

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA
UN-STARRED QUESTION NO. 1198
ANSWERED ON MONDAY, THE 25th NOVEMBER, 2019
[AGRAHAYANA 23, 1940 (SAKA)]**

**FOREIGN FUNDS THROUGH NBFCS
QUESTION**

1198. SHRI SHIVAKUMAR C. UDASI:

**Will the Minister of CORPORATE AFFAIRS
be pleased to state:**

कारपोरेटकार्यमंत्री

- (a) whether the Government is aware that foreign funds, using NBFCS as proxy banks, are leaving India and Indians poorer;**
- (b) if so, the details thereof along with the number of fraud cases committed by vanishing companies, number of investors cheated, amount involved, State/UT-wise;**
- (c) the details of existing guidelines laid down to protect the investors from such fraudulent companies; and**
- (d) the other steps taken/being taken by the Government to protect the investors from such vanishing companies?**

ANSWER

THE MINISTER OF STATE FOR FINANCE

AND CORPORATE AFFAIRS (SHRI ANURAG SINGH THAKUR)

वित्त एवं कॉर्पोरेट कार्यमंत्रालय में राज्यमंत्री

(श्रीअनुराग सिंह ठाकुर)

- (a) &(b):The Government in the Ministry of Corporate Affairs has no such information.**

(c) & (d): The Reserve Bank of India (RBI) has informed that to effectively deal with cases of unauthorised collection of funds by fraudulent entities, State Level Coordination Committees (SLCCs) have been set up in all the States with participation by State Government officials, Law Enforcement Agencies, RBI, Securities Exchange Board of India (SEBI), National Housing Board (NHB), Ministry of Corporate Affairs (MCA), The Pension Fund Regulatory and Development Authority (PFRDA) etc. SLCCs were reconstituted in April, 2014 with the Chief Secretary as the Chair and the frequency of the meetings increased from twice a year to four times a year. Agenda of the meetings of SLCC, inter alia, includes sharing of Market Intelligence (MI) regarding unauthorized deposit mobilisation, organising investor / public awareness campaigns, etc.

A mobile-friendly SLCC website (Sachet) was launched in 2016 to facilitate public to lodge complaints regarding unauthorized fund collection/non-repayment of deposit by unscrupulous entities. In order to deepen and widen the outreach for obtaining information on unauthorized collection of deposits/Ponzi schemes, the portal has been upgraded and made available in 11 Regional languages in addition to Hindi and English, which were already available. Additionally, the portal enables SLCC members to share MI inputs and also helps in spreading financial literacy as it contains material on financial literacy in 13 languages.

The Central Government (MCA) has set up Investor Education and Protection Fund Authority on 7th September, 2016 under section 125 of the Companies Act, 2013 with the objective of promoting investor education, awareness, protection and to make refund of claim to the investors. To reach out to the Investors and sensitise about filing of applications for refund, IEPF Authority issues advertisement and awareness creating messages through print and electronic media from time to time.
