

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2481
ANSWERED ON:10.03.2000
REGISTRATION OF FINANCIAL COMPANIES
BIKASH CHOWDHURY;SUNIL KHAN

Will the Minister of FINANCE be pleased to state:

- (a) whether attention of the Government has been drawn to the statement made by SEBI Chairman that the financial companies denied registration, should not be listed in the stock market; and
- (b) if so, whether the Reserve Bank of India has denied registration to some financial companies in the capital market;
- (c) whether the shares of such companies have increased their value price in the recent period; and
- (d) the names of such companies and the extent of rise in their share price?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

- (a) and (b): The Reserve Bank of India has rejected the applications for registration of 1468 Non Banking Financial Companies (NBFCs). SEBI has advised all stock exchanges to obtain information for all such listed companies. The exchanges have been asked to take appropriate action including issue of show cause notice to companies which had not given correct and complete information in time. The exchanges were further directed to disseminate the correct information to investors/market participants. SEBI has cautioned investors, by way of press releases, to exercise caution while transacting in securities.
- (c) and (d) : The pattern of price rise on the stock markets is widespread and is not limited to such scrips .