

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3271

ANSWERED ON:08.12.2000

DUPING THE PUBLIC

CHANDRAKANT BHAURAO KHAIRE;SADASHIVRAO DADOBA MANDLIK

Will the Minister of FINANCE be pleased to state:

- (a) whether some companies have adopted a tendency to collect the money of investors and disappear from the market;
- (b) if so, the details of those companies with their name during the last three years;
- (c) the action taken/proposed to be taken by SEBI against such companies Chairman/Directors;
- (d) whether the Government propose to establish an Authority who could warn the investors about such proxy public issues; and
- (e) if so, the details thereof?

Answer

MINISTRY OF STATE IN THE MINISTRY OF FINANCE (BALASAHEB VIHE PATIL)

- (a) Certain instances have been brought to the notice of the market regulator, the Securities and Exchange Board of India (SEBI) of companies not complying with listing requirements of stock exchanges and which could not be traced at their registered office addresses. As on 15th October 2000, a total of 177 such companies have been identified by SEBI.
- (b) The names of these companies and their directors have been published for general information of the public through press releases/public notices and are also available on SEBI's website (www.sebi.gov.in).
- (c) SEBI has issued directions against 70 companies and 302 directors of these companies prohibiting them from associating in any respect with capital market related activities. The names of these companies have also been forwarded to the Department of Company Affairs and to the respective State Governments for appropriate action.
- (d) & (e) No, Sir. However, the Government and SEBI are committed to promoting better investor awareness of the risk-return trade-off in capital market instruments. One of the means that is being used to achieve this is the promotion of education and training of investors and intermediaries in securities markets.