

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:2038  
ANSWERED ON:03.08.2001  
REPORT ON INVESTOR PROTECTION  
IQBAL AHMED SARADGI

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the report on investor protection has called for a clear shift in SEBI's role as a regulator;
- (b) if so, whether under the present circumstances, SEBI cannot restrict itself to being an off-the-field regulator and instead it should be an on-and-off-the-field regulator on the lines of the Securities and Exchange Commission of the US;
- (c) if so, the other recommendations made; and
- (d) to what extent the role of SEBI has been formulated?

**Answer**

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

- (a) & (b) In a report on investor protection prepared by Dr. N.L. Mitra, it has been recommended, inter-alia, that the Securities and Exchange Board of India (SEBI) should be both 'an on-and-off' the field regulator.
- (c) Other recommendations include, empowerment of SEBI to conduct inquiry and investigation, to search, seize and attach properties and for prosecution, establishment of Special Courts to try financial fraud.
- (d) Government expects to propose legislative changes in the SEBI Act to, inter-alia, strengthen provisions for the protection of investors.