

**Complaint against chit fund schemes**

466. SHRI NARASINGHA PRASAD  
NANDA: SHRI DINESH  
GOSWAMI: DR. V. P. DUTT:

Will the Minister of FINANCE be pleased to state:

(a) whether Government have received complaints against chit fund and money circulating schemes and against operators of those schemes who cheat petty shopkeepers, small artisans, labourers, widows and low wage earners;

(b) if so, what action has been taken on those complaints;

(c) whether Government have seen a report published in 'BLITZ' dated the 1st March, 1980 under the heading—'RBI officials connive. Colossal loot of chit funds'; and

(d) if so, what action has been taken or is proposed to be taken against the erring Reserve Bank of India officials and Chit Fund Schemes?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAGANNATH PAHADIA): (a) to (d) The Government have seen the article published in the weekly 'Blitz' dated 1st March, 1980 regarding the activities of companies operating prize chits and money circulation schemes.

Before the enactment of the Prize Chit and Money Circulation Schemes (Banning) Act, 1978 the acceptance of deposits by financial and miscellaneous non-banking companies was regulated by the directions issued by the Reserve Bank prescribing a ceiling within which such companies could accept deposits and requiring them to disclose all relevant particulars about their management, working results etc. in their advertisements soliciting deposits from the public.

The Reserve Bank took action for the violation of its directions against the delinquent companies and their Directors by filing prosecutions and also by prohibiting companies from accepting fresh deposits.

The Reserve Bank is not statutorily empowered by the Reserve Bank of India Act 1934 to initiate action against such companies or their promoters for offences other than violation of its directions or to compel them to repay the deposits and/or to pay interest thereon. The acceptance of deposits is a contract between the depositor and the concerned company and in case of breach of contract redress can be sought in a court of law.

Taking note of these complaints and to guard the interest of unwary public the Prize Chits and Money Circulation Schemes (Banning) Act was passed by the Parliament and enforced from 12th December, 1978. The authority to administer the various provisions of the Act has been vested in the State Governments who are required to frame rules in consultation with the Reserve Bank. Punitive action under the Act can be taken against the promoters of prize chits and money circulation schemes for violations of the provisions of the Act.

In the opinion of the Reserve Bank no punitive action was called for against its officers.

**Nationalisation of mica mines**

467. SHRI BHOLA PRASAD: SHRI  
KALYAN ROY:

Will the Minister of STEEL AND MINES be pleased to state:

(a) the names of mica mines in the country including names of concerns and individuals who own them;

(b) what is the production of mica during the last three years;

(c) whether Government are aware that a large number of mica mines in Bihar and Andhra Pradesh are being run in an unscientific manner and slaughter mining is going on which will lead to untimely death of these mines;

(d) whether Government propose to nationalise them and take them over for proper development and scientific production; and