

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:134
ANSWERED ON:03.03.2000
UNTRACEABLE LISTED COMPANIES AND SEBI
SANJAY PASWAN

Will the Minister of FINANCE be pleased to state:

- (a) whether SEBI has decided to refer the cases of untraceable listed companies to State Governments for appropriate action under IPC or other State laws;
- (b) whether the Government have empowered SEBI to deal with such cases;
- (c) if so, the reasons for SEBI not dealing with such cases;
- (d) whether the Government are aware that SEBI has not given any attention to redress the grievances of general investors;
- (e) if so, the details of complaints received/redressed by SEBI, till date; and
- (f) the steps taken to revamp the SEBI?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI V.DHANANJAYA KUMAR)

(a) to (f) A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN THE REPLY TO LOK SABHA STARRED QUESTION NO. 134 FOR ANSWER ON FRIDA 3RD MARCH 2000 REGARDING UNTRACEABLE LISTED COMPANIES AND SEBI

(a) Yes, Sir. In addition to the action taken by the Securities and Exchange Board of India (SEBI) and the other regulatory agencies, namely, the Reserve Bank of India (RBI) and the Department of Company Affairs (DCA), a Central Coordination and Monitoring Committee consisting of representatives from SEBI and DCA, decided to refer cases where cheating or fraud is observed, to the respective State Governments, for action under the Indian Penal Code.

(b) & (c) SEBI is empowered to initiate action against entities for the protection of investor interest under the SEBI Act, 1992. Companies which mobilise resources through public issues in the capital market come under the regulatory purview of SEBI. SEBI has so far debarred 57 companies and 214 directors from associating with the capital market in any manner for a period of five years.

(d) & (e) SEBI has set up an Investor Grievances Redressal and Guidance Division which assists investors who make complaints to SEBI against companies. Each complaint is acknowledged. Further, a standardised complaint format is available at all SEBI offices and also on the SEBI website. Each complaint is taken up with the company immediately and followed up every quarter. SEBI has so far received 25,10,368 complaints/grievances from investors against companies. These were taken up by SEBI with the concerned companies for redressal. Of these, a total of 23,98,765 grievances, that is about 96%, have been addressed.

(f) SEBI is an independent statutory authority. It is the endeavour of the Government to strengthen the role of SEBI with a view to enable this authority to discharge its functions effectively and efficiently. The functioning of SEBI is constantly reviewed with a view to improving its efficiency and effectiveness.