

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2379
ANSWERED ON:10.03.2000
MUTUAL FUNDS
BIKASH CHOWDHURY;SUNIL KHAN

Will the Minister of FINANCE be pleased to state:

(a) whether since India`s liquidity market is liberalized and private players are allowed to enter mutual funds-sector, many have found this sector as a soft peddling ground for frauding investors and a large number of companies have closed their shops siphoning out the invested funds; and

(b) if so, the number and names of such companies so far reported?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI BALASAHEB VIKHE PATIL)

(a) & (b) There are no instances of Mutual Funds having closed their operations. However, the operations of CRB Mutual Fund were stopped by SEBI in May 1997 following irregularities in the non-banking finance activities of their group companies.