

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2706
ANSWERED ON:31.08.2007
PLANTATION COMPANIES
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Will the Minister of FINANCE be pleased to state:

- (a) whether the Securities and Exchange Board of India had ordered the plantation based investment companies to refund the amount mobilized by them;
- (b) if so, the details of the refunded amount, company-wise and State-wise;
- (c) whether action have been taken against some companies; and
- (d) if so, the details thereof?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) to (d) : SEBI has informed that all the Collective Investment Scheme (CIS) including plantation companies, were launched prior to the notification of CIS Regulations in October, 1999. As on date, however, no CIS entity is registered with SEBI under the Regulation. According to information available with SEBI, 664 CIS entities had reportedly mobilized Rs. 3,518 crore from investors. Of these, 54 entities had wound up their schemes and refunded the money to the investors. SEBI had directed the balance 610 entities to refund the money collected under the schemes with returns due to the investors. Pursuant to this, 21 entities wound up their schemes and repaid the investors. Thus, a total of 75 entities have wound up their schemes and refunded the money to investors. The Courts have imposed stay Order/appointed official liquidators/ administrators in respect of 19 entities. SEBI has launched criminal prosecution against the remaining 570 entities. It has also passed Orders debaring these entities and their concerned officials from operating in the capital market for a period of 5 years.