

**GOVERNMENT OF INDIA
PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS
LOK SABHA**

UNSTARRED QUESTION NO:4001
ANSWERED ON:17.12.2014
CHIT FUND SCAM
Rao (Avnithi) Shri Muthamsetti Srinivasa

Will the Minister of PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS be pleased to state:

- (a) whether a chit fund scam in Odisha and West Bengal has been unearthed by the CBI;
- (b) if so, the details of the scam, raids conducted and cases registered against the individuals/companies; and
- (c) the steps taken by the Government to recover the amount cheated by these companies /individuals from the investors and return the same to them?

Answer

Minister of State in the Ministry of Personnel, Public Grievances and Pensions and Minister of State in the Prime Minister's Office.
(DR. JITENDRA SINGH)

a) to (c): CBI has registered 57 Regular Cases (RCs) relating to various individuals/ companies involved in the business of Chit Fund in Odisha and West Bengal which are at various stages of investigation. Of these, charge sheets have also been filed in three cases before competent court. Searches have been carried out by CBI in 12 (twelve) of these cases.

Further, the Enforcement Directorate is also conducting investigations under the Prevention of Money Laundering Act, 2002 (PMLA) in the chit fund scams in Odisha and West Bengal. The Enforcement Directorate has registered 09 cases in these scams and conducted 19 search and seizure operations. The Directorate has provisionally attached assets valued around Rs. 500 crore.

Serious Fraud Investigation Office (SFIO) under the Ministry of Corporate Affairs is also investigating the matter under section 235 of the Companies Act, 1956 into the affairs of 63 companies which had indulged in chit fund activities in States of Odisha and West Bengal. After examination of investigation report of SFIO into the affairs of M/s Saradha Realty (India) Ltd and its 13 group companies, M/o Corporate Affairs has issued instructions for filing of prosecutions in respect of various non-compliances of the provisions of Companies Act, 1956. The investigations in the remaining cases are under progress.