

Operation of CIS by real estate companies

2577. SHRIMATI RENUKA CHOWDHURY: Will the Minister of FINANCE be pleased to state:

(a) whether Government is aware that a large number of companies, especially, real estate developers, are operating Collective Investment Schemes (CIS) without registering themselves for such activities with regulatory authority;

(b) if so, the number of fraudulent CIS entities found to be operating in the country during the last three years and the current year so far;

(c) the number of complaints of investors being duped by the real estate companies received by SEBI so far; and

(d) the steps taken by Government against such unauthorised CIS entities in order to prevent them from duping the investors of their hard earned money?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA): (a) Securities and Exchange Board of India (SEBI) regulates Collective Investment Schemes (CIS) as defined under section 11AA of the SEBI Act, 1992. Based on the complaints/references received from investors and certain authorities, SEBI examines the activities of these companies with respect to applicability of Section 11AA of SEBI Act, 1992 and SEBI (CIS) Regulations, 1999 for carrying out unregistered CIS activities under the garb of real estate business.

(b) During the last three years and current year, SEBI has passed orders against 59 companies for carrying out CIS activities without obtaining certificate of registration as a Collective Investment Management Company. Further, it may be noted that out of the above mentioned 59 companies, 32 entities have been carrying out unregistered CIS activities under the garb of real estate.

(c) SEBI has received 302 complaints against 32 real estate companies carrying out unregistered CIS activities

(d) During the last three years and current year, SEBI has found that 32 companies were operating CIS under the garb of real estate without obtaining Certificate of Registration from SEBI as a Collective Investment Management Company. Accordingly, SEBI has passed orders against these 32 companies for carrying out unregistered CIS activities.

Impact of QEP on Indian Bourses

2578. SHRI NARESH GUJRAL: Will the Minister of FINANCE be pleased to state:

(a) the impact of the end of Quantitative Easing Programme (QEP) by Federal Reserve on Indian Bourses; and