

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4536
ANSWERED ON:20.08.2010
COMPLAINTS ON MFS
Sharma Shri Jagdish;Vardhan Shri Harsh

Will the Minister of FINANCE be pleased to state:

- (a) the total number of mutual funds running in the country;
- (b) whether in the year 2009-10 complaints have been received from the investors regarding mutual funds in the country;
- (c) if so, the total number of complaints received in this regard;
- (d) the matter in regard to which maximum number of complaint was received;
- (e) whether any reformative steps have been taken by the Government to prevent the recurrence in this regard in future in view of the large number of complaints received; and
- (f) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

- (a): As on 16-08-2010, there are 48 mutual funds registered with Securities and Exchange Board of India (SEBI), out of which 41 are active.
- (b): Yes, Sir.
- (c): As per the information furnished by the mutual funds on the Association of Mutual Funds of India (AMFI) website, 3,94,079 investor complaints have been received by them in 2009-10.
- (d): As per the classification of complaints, maximum complaints (61,604) have been received in the individual category of non receipt of dividend. However, the general category of 'others' has 1,89,062 complaints which include service requests, queries, correction requests, complaints about investments made online, data entry errors and Systematic Investment Plan (SIP) related complaints.
- (e): Yes, Sir.
- (f): SEBI has mandated the disclosure of investor complaints received by mutual funds on an annual basis, as well as their ageing schedule, on the websites of the funds, AMFI website, and in their annual reports. Other investor friendly measures taken by SEBI include abolition of entry load, ensuring parity among all classes of unit holders while charging exit loads, permitting mutual fund schemes to be transacted through recognized stock exchanges, allowing investor to change his distributor without obtaining 'No Objection Certificate' from existing distributor, revision of standard warning norms in advertisements of mutual funds and mandating systems audit.