

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:5243

ANSWERED ON:24.04.2015

NBFC FRAUDS

Adsul Shri Anandrao ;Ahlawat Smt. Santosh;Chandrappa Shri B.N.

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Government has set up high level inter-ministerial groups to suggest preventative measures including the formulation of a new law in view of recent financial frauds/scams;
- (b) whether Government is considering to set up any new body to check non banking financial frauds/ponzi schemes; and
- (c) if so, the details thereof and along with the time by which the said body is likely to be submitted its report to the Government?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA)

(a): Government has constituted a High Level Inter-Ministerial Group (IMG) under the Chairmanship of Additional Secretary (Investment), Department of Economic Affairs, Ministry of Finance for identifying gaps in the existing regulatory framework for deposit taking activities and to suggest administrative / legislative measures including formulation of a new law to cover all relevant aspects of 'deposit taking'.

(b) and (c): There is no proposal to set up a new institution to check non-banking financial frauds / ponzi Schemes. However, the efforts are being undertaken to strengthen the mechanisms for sharing of information amongst the Central and State Agencies and the financial sector regulators to take measures to check the non-banking financial frauds / unauthorised deposit collection schemes.

For example, the State Level Coordination Committee (SLCC) is the permanent Institutional Mechanism to, inter alia, deal with the issues of unauthorised / unregistered deposit taking or money collection schemes and vanishing companies. The SLCC has, as its members, apart from the RBI, other regulatory and enforcement agencies. The SLCC is chaired by the Chief Secretary of the State Government. Further, RBI also convenes regular conferences of State Finance Secretaries to discuss, among other things, the issues of unauthorised / unregistered deposit taking or money collection schemes, which are in the domain of SLCC.