

**GOVERNMENT OF INDIA
CORPORATE AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:1441

ANSWERED ON:22.03.2012

IRREGULARITIES IN JVG GROUP

Khaira Shri Chandrakant Bhaurao;Laguri Shri Yashbant Narayan Singh

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether the Government is aware that JVG group is involved in irregularities and violated the RBI guideline;
- (b) if so, the details thereof;
- (c) whether the Serious Fraud Investigation Office (SFIO) has made an enquiry and submitted report to the Government;
- (d) if so, the details thereof;
- (e) whether the JVG has misused the money raised from investors and later defaulted at the time of payment; and
- (f) if so, the action taken to save the investors money?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CORPORATE AFFAIRS (SHRI R.P.N. SINGH)

- (a) & (b) Ministry has no information of JVG Group being involved in violating any RBI guidelines.
- (c) & (d) Investigation into the affairs of thirteen (13) companies of the JVG Group was ordered by the Ministry of Corporate Affairs in the year 2007 and was referred to the SFIO. A list of such companies is at Annexure 'A'. Out of these 4 companies are under liquidation. SFIO has since submitted its reports in respect of each of the said 13 companies.
- (e) & (f) The investigations revealed various instances of misuse of money raised by these companies and defaults in its repayment. Further, the investigations also revealed various instances of Cheating, Fraud, Criminal Breach of Trust and diversion of funds, etc. by the promoters/directors of the said companies. SFIO has since filed prosecution in respect of 9 companies. As the remaining Four companies are under Liquidation, filing of prosecution can be done after obtaining the leave of the Hon'ble High Court in term of section 446 of the Companies Act.