

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2670
ANSWERED ON:19.12.2003
PLANTATION COMPANIES
RAM TAHAL CHOUDHARY;SHIVAJI MANE

Will the Minister of FINANCE be pleased to state:

- (a) whether a number of agricultural plantation companies have come up in the country collecting huge funds from the small investors promising most lucrative returns to the investors;
- (b) if so, the total number of such companies which are registered with Government and their total deposits as on date;
- (c) whether the Government is aware that most of these companies are bogus and their post dated cheques have bounced; and
- (d) if so the steps taken by the Government to realize the amount of the investors from these bogus companies?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL):

- (a) to (c) Based on the information filed by the CIS entities with SEBI/application foregistration filed by the CIS entities with SEBI/investor complaints received, SEBI has information regarding 664 entities which had reportedly mobilised about Rs. 3518 crore.
- (d) A total of 563 entities/their concerned officials have been debarred by SEBI from operating in the capital market and/or accessing the capital market for a period of 5 years. These cases have been referred to the state governments to have civil/criminal proceedings initiated against them for apparent offences of fraud, cheating, criminal breach of trust and misappropriation of public funds. SEBI has launched criminal prosecution against 206 entities and their directors for their failure to wind up their CIS to repay their investors. In the case of 51 erring CIS entities, SEBI has requested the police authorities to file first information report against the entities and/or their concerned officials.