2022.

- **Securities and Exchange Board of India (SEBI):** Complaints from investors, alleging illegal mobilization of funds under the pretext of high assured returns, are examined by SEBI in terms of fulfillment of the conditions as specified in section 11AA of the SEBI Act, 1992. Any scheme mobilizing funds has to fulfill certain conditions to be called upon as a Collective Investment Scheme (CIS) under SEBI (CIS) Regulations, 1999. The number of complaints examined by SEBI during the last 3 years region-wise in terms of SEBI's regional offices are as follows:

Financial Year	Regional Offices (ROs) of SEBI				Head Office (HO)	Total
	South	North	West	East		
2020-21	9	72	6	12	32	131
2021-22	10	27	5	17	9	68
2022-23 (upto Nov, 2022)	24	36	12	27	36	135

- Enforcement action against 44 private companies across the country (including 6 from the State of Tamil Nadu) for defrauding gullible investors on the pretext of doubling/ increasing their money, has been reported by the **Ministry of Corporate Affairs (MCA)**.

In order to tackle the menace of illicit deposit taking schemes which dupe people of their hard-earned savings, and to protect the interests of people, the following steps have been taken:

- The Banning of Unregulated Deposit Schemes Act, 2019 has been enacted by the Central Government. The Act contains comprehensive provisions in this regard prohibiting promoting, operating, issuing advertisements or accepting deposits in any Unregulated Deposit Scheme.
- 29 States / Union Territories have passed Protection of Interest of Depositors (PID) Acts for taking action against entities collecting money from the public illegally.
- Through RBI's online portal SACHET (<https://sachet.rbi.org.in>), which was initially launched on 04.08.2016, the public is cautioned against fraudulent schemes/ entities. From the portal, members of the public can obtain information regarding entities that are allowed to accept deposits, whether the entity is registered with any regulator, lodge complaints and also share information regarding illegal acceptance of deposits by unscrupulous entities.
