

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1914
ANSWERED ON:09.03.2001
'Z' GROUP COMPANIES
CHANDRA NATH SINGH

Will the Minister of FINANCE be pleased to state:

- (a) whether the Mumbai Stock Exchange has decided to suspend trading in large number of companies listed in its 'Z' group;
- (b) if so, the details thereof with names and reasons therefor;
- (c) whether the ninety per cent of the 'Z' group companies have failed to pay listing fees;
- (d) if so, the names of those companies;
- (e) whether any other action is being taken against such companies/promoters; and
- (f) if so, the details thereof?

Answer

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

(a) & (b): The Stock Exchange, Mumbai (BSE) has intimated that it has suspended trading in securities of 499 companies in the 'Z' group of the Exchange with effect from 5th of February, 2001. These companies have not complied with Clause 38 of the Listing Agreement, i.e. they have not paid the annual listing fees in full for the years, 1998-99, 1999-2000 & 2000-2001. The names of these companies have been published in a Press Release issued by the Exchange dated 1st February, 2001. The names are also available on the web site of the Exchange (www.bseindia.com).

(c) & (d): As intimated by the Exchange, as on 5th March, 2001, 1475 companies have been placed in the 'Z' Group. More than 90% of these companies have been placed in this category mainly due to non-payment of listing fees. The names of these companies are available in the web site of the Exchange (www.bseindia.com/datalibrary).

(e) & (f): Companies which do not comply with the provisions of the Listing Agreement are shifted by BSE to the 'Z' group as a proactive measure to protect the interests of investors and to enhance level of compliance by the listed companies with provisions of the Listing Agreement. The Exchange has further intimated that for the present no other action has been taken against such companies/promoters.