

**GOVERNMENT OF INDIA  
MINISTRY OF CORPORATE AFFAIRS  
LOK SABHA  
UNSTARRED QUESTION NO. 919  
ANSWERED ON THURSDAY, THE 8<sup>TH</sup> AUGUST, 2013  
[SRAVANA 17, 1935 (SAKA)]  
CHIT FUND COMPANIES**

**QUESTION**

**919. SHRI ANAND PRAKASH PARANJPE:  
SHRI EKNATH M. GAIKWAD:  
SHRI D.B. CHANDRE GOWDA:  
SHRI B.B. PATIL:  
SHRI S.R. JEYADURAI:  
SHRI ASADUDDIN OWAI:**

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

- (a) whether the Government proposes to conduct any inquiry through Serious Fraud Investigation Office (SFIO) on cheating of investors by chit fund companies in various parts of the country so as to protect the interests of investors;**
- (b) if so, the details thereof;**
- (c) whether statutory recognition to SFIO has been given; and**
- (d) if not, by when the same is likely to be given so as to strengthen SFIO?**

**ANSWER**

**THE MINISTER OF STATE  
(INDEPENDENT CHARGE)  
IN THE MINISTRY OF CORPORATE AFFAIRS**

**(SHRI SACHIN PILOT)**

कारपोरेट कार्य मंत्रालय में राज्य मंत्री (स्वतंत्र प्रभार)

(श्री सचिन पायलट)

**(a) & (b): 'Chit Fund' companies indulging in cheating of investors are to be proceeded against under the Chit Funds Act 1982 and the Prize Chits & Money Circulation Schemes (Banning) Act, 1978 under which investigations are to be carried out by the State Police authorities. Violations of the provisions of the Companies Act, 1956 by such companies are to be investigated by agencies under the Ministry of Corporate Affairs including the Serious Fraud Investigation Office (SFIO). Thus, while cases of fraud and cheating by the Chit Fund Companies are under investigation by Police Authorities and the Securities and Exchange Board of India (SEBI), in respect of 63 such companies, SFIO is also investigating matters relating primarily to violations of Companies Act, 1956.**

**(c) & (d) Statutory recognition of SFIO is part of the Companies Bill, 2012.**

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