

Chit fund companies

58. SHRI R. C. SINGH : Will the Minister of FINANCE be pleased to state :

(a) whether it has come to the notice of the Ministry that lakhs of poor, middle and lower class people are being cheated by Chit Fund Companies;

(b) whether it is a fact that a model Chit Fund Act has been formulated by Parliament and sent to all States for its adoption;

(c) if so, the details of States which have not adopted this;

(d) whether many chit fund companies operate unregistered chits; and

(e) if so, what action the Ministry is taking in such cases and how it is helping the States to contain unauthorized chit companies and unregistered chits?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA) : (a) Chit Fund Companies are regulated by the respective State Governments and as such the information relating to cheating of poor, middle and lower class people by the Chit Fund Companies is not available with the Central Government. The said information may be available with the respective State Governments.

(b) The Chit Fund Act, 1982 extends to the whole of India except the State of Jammu & Kashmir. The Central Government has circulated the model Act to the State Governments for its adoption.

(c) As per the information made available by Reserve Bank of India (RBI), the States of Assam, Bihar, Chhattisgarh, Goa, Himachal Pradesh, Karnataka, Madhya Pradesh, Manipur, Meghalaya, Orissa, Punjab, Rajasthan, Sikkim, Tannil Nadu, Tripura, Uttar Pradesh, West Bengal and Union Territories of Andaman & Nicobar Island, Pondicherry, Chandigarh, Dadra & Nagar Haveli, Lakshadweep Islands and Daman & Diu have so far adopted the Chit Fund Act, 1982.

(d) and (e) As per provisions of Section 4 of the Chit Fund Act, 1982, the Chit Fund Companies have to obtain sanction of the State Government to commence or conduct the business and to get it registered in that State in accordance with the provisions of the Act.